

CITY OF SPRINGFIELD, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2024

On the cover: The seal contains several scenes of Springfield's historic buildings. In its crest is a picture of the Springfield Armory's arsenal building with the American flag, the only recognizable landmark of the seal extant today.



The arsenal building of the Springfield Armory Museum and historical site.

City of Springfield, Massachusetts

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024



Prepared by:

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

CITY OF SPRINGFIELD, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

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Introductory Section



The City of Springfield's long awaited 31 Elm Street Project is complete. This project adds 59 market rate and 15 middle income units to the heart of Springfield's downtown.

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A view of the topping off of the new Civic Center garage. The \$80M project will provide state-of-the-art parking and amenities.

Introductory Section

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THE CITY OF SPRINGFIELD, MASSACHUSETTS

Letter of Transmittal

January 30, 2025

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, 2024.

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, 2024, are fairly presented in conformity with GAAP.

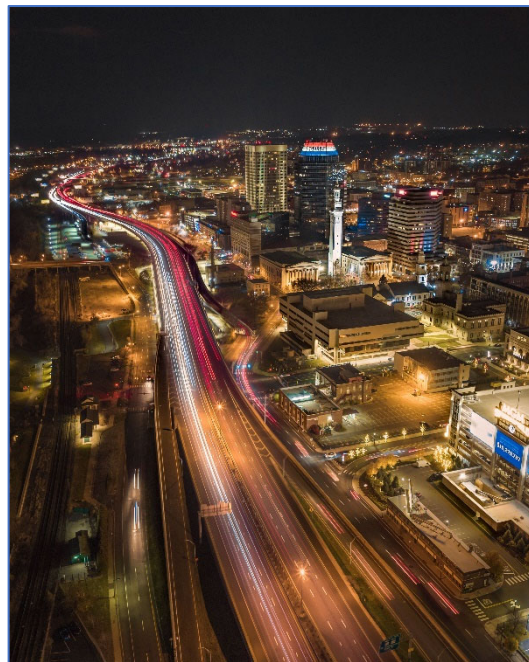
The City of Springfield's financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024, are free of material 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. Marcum LLP 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, 2024 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 auditors' 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 800 employees remain at its Springfield facility, continuing to make it one of the City's largest employers.

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's 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 in the 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. On the next page is a chart that outlines recent investments that occurred under these programs.

The company is also making significant investments in 2024 to one of its oldest stores, refurbishing the location at 1090 St. James Avenue at the same time the City invested in infrastructure-upgrades around the store.

In other retail developments in Springfield, the long standing Eastfield Mall site was cleared by its new owners to prepare it for an over \$65 million redevelopment named "Springfield Crossing". The

development has secured several national tenants and expects to be a regional draw for shoppers, and also contemplates housing as a potential use in future phases. The project expects to have some stores completed in 2025 with the majority of the project complete by 2026.

The City of Springfield partners with the Commonwealth of Massachusetts in offering the Economic Development Incentive Program (EDIP) incentives including Tax Increment Financing (TIF) 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 approved TIF projects in Springfield is the expansion of Performance Food Group, which will create an additional 350 new jobs with average salaries of \$70,000 per year. Planning and construction began on the food distribution expansion project in the summer of 2024.



Below is a chart that outlines recent investments that occurred under these programs.

<u>Project</u>	<u>Type</u>	<u>Year Certified</u>
Performance Food Group	TIF	2024
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

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.

Over the past 16 years, Springfield has replaced three elementary schools.

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 2024, Western New England University welcomed its largest freshman class in over 100 year history of the school. Springfield College opened its new \$62 million Health Sciences Building in late 2023, a facility that will focus on the future of clinical services and business opportunities in healthcare. American International College (AIC) recently opened its new \$7.5 million Colaccino Center for Health Sciences building and student dormitory along State Street.



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-bassinet, 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", which resulted in the completion of 24 new state of the art operating rooms, eight procedure rooms, and 80 preparation and recovery bays.

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 a 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 foot 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 2024 Fortune 500 list of the United States' largest companies, MassMutual is listed at No. 102, with estimated revenue of \$10 billion and assets under management of over \$500 billion. The company has also been named a World's Most Admired Company by Fortune Magazine in 2023. In 2024, MassMutual and Baystate Health announced a partnership to develop a new \$50 million, 90,000 square foot, neighborhood health center on the campus of MassMutual.



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 Museums, MGM Springfield, Springfield Thunderbirds, 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 ended the 2023-2024 season with 14 consecutive sellouts – a franchise records.



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. The new parking garage is slated to open in early 2025, with the new South Entrance to the MassMutual Center opening a short time after that.

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. A new Boston Celtics vault exhibit opened in the summer of 2024.

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 thousands of 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. In MGM's short time managing the MassMutual Center including Stevie Wonder, Cher, Bruno Mars, Aerosmith, and Maroon 5. These major events have increased tourism demand, which has sprouted new investment hospitality amenities, especially in Springfield's downtown and adjacent neighborhoods. While Covid-19 had significantly impacted MGM Springfield operations, revenues in 2024 have returned to levels and even eclipsed those of similar months pre-pandemic.

Hotel investments have continued with increased tourism. The former Tower Square Hotel made a significant investment to redevelop the property and return the Marriott brand to downtown Springfield with a November 2022 grand opening. 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. Additional hotel projects have been considering Springfield for potential future investments.



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 Office of Planning & Economic Development (OPED)

Housing Development

The City updated and released in 2023 a new market rate housing study for downtown Springfield, available on the Office of Planning & Economic Development website. This 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.



The City has made great advance in both market-rate and affordable housing in recent years, including a pair of grand openings of long-vacant, difficult projects that have since been redeveloped to vibrant new house.

ThirtyOne Elm held its grand opening in 2024, highlighting a successful partnership of Winn Development, OPAL Real Estate and funding partners MGM Springfield as well as city and state allocations. The 74 units of 13 apartments located at the historic 13-31 Elm Street building, were wildly popular upon completion, fully leased at opening. The building looks over historic Court Square Park, which is wrapping up a \$5 million renovation in 2024.



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, recently completed the redevelopment of 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. The Knox building opened fully leased with a waiting list of interested applicants in the hundreds.

In 2024, the City joined a special ribbon cutting ceremony on the newly constructed Gemini Townhomes being developed by Home City Housing in the South End neighborhood.

The 40 new construction, affordable 2-3 bedroom condominiums are being offered for sale to qualified First-Time Homebuyers with price starting at \$170,000. The units include a clean energy design featuring electric utilities, enclosed garages, and a community pavilion.

Buyers must qualify as first-time homebuyers, meet the household AMI requirements, and have been pre-approved to purchase a condominium by a mortgage lender.

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 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 additions better integrates 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.

Technology & Innovation

Union Station is also now the proud home of the Richard E. Neal CyberSecurity Center of Excellence, which held its grand opening in September 2024.

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 City helped the \$5 million center become a reality through a \$500,000 ARPA grant, funding from the Springfield Redevelopment Authority, and in-kind facility buildout management through the Capital Assets Construction department.

The state-of-the-art facility will be operated by Springfield Technical Community College and will be dedicated to advancing education and innovation in the field of cybersecurity and protecting against



security threats. The center will be a higher education facility but will also work with local high school students in starting to prepare them in the field.

Solar continues to be a driving force of clean energy in Springfield. 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.

Further, in 2024, the City was the only city in New England to receive a coveted EPA Community Change grant. The nearly \$20 million grant will retrofit 30 one-to-four-unit homes to reduce energy use and improve indoor air quality; and complete home rehabilitation projects to remove lead and other pollution hazards. It will convert two city-owned buildings to non-grid clean energy sources and expand their use as community resilience hubs and emergency shelter locations. It also will expand tree canopy by planting 1,500 trees; help fund and expand a city e-bikeshare program; support a workforce development program for HVAC-R technicians; and complete other activities.

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. In 2024, WestMass took over management of DevelopSpringfield and the Innovation Center and completed a facility upgrade needed to unlock historic tax credits for the project. The facility will look to become a shared workspace location in 2025 and is already home to expanded Make-It Springfield – a community maker space that had outgrown its initial location on Worthington Street. Make-It hosts a new 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 2024, the City of Springfield joined other partners in restarting the regional BikeShare system. ValleyBike is an electrically assisted bike share program connecting Springfield with several other municipalities along with Pioneer Valley, representing over 300 bicycles across 66 stations. While a contractor issue prevented bicycles from operating in 2023, the system is back with a new vendor and new bikes in 2024. Springfield users have regularly been a community with the highest number of miles traveled in the entire system.

Government Projects

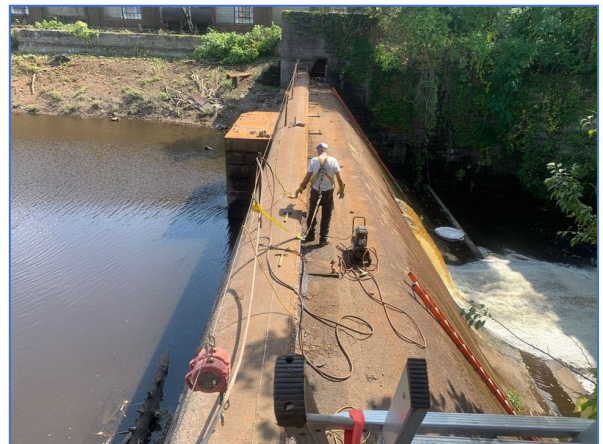
Springfield, in partnership with the State of Massachusetts, continues to invest in capital improvements in its infrastructure. The Six Corners roundabout, located at a busy intersection of Walnut Street, was completed in 2020. This \$4.1 million intersection redesign increased pedestrian and bicycle 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 circle has been so welcomed, the State moved forward on another intersection conversion project at Tapley Street and St. James Avenue, with completion of a new roundabout there in late 2024. This \$7.4 million project is on a similar timeline for significant infrastructure improvements being made further down St. James Avenue at the intersection of Carew Street.

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 neighborhoods. 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 acquired 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 collaboratively on a new parking structure for the neighborhood on Willow Street to help support the redevelopment and future development needs of this growing area. The SRA has made property acquisitions in 2024 in order to further these plans and to attract additional private investment to the district.

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.

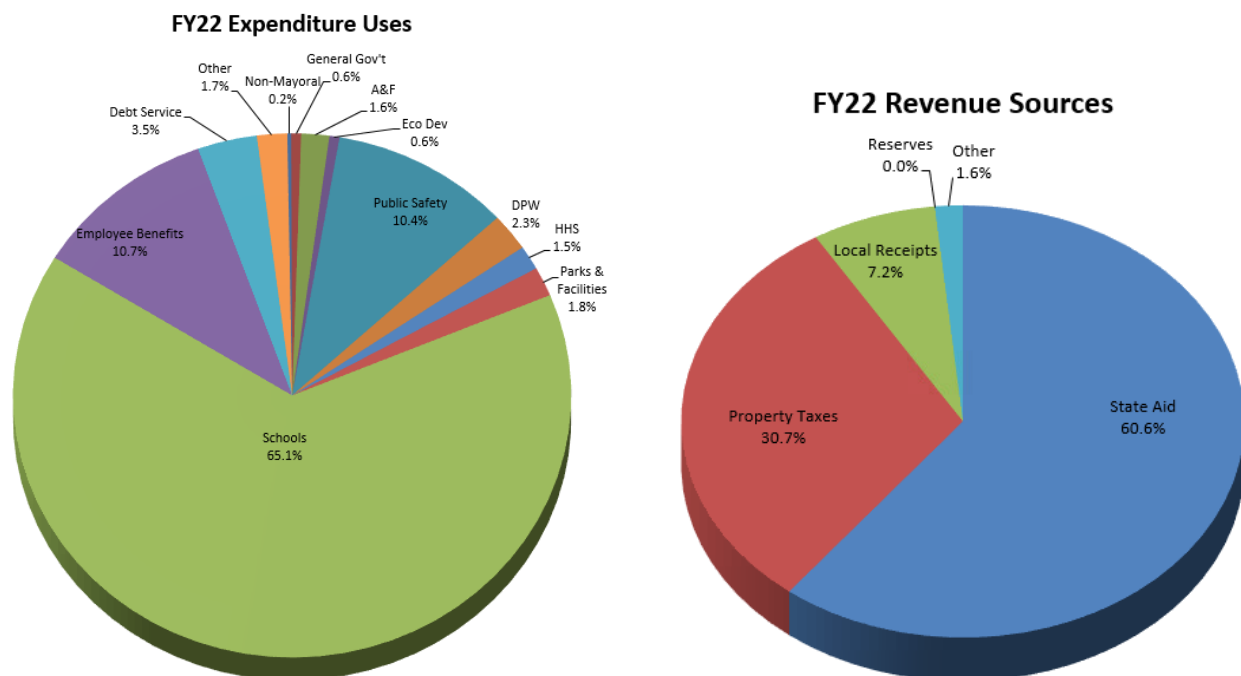
As a result of an initiative law adopted in November 1980, school committees are no longer autonomous with respect to school expenditures for current purposes. The school budget is limited to the total amount appropriated by the City Council, but the school committee retains full power to allocate the 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 2022

The FY22 Adopted Budget totaled \$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.

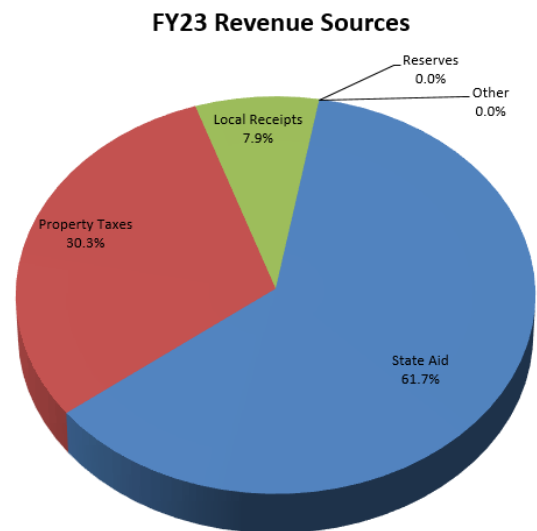
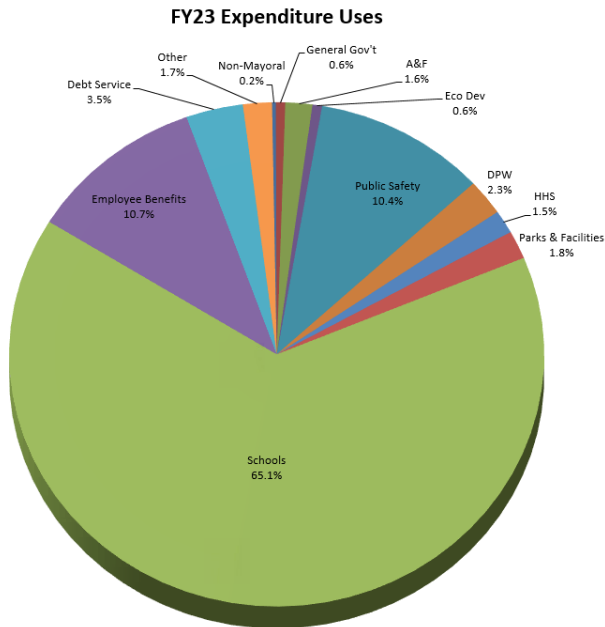
A balanced approach was used to solve the projected budget gap. This approach relied upon spending reductions, revenue maximization (including through the use of federal COVID relief funding), and notably, did not utilize stabilization reserves despite the financial effects of the pandemic. FY22 marks 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 totaled \$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.

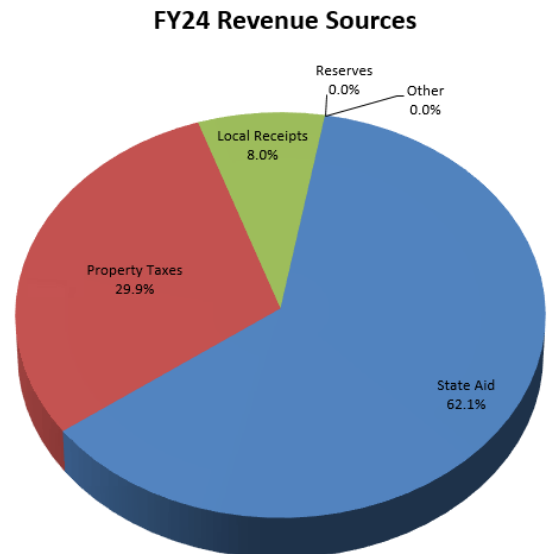
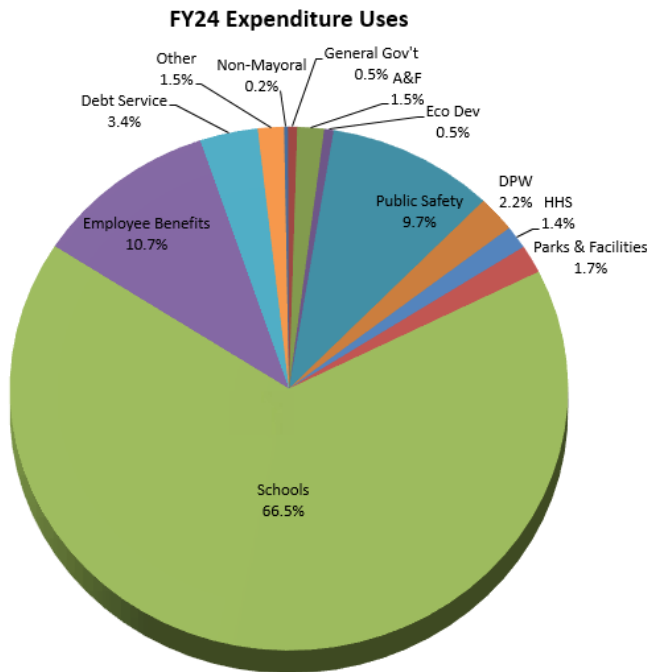
A balanced approach was used to solve the projected budget gap. This approach relied upon spending reductions, revenue maximization to pre-COVID levels, and notably, did not utilize stabilization reserves for the eighth consecutive year. All budget decisions were considered in the context of providing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



Fiscal Year 2024

The FY24 Adopted Budget totaled \$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.

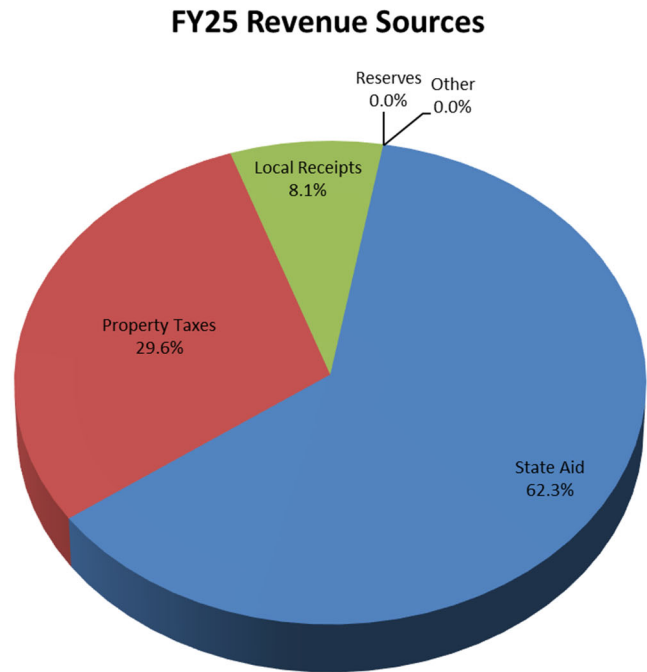
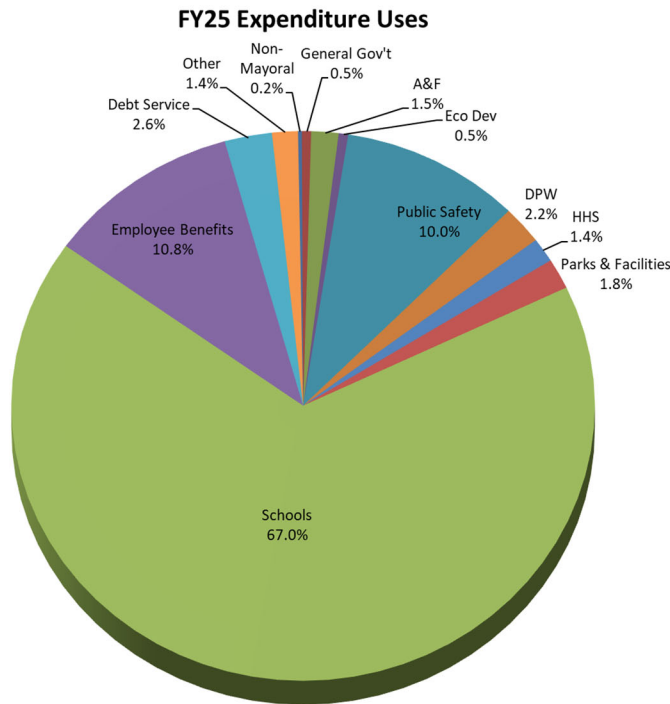
A balanced approach was used to solve the projected budget gap. This approach relied on reductions to spending through year over year analysis and revenue maximization because of previous year actuals and projections, and notably, did not utilize stabilization reserves for the ninth consecutive year. 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.



Fiscal Year 2025

The FY25 Adopted Budget totals \$928.7 million, which represents an 5.8% increase over the FY24 Adopted Budget. For FY25, the projected gap after budget request submissions totaled \$24.6 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 tenth consecutive year. All budget decisions were considered in the context 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.

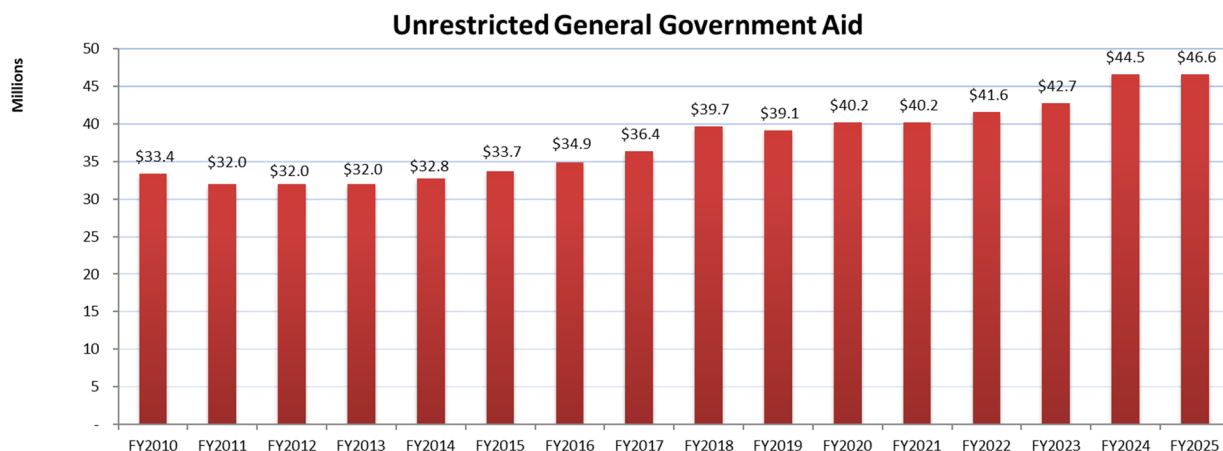
The MYFP illustrates how decisions today will affect the City's financial future. The development of this document is essential for ensuring that decisions made during the budget making process are sustainable. Projecting out budget gaps in future years also helps frame discussions around dealing with 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.

Springfield Multi-Year Financial Plan Projection FY25-FY28				
	FISCAL 2025 ADOPTED	FISCAL 2026 PROJECTED	FISCAL 2027 PROJECTED	FISCAL 2028 PROJECTED
<i>SPENDING ASSUMPTIONS</i>				
Administration and Finance Division	17,034,608	17,492,487	18,005,383	18,494,689
Development Division	4,661,211	4,754,436	4,849,524	4,946,515
General Government Division	4,814,304	4,910,590	5,008,802	5,108,978
Non-Mayoral Division	1,931,833	1,970,470	2,009,879	2,050,077
Health and Human Services Division	12,800,875	13,056,893	13,318,030	13,584,391
Public Safety Division	89,540,822	91,354,200	93,204,528	95,092,564
Public Works Division	20,515,754	20,926,069	21,344,591	21,771,483
Parks & Facilities Division	17,270,811	17,616,227	17,968,552	18,327,923
School Department	627,288,835	656,036,216	682,348,455	709,722,882
Debt	23,143,037	24,836,751	24,468,776	20,507,061
Health Insurance & Fringe	32,193,376	35,077,139	38,233,663	41,688,930
Pensions	67,489,816	73,698,879	80,479,175	87,883,259
Other Spending	10,032,151	10,370,003	10,595,060	10,827,306
Total	928,717,433	972,100,360	1,011,834,417	1,050,006,057
<i>REVENUE ASSUMPTIONS</i>				
Property Taxes	275,239,817	278,533,313	285,496,646	292,634,062
Local Receipts	74,934,136	68,736,720	68,688,662	68,751,520
State Aid	578,543,479	600,113,753	622,528,439	645,821,020
Reserves	-	-	-	-
Net School Spending	-	-	-	-
Certified Free Cash	-	-	-	-
Casino Revenue	-	-	-	-
Total	928,717,433	947,383,786	976,713,747	1,007,206,602
SURPLUS / (GAP)	(0)	(24,716,574)	(35,120,670)	(42,799,455)

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. Since FY21, 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 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, with UGGA funding levels increasing 6.1% over FY24.



- **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										
FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
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	1,497.3	1,510.8

- **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. These increases 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 \$904.2 million as of January 1, 2024. Our funded status is 40.1%. The City is currently on a schedule to fully fund its pension liability by FY34.
- **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 \$1.13 billion as of June 30, 2024.
- **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, 2023. This was the thirteenth 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 2024. This was the sixteenth 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 FY2025 budget will meet the criteria to be eligible for a seventeenth 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.

Patrick S. Burns	City Comptroller
Joanne Raleigh	Deputy 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

Respectfully submitted,

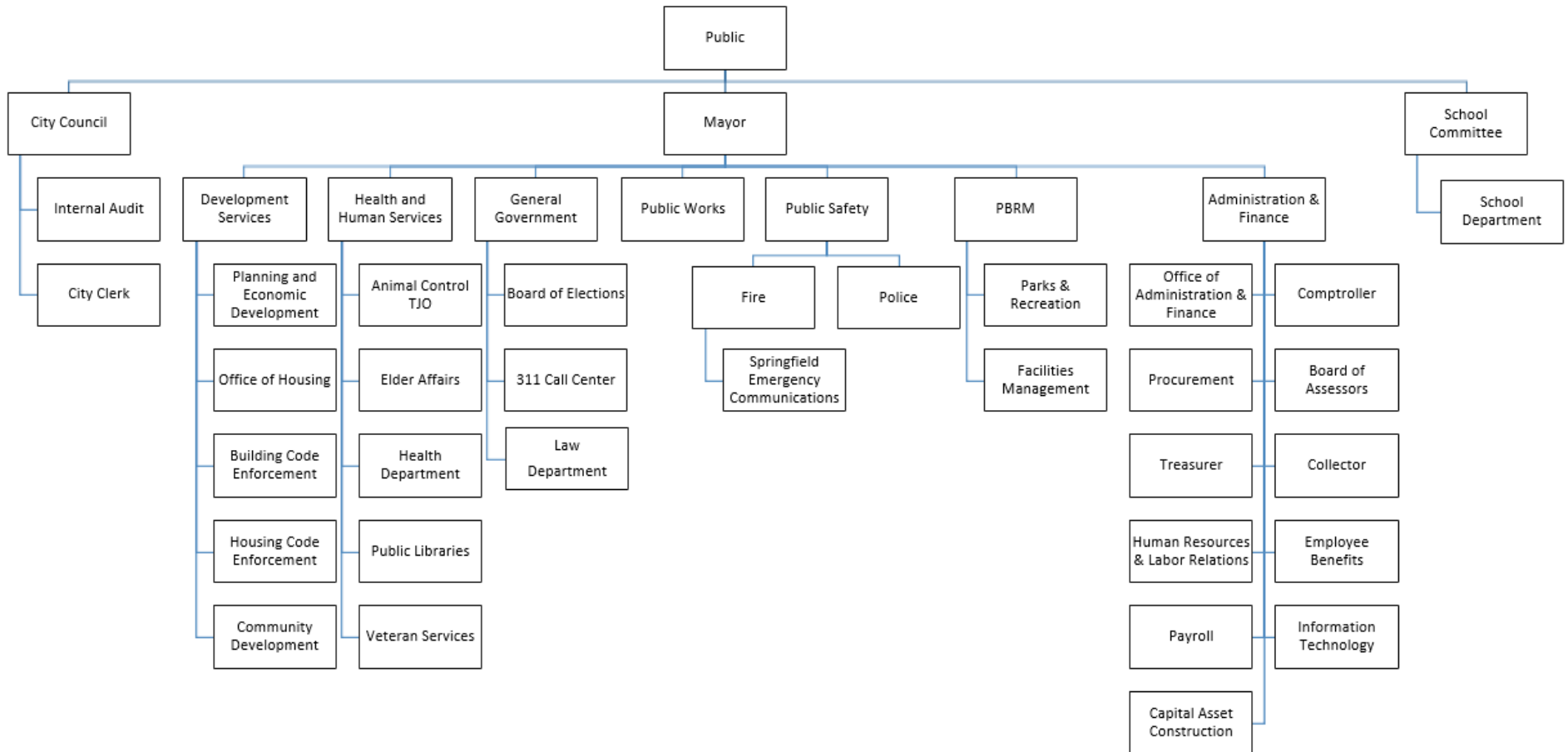


Cathy Buono
Chief Administrative & Financial Officer

City of Springfield, Massachusetts

Organizational Chart

As of June 30, 2024



City of Springfield, Massachusetts

Directory of Officials

As of June 30, 2024

Mayor

Domenic J. Sarno

City Council

Michael A. Fenton, Ward 2 (President)

Melvin A. Edwards, Ward 3 (Vice President)
Malo Brown, Ward 4
Victor Davila, Ward 6
Zaida Govan, Ward 8
Brian Santaniello, At Large
Tracye Whitfield, At Large

Maria Perez, Ward 1
Lavar Click-Bruce, Ward 5
Timothy C. Allen, Ward 7
Jose Delgado, At Large
Kateri Walsh, At Large
Sean Curran, At Large

School Committee

Mayor Domenic J. Sarno (Chairman)

Joesiah I. Gonzalez, District 1 (Vice-Chair)
Christopher Collins, District 3
Denise Hurst, At Large

Barbara Gresham, District 2
Atty. Peter Murphy, District 4
LaTonia Monroe-Naylor, At Large

Appointed City Executive Branch

Chief Administrative and Financial Officer
Comptroller
Deputy Chief Administrative and Financial Officer
Director of Internal Audit
Treasurer/Collector
Chairman of the Board of Assessors
City Clerk

Cathy Buono
Patrick S. Burns
Lindsay Hackett
Yong Ju No
Stephen J. Lonergan
Patrick Greenhalgh
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, 2023

Christopher P. Morill

Executive Director/CEO

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Financial Section



James Paleologopoulos / WAMC

The City of Springfield, Massachusetts is home to a new football field (Plumb Field)— part of a larger project to add more student athletic facilities to the area.

City of Springfield, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2024



New Central High School baseball field.

Financial Section

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INDEPENDENT AUDITORS' 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 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, 2024 (except for the Springfield Contributory Retirement System which is as of and for the year ended December 31, 2023), 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 accompanying 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, 2024 (except for the Springfield Contributory Retirement System which is as of and for the year ended December 31, 2023), 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 Contributory Retirement System which comprises 97.42%, 97.42%, and 81.51% of the assets, net position and additions of the Pension and Other Employee Benefit Trust Funds. We did not audit the Springfield Empowerment Zone Partnership, Inc., a blended component unit, which represents .966%, .905% and 3.13% of the assets, fund balance and revenues of the non-major governmental funds and less than 1% of the assets, net position and revenues of the governmental activities. We did not audit the Springfield Library Foundation, Inc., a blended component unit, which represents 9.72%, 12.19% and 1.70% of the assets, fund balance and revenues of the non-major governmental funds and less than 1% of the assets, net position and revenues of the governmental activities. 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 Empowerment Zone Partnership, Inc., and the Springfield Library Foundation, Inc. are based solely on the reports of the other auditors.

We did not audit the financial statements of the Springfield Redevelopment Authority, a discretely presented component unit. Those statements were audited by another auditor whose report have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Springfield Redevelopment Authority is 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 and the other auditors' have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 GAAS. 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 auditors' 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 January 30, 2025, 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.

Marcum LLP

Boston, MA
January 30, 2025

Management's Discussion and Analysis

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

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, 2024. 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 auditors' 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 auditors' 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).

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

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, and 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 \$7.3 million in 2024 and \$6.2 million in 2023.

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The City uses these 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 2024 by \$1.4 billion and \$9.9 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 \$813.5 million and \$1.1 billion, respectively.
- At the close of the current year, the City's general fund reported an ending fund balance of \$221.0 million, an increase of \$19.4 million over the prior year. Total fund balance represents 24.0% of total general fund expenditures. Of the total, \$144.6 million is unassigned and available for appropriation at the City's discretion. The remaining portions of the general fund balance, \$76.5 million, are restricted and assigned to school funding, required reserves, and carryover encumbrances.
- During fiscal year 2024, the City incurred \$99.6 million of expenditures related to the COVID-19 Pandemic which were funded by State and Federal grants. The City has received a significant amount of COVID-19 related grants in the past few years, \$23.0 million of which has been recorded as unearned revenue at June 30, 2024, 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.

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Governmental Activities

	2024	2023
Assets:		
Current assets..... \$	484,435,615	\$ 476,003,850
Noncurrent assets (excluding capital).....	15,440,261	14,180,884
Capital assets, nondepreciable.....	36,248,524	105,841,964
Capital assets, net of accumulated depreciation.....	795,742,757	686,803,237
Total assets.....	1,331,867,157	1,282,829,935
Deferred outflows of resources.....	160,437,372	201,046,337
Liabilities:		
Current liabilities (excluding debt).....	119,167,819	158,845,046
Noncurrent liabilities (excluding debt).....	1,949,782,318	2,062,541,456
Current debt.....	38,729,733	31,578,153
Noncurrent debt.....	296,580,317	275,505,094
Total liabilities.....	2,404,260,187	2,528,469,749
Deferred inflows of resources.....	460,329,412	392,052,712
Net position:		
Net investment in capital assets.....	541,248,849	516,822,747
Restricted.....	57,304,515	53,936,779
Unrestricted.....	(1,970,838,434)	(2,007,405,715)
Total net position..... \$	<u>(1,372,285,070)</u>	<u>(1,436,646,189)</u>

Governmental net position of \$541.2 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 \$57.3 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 \$808.6 million of net pension liability and \$1.1 billion of net other postemployment benefit (OPEB) liability through June 30, 2024.

Net position increased by \$64.4 million in 2024 as compared to an increase of \$13.3 million in 2023. The change over the prior year is primarily the result of capital assets additions funded by capital grant

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

revenues and long-term debt. Long term debt and lease obligations decreased \$20 million over the prior year. Additionally, a net decrease of \$4.9 million, in the net pension and net OPEB liabilities and related deferred inflows and outflows of resources also factored into the change in net position.

	2024	2023
Program Revenues:		
Charges for services..... \$	50,493,203	\$ 44,156,968
Operating grants and contributions.....	778,823,449	716,530,094
Capital grants and contributions.....	16,004,446	25,706,205
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	251,875,478	238,379,470
Tax and other liens.....	2,223,794	1,296,775
Motor vehicle and other excise taxes.....	14,056,035	11,696,066
Hotel/motel, meals and cannabis local option taxes.....	6,402,144	5,967,757
Community preservation tax.....	2,216,481	2,188,572
Penalties and interest on taxes.....	1,961,292	1,728,695
Payments in lieu of taxes.....	302,040	282,619
Chapter 121A - excise payments in lieu of taxes.....	17,214,672	17,520,063
Grants and contributions not restricted to specific programs.....	45,523,343	44,411,397
Unrestricted investment income.....	17,324,057	6,066,345
Total revenues.....	1,204,420,434	1,115,931,026
Expenses:		
General government.....	93,550,824	83,188,567
Public safety.....	159,060,837	158,256,121
Education.....	796,802,969	776,835,965
Public works.....	27,397,746	26,215,550
Health and welfare.....	10,911,928	10,733,991
Culture and recreation.....	30,786,266	27,582,352
Community preservation.....	1,306,583	752,273
Interest.....	12,975,400	12,949,414
Total expenses.....	1,132,792,553	1,096,514,233
Excess (Deficiency) before transfers.....	71,627,881	19,416,793
Transfers.....	(7,266,762)	(6,165,593)
Change in net position.....	64,361,119	13,251,200
Net position, beginning of year.....	(1,436,646,189)	(1,449,897,389)
Net position, end of year..... \$	<u>(1,372,285,070)</u>	<u>(1,436,646,189)</u>

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Financial notes related to governmental activities:

- Charges for services represent 4.2% 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 24.6% of current resources.
- Other revenues comprised a total of 5.2% 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 \$796.8 million in expenses were recorded in 2024. After accounting for \$743.6 million in program revenues, an additional \$53.2 million in taxes and other revenues were needed to cover its 2024 operating expenses. Approximately \$62 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 \$138.5 million, \$34.6 million, and \$22.9 million, for public safety, general government, and culture and recreation, respectively, of taxes and other non-program revenues were needed to cover their 2024 operating expenses.

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Business-type Activities

Business-type activities increased the City's net position by \$1.5 million during 2024. These activities consist of the Trash enterprise fund.

	2024	2023
Assets:		
Current assets.....	\$ 3,804,782	\$ 3,413,405
Deferred outflows of resources.....	983,969	1,330,337
Liabilities:		
Current liabilities (excluding debt).....	68,301	119,177
Noncurrent liabilities (excluding debt).....	11,841,689	13,366,763
Total liabilities.....	11,909,990	13,485,940
Deferred inflows of resources.....	2,809,877	2,639,200
Net position:		
Unrestricted.....	\$ <u>(9,931,116)</u>	\$ <u>(11,381,398)</u>

Trash fund business-type activities assets and deferred outflows of resources were less than liabilities and deferred inflows by \$10.0 million at the close of 2024. The change in net position is the result of additional transfers from the General Fund.

	2024	2023
Program Revenues:		
Charges for services.....	\$ 5,558,719	\$ 5,416,607
Expenses:		
Trash.....	11,375,199	11,712,416
Excess (Deficiency) before transfers.....	(5,816,480)	(6,295,809)
Transfers.....	7,266,762	6,165,593
Change in net position.....	1,450,282	(130,216)
Net position, beginning of year.....	(11,381,398)	(11,251,182)
Net position, end of year.....	\$ <u>(9,931,116)</u>	\$ <u>(11,381,398)</u>

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

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 \$342.4 million, an increase of \$38.5 million from the prior year. The overall increase is primarily due to issuances of bonds associated with the capital project nonmajor funds.

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 \$144.6 million, while total fund balance was \$221.0 million. Total fund balance increased \$19.4 million over the prior year. 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 15.7% of total general fund expenditures, while total fund balance represents approximately 24.0% of that same amount.

General fund revenues increased \$72.8 million from the prior year, due to investment income increasing \$7.6 million from the prior year. Growth in state aid and growth in the real estate and property tax rates and assessments also contributed to the overall revenue growth.

General fund expenditures increased \$56.5 million from the prior year. Increased expenditures in the education function and pension and employee benefits were the main causes of the increase.

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 \$99.6 million largely on salaries and wages, merit pay, supplies, building improvements and professional services. The City recognized additional \$99.6 million of grant funds during the year and at year end \$47.9 million was recorded as unearned revenue. The fund also earned \$1 million of investment income during the year.

Ending fund balance \$2.6 million increased \$1.4 million due to the recognition of investment income. The grant fund operates on a reimbursable basis which means that revenues are recognized when expenditures are incurred.

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

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 \$947.6 million of appropriations and included the use of free cash of \$23.3 million.

The original budget was increased \$15.8 million (1.7%) mainly for public safety and culture and recreation expenditures, and approximately \$9.7 million for transfers out to stabilization funds, OPEB and opioid settlement fund.

Actual revenues were greater than budgeted revenues by \$6.1 million mainly from investment income exceeding budget by \$6.6 million. This is due to a combination of conservative budgeting, of investment income, along with Actual expenditures, including carryovers, were less than budgeted amounts by \$13.2 million. The City carried over \$66.0 million in appropriations to 2025, the majority of which related to the school department.

Capital Asset and Debt Administration

In May 2024, the City issued \$35.1 million of General Obligation State Qualified Bonds for Duggan Park, Greenleaf Park, municipal roofs, roads and sidewalks, Court Square improvements and public safety computer aided dispatch. During 2024, the City made \$13.3 million of scheduled principal payments on long-term debt. Outstanding long-term debt of the general government, as of June 30, 2024, totaled approximately \$255.9 million, including unamortized premiums of \$14.6 million.

The City entered into leases totaling \$9.1 million during fiscal year 2024 for computers, tower fire apparatus and golf carts and ground equipment for Franconia and Veterans Golf Course. 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 \$187.3 million of expenditures during 2024. These expenditures were incurred for numerous City-wide projects including school building improvements across the school district, the Deberry Elementary school, design and park improvements for numerous parks within the City, 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.

City of Springfield, Massachusetts

Management's Discussion and Analysis

June 30, 2024

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.

Basic Financial Statements

City of Springfield, Massachusetts

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Springfield Redevelopment Authority
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 344,145,036	\$ 2,094,168	\$ 346,239,204	\$ 715,487
Restricted cash and cash equivalents.....	-	-	-	1,450,718
Investments.....	75,304,497	-	75,304,497	-
Beneficial interest in trusts.....	10,962,953	-	10,962,953	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	5,892,663	-	5,892,663	-
Tax liens.....	3,120,174	281,777	3,401,951	-
Community preservation fund surtax.....	17,650	-	17,650	-
Motor vehicle excise taxes.....	2,881,425	-	2,881,425	-
User charges.....	-	1,428,837	1,428,837	-
Departmental and other.....	3,337,203	-	3,337,203	247,762
Intergovernmental.....	36,216,752	-	36,216,752	1,050,093
Community preservation state share.....	440,330	-	440,330	-
Loans.....	147,000	-	147,000	-
Leases.....	-	-	-	504,050
Tax foreclosures.....	1,799,660	-	1,799,660	-
Working capital deposit.....	100,000	-	100,000	-
Other assets.....	70,272	-	70,272	18,745
Total current assets.....	484,435,615	3,804,782	488,240,397	3,986,855
NONCURRENT:				
Restricted cash and cash equivalents.....	-	-	-	2,338,158
Restricted Investments held by custodian.....	13,919,502	-	13,919,502	-
Receivables, net of allowance for uncollectibles:				
Loans.....	1,520,759	-	1,520,759	-
Leases.....	-	-	-	8,088,859
Capital assets, nondepreciable.....	36,248,524	-	36,248,524	2,543,642
Capital assets, net of accumulated depreciation.....	795,742,757	-	795,742,757	78,411,223
Total noncurrent assets.....	847,431,542	-	847,431,542	91,381,882
TOTAL ASSETS.....	1,331,867,157	3,804,782	1,335,671,939	95,368,737
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	64,023,694	386,461	64,410,155	-
Deferred outflows related to other postemployment benefits.....	96,413,678	597,508	97,011,186	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	160,437,372	983,969	161,421,341	-
LIABILITIES				
CURRENT:				
Warrants payable.....	9,440,469	-	9,440,469	820,034
Accrued unemployment liability.....	100,000	-	100,000	-
Accrued payroll.....	34,987,341	68,301	35,055,642	-
Health claims payable.....	173,125	-	173,125	-
Tax refunds payable.....	9,210,000	-	9,210,000	-
Due to granting agencies.....	147,000	-	147,000	-
Accrued interest.....	2,511,086	-	2,511,086	-
Other liabilities.....	8,576,826	-	8,576,826	64,395
Unearned revenue.....	47,846,368	-	47,846,368	-
Claims and judgments.....	3,375,000	-	3,375,000	-
Right to use lease liability.....	10,438,824	-	10,438,824	-
Landfill closure.....	30,000	-	30,000	-
Compensated absences.....	12,157,428	-	12,157,428	-
Workers' compensation.....	1,052,000	-	1,052,000	-
Notes payable.....	3,812,137	-	3,812,137	39,795
Long-term debt payable.....	14,039,948	-	14,039,948	-
Total current liabilities.....	157,897,552	68,301	157,965,853	924,224

See notes to basic financial statements.

City of Springfield, Massachusetts
Statement of Net Position (Continued)

June 30, 2024

	<i>Primary Government</i>			<i>Component Unit</i>
	Governmental Activities	Business-type Activities	Total	Springfield Redevelopment Authority
LIABILITIES CONTINUED				
NONCURRENT:				
Due to granting agencies.....	1,308,000	-	1,308,000	-
Right to use lease liability.....	54,695,805	-	54,695,805	-
Landfill closure.....	1,650,000	-	1,650,000	-
Compensated absences.....	12,575,959	-	12,575,959	-
Workers' compensation.....	2,456,000	-	2,456,000	-
Net pension liability.....	808,582,027	4,880,777	813,462,804	-
Net other postemployment benefits liability.....	1,123,210,332	6,960,912	1,130,171,244	-
Notes payable.....	-	-	-	1,648,050
Long-term debt payable.....	241,884,512	-	241,884,512	-
Total noncurrent liabilities.....	2,246,362,635	11,841,689	2,258,204,324	1,648,050
TOTAL LIABILITIES.....	2,404,260,187	11,909,990	2,416,170,177	2,572,274
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	413,296	-	413,296	-
Deferred inflows related to beneficial interests.....	6,266,542	-	6,266,542	-
Deferred inflows related to leases.....	-	-	-	8,592,909
Deferred inflows related to pensions.....	9,573,487	57,788	9,631,275	-
Deferred inflows related to other postemployment benefits.....	444,076,087	2,752,089	446,828,176	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	460,329,412	2,809,877	463,139,289	8,592,909
NET POSITION				
Net investment in capital assets.....	541,248,849	-	541,248,849	79,424,193
Restricted for:				
Chapter 656 reserve.....	9,485,955	-	9,485,955	-
Debt service.....	13,919,502	-	13,919,502	-
Loans.....	212,759	-	212,759	-
Permanent funds:				
Expendable.....	12,373,149	-	12,373,149	-
Nonexpendable.....	4,696,411	-	4,696,411	-
Gifts and grants.....	6,739,639	-	6,739,639	2,230,966
Community preservation.....	9,877,100	-	9,877,100	-
Unrestricted.....	(1,970,838,434)	(9,931,116)	(1,980,769,550)	2,548,395
TOTAL NET POSITION.....	\$ (1,372,285,070)	\$ (9,931,116)	\$ (1,382,216,186)	\$ 84,203,554

See notes to basic financial statements.

City of Springfield, Massachusetts

Statement of Activities

Year Ended June 30, 2024

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.....	\$ 93,550,824	\$ 14,013,820	\$ 44,229,940	\$ 727,733	\$ (34,579,331)
Public safety.....	159,060,837	15,193,210	5,355,890	-	(138,511,737)
Education.....	796,802,969	15,665,895	716,251,029	11,662,433	(53,223,612)
Public works.....	27,397,746	388,156	1,123,677	3,614,280	(22,271,633)
Health and welfare.....	10,911,928	1,708,391	5,763,936	-	(3,439,601)
Culture and recreation.....	30,786,266	3,517,631	4,331,463	-	(22,937,172)
Community preservation.....	1,306,583	6,100	488,660	-	(811,823)
Interest.....	12,975,400	-	1,278,854	-	(11,696,546)
Total Governmental Activities.....	<u>1,132,792,553</u>	<u>50,493,203</u>	<u>778,823,449</u>	<u>16,004,446</u>	<u>(287,471,455)</u>
<i>Business-Type Activities:</i>					
Trash.....	<u>11,375,199</u>	<u>5,558,719</u>	<u>-</u>	<u>-</u>	<u>(5,816,480)</u>
Total Primary Government.....	<u>\$ 1,144,167,752</u>	<u>\$ 56,051,922</u>	<u>\$ 778,823,449</u>	<u>\$ 16,004,446</u>	<u>\$ (293,287,935)</u>
Component Unit:					
Springfield Redevelopment Authority....	\$ 10,043,698	\$ 4,202,215	\$ 3,450,124	\$ 1,023,904	\$ (1,367,455)

See notes to basic financial statements.

City of Springfield, Massachusetts

Statement of Activities (Continued)

Year Ended June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Springfield Redevelopment Authority
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (287,471,455)	\$ (5,816,480)	\$ (293,287,935)	\$ (1,367,455)
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	251,875,478	-	251,875,478	-
Tax and other liens.....	2,223,794	-	2,223,794	-
Motor vehicle and other excise taxes.....	14,056,035	-	14,056,035	-
Hotel/motel, meals and cannabis local option taxes.....	6,402,144	-	6,402,144	-
Community preservation tax.....	2,216,481	-	2,216,481	-
Penalties and interest on taxes.....	1,961,292	-	1,961,292	-
Payments in lieu of taxes.....	302,040	-	302,040	-
Chapter 121A - excise payments in lieu of taxes.....	17,214,672	-	17,214,672	-
Grants and contributions not restricted to specific programs.....	45,523,343	-	45,523,343	-
Unrestricted investment income.....	17,324,057	-	17,324,057	85,900
<i>Transfers, net</i>	(7,266,762)	7,266,762	-	-
Total general revenues and transfers.....	351,832,574	7,266,762	359,099,336	85,900
Change in net position.....	64,361,119	1,450,282	65,811,401	(1,281,555)
<i>Net position:</i>				
Beginning of year.....	(1,436,646,189)	(11,381,398)	(1,448,027,587)	85,485,109
End of year.....	\$ (1,372,285,070)	\$ (9,931,116)	\$ (1,382,216,186)	\$ 84,203,554

See notes to basic financial statements.

City of Springfield, Massachusetts

Governmental Funds Balance Sheet

June 30, 2024

	General	COVID-19 Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 196,155,503	\$ 27,395,641	\$ 102,564,729	\$ 326,115,873
Investments.....	67,139,465	-	8,165,032	75,304,497
Beneficial interest in trusts.....	-	-	10,962,953	10,962,953
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	5,892,663	-	-	5,892,663
Tax liens.....	3,092,892	-	27,282	3,120,174
Community preservation fund surtax.....	-	-	17,650	17,650
Motor vehicle excise taxes.....	2,881,425	-	-	2,881,425
Departmental and other.....	1,731,496	-	1,544,078	3,275,574
Intergovernmental.....	1,360,740	25,092,177	9,763,835	36,216,752
Community preservation state share.....	-	-	440,330	440,330
Loans.....	-	-	1,667,759	1,667,759
Tax foreclosures.....	1,799,660	-	-	1,799,660
Due from other funds.....	2,623,424	-	-	2,623,424
Working capital deposit.....	100,000	-	-	100,000
Other assets.....	-	-	70,272	70,272
Restricted assets:				
Investments held by custodian.....	-	-	13,919,502	13,919,502
TOTAL ASSETS.....	\$ 282,777,268	\$ 52,487,818	\$ 149,143,422	\$ 484,408,508
LIABILITIES				
Warrants payable.....	\$ 5,782,859	\$ 638,876	\$ 3,018,734	\$ 9,440,469
Accrued unemployment liability.....	20,000	-	-	20,000
Accrued payroll.....	28,605,814	1,383,278	1,784,904	31,773,996
Tax refunds payable.....	9,210,000	-	-	9,210,000
Due to other funds.....	-	-	2,623,424	2,623,424
Due to granting agencies.....	-	-	1,455,000	1,455,000
Other liabilities.....	3,086,136	-	5,490,690	8,576,826
Unearned revenue.....	-	47,846,368	-	47,846,368
Notes payable.....	-	-	3,812,137	3,812,137
TOTAL LIABILITIES.....	46,704,809	49,868,522	18,184,889	114,758,220
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	399,200	-	14,096	413,296
Unavailable revenue.....	14,625,287	-	5,923,795	20,549,082
Beneficial interest in trusts.....	-	-	6,266,542	6,266,542
TOTAL DEFERRED INFLOWS OF RESOURCES...	15,024,487	-	12,204,433	27,228,920
FUND BALANCES				
Nonspendable.....	-	-	4,696,411	4,696,411
Restricted.....	70,401,822	2,619,296	114,787,392	187,808,510
Assigned.....	6,072,208	-	-	6,072,208
Unassigned.....	144,573,942	-	(729,703)	143,844,239
TOTAL FUND BALANCES.....	221,047,972	2,619,296	118,754,100	342,421,368
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 282,777,268	\$ 52,487,818	\$ 149,143,422	\$ 484,408,508

See notes to basic financial statements.

City of Springfield, Massachusetts

Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position

June 30, 2024

Total governmental fund balances.....	\$	342,421,368
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		831,991,281
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		20,549,082
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.....		(293,212,202)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		14,704,322
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(2,511,086)
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.....	(255,924,460)	
Net pension liability.....	(808,582,027)	
Net other postemployment benefits liability.....	(1,123,210,332)	
Landfill closure.....	(1,680,000)	
Accrued unemployment liability.....	(80,000)	
Claims and judgments.....	(3,375,000)	
Right to use lease liabilities.....	(65,134,629)	
Workers' compensation.....	(3,508,000)	
Compensated absences.....	(24,733,387)	
Net effect of reporting long-term liabilities.....		(2,286,227,835)
Net position of governmental activities.....	\$	<u>(1,372,285,070)</u>

See notes to basic financial statements.

City of Springfield, Massachusetts

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

Year Ended June 30, 2024

	General	COVID-19 Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 251,737,936	\$ -	\$ -	\$ 251,737,936
Tax liens.....	1,320,649	-	7,832	1,328,481
Motor vehicle and other excise taxes.....	13,572,703	-	-	13,572,703
Hotel/motel, meals and cannabis local option taxes.....	6,402,144	-	-	6,402,144
Charges for services.....	8,141,354	-	2,162,288	10,303,642
Penalties and interest on taxes.....	1,955,062	-	6,230	1,961,292
Payments in lieu of taxes.....	302,040	-	-	302,040
Chapter 121A - excise payments in lieu of taxes.....	17,214,672	-	-	17,214,672
Licenses and permits.....	8,131,618	-	-	8,131,618
Fines and forfeitures.....	1,922,784	-	32,250	1,955,034
Intergovernmental - state aid.....	544,087,581	-	-	544,087,581
Intergovernmental - Teachers Retirement.....	62,032,724	-	-	62,032,724
Intergovernmental - other.....	-	99,560,942	123,628,517	223,189,459
Departmental and other.....	13,810,539	-	19,964,336	33,774,875
Community preservation taxes.....	-	-	2,188,400	2,188,400
Contributions and donations.....	-	-	6,505,733	6,505,733
Investment income/(loss).....	13,784,775	1,011,429	2,340,120	17,136,324
TOTAL REVENUES.....	944,416,581	100,572,371	156,835,706	1,201,824,658
EXPENDITURES:				
Current:				
General government.....	30,221,852	29,600,061	24,478,416	84,300,329
Public safety.....	93,628,920	-	16,724,520	110,353,440
Education.....	567,307,545	69,338,034	97,067,480	733,713,059
Public works.....	11,028,104	12,180	20,769,054	31,809,338
Health and welfare.....	3,046,451	-	5,571,641	8,618,092
Culture and recreation.....	18,212,091	610,667	15,235,707	34,058,465
Community preservation.....	-	-	2,398,607	2,398,607
Pension benefits - non school.....	61,723,604	-	-	61,723,604
Pension benefits - Teachers Retirement.....	62,032,724	-	-	62,032,724
Employee fringe benefits - non school.....	31,821,459	-	-	31,821,459
Claims and judgments.....	189,305	-	-	189,305
State and county charges.....	3,718,653	-	-	3,718,653
Debt service:				
Principal.....	13,320,000	-	-	13,320,000
Interest.....	8,850,117	-	-	8,850,117
Principal payments on right to use leases.....	12,815,801	-	-	12,815,801
Interest payments on right to use leases.....	4,013,308	-	-	4,013,308
TOTAL EXPENDITURES.....	921,929,934	99,560,942	182,245,425	1,203,736,301
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	22,486,647	1,011,429	(25,409,719)	(1,911,643)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	-	35,060,000	35,060,000
Premium from issuance of debt.....	-	-	4,362,637	4,362,637
Lease financing.....	8,235,809	-	-	8,235,809
Transfers in.....	2,284,816	-	5,638,858	7,923,674
Transfers out.....	(13,562,340)	-	(1,628,096)	(15,190,436)
TOTAL OTHER FINANCING SOURCES (USES).....	(3,041,715)	-	43,433,399	40,391,684
NET CHANGE IN FUND BALANCES.....	19,444,932	1,011,429	18,023,680	38,480,041
FUND BALANCES AT BEGINNING OF YEAR.....	201,603,040	1,607,867	100,730,420	303,941,327
FUND BALANCES AT END OF YEAR.....	\$ 221,047,972	\$ 2,619,296	\$ 118,754,100	\$ 342,421,368

See notes to basic financial statements.

City of Springfield, Massachusetts

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

Year Ended June 30, 2024

Net change in fund balances - total governmental funds.....	\$ 38,480,041
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.	
Capital outlay.....	109,198,854
Depreciation expense.....	<u>(69,852,774)</u>
Net effect of reporting capital assets.....	39,346,080
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.....	
	1,129,189
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.	
Principal payments on right to use leases.....	12,815,801
Issuance of long-term debt.....	(35,060,000)
Premium from issuance of debt.....	(4,362,637)
Right to use lease financing.....	(8,235,809)
Net amortization of premium from issuance of debt.....	1,278,854
Debt service principal payments.....	<u>13,320,000</u>
Net effect of reporting long-term debt.....	(20,243,791)
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.	
Net change in compensated absences accrual.....	(22,134)
Net change in unemployment liability accrual.....	19,000
Net change in accrued interest on long-term debt.....	(111,975)
Net change in deferred outflow/(inflow) of resources related to pensions.....	7,847,709
Net change in net pension liability.....	(1,859,667)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(115,966,949)
Net change in net other postemployment benefits liability.....	114,877,530
Net change in claims and judgments liability.....	(642,500)
Net change in workers' compensation liability.....	<u>649,000</u>
Net effect of recording long-term liabilities.....	4,790,014
The net activity of internal service funds is reported with Governmental Activities.....	<u>859,586</u>
Change in net position of governmental activities.....	\$ <u><u>64,361,119</u></u>

See notes to basic financial statements.

City of Springfield, Massachusetts

Proprietary Funds Statement of Net Position

June 30, 2024

	Business-type Activities - Trash Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 2,094,168	\$ 18,029,163
Receivables, net of allowance for uncollectibles:		
User charges.....	1,428,837	-
Liens - user charges.....	281,777	-
Departmental and other.....	-	61,629
TOTAL ASSETS.....	3,804,782	18,090,792
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	386,461	-
Deferred outflows related to other postemployment benefits.....	597,508	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	983,969	-
LIABILITIES		
CURRENT:		
Warrants payable.....	-	-
Accrued payroll and withholdings.....	68,301	3,213,345
Health claims payable.....	-	173,125
Total current liabilities.....	68,301	3,386,470
NONCURRENT:		
Net pension liability.....	4,880,777	-
Net other postemployment benefits liability.....	6,960,912	-
Total noncurrent liabilities.....	11,841,689	-
TOTAL LIABILITIES.....	11,909,990	3,386,470
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	57,788	-
Deferred inflows related to other postemployment benefits.....	2,752,089	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	2,809,877	-
NET POSITION		
Unrestricted.....	\$ (9,931,116)	\$ 14,704,322

See notes to basic financial statements.

City of Springfield, Massachusetts

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

Year Ended June 30, 2024

	Business-type Activities - Trash Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for services.....	\$ 5,558,719	\$ 1,654,254
Employee contributions.....	-	26,858,303
Employer contributions.....	-	81,205,095
TOTAL OPERATING REVENUES	5,558,719	109,717,652
OPERATING EXPENSES:		
Cost of services and administration.....	11,375,199	1,543,778
Employee benefits.....	-	107,502,021
TOTAL OPERATING EXPENSES.....	11,375,199	109,045,799
OPERATING INCOME (LOSS).....	(5,816,480)	671,853
NONOPERATING REVENUES (EXPENSES):		
Investment income.....	-	187,733
INCOME (LOSS) BEFORE TRANSFERS.....	(5,816,480)	859,586
TRANSFERS:		
Transfers in.....	7,266,762	-
CHANGE IN NET POSITION.....	1,450,282	859,586
NET POSITION AT BEGINNING OF YEAR.....	(11,381,398)	13,844,736
NET POSITION AT END OF YEAR.....	\$ (9,931,116)	\$ 14,704,322

See notes to basic financial statements.

City of Springfield, Massachusetts

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2024

	Business-type Activities - Trash Enterprise Fund	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 5,440,717	\$ 27,087,534
Receipts from interfund services provided.....	-	82,850,537
Payments to vendors.....	(9,272,361)	-
Payments to employees.....	(3,161,743)	-
Payments for interfund services used.....	-	(109,055,908)
NET CASH FROM OPERATING ACTIVITIES.....	(6,993,387)	882,163
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers in.....	7,266,762	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Investment income.....	-	187,733
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	273,375	1,069,896
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	1,820,793	16,959,267
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 2,094,168	\$ 18,029,163
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ (5,816,480)	\$ 671,853
Adjustments to reconcile operating income to net cash from operating activities:		
Deferred (outflows)/inflows related to pensions.....	(47,370)	-
Deferred (outflows)/inflows related to other postemployment benefits....	564,415	-
Changes in assets and liabilities:		
Liens - user charges.....	(10,111)	-
User charges.....	(107,891)	-
Departmental and other.....	-	(8,812)
Warrants payable.....	(49,736)	-
Accrued payroll.....	(1,140)	229,231
Health claims payable.....	-	(10,109)
Net pension liability.....	11,225	-
Net other postemployment benefits liability.....	(1,536,299)	-
Total adjustments.....	(1,176,907)	210,310
NET CASH FROM OPERATING ACTIVITIES.....	\$ (6,993,387)	\$ 882,163

See notes to basic financial statements.

City of Springfield, Massachusetts

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2024

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 13,093,125	\$ 503,582
Investments:		
Investments in Pension Reserve Investment Trust.....	588,958,508	-
Corporate bonds.....	1,808,423	-
Equity securities.....	1,113,282	-
Fixed income mutual funds.....	703,728	-
Alternative investments.....	49,035	-
Receivables, net of allowance for uncollectibles:		
Member make-up payments and other.....	609,398	-
TOTAL ASSETS.....	606,335,499	503,582
LIABILITIES		
Warrants payable.....	1,803	-
NET POSITION		
Restricted for pensions.....	590,699,920	-
Restricted for other postemployment benefits.....	15,633,776	-
Held in trust for other purposes.....	-	503,582
TOTAL NET POSITION.....	\$ 606,333,696	\$ 503,582

(1) The Pension Trust Fund is as of December 31, 2023.

See notes to basic financial statements.

City of Springfield, Massachusetts

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 103,614,406	\$ -
Employer contributions for other postemployment benefit payments.....	38,638,892	-
Member contributions.....	21,239,712	-
Transfers from other systems.....	1,132,121	-
3(8)c contributions from other systems.....	1,132,695	-
State COLA reimbursements.....	241,321	-
Member makeup payments and redeposits.....	178,244	-
Reimbursement of 91A overearnings.....	39,935	-
Other receipts.....	71,047	-
Total contributions.....	166,288,373	-
Net investment income:		
Investment income (loss).....	22,324,413	236,866
Net change in fair value of investments.....	37,308,763	-
Less: investment expense.....	(2,756,237)	-
Net investment income (loss).....	56,876,939	236,866
TOTAL ADDITIONS.....	223,165,312	236,866
DEDUCTIONS:		
Administration.....	934,621	-
Transfers to other systems.....	3,173,720	-
3(8)c transfer to other systems.....	2,722,899	-
Retirement benefits and refunds.....	93,788,665	-
Other postemployment benefit payments.....	38,638,892	-
Educational scholarships.....	-	26,100
TOTAL DEDUCTIONS.....	139,258,797	26,100
NET INCREASE IN NET POSITION.....	83,906,515	210,766
NET POSITION AT BEGINNING OF YEAR.....	522,427,181	292,816
NET POSITION AT END OF YEAR.....	\$ 606,333,696	\$ 503,582

(1) The Pension Trust Fund is for the year ended December 31, 2023.

See notes to basic financial statements.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 of the nature and significance of its' 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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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*

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

- 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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.

City of Springfield, Massachusetts

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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 are used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years are 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 funds* are used to account for the financing of services provided by one department to other departments or governmental units. These funds are 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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, 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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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.

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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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

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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 Balance

Government-Wide and Proprietary Fund 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.

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. 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.

City of Springfield, Massachusetts

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“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 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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 Federal Grants School nonmajor fund relating to the timing difference between grant proceeds and current year expenditures. The deficit will be funded with grant proceeds 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 43 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 2.98 to 14.57 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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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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 \$293,419,925 and the bank balance totaled \$310,971,215. Of the bank balance, \$4,270,527 was covered by Federal Depository Insurance, \$231,633,464 was covered by the Depositors Insurance Fund, \$73,709,598 was collateralized, and \$1,357,626 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2023, the carrying amount of deposits for the Retirement System totaled \$1,084,782 and the bank balance totaled \$1,473,865, which was covered by Federal Depository Insurance and the Depositors Insurance Fund.

Investments

As of June 30, 2024, the City and the trust had the following investments:

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
Debt securities:					
U.S. treasury bonds.....	\$ 67,139,465	\$ 67,139,465	\$ -	\$ -	\$ -
Corporate bonds.....	1,808,423	74,461	1,291,890	311,251	130,821
Private debt obligation*.....	13,919,502	-	13,919,502	-	-
Total debt securities.....	82,867,390	\$ 67,213,926	\$ 15,211,392	\$ 311,251	\$ 130,821
Other investments:					
Equity securities.....	9,278,314				
Fixed income mutual funds.....	703,728				
Money market mutual funds.....	1,986,744				
MMDT - Cash portfolio.....	63,344,455				
Total investments.....	\$ 158,180,631				

*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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

As of June 30, 2024, the City's and the trust's investments in debt securities, other than U.S. treasuries, had the following ratings:

<u>Quality Rating</u>	<u>Corporate Bonds</u>	<u>Private Debt Obligation</u>	<u>Total</u>
A-.....	\$ 260,962	\$ -	\$ 260,962
BBB.....	887,257	-	887,257
BBB+.....	660,204	-	660,204
Not Rated.....	<u>-</u>	<u>13,919,502</u>	<u>13,919,502</u>
Total.....	\$ <u>1,808,423</u>	\$ <u>13,919,502</u>	\$ <u>15,727,925</u>

As of December 31, 2023, the Retirement System had the following investments:

<u>Investment Type</u>	<u>Fair value</u>
Pension Reserve Investment Trust (PRIT).....	\$ 588,958,508
Alternative investments.....	<u>49,035</u>
Total investments.....	\$ <u>589,007,543</u>

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 \$589,007,543, there was custodial credit risk exposure of \$49,035 in alternative investments because the related securities are uninsured, unregistered and held by the counterparty.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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. The City did not maintain investments subject to concentration of credit risk.

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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

The following table presents financial assets at June 30, 2024, that the City measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2024	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.....	\$ 67,139,465	\$ -	\$ 67,139,465	\$ -
Corporate bonds.....	1,808,423	-	1,808,423	-
Private debt obligation.....	13,919,502	-	13,919,502	-
Total debt securities.....	82,867,390	-	82,867,390	-
<u>Other investments:</u>				
Equity securities.....	9,278,314	9,278,314	-	-
Fixed income mutual funds.....	703,728	703,728	-	-
Money market mutual funds.....	1,986,744	1,986,744	-	-
Total other investments.....	11,968,786	11,968,786	-	-
Total investments measured at fair value.....	94,836,176	\$ 11,968,786	\$ 82,867,390	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	63,344,455			
Total investments.....	\$ 158,180,631			

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. U.S. treasury bonds, private debt obligations and corporate bonds 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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, 2023:

Investment Type	December 31, 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:				
Alternative investments.....	\$ 49,035	\$ -	\$ -	\$ 49,035
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	<u>588,958,508</u>			
Total investments.....	\$ 589,007,543			

Alternative investments consist of investments in limited partnerships that are classified in Level 3. These investments are valued using either a discounted cash flow or market comparable companies technique, 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

NOTE 3 – RECEIVABLES

At June 30, 2024, 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
<u>Receivables:</u>			
Real estate and personal property taxes....	\$ 12,921,663	\$ (7,029,000)	\$ 5,892,663
Tax liens.....	6,213,074	(3,092,900)	3,120,174
Community preservation fund surtax.....	17,650	-	17,650
Motor vehicle excise taxes.....	10,246,425	(7,365,000)	2,881,425
Departmental and other.....	3,341,774	(66,200)	3,275,574
Intergovernmental.....	36,216,752	-	36,216,752
Community preservation state share.....	440,330	-	440,330
Loans.....	1,667,759	-	1,667,759
Total.....	\$ <u>71,065,427</u>	\$ <u>(17,553,100)</u>	\$ <u>53,512,327</u>

The internal service fund had \$61,629 of departmental and other receivables at June 30, 2024.

At June 30, 2024, receivables for the trash enterprise fund were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Trash user charges.....	\$ 1,428,837	\$ -	\$ 1,428,837
Trash liens - user charges.....	281,777	-	281,777
Total.....	\$ <u>1,710,614</u>	\$ <u>-</u>	\$ <u>1,710,614</u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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.....	\$ 5,124,373	\$ -	\$ 5,124,373
Tax liens.....	3,092,892	27,282	3,120,174
Community preservation fund surtax.....	-	17,650	17,650
Motor vehicle and other excise taxes.....	2,881,425	-	2,881,425
Departmental and other.....	1,726,937	1,181,279	2,908,216
Intergovernmental.....	-	4,044,495	4,044,495
Community preservation state share.....	-	440,330	440,330
Loans.....	-	212,759	212,759
<u>Other asset type:</u>			
Tax foreclosures.....	1,799,660	-	1,799,660
Total.....	\$ <u>14,625,287</u>	\$ <u>5,923,795</u>	\$ <u>20,549,082</u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, 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.....	76,228,974	6,635,534	(76,228,974)	6,635,534
Total capital assets not being depreciated.....	105,841,964	6,635,534	(76,228,974)	36,248,524
<u>Capital assets being depreciated:</u>				
Land improvements.....	89,420,550	18,808,502	-	108,229,052
Buildings and improvements.....	839,298,062	122,044,322	-	961,342,384
Right-to-use leased buildings.....	66,291,797	-	-	66,291,797
Machinery and equipment.....	71,957,904	13,069,749	(8,748,325)	76,279,328
Right-to-use leased machinery and equipment.....	31,578,830	8,235,809	-	39,814,639
Infrastructure.....	484,096,481	16,633,912	-	500,730,393
Total capital assets being depreciated.....	1,582,643,624	178,792,294	(8,748,325)	1,752,687,593
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(49,858,555)	(4,208,126)	-	(54,066,681)
Buildings and improvements.....	(400,134,470)	(34,142,980)	-	(434,277,450)
Right-to-use leased buildings.....	(8,447,868)	(5,657,112)	-	(14,104,980)
Machinery and equipment.....	(43,528,475)	(12,904,765)	8,748,325	(47,684,915)
Right-to-use leased machinery and equipment.....	(12,404,457)	(3,117,844)	-	(15,522,301)
Infrastructure.....	(381,466,562)	(9,821,947)	-	(391,288,509)
Total accumulated depreciation.....	(895,840,387)	(69,852,774)	8,748,325	(956,944,836)
Total capital assets being depreciated, net.....	686,803,237	108,939,520	-	795,742,757
Total governmental activities capital assets, net.....	\$ 792,645,201	\$ 115,575,054	\$ (76,228,974)	\$ 831,991,281

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

Governmental Activities:	
General government.....	\$ 4,627,808
Public safety.....	4,842,714
Education.....	42,638,904
Public works.....	11,800,460
Health and welfare.....	645,264
Culture and recreation.....	5,297,624
Total depreciation expense - governmental activities...	\$ 69,852,774

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2024, consisted of \$2,623,424 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, 2024, are summarized as follows:

Transfers Out:	Transfers In:				Total	
	General fund	Nonmajor governmental funds	Trash Enterprise fund			
General fund.....	\$ 2,049,066	\$ 4,246,512	\$ 7,266,762	\$	13,562,340	(1)
Nonmajor governmental funds..	235,750	1,324,298	-		1,560,048	(2)
Total.....	\$ <u>2,284,816</u>	\$ <u>5,570,810</u>	\$ <u>7,266,762</u>	\$	<u>15,122,388</u>	

(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. Transfers between nonmajor governmental funds represents a reallocation of resources.

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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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

		Governmental Activities
<u>Asset:</u>		
Machinery and equipment.....	\$	39,814,639
Buildings.....		66,291,797
Less: accumulated depreciation...		<u>(29,627,281)</u>
Total.....	\$	<u><u>76,479,155</u></u>

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

<u>Years ending June 30:</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025.....	\$ 10,438,824	\$ 2,045,629	\$ 12,484,453
2026.....	9,191,616	1,685,399	10,877,015
2027.....	6,665,154	1,367,899	8,033,053
2028.....	5,258,853	1,118,878	6,377,731
2029.....	5,069,464	948,424	6,017,888
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.....	<u>1,086,664</u>	<u>17,743</u>	<u>1,104,407</u>
Total minimum lease payments....	\$ <u><u>65,134,629</u></u>	\$ <u><u>11,820,389</u></u>	\$ <u><u>76,955,018</u></u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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, 2024, were as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2023	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2024
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)	-
BAN	Walker Grandstand.....	4.50%	05/02/25	-	169,000	-	169,000
BAN	DPW Vehicles.....	4.50%	05/02/25	-	1,900,000	-	1,900,000
BAN	Veterans Golf Course Clubhouse....	4.50%	05/02/25	-	300,000	-	300,000
BAN	Franconia Golf Course Clubhouse..	4.50%	05/02/25	-	209,544	-	209,544
BAN	Cyr Arena Improvements.....	4.50%	05/02/25	-	1,000,000	-	1,000,000
BAN	Barney Carriage House.....	4.50%	05/02/25	-	233,593	-	233,593
Total Governmental Funds.....				\$ 6,267,949	\$ 3,812,137	\$ (6,267,949)	\$ 3,812,137

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."

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

Details related to the City's outstanding general obligation indebtedness at June 30, 2024, 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, 2024
State Qualified General Obligation School Bonds, dated June 24, 2010.....	2027	\$ 17,864,000	6.00	\$ 17,864,000
State Qualified Bonds, Series A, dated February 12, 2015.....	2035	49,262,000	2.0 - 4.0	26,960,000
State Qualified Refunding Bonds, Series C, dated February 12, 2015.....	2027	18,245,000	2.0 - 4.0	5,210,000
General Obligation Bonds, dated February 23, 2017.....	2037	44,305,000	3.0 - 5.0	30,815,000
State Qualified Refunding/General Obligation Bonds, dated March 7, 2017....	2037	27,080,000	3.0 - 5.0	2,670,000
State Qualified/General Obligation Bonds, dated March 28, 2019.....	2049	27,935,000	3.0 - 5.0	24,290,000
State Qualified/General Obligation Bonds, dated November 19, 2020.....	2041	39,475,000	2.0 - 5.0	37,910,000
State Qualified/General Obligation Bonds, dated March 10, 2022.....	2052	61,045,000	4.0 - 5.0	60,510,000
State Qualified General Obligation Bonds, dated April 18, 2024.....	2049	35,060,000	5.00	35,060,000
Total General Obligation Bonds Payable.....				241,289,000
Add: Unamortized premium on bonds.....				14,635,460
Total Long-Term Debt Payable, net.....				\$ 255,924,460

The long-term debt outstanding at June 30, 2024, relate to the following projects:

Purpose	Amount
Public education.....	\$ 130,145,500
City-wide non-school buildings.....	36,166,800
Parks and recreation.....	21,760,000
Infrastructure.....	34,714,600
Equipment and other.....	18,502,100
Total long-term debt outstanding...	\$ 241,289,000

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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

Year	Principal	Interest	Total
2025.....	\$ 12,500,000	\$ 9,694,583	\$ 22,194,583
2026.....	12,500,000	9,119,841	21,619,841
2027.....	30,429,000	8,540,664	38,969,664
2028.....	12,775,000	6,922,049	19,697,049
2029.....	13,145,000	6,351,624	19,496,624
2030.....	12,475,000	5,782,174	18,257,174
2031.....	12,645,000	5,271,501	17,916,501
2032.....	12,670,000	4,769,701	17,439,701
2033.....	13,045,000	4,266,298	17,311,298
2034.....	12,930,000	3,806,748	16,736,748
2035.....	12,705,000	3,355,075	16,060,075
2036.....	10,915,000	2,935,977	13,850,977
2037.....	10,645,000	2,535,744	13,180,744
2038.....	8,290,000	2,145,780	10,435,780
2039.....	8,145,000	1,832,263	9,977,263
2040.....	5,900,000	1,527,539	7,427,539
2041.....	6,095,000	1,334,400	7,429,400
2042.....	3,490,000	1,167,942	4,657,942
2043.....	3,030,000	1,028,344	4,058,344
2044.....	3,135,000	920,156	4,055,156
2045.....	3,250,000	808,180	4,058,180
2046.....	3,350,000	696,606	4,046,606
2047.....	3,455,000	581,580	4,036,580
2048.....	3,580,000	462,956	4,042,956
2049.....	3,550,000	338,750	3,888,750
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>241,289,000</u>	\$ <u>86,629,861</u>	\$ <u>327,918,861</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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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, 2024, the Bond Sinking Fund has a balance of \$13,919,502, 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 2024. The City expects to receive future interest subsidies totaling approximately \$2.8 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, 2024, the City has \$936.0 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, 2024, 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.....\$	219,549,000	\$ 35,060,000	\$ (13,320,000)	\$ -	\$ -	241,289,000	\$ 12,500,000
Add: Unamortized premium on bonds.....	11,551,677	4,362,637	(1,278,854)	-	-	14,635,460	1,539,948
Total long-term debt payable.....	231,100,677	39,422,637	(14,598,854)	-	-	255,924,460	14,039,948
Right to use lease liability.....	69,714,621	-	-	8,235,809	(12,815,801)	65,134,629	10,438,824
Landfill closure.....	1,680,000	-	-	700,000	(700,000)	1,680,000	30,000
Compensated absences.....	24,711,253	-	-	12,552,153	(12,530,019)	24,733,387	12,157,428
Workers' compensation.....	4,157,000	-	-	598,000	(1,247,000)	3,508,000	1,052,000
Net pension liability.....	806,722,360	-	-	66,088,306	(64,228,639)	808,582,027	-
Net OPEB liability.....	1,238,087,862	-	-	40,437,602	(155,315,132)	1,123,210,332	-
Total governmental activity long-term liabilities.....\$	2,376,173,773	\$ 39,422,637	\$ (14,598,854)	\$ 128,611,870	\$ (246,836,591)	2,282,772,835	\$ 37,718,200
Business-Type Activities:							
Net pension liability.....\$	4,869,552	\$ -	\$ -	398,923	(387,698)	4,880,777	\$ -
Net OPEB liability.....	8,497,211	-	-	250,605	(1,786,904)	6,960,912	-
Total business-type activity long-term liabilities.....\$	13,366,763	\$ -	\$ -	\$ 649,528	\$ (2,174,602)	11,841,689	\$ -

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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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, 2024, the balance of the stabilization funds was \$94.1 million. These balances have been reported in the general fund as unassigned fund balance.

City of Springfield, Massachusetts

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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..... \$	-	\$ -	\$ 4,696,411	\$ 4,696,411
Restricted for:				
Education.....	60,915,867	-	-	60,915,867
MGL Chapter 656.....	9,485,955	-	-	9,485,955
COVID-19 grants.....	-	2,619,296	-	2,619,296
Utility/telephone.....	-	-	2,442,673	2,442,673
Receipts reserved.....	-	-	282,691	282,691
Community preservation act.....	-	-	9,391,838	9,391,838
School lunch.....	-	-	6,837,746	6,837,746
Revolving.....	-	-	6,346,600	6,346,600
Private gifts and grants.....	-	-	18,672,868	18,672,868
Federal grants school.....	-	-	-	-
Federal grants city.....	-	-	1,544,745	1,544,745
State grants school.....	-	-	4,244,027	4,244,027
State grants city.....	-	-	1,436,595	1,436,595
Promise fund.....	-	-	3,063,286	3,063,286
Springfield Empowerment Zone Partnership, Inc....	-	-	1,074,534	1,074,534
Other special revenue fund.....	-	-	4,924,125	4,924,125
School capital projects.....	-	-	6,906,177	6,906,177
Public buildings.....	-	-	2,050,104	2,050,104
Parks.....	-	-	4,538,281	4,538,281
Equipment.....	-	-	10,944,898	10,944,898
Public works.....	-	-	3,387,652	3,387,652
Other capital projects.....	-	-	34,724	34,724
Bond sinking fund.....	-	-	13,919,502	13,919,502
Debt service reserve.....	-	-	371,177	371,177
Governmental trust.....	-	-	2,588,384	2,588,384
Springfield Library Foundation, Inc.....	-	-	9,784,765	9,784,765
Assigned to:				
General government.....	2,831,137	-	-	2,831,137
Public safety.....	724,391	-	-	724,391
Public works.....	191,038	-	-	191,038
Health and human services.....	11,024	-	-	11,024
Culture and recreation.....	1,186,388	-	-	1,186,388
State assessments.....	65,688	-	-	65,688
Unemployment.....	62,542	-	-	62,542
Free cash used for subsequent year budget.....	1,000,000	-	-	1,000,000
Unassigned.....	144,573,942	-	(729,703)	143,844,239
Total Fund Balances..... \$	<u>221,047,972</u>	<u>\$ 2,619,296</u>	<u>\$ 118,754,100</u>	<u>\$ 342,421,368</u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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, 2024, the liability for dental and eye care insurance claims

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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totaled approximately \$173,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2022, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2023..... \$	183,624	\$ 4,396,056	\$ (4,396,446)	\$ 183,234
2024.....	183,234	4,388,977	(4,399,086)	173,125

(b) Workers' Compensation

The estimated future workers' compensation liability is based on history and injury type. At June 30, 2024, the amount of the estimated liability for workers' compensation claims totaled approximately \$3,508,000.

Changes in the reported liability since July 1, 2022 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2023..... \$	4,830,000	\$ 3,494,000	\$ (4,167,000)	\$ 4,157,000	\$ 1,247,000
2024.....	4,157,000	2,897,000	(3,546,000)	3,508,000	1,052,000

The liability for unemployment claims at June 30, 2024 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 \$100,000.

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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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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, 2023. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$62,032,724 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 \$664,374,358 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.

City of Springfield, Massachusetts

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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, 2023.

At December 31, 2023, the System's membership consists of the following:

Active members.....	3,571
Inactive members.....	1,317
Retirees and beneficiaries currently receiving benefits...	<u>2,836</u>
Total.....	<u><u>7,724</u></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, 2023, was \$101,682,626, or 48.36% 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 \$90,097,082, which was the same as its actual contribution for the year ended June 30, 2024.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2023, were as follows:

Total pension liability.....	\$ 1,509,369,000
Total pension plan's fiduciary net position.....	<u>(590,699,920)</u>
Total net pension liability.....	<u><u>\$ 918,669,080</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	39.14%

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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At June 30, 2024, the City reported a liability of \$813,462,804 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. 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, 2023, the City's proportion was 88.55%, which was an increase of 0.20% from its proportion measured at December 31, 2022.

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, 2024, the City recognized pension expense of \$84,072,895. At June 30, 2024, the City reported deferred outflows of resources related to pensions of \$64,410,155 and deferred inflows of resources related to pensions of \$9,631,275 as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 29,932,755	\$ (8,720,204)	\$ 21,212,551
Difference between projected and actual earnings, net.....	17,444,835	-	17,444,835
Changes in assumptions.....	14,559,057	-	14,559,057
Changes in proportion and proportionate share of contributions..	<u>2,473,508</u>	<u>(911,071)</u>	<u>1,562,437</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>64,410,155</u>	\$ <u>(9,631,275)</u>	\$ <u>54,778,880</u>

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

Year ended June 30:

2025.....	\$ 14,370,350
2026.....	11,614,163
2027.....	21,081,967
2028.....	3,104,311
2029.....	<u>4,608,089</u>
Total deferred outflows/(inflows) of resources..	\$ <u>54,778,880</u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions applied to all periods as of the December 31, 2023 measurement date:

Valuation date.....	January 1, 2024.
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Total payments increase 9.2% per year until FY33 with a final amortization payment in FY34.
Remaining amortization period.....	10 years from July 1, 2023.
Asset valuation method.....	Fair value. 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 \$14,000 of retirement income.
Mortality rates.....	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021 (gender distinct).

Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 (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-2021 (gender distinct).

City of Springfield, Massachusetts

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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, 2023 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.....	24.30%	6.90%
International equities.....	10.80%	6.60%
Emerging international equities.....	4.40%	9.20%
Core fixed income.....	13.60%	4.13%
Value added fixed income.....	7.30%	7.80%
Private equity.....	17.10%	10.20%
Real estate.....	10.30%	6.60%
Timberland.....	3.20%	7.10%
Hedged equities.....	8.50%	6.60%
Portfolio completion.....	0.50%	6.40%
Total.....	<u>100.00%</u>	

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.79%. 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, 2023 and December 31, 2022. 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

City of Springfield, Massachusetts

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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.....	\$ 955,698,220	\$ 813,462,804	\$ 692,887,851
SCRS total net pension liability.....	\$ 1,079,300,000	\$ 918,669,080	\$ 782,500,000

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 \$40.6 million during 2024 towards these benefits, including a pre-funding contribution of \$1,931,780 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 9.61% of covered-employee payroll.

City of Springfield, Massachusetts

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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 2024, the City pre-funded future OPEB liabilities in the amount of \$1,931,780 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, 2024, the net position of the OPEB trust fund totaled \$15,633,776.

Measurement Date

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at July 1, 2023:

Active employees.....	5,926
Retired employees (including vested terminations).....	<u>3,872</u>
Total.....	<u>9,798</u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2024:

Total OPEB liability.....	\$ 1,145,805,020
Less: OPEB plan's fiduciary net position.....	<u>(15,633,776)</u>
Net OPEB liability.....	<u>\$ 1,130,171,244</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability..	1.36%

City of Springfield, Massachusetts

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Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023, 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, 2024:

Valuation date.....	July 1, 2023
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...	5.03%
Single equivalent discount rate.....	4.09%, previously 4.00%. An average of 20-year bond indices (S&P Municipal Bond 20 Year High Grade Rate Index 4.21%, and Fidelity GA AA 20 Years 3.97%) as of June 30, 2024.
Inflation.....	Not specifically assumed.
Salary increases.....	3.0% annually as of June 30, 2024 and for future periods.
Healthcare cost trend rate.....	Year 1 trend: 7.0%. Ultimate trend: July 1, 20353 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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 5.02%. 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

City of Springfield, Massachusetts

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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 4.09% as of June 30, 2024 and 4.00% June 30, 2023. 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, 2024, 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 4.09%, 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 (3.09%) or 1-percentage-point higher (5.09%) than the current rate.

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Net OPEB liability.....	\$ 1,359,970,610	\$ 1,130,171,244	\$ 955,675,167

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.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 943,948,276	\$ 1,130,171,244	\$ 1,378,139,423

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

City of Springfield, Massachusetts

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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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023.....	\$ 1,259,586,732	\$ 13,001,659	\$ 1,246,585,073
Changes for the year:			
Service cost.....	34,271,406	-	34,271,406
Interest.....	50,726,932	-	50,726,932
Changes of assumptions.....	(160,141,158)	-	(160,141,158)
Benefit payments.....	(38,638,892)	(38,638,892)	-
Contributions from employer.....	-	40,570,672	(40,570,672)
Net investment income (loss).....	-	700,337	(700,337)
Administrative Expenses.....	-	-	-
Net change.....	(113,781,712)	2,632,117	(116,413,829)
Balances at June 30, 2024.....	\$ <u>1,145,805,020</u>	\$ <u>15,633,776</u>	\$ <u>1,130,171,244</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$40.7 million. At June 30, 2024, 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..	\$ 230,317	\$ -	\$ 230,317
Changes in assumptions.....	<u>96,780,869</u>	<u>(446,828,176)</u>	<u>(350,047,307)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>97,011,186</u>	\$ <u>(446,828,176)</u>	\$ <u>(349,816,990)</u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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

Year ended June 30:

2025.....	\$	(43,629,086)
2026.....		(57,578,623)
2027.....		(70,037,285)
2028.....		(86,872,852)
2029.....		(53,709,491)
2030.....		(24,000,788)
2031.....		<u>(13,988,865)</u>
Total.....	\$	<u><u>(349,816,990)</u></u>

Changes of Assumptions:

- The discount rate was increased from 4.00% to 4.09%.

Changes in Plan Provisions:

- None.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 as of June 30:

	Pension Trust Fund (as of December 31, 2023)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 1,084,782	\$ 12,008,343	\$ 13,093,125
Investments:			
Investments in Pension Reserve Investment Trust.....	588,958,508	-	588,958,508
Corporate bonds.....	-	1,808,423	1,808,423
Equity securities.....	-	1,113,282	1,113,282
Fixed income mutual funds.....	-	703,728	703,728
Alternative investments.....	49,035	-	49,035
Receivables, net of allowance for uncollectibles:			
Member make-up payments and other.....	609,398	-	609,398
TOTAL ASSETS	<u>590,701,723</u>	<u>15,633,776</u>	<u>606,335,499</u>
LIABILITIES			
Warrants payable.....	<u>1,803</u>	<u>-</u>	<u>1,803</u>
NET POSITION			
Restricted for pensions.....	590,699,920	-	590,699,920
Restricted for other postemployment benefits.....	<u>-</u>	<u>15,633,776</u>	<u>15,633,776</u>
TOTAL NET POSITION	<u>\$ 590,699,920</u>	<u>\$ 15,633,776</u>	<u>\$ 606,333,696</u>

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 for the year ended:

	Pension Trust Fund (as of December 31, 2023)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 101,682,626	\$ 1,931,780	\$ 103,614,406
Employer contributions for other postemployment benefit payments.....	-	38,638,892	38,638,892
Member contributions.....	21,239,712	-	21,239,712
Transfers from other systems.....	1,132,121	-	1,132,121
3(8)c contributions from other systems.....	1,132,695	-	1,132,695
State COLA reimbursements.....	241,321	-	241,321
Member makeup payments and redeposits.....	178,244	-	178,244
Other receipts.....	71,047	-	71,047
Reimbursement of 91A overearnings.....	39,935	-	39,935
Total contributions.....	125,717,701	40,570,672	166,288,373
Net investment income:			
Investment income (loss).....	21,624,076	700,337	22,324,413
Net change in fair value of investments.....	37,308,763	-	37,308,763
Less: investment expense.....	(2,756,237)	-	(2,756,237)
Net investment income (loss).....	56,176,602	700,337	56,876,939
TOTAL ADDITIONS.....	181,894,303	41,271,009	223,165,312
DEDUCTIONS:			
Administration.....	934,621	-	934,621
Transfers to other systems.....	3,173,720	-	3,173,720
3(8)c transfer to other systems.....	2,722,899	-	2,722,899
Retirement benefits and refunds.....	93,788,665	-	93,788,665
Other postemployment benefit payments.....	-	38,638,892	38,638,892
TOTAL DEDUCTIONS.....	100,619,905	38,638,892	139,258,797
NET INCREASE (DECREASE) IN NET POSITION.....	81,274,398	2,632,117	83,906,515
NET POSITION AT BEGINNING OF YEAR.....	509,425,522	13,001,659	522,427,181
NET POSITION AT END OF YEAR.....	\$ 590,699,920	\$ 15,633,776	\$ 606,333,696

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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 2024, 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.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

The City collected total revenue of approximately \$21.8 million in fiscal year 2024 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 \$181.0 million. At June 30, 2024 the City is also committed to fund approximately \$66.0 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 \$1.32 million 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 of Springfield 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 July of 2023 the City entered into a Disposal Agreement with F&G Recycling, LLC, the entity that purchased the solid waste facility from Community Eco Springfield, LLC. The Contract expires in July 2026 and the City pays \$104.50 per ton for solid waste disposal, (there is an annual 5% CPI adjustment beginning July 2024) an increase of \$20 per ton +/-, as the tipping fee would be \$85.09 for FY24. Covanta will be responsible for the difference between the \$104.50 / ton and the \$85.09 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 net City costs for the new Agreement should be approximately \$3.5-4.0 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

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

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 2024 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, 2024. 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 for other matters in the City's financial statements of approximately \$3.4 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, 2024, 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 January 30, 2025, which is the date the financial statements were available to be issued.

NOTE 20 – BENEFICIAL INTEREST IN TRUST

The City holds a beneficial interest in the William B. Walker Trust, which was established on April 18, 1923 and the Rose Knoop Trust, which was established on September 9, 1970, to manage the assets and distribute income for the benefit of certain designated beneficiaries. The Trusts is overseen by trustees that are responsible for the administration and management of the trust assets.

City of Springfield, Massachusetts

Notes to Basic Financial Statements

June 30, 2024

As of June 30, 2024, the City holds a 33% beneficial interest in the William B. Walker Trust and an 8% beneficial interest in the Rose Knoop Trust. This interest entitles the City to 33% and 8% of the trust's income distributions and a 25% share of the residual assets upon the termination of the trust. The City has no control or significant influence over the management and operation of the trust, as all decisions are made independently by the trustees. The City's share of the trusts is recognized as a beneficial interest in trust asset and a related deferred inflow of resources in the governmental activities statement of net assets and the governmental fund balance sheet.

During fiscal year 2024, the City received income distributions totaling \$51,800 from the William B. Walker Trust and \$41,500 Rose Knoop Trust.

NOTE 21 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2024, the following GASB pronouncements were implemented:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.
- The GASB issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented in 2026.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented in 2026.

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.

City of Springfield, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
REVENUES:					
Real estate and Personnel property taxes, net of tax refunds.....	\$ 262,606,704	\$ 254,357,638	\$ 252,133,135	\$ -	\$ (2,224,503)
Tax liens.....	-	-	1,320,649	-	1,320,649
Motor vehicle and other excise taxes.....	12,500,000	12,100,000	13,572,703	-	1,472,703
Hotel/motel, meals and cannabis local option taxes.....	4,109,448	4,495,091	5,846,882	-	1,351,791
Charges for services.....	6,639,277	6,078,634	8,141,354	-	2,062,720
Penalties and interest on taxes.....	1,726,000	1,722,500	1,955,062	-	232,562
Payments in lieu of taxes.....	279,620	279,620	302,040	-	22,420
Chapter 121A - excise payments in lieu of taxes.....	17,973,971	17,973,971	17,214,672	-	(759,299)
Licenses and permits.....	7,561,100	7,561,100	8,131,618	-	570,518
Fines and forfeitures.....	2,698,183	2,423,183	1,922,784	-	(500,399)
Intergovernmental - state aid.....	545,247,551	548,682,710	544,087,581	-	(4,595,129)
Departmental and other.....	13,604,614	13,514,614	14,007,621	-	493,007
Investment income.....	2,966,442	3,112,168	9,729,860	-	6,617,692
TOTAL REVENUES.....	877,912,910	872,301,229	878,365,961	-	6,064,732
EXPENDITURES:					
Current:					
GENERAL GOVERNMENT					
City Council					
Personnel Services.....	525,531	528,031	527,154	-	877
Expenditures.....	18,835	17,988	9,135	1,051	7,802
Total City Council	544,366	546,019	536,289	1,051	8,679
Mayor					
Personnel Services.....	671,664	671,664	665,309	-	6,355
Expenditures.....	22,524	21,979	14,042	541	7,396
Total Mayor.....	694,188	693,643	679,351	541	13,751
Finance					
Expenditures.....	2,826,120	2,820,480	2,710,300	10,000	100,180
Office of Management and Budget					
Personnel Services.....	1,134,789	1,084,789	999,551	-	85,238
Expenditures.....	211,693	192,446	89,527	55,123	47,796
Total Office of Management and Budget.....	1,346,482	1,277,235	1,089,078	55,123	133,034
311 Call Center					
Personnel Services.....	529,778	529,778	452,641	-	77,137
Expenditures.....	52,783	52,453	52,274	101	78
Total 311 Call Center.....	582,561	582,231	504,915	101	77,215
Comptroller					
Personnel Services.....	567,125	517,125	446,443	-	70,682
Expenditures.....	8,133	8,133	6,113	-	2,020
Total Comptroller.....	575,258	525,258	452,556	-	72,702
Internal Audit					
Personnel Services.....	308,717	308,717	307,535	-	1,182
Expenditures.....	208,813	208,813	173,152	16,000	19,661
Total Internal Audit.....	517,530	517,530	480,687	16,000	20,843
Office of Procurement					
Personnel Services.....	526,546	506,546	449,312	-	57,234
Expenditures.....	206,135	226,018	184,242	36,694	5,082
Total Office of Procurement.....	732,681	732,564	633,554	36,694	62,316

See notes to required supplementary information.

City of Springfield, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Board of Assessors					
Personnel Services.....	887,265	887,265	863,016	-	24,249
Expenditures.....	273,884	247,544	210,353	29,142	8,049
Total Board of Assessors.....	1,161,149	1,134,809	1,073,369	29,142	32,298
Treasurer					
Personnel Services.....	591,531	591,531	585,020	-	6,511
Expenditures.....	1,452,817	1,100,966	562,518	342,111	196,337
Total Treasurer.....	2,044,348	1,692,497	1,147,538	342,111	202,848
Collector					
Personnel Services.....	392,081	392,081	384,212	-	7,869
Expenditures.....	196,256	188,531	99,806	48,633	40,092
Total Collector.....	588,337	580,612	484,018	48,633	47,961
Law					
Personnel Services.....	2,588,654	2,563,654	2,408,980	-	154,674
Expenditures.....	618,362	2,387,138	2,146,011	197,443	43,684
Total Law.....	3,207,016	4,950,792	4,554,991	197,443	198,358
Department of Humans Resources & Labor Relations					
Personnel Services.....	786,338	786,338	776,997	-	9,341
Expenditures.....	554,098	532,739	449,493	75,085	8,161
Total Department of Humans Resources & Labor Relations..	1,340,436	1,319,077	1,226,490	75,085	17,502
Employee Benefits Department					
Personnel Services.....	432,860	372,860	311,692	-	61,168
Expenditures.....	11,670	10,168	7,234	2,059	875
Total Employee Benefits Department.....	444,530	383,028	318,926	2,059	62,043
Information Technology					
Personnel Services.....	1,328,710	1,253,710	1,153,702	-	100,008
Expenditures.....	3,217,833	3,209,858	2,895,824	181,179	132,855
Capital.....	24,514	24,514	18,050	1,919	4,545
Total Information Technology	4,571,057	4,488,082	4,067,576	183,098	237,408
City Clerk					
Personnel Services.....	697,914	672,914	632,210	-	40,704
Expenditures.....	84,097	80,802	78,875	1,189	738
Total City Clerk.....	782,011	753,716	711,085	1,189	41,442
Board of Election Commission					
Personnel Services.....	492,021	492,021	449,111	-	42,910
Expenditures.....	208,009	252,399	246,264	537	5,598
Total Board of Election Commission.....	700,030	744,420	695,375	537	48,508
Planning					
Personnel Services.....	801,257	801,257	703,332	-	97,925
Expenditures.....	611,873	606,714	495,531	100,450	10,733
Total Planning.....	1,413,130	1,407,971	1,198,863	100,450	108,658
Facilities Management					
Personnel Services.....	1,484,935	1,434,935	1,306,070	-	128,865
Expenditures.....	3,127,765	3,067,402	2,873,778	132,351	61,273
Total Facilities Management.....	4,612,700	4,502,337	4,179,848	132,351	190,138

See notes to required supplementary information.

City of Springfield, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Capital Asset Construction					
Personnel Services.....	475,491	475,491	468,916	-	6,575
Expenditures.....	61,759	59,504	20,262	1,002	38,240
Total Capital Asset Construction.....	537,250	534,995	489,178	1,002	44,815
Provisions for Uncompensated Absences					
Expenditures.....	(1,200,000)	-	-	-	-
Reserve for Contingencies					
Expenditures.....	250,000	107,500	-	-	107,500
Parking Contract					
Expenditures.....	1,547,606	1,321,076	1,265,023	56,053	-
Pay-As-You-Go Capital					
Capital.....	5,697,796	4,142,967	2,547,629	1,542,474	52,864
TOTAL GENERAL GOVERNMENT.....	35,516,582	35,758,839	31,046,639	2,831,137	1,881,063
PUBLIC SAFETY					
Police					
Personnel Services.....	52,474,480	54,493,528	53,837,527	-	656,001
Expenditures.....	5,908,471	5,367,342	4,767,172	491,891	108,279
Capital.....	287,005	287,005	278,176	8,714	115
Total Police.....	58,669,956	60,147,875	58,882,875	500,605	764,395
Fire					
Personnel Services.....	25,067,531	27,567,531	26,739,104	-	828,427
Expenditures.....	2,522,549	2,510,615	2,334,457	148,203	27,955
Capital.....	8,500	8,500	7,705	-	795
Total Fire.....	27,598,580	30,086,646	29,081,266	148,203	857,177
Building - Code Enforcement					
Personnel Services.....	2,059,760	2,009,760	1,720,272	-	289,488
Expenditures.....	62,901	62,308	55,711	191	6,406
Total Building - Code Enforcement.....	2,122,661	2,072,068	1,775,983	191	295,894
Housing - Code Enforcement					
Personnel Services.....	931,615	881,615	827,673	-	53,942
Expenditures.....	269,424	225,045	161,515	28,793	34,737
Total Housing - Code Enforcement.....	1,201,039	1,106,660	989,188	28,793	88,679
Centralized Dispatch					
Personnel Services.....	2,079,457	2,079,457	1,859,704	-	219,753
Expenditures.....	179,317	179,317	163,543	5,850	9,924
Total Centralized Dispatch.....	2,258,774	2,258,774	2,023,247	5,850	229,677
TJ O'Connor Animal Control					
Personnel Services.....	1,014,844	1,014,844	876,140	-	138,704
Expenditures.....	903,722	877,875	808,591	40,749	28,535
Total TJ O'Connor Animal Control.....	1,918,566	1,892,719	1,684,731	40,749	167,239
TOTAL PUBLIC SAFETY.....	93,769,576	97,564,742	94,437,290	724,391	2,403,061
EDUCATION					
School Department.....	637,212,125	637,760,482	572,875,341	60,915,867	3,969,274
PUBLIC WORKS					
Personnel Services.....	5,343,061	5,240,653	4,611,557	-	629,096
Expenditures.....	7,395,550	7,274,202	6,952,279	191,038	130,885
TOTAL PUBLIC WORKS.....	12,738,611	12,514,855	11,563,836	191,038	759,981

See notes to required supplementary information.

City of Springfield, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
HEALTH & HUMAN SERVICES					
Health & Human Services					
Personnel Services.....	1,953,881	1,833,881	1,469,817	-	364,064
Expenditures.....	463,061	461,061	451,030	6,077	3,954
Total Health & Human Services.....	2,416,942	2,294,942	1,920,847	6,077	368,018
Department of Elder Affairs					
Personnel Services.....	415,924	415,924	393,125	-	22,799
Expenditures.....	261,383	258,675	238,286	4,947	15,442
Total Department of Elder Affairs.....	677,307	674,599	631,411	4,947	38,241
Veterans Services					
Personnel Services.....	391,531	391,531	294,103	-	97,428
Expenditures.....	1,291,697	1,291,642	957,393	-	334,249
Total Veterans Services.....	1,683,228	1,683,173	1,251,496	-	431,677
TOTAL HEALTH & HUMAN SERVICES.....	4,777,477	4,652,714	3,803,754	11,024	837,936
CULTURE & RECREATION					
Library					
Personnel Services.....	4,051,846	4,051,846	4,037,730	-	14,116
Expenditures.....	1,876,823	1,869,409	1,687,447	127,474	54,488
Capital.....	35,000	35,000	29,692	5,098	210
Total Library.....	5,963,669	5,956,255	5,754,869	132,572	68,814
Museum					
Expenditures.....	1,320,000	1,320,000	1,320,000	-	-
Parks					
Personnel Services.....	6,120,070	6,120,069	5,743,916	4,379	371,774
Expenditures.....	5,288,464	6,688,066	5,606,715	1,049,437	31,914
Capital.....	295,764	295,764	272,290	-	23,474
Total Parks.....	11,704,298	13,103,899	11,622,921	1,053,816	427,162
TOTAL CULTURE & RECREATION.....	18,987,967	20,380,154	18,697,790	1,186,388	495,976
OTHER					
Debt Service					
Expenditures.....	23,034,501	23,034,501	22,947,028	-	87,473
State Assessments					
Expenditures.....	3,756,743	3,784,341	3,718,653	65,688	-
Contribution Retirement Pension					
Expenditures.....	61,837,509	61,836,953	61,723,048	-	113,905
Non-Contributory Pensions					
Expenditures.....	-	556	556	-	-
Unemployment					
Expenditures.....	152,032	227,031	164,489	62,542	-
Workers Compensation Indemnity					
Expenditures.....	533,438	533,438	287,041	-	246,397
Workers Compensation Medical Claims					
Expenditures.....	1,331,350	1,331,350	1,018,897	-	312,453
Health Insurance - Non School					
Expenditures.....	29,052,768	28,977,768	26,716,465	-	2,261,303
Medicare - Employer Match					
Expenditures.....	1,797,519	1,797,519	1,722,787	-	74,732
TOTAL EXPENDITURES.....	924,498,198	930,155,243	850,723,614	65,988,075	13,443,554

See notes to required supplementary information.

City of Springfield, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(46,585,288)	(57,854,014)	27,642,347	(65,988,075)	19,508,286
<u>OTHER FINANCING SOURCES (USES):</u>					
Use of prior year reserves.....	53,852,050	49,649,650	-	-	(49,649,650)
Use of free cash to fund transfers out.....	-	16,317,806	-	-	(16,317,806)
Use of free cash to reduce tax rate.....	-	7,000,000	-	-	(7,000,000)
Transfers in.....	-	2,284,816	2,284,816	-	-
Transfers out.....	(7,266,762)	(17,398,258)	(17,398,258)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	46,585,288	57,854,014	(15,113,442)	-	(72,967,456)
NET CHANGE IN FUND BALANCE.....	-	-	12,528,905	(65,988,075)	(53,459,170)
BUDGETARY FUND BALANCE, Beginning of year.....	113,685,475	113,685,475	113,685,475	-	-
BUDGETARY FUND BALANCE, End of year..... \$	113,685,475	113,685,475	126,214,380	(65,988,075)	(53,459,170)

See notes to required supplementary information.

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.

City of Springfield, Massachusetts

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	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Total pension liability:										
Service cost.....	\$ 17,151,000	\$ 17,923,000	\$ 22,097,000	\$ 23,091,000	\$ 23,719,000	\$ 24,786,000	\$ 26,681,000	\$ 27,882,000	\$ 28,534,000	\$ 29,818,000
Interest.....	77,538,000	79,578,000	84,605,000	87,036,000	88,350,000	90,693,000	94,486,000	97,005,000	96,411,000	98,718,000
Changes in benefit terms.....	-	-	-	-	-	-	-	-	-	7,500,000
Differences between expected and actual experience.....	-	12,434,000	-	(11,096,000)	-	21,761,000	-	(21,212,000)	-	37,961,000
Changes in assumptions.....	-	54,000,000	-	35,400,000	-	22,900,000	-	25,300,000	-	2,500,000
Benefit payments.....	(68,031,686)	(71,092,314)	(74,245,640)	(77,594,360)	(80,146,000)	(82,779,000)	(85,961,000)	(89,261,000)	(91,407,000)	(95,138,000)
Net change in total pension liability.....	26,657,314	92,842,686	32,456,360	56,836,640	31,923,000	77,361,000	35,206,000	39,714,000	33,538,000	81,359,000
Total pension liability - beginning.....	1,001,475,000	1,028,132,314	1,120,975,000	1,153,431,360	1,210,268,000	1,242,191,000	1,319,552,000	1,354,758,000	1,394,472,000	1,428,010,000
Total pension liability - ending (a).....	\$ 1,028,132,314	\$ 1,120,975,000	\$ 1,153,431,360	\$ 1,210,268,000	\$ 1,242,191,000	\$ 1,319,552,000	\$ 1,354,758,000	\$ 1,394,472,000	\$ 1,428,010,000	\$ 1,509,369,000
Plan fiduciary net position:										
Member contributions.....	\$ 12,150,386	\$ 13,184,024	\$ 14,098,033	\$ 14,658,679	\$ 15,900,608	\$ 17,994,472	\$ 17,584,061	\$ 18,172,821	\$ 17,757,628	\$ 19,416,292
Employer contributions.....	45,805,630	47,710,101	50,572,700	57,652,878	67,724,281	72,757,453	78,087,018	85,271,024	93,115,958	101,682,626
Net investment income (loss).....	20,681,621	1,890,211	20,912,155	50,175,997	(7,964,337)	53,965,336	42,855,655	87,294,912	(60,403,673)	56,176,602
Other receipts.....	-	785,488	295,507	121,215	889	151	1,188	14,319	42,949	71,047
Retirement benefits and refunds, net.....	(68,031,686)	(71,092,314)	(74,245,640)	(77,594,360)	(80,163,472)	(82,778,694)	(85,960,540)	(89,261,394)	(91,407,464)	(95,137,548)
Administrative expenses.....	(751,843)	(722,933)	(830,694)	(796,923)	(824,545)	(880,489)	(881,842)	(876,312)	(892,877)	(934,621)
Net increase (decrease) in fiduciary net position.....	9,854,108	(8,245,423)	10,802,061	44,217,486	(5,326,576)	61,058,229	51,685,540	100,615,370	(41,787,479)	81,274,398
Fiduciary net position - beginning of year.....	286,552,206	296,406,314	288,160,891	298,962,952	343,180,438	337,853,862	398,912,091	450,597,631	551,213,001	509,425,522
Fiduciary net position - end of year (b).....	\$ 296,406,314	\$ 288,160,891	\$ 298,962,952	\$ 343,180,438	\$ 337,853,862	\$ 398,912,091	\$ 450,597,631	\$ 551,213,001	\$ 509,425,522	\$ 590,699,920
Net pension liability - ending (a)-(b).....	\$ 731,726,000	\$ 832,814,109	\$ 854,468,408	\$ 867,087,562	\$ 904,337,138	\$ 920,639,909	\$ 904,160,369	\$ 843,258,999	\$ 918,584,478	\$ 918,669,080
Plan fiduciary net position as a percentage of the total pension liability.....	28.83%	25.71%	25.92%	28.36%	27.20%	30.23%	33.26%	39.53%	35.67%	39.14%
Covered payroll.....	\$ 139,681,000	\$ 152,161,000	\$ 153,683,000	\$ 154,471,000	\$ 155,243,000	\$ 171,720,000	\$ 173,437,000	\$ 176,787,000	\$ 176,787,000	\$ 210,245,000
Net pension liability as a percentage of covered payroll.....	523.86%	547.32%	555.99%	561.33%	582.53%	536.13%	521.32%	476.99%	519.60%	436.95%

See notes to required supplementary information.

City of Springfield, Massachusetts

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, 2023.....	\$ 101,682,626	\$ (101,682,626)	\$ -	\$ 210,245,000	48.36%
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%

See notes to required supplementary information.

City of Springfield, Massachusetts

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, 2023.....	10.79%
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%

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.

City of Springfield, Massachusetts

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, 2023.....	88.55%	\$ 813,462,804	\$ 186,167,676	436.95%	39.14%
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%

See notes to required supplementary information.

City of Springfield, Massachusetts

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, 2024.....	\$ 90,097,082	\$ (90,097,082)	\$ -	\$ 186,353,844	48.35%
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%

See notes to required supplementary information.

City of Springfield, Massachusetts

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
2024.....	\$ 664,374,358	\$ 62,032,724	58.48%
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%

See notes to required supplementary information.

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.

City of Springfield, Massachusetts

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	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total OPEB Liability								
Service cost.....	\$ 21,293,075	\$ 18,688,914	\$ 20,831,520	\$ 38,877,498	\$ 44,693,982	\$ 38,439,824	\$ 37,066,906	\$ 34,271,406
Interest.....	46,678,450	40,969,637	40,567,984	32,645,775	30,561,841	61,366,665	49,788,768	50,726,932
Changes of assumptions.....	-	-	111,439,575	85,218,777	123,666,366	(448,689,569)	(55,153,358)	(160,141,158)
Benefit payments.....	(25,000,273)	(34,268,374)	(31,660,697)	(32,544,441)	(32,244,628)	(34,651,907)	(33,669,549)	(38,638,892)
Net change in total OPEB liability.....	42,971,252	25,390,177	141,178,382	124,197,609	166,677,561	(383,534,987)	(1,967,233)	(113,781,712)
Total OPEB liability - beginning.....	<u>1,144,673,971</u>	<u>1,187,645,223</u>	<u>1,213,035,400</u>	<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>1,259,586,732</u>
Total OPEB liability - ending (a).....	<u>\$ 1,187,645,223</u>	<u>\$ 1,213,035,400</u>	<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>\$ 1,259,586,732</u>	<u>\$ 1,145,805,020</u>
Plan fiduciary net position								
Employer contributions.....	\$ 494,794	\$ 644,079	\$ 745,325	\$ 313,559	\$ 734,699	\$ 2,763,193	\$ 6,783,412	\$ 1,931,780
Employer contributions for OPEB payments....	25,000,273	34,268,374	31,660,697	32,544,441	32,244,628	34,651,907	33,669,549	38,638,892
Net investment income (loss).....	1,455	13,005	41,995	24,142	76,678	(212,328)	96,660	700,337
Benefit payments.....	(25,000,273)	(34,268,374)	(31,660,697)	(32,544,441)	(32,244,628)	(34,651,907)	(33,669,549)	(38,638,892)
Net change in plan fiduciary net position.....	496,249	657,084	787,320	337,701	811,377	2,550,865	6,880,072	2,632,117
Plan fiduciary net position - beginning of year.....	<u>480,991</u>	<u>977,240</u>	<u>1,634,324</u>	<u>2,421,644</u>	<u>2,759,345</u>	<u>3,570,722</u>	<u>6,121,587</u>	<u>13,001,659</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 977,240</u>	<u>\$ 1,634,324</u>	<u>\$ 2,421,644</u>	<u>\$ 2,759,345</u>	<u>\$ 3,570,722</u>	<u>\$ 6,121,587</u>	<u>\$ 13,001,659</u>	<u>\$ 15,633,776</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>	<u>\$ 1,475,652,046</u>	<u>\$ 1,641,518,230</u>	<u>\$ 1,255,432,378</u>	<u>\$ 1,246,585,073</u>	<u>\$ 1,130,171,244</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.08%	0.13%	0.18%	0.19%	0.22%	0.49%	1.03%	1.36%
Covered-employee payroll.....	\$ 277,466,376	\$ 279,686,107	\$ 281,923,596	\$ 284,178,985	\$ 336,148,366	\$ 361,439,411	\$ 365,053,805	\$ 422,229,523
Net OPEB liability as a percentage of covered-employee payroll.....	427.68%	433.13%	479.49%	519.27%	488.33%	347.34%	341.48%	267.67%

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.

City of Springfield, Massachusetts

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, 2024.....	\$ 98,156,851	\$ (40,570,672)	\$ 57,586,179	\$ 422,229,523	9.61%
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.

City of Springfield, Massachusetts

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2024.....	5.02%
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.

City of Springfield, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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 2024 approved budget authorized approximately \$931.8 million in appropriations and other amounts to be raised. Included in this total were \$53.9 million of carryforwards from the prior year.

During the year the appropriations increased by \$15.8 million due to an increase in the use of free cash of \$16.3 million to fund pay-go capital, transfers out for stabilization, OPEB and capital, and an additional \$7 million to reduce the tax rate. The tax rate was decreased \$8.2 million by the final budget, while \$4.2 million of prior year carryforwards were also liquidated. The final budget reflected \$947.6 million of appropriations and other amounts to be raised.

The City Comptroller’s office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

City of Springfield, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

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, 2024, is presented below:

Net change in fund balance - budgetary basis.....	\$ 12,528,905
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	7,288,816
<u>Basis of accounting differences:</u>	
Net change in recording 60 day receipts.....	(392,789)
Net change in recording accrued expenditures.....	20,000
Recognition of revenue for on-behalf payments.....	62,032,724
Recognition of expenditures for on-behalf payments.....	<u>(62,032,724)</u>
Net change in fund balance - GAAP basis.....	\$ <u>19,444,932</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

City of Springfield, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

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 – The mortality tables were updated to use Scale MP-2021.

E. Changes in Plan Provisions – The COLA base was increased from \$13,000 to \$14,000.

City of Springfield, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

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.

City of Springfield, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

Valuation date.....	July 1, 2023
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...	5.03%
Single equivalent discount rate.....	4.09%, previously 4.00%. An average of 20-year bond indices (S&P Municipal Bond 20 Year High Grade Rate Index 4.21%, and Fidelity GA AA 20 Years 3.97%) as of June 30, 2024.
Inflation.....	Not specifically assumed.
Salary increases.....	3.0% annually as of June 30, 2024 and for future periods.
Healthcare cost trend rate.....	Year 1 trend: 7.0%. Ultimate trend: July 1, 2035 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 4.00% to 4.09%.

Changes in Plan Provisions – None.

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.

Private Gifts & Grants Fund – This fund is used to account for private gifts and grant funds received from corporations, individuals, and non-profit groups for a variety of municipal purposes.

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.

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Balance Sheet

June 30, 2024

	Special Revenue Funds							
	Utility/ Telephone	Receipts Reserved	Community Preservation Act	School Lunch	Highway Improvements	Revolving	Private Grants & Gifts	Federal Grants School
ASSETS								
Cash and cash equivalents.....	\$ 2,525,772	\$ 282,691	\$ 9,427,784	\$ 6,870,106	\$ -	\$ 6,560,685	\$ 18,819,322	\$ -
Investments.....	-	-	-	-	-	-	-	-
Beneficial Interest in trusts.....	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:								
Tax liens.....	-	-	27,282	-	-	-	-	-
Community preservation fund surtax.....	-	-	17,650	-	-	-	-	-
Departmental and other.....	-	-	-	-	-	1,142,712	-	-
Intergovernmental.....	-	-	-	-	5,532,783	-	-	2,086,916
Community preservation state share.....	-	-	440,330	-	-	-	-	-
Loans.....	-	-	-	-	-	-	-	-
Other assets.....	-	-	-	-	-	-	-	-
Restricted assets:								
Investments held by custodian.....	-	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 2,525,772	\$ 282,691	\$ 9,913,046	\$ 6,870,106	\$ 5,532,783	\$ 7,703,397	\$ 18,819,322	\$ 2,086,916
LIABILITIES								
Warrants payable.....	\$ 80,126	\$ -	\$ 21,850	\$ 13,578	\$ -	\$ 29,584	\$ 38,551	\$ 479,426
Accrued payroll.....	2,973	-	-	18,782	287	184,053	107,903	1,232,986
Due to other funds.....	-	-	-	-	1,519,217	-	-	1,104,207
Due to granting agencies.....	-	-	-	-	-	-	-	-
Other liabilities.....	-	-	-	-	-	448	-	-
Notes payable.....	-	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	83,099	-	21,850	32,360	1,519,504	214,085	146,454	2,816,619
DEFERRED INFLOWS OF RESOURCES								
Taxes paid in advance.....	-	-	14,096	-	-	-	-	-
Unavailable revenue.....	-	-	485,262	-	4,013,279	1,142,712	-	-
Beneficial interest in trusts.....	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES...	-	-	499,358	-	4,013,279	1,142,712	-	-
FUND BALANCES								
Nonspendable.....	-	-	-	-	-	-	-	-
Restricted.....	2,442,673	282,691	9,391,838	6,837,746	-	6,346,600	18,672,868	-
Unassigned.....	-	-	-	-	-	-	-	(729,703)
TOTAL FUND BALANCES.....	2,442,673	282,691	9,391,838	6,837,746	-	6,346,600	18,672,868	(729,703)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 2,525,772	\$ 282,691	\$ 9,913,046	\$ 6,870,106	\$ 5,532,783	\$ 7,703,397	\$ 18,819,322	\$ 2,086,916

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Balance Sheet (Continued)

June 30, 2024

	Special Revenue Funds						
	Federal Grants City	State Grants School	State Grants City	Promise Fund	Springfield Empowerment Zone Partnership	Other	Subtotal
ASSETS							
Cash and cash equivalents.....	\$ 2,277,343	\$ 2,597,819	\$ 1,792,069	\$ 3,075,642	\$ 953,416	\$ 10,301,023	\$ 65,483,672
Investments.....	-	-	-	-	-	-	-
Beneficial Interest in trusts.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Tax liens.....	-	-	-	-	-	-	27,282
Community preservation fund surtax.....	-	-	-	-	-	-	17,650
Departmental and other.....	-	-	-	-	340,162	61,204	1,544,078
Intergovernmental.....	31,216	1,820,241	-	-	77,500	-	9,548,656
Community preservation state share.....	-	-	-	-	-	-	440,330
Loans.....	1,667,759	-	-	-	-	-	1,667,759
Other assets.....	-	-	-	-	70,272	-	70,272
Restricted assets:							
Investments held by custodian.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 3,976,318	\$ 4,418,060	\$ 1,792,069	\$ 3,075,642	\$ 1,441,350	\$ 10,362,227	\$ 78,799,699
LIABILITIES							
Warrants payable.....	\$ 676,265	\$ 49,595	\$ 309,181	\$ 1,500	\$ 251,572	\$ 24,537	\$ 1,975,765
Accrued payroll.....	56,333	124,438	46,293	10,856	-	-	1,784,904
Due to other funds.....	-	-	-	-	-	-	2,623,424
Due to granting agencies.....	1,455,000	-	-	-	-	-	1,455,000
Other liabilities.....	-	-	-	-	115,244	5,374,998	5,490,690
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	2,187,598	174,033	355,474	12,356	366,816	5,399,535	13,329,783
DEFERRED INFLOWS OF RESOURCES							
Taxes paid in advance.....	-	-	-	-	-	-	14,096
Unavailable revenue.....	243,975	-	-	-	-	38,567	5,923,795
Beneficial interest in trusts.....	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES...	243,975	-	-	-	-	38,567	5,937,891
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	1,544,745	4,244,027	1,436,595	3,063,286	1,074,534	4,924,125	60,261,728
Unassigned.....	-	-	-	-	-	-	(729,703)
TOTAL FUND BALANCES.....	1,544,745	4,244,027	1,436,595	3,063,286	1,074,534	4,924,125	59,532,025
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 3,976,318	\$ 4,418,060	\$ 1,792,069	\$ 3,075,642	\$ 1,441,350	\$ 10,362,227	\$ 78,799,699

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Balance Sheet (Continued)

June 30, 2024

	Capital Project Funds						
	School Capital Projects	Public Buildings	Parks	Equipment	Public Works	Other	Subtotal
ASSETS							
Cash and cash equivalents.....	\$ 7,688,514	\$ 2,050,104	\$ 6,462,048	\$ 12,844,898	\$ 3,387,652	\$ 34,724	\$ 32,467,940
Investments.....	-	-	-	-	-	-	-
Beneficial Interest in trusts.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Tax liens.....	-	-	-	-	-	-	-
Community preservation fund surtax.....	-	-	-	-	-	-	-
Departmental and other.....	-	-	-	-	-	-	-
Intergovernmental - other.....	215,179	-	-	-	-	-	215,179
Community preservation state share.....	-	-	-	-	-	-	-
Loans.....	-	-	-	-	-	-	-
Other assets.....	-	-	-	-	-	-	-
Restricted assets:							
Investments held by custodian.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 7,903,693	\$ 2,050,104	\$ 6,462,048	\$ 12,844,898	\$ 3,387,652	\$ 34,724	\$ 32,683,119
LIABILITIES							
Warrants payable.....	\$ 997,516	\$ -	\$ 11,630	\$ -	\$ -	\$ -	\$ 1,009,146
Accrued payroll.....	-	-	-	-	-	-	-
Due to other funds.....	-	-	-	-	-	-	-
Due to granting agencies.....	-	-	-	-	-	-	-
Other liabilities.....	-	-	-	-	-	-	-
Notes payable.....	-	-	1,912,137	1,900,000	-	-	3,812,137
TOTAL LIABILITIES.....	997,516	-	1,923,767	1,900,000	-	-	4,821,283
DEFERRED INFLOWS OF RESOURCES							
Taxes paid in advance.....	-	-	-	-	-	-	-
Unavailable revenue.....	-	-	-	-	-	-	-
Beneficial interest in trusts.....	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES..	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	6,906,177	2,050,104	4,538,281	10,944,898	3,387,652	34,724	27,861,836
Unassigned.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	6,906,177	2,050,104	4,538,281	10,944,898	3,387,652	34,724	27,861,836
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 7,903,693	\$ 2,050,104	\$ 6,462,048	\$ 12,844,898	\$ 3,387,652	\$ 34,724	\$ 32,683,119

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Balance Sheet (Continued)

June 30, 2024

	Debt Service Funds			Permanent Funds			Total Nonmajor Governmental Funds
	Bond Sinking Fund	Debt Service Reserve	Subtotal	Governmental Trusts	Springfield Library Foundation	Subtotal	
ASSETS							
Cash and cash equivalents.....	\$ -	\$ 379,029	\$ 379,029	\$ 2,599,802	\$ 1,634,286	\$ 4,234,088	\$ 102,564,729
Investments.....	-	-	-	-	8,165,032	8,165,032	8,165,032
Beneficial Interest in trusts.....	-	-	-	6,266,542	4,696,411	10,962,953	10,962,953
Receivables, net of uncollectibles:							
Tax liens.....	-	-	-	-	-	-	27,282
Community preservation fund surtax.....	-	-	-	-	-	-	17,650
Departmental and other.....	-	-	-	-	-	-	1,544,078
Intergovernmental - other.....	-	-	-	-	-	-	9,763,835
Community preservation state share.....	-	-	-	-	-	-	440,330
Loans.....	-	-	-	-	-	-	1,667,759
Other assets.....	-	-	-	-	-	-	70,272
Restricted assets:							
Investments held by custodian.....	13,919,502	-	13,919,502	-	-	-	13,919,502
TOTAL ASSETS.....	\$ 13,919,502	\$ 379,029	\$ 14,298,531	\$ 8,866,344	\$ 14,495,729	\$ 23,362,073	\$ 149,143,422
LIABILITIES							
Warrants payable.....	\$ -	\$ 7,852	\$ 7,852	\$ 11,418	\$ 14,553	\$ 25,971	\$ 3,018,734
Accrued payroll.....	-	-	-	-	-	-	1,784,904
Due to other funds.....	-	-	-	-	-	-	2,623,424
Due to granting agencies.....	-	-	-	-	-	-	1,455,000
Other liabilities.....	-	-	-	-	-	-	5,490,690
Notes payable.....	-	-	-	-	-	-	3,812,137
TOTAL LIABILITIES.....	-	7,852	7,852	11,418	14,553	25,971	18,184,889
DEFERRED INFLOWS OF RESOURCES							
Taxes paid in advance.....	-	-	-	-	-	-	14,096
Unavailable revenue.....	-	-	-	-	-	-	5,923,795
Beneficial interest in trusts.....	-	-	-	6,266,542	-	6,266,542	6,266,542
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	-	-	6,266,542	-	6,266,542	12,204,433
FUND BALANCES							
Nonspendable.....	-	-	-	-	4,696,411	4,696,411	4,696,411
Restricted.....	13,919,502	371,177	14,290,679	2,588,384	9,784,765	12,373,149	114,787,392
Unassigned.....	-	-	-	-	-	-	(729,703)
TOTAL FUND BALANCES.....	13,919,502	371,177	14,290,679	2,588,384	14,481,176	17,069,560	118,754,100
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 13,919,502	\$ 379,029	\$ 14,298,531	\$ 8,866,344	\$ 14,495,729	\$ 23,362,073	\$ 149,143,422

City of Springfield, Massachusetts

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

Year Ended June 30, 2024

	Special Revenue Funds						
	Utility/ Telephone	Receipts Reserved	Community Preservation Act	School Lunch	Highway Improvements	Revolving	Private Grants & Gifts
REVENUES:							
Tax liens.....	\$ -	\$ -	\$ 7,832	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	1,298,988	-	515,069	-
Penalties and interest on taxes.....	-	-	6,230	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-	-	-
Intergovernmental.....	-	-	446,430	27,472,606	2,960,400	323,698	-
Departmental and other.....	774,997	-	-	1,506,760	-	10,688,221	-
Community preservation taxes.....	-	-	2,188,400	-	-	-	-
Contributions and donations.....	-	-	-	-	-	-	3,843,778
Investment income (loss).....	-	-	366,556	22,676	1,213	2,429	-
TOTAL REVENUES.....	774,997	-	3,015,448	30,301,030	2,961,613	11,529,417	3,843,778
EXPENDITURES:							
Current:							
General government.....	-	-	-	-	-	19,874	17,520
Public safety.....	-	-	-	-	-	9,091,119	5,000
Education.....	-	-	-	25,117,667	-	581,837	1,940,686
Public works.....	-	-	-	-	2,961,613	-	-
Health and welfare.....	-	-	-	-	-	587,433	19,685
Culture and recreation.....	-	-	-	-	-	124,884	249,500
Community preservation.....	-	-	2,398,607	-	-	-	-
TOTAL EXPENDITURES.....	-	-	2,398,607	25,117,667	2,961,613	10,405,147	2,232,391
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	774,997	-	616,841	5,183,363	-	1,124,270	1,611,387
OTHER FINANCING SOURCES (USES):							
Issuance of bonds.....	-	-	-	-	-	-	-
Premium from issuance of debt.....	-	-	-	-	-	-	-
Transfers in.....	-	-	-	-	-	1,794,298	1,555,855
Transfers out.....	-	-	-	-	-	-	(33,728)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	1,794,298	1,522,127
NET CHANGE IN FUND BALANCES.....	774,997	-	616,841	5,183,363	-	2,918,568	3,133,514
FUND BALANCES AT BEGINNING OF YEAR.....	1,667,676	282,691	8,774,997	1,654,383	-	3,428,032	15,539,354
FUND BALANCES AT END OF YEAR.....	\$ 2,442,673	\$ 282,691	\$ 9,391,838	\$ 6,837,746	\$ -	\$ 6,346,600	\$ 18,672,868

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2024

	Special Revenue Funds							Subtotal
	Federal Grants School	Federal Grants City	State Grants School	State Grants City	Promise Fund	Springfield Empowerment Zone Partnership	Other	
REVENUES:								
Tax liens.....	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,832
Charges for services.....	-	-	-	-	-	-	178,782	1,992,839
Penalties and interest on taxes.....	-	-	-	-	-	-	-	6,230
Fines and forfeitures.....	-	-	-	-	-	-	32,250	32,250
Intergovernmental.....	37,658,689	21,041,830	11,352,339	9,486,665	-	356,645	-	111,099,302
Departmental and other.....	-	373,643	-	145,077	-	4,562,818	1,698,584	19,750,100
Community preservation taxes.....	-	-	-	-	-	-	-	2,188,400
Contributions and donations.....	-	-	-	81,625	-	-	882,817	4,808,220
Investment income (loss).....	-	2,859	-	336	117,285	-	-	513,354
TOTAL REVENUES.....	37,658,689	21,418,332	11,352,339	9,713,703	117,285	4,919,463	2,792,433	140,398,527
EXPENDITURES:								
Current:								
General government.....	-	14,720,545	-	1,271,275	-	-	480,584	16,509,798
Public safety.....	-	313,381	-	5,050,449	-	-	861,260	15,321,209
Education.....	38,432,476	-	9,727,976	-	525,830	5,261,807	978,069	82,566,348
Public works.....	-	454,478	-	2,020,084	-	-	50,820	5,486,995
Health and welfare.....	-	4,160,206	-	804,317	-	-	-	5,571,641
Culture and recreation.....	-	1,789,607	-	1,401,064	-	-	135,513	3,700,568
Community preservation.....	-	-	-	-	-	-	-	2,398,607
TOTAL EXPENDITURES.....	38,432,476	21,438,217	9,727,976	10,547,189	525,830	5,261,807	2,506,246	131,555,166
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(773,787)	(19,885)	1,624,363	(833,486)	(408,545)	(342,344)	286,187	8,843,361
OTHER FINANCING SOURCES (USES):								
Issuance of bonds.....	-	-	-	-	-	-	-	-
Premium from issuance of debt.....	-	-	-	-	-	-	-	-
Transfers in.....	-	-	-	-	-	-	33,728	3,383,881
Transfers out.....	-	-	-	(1,324,298)	-	-	(34,320)	(1,392,346)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	(1,324,298)	-	-	(592)	1,991,535
NET CHANGE IN FUND BALANCES.....	(773,787)	(19,885)	1,624,363	(2,157,784)	(408,545)	(342,344)	285,595	10,834,896
FUND BALANCES AT BEGINNING OF YEAR.....	44,084	1,564,630	2,619,664	3,594,379	3,471,831	1,416,878	4,638,530	48,697,129
FUND BALANCES AT END OF YEAR.....	(729,703)	\$ 1,544,745	\$ 4,244,027	\$ 1,436,595	\$ 3,063,286	\$ 1,074,534	\$ 4,924,125	\$ 59,532,025

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2024

	Capital Project Funds						
	School Capital Projects	Public Buildings	Parks	Equipment	Public Works	Other	Subtotal
REVENUES:							
Tax liens.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	-	-	-	-
Penalties and interest on taxes.....	-	-	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-	-	-
Intergovernmental.....	11,662,433	-	-	86,782	780,000	-	12,529,215
Departmental and other.....	-	-	-	-	-	-	-
Community preservation taxes.....	-	-	-	-	-	-	-
Contributions and donations.....	-	-	-	-	-	-	-
Investment income (loss).....	-	-	-	-	-	-	-
TOTAL REVENUES.....	11,662,433	-	-	86,782	780,000	-	12,529,215
EXPENDITURES:							
Current:							
General government.....	-	6,183,686	-	1,784,932	-	-	7,968,618
Public safety.....	-	8,182	-	1,395,129	-	-	1,403,311
Education.....	14,501,132	-	-	-	-	-	14,501,132
Public works.....	-	-	-	4,926,055	10,356,004	-	15,282,059
Health and welfare.....	-	-	-	-	-	-	-
Culture and recreation.....	-	-	10,341,851	-	-	-	10,341,851
Community preservation.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	14,501,132	6,191,868	10,341,851	8,106,116	10,356,004	-	49,496,971
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,838,699)	(6,191,868)	(10,341,851)	(8,019,334)	(9,576,004)	-	(36,967,756)
OTHER FINANCING SOURCES (USES):							
Issuance of bonds.....	-	7,400,000	15,600,000	60,000	12,000,000	-	35,060,000
Premium from issuance of debt.....	-	-	-	4,323,000	-	-	4,323,000
Transfers in.....	-	-	-	1,478,066	-	-	1,478,066
Transfers out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	7,400,000	15,600,000	5,861,066	12,000,000	-	40,861,066
NET CHANGE IN FUND BALANCES.....	(2,838,699)	1,208,132	5,258,149	(2,158,268)	2,423,996	-	3,893,310
FUND BALANCES AT BEGINNING OF YEAR.....	9,744,876	841,972	(719,868)	13,103,166	963,656	34,724	23,968,526
FUND BALANCES AT END OF YEAR.....	\$ 6,906,177	\$ 2,050,104	\$ 4,538,281	\$ 10,944,898	\$ 3,387,652	\$ 34,724	\$ 27,861,836

City of Springfield, Massachusetts

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2024

	Debt Service Funds			Permanent Fund			Total Nonmajor Governmental Funds
	Bond Sinking Fund	Debt Service Reserve	Subtotal	Governmental Trusts	Springfield Library Foundation	Subtotal	
REVENUES:							
Tax liens.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,832
Charges for services.....	-	-	-	169,449	-	169,449	2,162,288
Penalties and interest on taxes.....	-	-	-	-	-	-	6,230
Fines and forfeitures.....	-	-	-	-	-	-	32,250
Intergovernmental.....	-	-	-	-	-	-	123,628,517
Departmental and other.....	-	-	-	214,236	-	214,236	19,964,336
Community preservation taxes.....	-	-	-	-	-	-	2,188,400
Contributions and donations.....	-	-	-	325,371	1,372,142	1,697,513	6,505,733
Investment income (loss).....	451,065	-	451,065	82,920	1,292,781	1,375,701	2,340,120
TOTAL REVENUES.....	451,065	-	451,065	791,976	2,664,923	3,456,899	156,835,706
EXPENDITURES:							
Current:							
General government.....	-	-	-	-	-	-	24,478,416
Public safety.....	-	-	-	-	-	-	16,724,520
Education.....	-	-	-	-	-	-	97,067,480
Public works.....	-	-	-	-	-	-	20,769,054
Health and welfare.....	-	-	-	-	-	-	5,571,641
Culture and recreation.....	-	-	-	527,356	665,932	1,193,288	15,235,707
Community preservation.....	-	-	-	-	-	-	2,398,607
TOTAL EXPENDITURES.....	-	-	-	527,356	665,932	1,193,288	182,245,425
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	451,065	-	451,065	264,620	1,998,991	2,263,611	(25,409,719)
OTHER FINANCING SOURCES (USES):							
Issuance of bonds.....	-	-	-	-	-	-	35,060,000
Premium from issuance of debt.....	-	39,637	39,637	-	-	-	4,362,637
Transfers in.....	776,911	-	776,911	-	-	-	5,638,858
Transfers out.....	-	(235,750)	(235,750)	-	-	-	(1,628,096)
TOTAL OTHER FINANCING SOURCES (USES).....	776,911	(196,113)	580,798	-	-	-	43,433,399
NET CHANGE IN FUND BALANCES.....	1,227,976	(196,113)	1,031,863	264,620	1,998,991	2,263,611	18,023,680
FUND BALANCES AT BEGINNING OF YEAR.....	12,691,526	567,290	13,258,816	2,323,764	12,482,185	14,805,949	100,730,420
FUND BALANCES AT END OF YEAR.....	\$ 13,919,502	\$ 371,177	\$ 14,290,679	\$ 2,588,384	\$ 14,481,176	\$ 17,069,560	\$ 118,754,100

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.

City of Springfield, Massachusetts

Internal Service Funds

Combining Statement of Net Position

June 30, 2024

	Public Works Shared Services	Health Insurance	Total Internal Service Funds
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 818,620	\$ 17,210,543	\$ 18,029,163
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	<u>-</u>	<u>61,629</u>	<u>61,629</u>
Total current assets.....	<u>818,620</u>	<u>17,272,172</u>	<u>18,090,792</u>
LIABILITIES			
CURRENT:			
Accrued withholdings.....	-	3,213,345	3,213,345
Health claims payable.....	<u>-</u>	<u>173,125</u>	<u>173,125</u>
Total current liabilities.....	<u>-</u>	<u>3,386,470</u>	<u>3,386,470</u>
NET POSITION			
Unrestricted.....	<u>\$ 818,620</u>	<u>\$ 13,885,702</u>	<u>\$ 14,704,322</u>

City of Springfield, Massachusetts

Internal Service Funds Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

	Public Works Shared Services	Health Insurance	Total Internal Service Funds
<u>OPERATING REVENUES:</u>			
Employee contributions..... \$	-	\$ 26,858,303	\$ 26,858,303
Employer contributions.....	-	81,205,095	81,205,095
Charges for services.....	1,654,254	-	1,654,254
 TOTAL OPERATING REVENUES	 1,654,254	 108,063,398	 109,717,652
<u>OPERATING EXPENSES:</u>			
Cost of services and administration.....	1,543,778	-	1,543,778
Employee benefits.....	-	107,502,021	107,502,021
 TOTAL OPERATING EXPENSES.....	 1,543,778	 107,502,021	 109,045,799
 OPERATING INCOME.....	 110,476	 561,377	 671,853
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income.....	-	187,733	187,733
 CHANGE IN NET POSITION.....	 110,476	 749,110	 859,586
 NET POSITION AT BEGINNING OF YEAR.....	 708,144	 13,136,592	 13,844,736
 NET POSITION AT END OF YEAR..... \$	 818,620	 13,885,702	 14,704,322

City of Springfield, Massachusetts

Internal Service Funds Combining Statement of Cash Flows

Year Ended June 30, 2024

	Public Works Shared Services	Health Insurance	Total Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from member employees..... \$	-	\$ 27,087,534	\$ 27,087,534
Receipts from interfund services provided.....	1,654,254	81,196,283	82,850,537
Payments for interfund services used.....	(1,543,778)	(107,512,130)	(109,055,908)
NET CASH FROM OPERATING ACTIVITIES.....	110,476	771,687	882,163
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment income.....	-	187,733	187,733
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	110,476	959,420	1,069,896
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	708,144	16,251,123	16,959,267
CASH AND CASH EQUIVALENTS AT END OF YEAR..... \$	\$ 818,620	\$ 17,210,543	\$ 18,029,163
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO</u>			
<u>NET CASH FROM OPERATING ACTIVITIES:</u>			
Operating income (loss)..... \$	\$ 110,476	\$ 561,377	\$ 671,853
Adjustments to reconcile operating income to net cash from operating activities:			
Changes in assets and liabilities:			
Departmental and other.....	-	(8,812)	(8,812)
Accrued withholdings.....	-	229,231	229,231
Health claims payable.....	-	(10,109)	(10,109)
Total adjustments.....	-	210,310	210,310
NET CASH FROM OPERATING ACTIVITIES..... \$	\$ 110,476	\$ 771,687	\$ 882,163

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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.



Work on a \$4 million renovation and enhancement project at the Walker Memorial Grandstand in Forest Park is underway. Officials, including Mayor Domenic Sarno (at podium) and Congressman Richard Neal (far left) took part in a groundbreaking Monday, Oct. 28, 2024, to mark the progress made so far.

City of Springfield, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2024



Mason Square Apartments at Indian Motorcycle & Knox Residences opens at the former Knox Automobile Company. The building was transformed and now offers 295 housing units.

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.

City of Springfield, Massachusetts

Net Position by Component

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets.....	\$ 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	\$ 541,248,849
Restricted.....	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	57,304,515
Unrestricted.....	<u>(775,988,856)</u>	<u>(838,399,784)</u>	<u>(1,754,845,827)</u>	<u>(1,797,948,992)</u>	<u>(1,855,187,558)</u>	<u>(1,921,977,185)</u>	<u>(1,998,797,400)</u>	<u>(1,989,276,676)</u>	<u>(2,007,405,715)</u>	<u>(1,970,838,434)</u>
Total governmental activities net position.....	<u>\$ (293,056,200)</u>	<u>\$ (355,851,903)</u>	<u>\$ (1,287,065,653)</u>	<u>\$ (1,317,734,832)</u>	<u>\$ (1,358,785,693)</u>	<u>\$ (1,411,963,833)</u>	<u>\$ (1,475,552,905)</u>	<u>\$ (1,449,897,389)</u>	<u>\$ (1,436,646,189)</u>	<u>\$ (1,372,285,070)</u>
Business-type activities										
Net investment in capital assets.....	\$ 1,159,638	\$ 874,405	\$ 677,297	\$ 429,067	\$ 234,906	\$ 28,564	\$ 9,521	\$ -	\$ -	\$ -
Unrestricted.....	<u>(494,302)</u>	<u>(1,240,585)</u>	<u>(11,571,871)</u>	<u>(12,090,844)</u>	<u>(13,053,289)</u>	<u>(13,858,702)</u>	<u>(14,040,829)</u>	<u>(11,251,182)</u>	<u>(11,381,398)</u>	<u>(9,931,116)</u>
Total business-type activities net position.....	<u>\$ 665,336</u>	<u>\$ (366,180)</u>	<u>\$ (10,894,574)</u>	<u>\$ (11,661,777)</u>	<u>\$ (12,818,383)</u>	<u>\$ (13,830,138)</u>	<u>\$ (14,031,308)</u>	<u>\$ (11,251,182)</u>	<u>\$ (11,381,398)</u>	<u>\$ (9,931,116)</u>
Primary government										
Net investment in capital assets.....	\$ 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	\$ 541,248,849
Restricted.....	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	57,304,515
Unrestricted.....	<u>(776,483,158)</u>	<u>(839,640,369)</u>	<u>(1,766,417,698)</u>	<u>(1,810,039,836)</u>	<u>(1,868,240,847)</u>	<u>(1,935,835,887)</u>	<u>(2,012,838,229)</u>	<u>(2,000,527,858)</u>	<u>(2,018,787,113)</u>	<u>(1,980,769,550)</u>
Total primary government net position.....	<u>\$ (292,390,864)</u>	<u>\$ (356,218,083)</u>	<u>\$ (1,297,960,227)</u>	<u>\$ (1,329,396,609)</u>	<u>\$ (1,371,604,076)</u>	<u>\$ (1,425,793,971)</u>	<u>\$ (1,489,584,213)</u>	<u>\$ (1,461,148,571)</u>	<u>\$ (1,448,027,587)</u>	<u>\$ (1,382,216,186)</u>

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.

City of Springfield, Massachusetts

Changes in Net Position

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government.....	\$ 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	\$ 93,550,824
Public safety.....	122,391,784	133,191,095	140,782,834	142,997,932	146,872,970	154,425,920	155,016,151	139,174,958	158,256,121	159,060,837
Education.....	529,212,400	547,408,081	570,421,173	593,925,177	641,488,216	700,572,773	724,703,211	727,898,551	776,835,965	796,802,969
Public works.....	32,648,659	30,294,896	30,622,701	29,922,956	26,130,344	23,714,493	28,588,583	31,331,599	26,215,550	27,397,746
Health and welfare.....	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	10,911,928
Culture and recreation.....	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	30,786,266
Community preservation.....	-	-	-	3,393	18,924	223,167	556,541	1,412,572	752,273	1,306,583
Community development - Union Station.....	-	2,904,953	202,630	-	-	-	-	-	-	-
Interest.....	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	12,975,400
Total government activities expenses.....	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	1,132,792,553
Business-type activities:										
Trash.....	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	11,375,199
Total primary government expenses.....	\$ 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	\$ 1,144,167,752
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 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	\$ 15,665,895
Public safety charges for services.....	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	15,193,210
Other charges for services.....	17,728,851	16,133,345	14,381,032	15,865,133	17,385,563	17,540,979	14,676,719	18,747,514	18,047,284	19,634,098
Operating grants and contributions.....	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	778,823,449
Capital grant and contributions.....	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	16,004,446
Total government activities program revenues.....	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	845,321,098
Business-type activities:										
Charges for services - Trash.....	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	5,558,719
Total primary government program revenues.....	\$ 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	\$ 850,879,817
Net (Expense)/Revenue										
Governmental activities.....	\$ (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)	\$ (287,471,455)
Business-type activities.....	(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)	(5,816,480)
Total primary government net expense.....	\$ (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)	\$ (293,287,935)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 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	\$ 251,875,478
Tax liens.....	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	2,223,794
Motor vehicle and other excise taxes.....	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	14,056,035
Hotel/motel, meals and cannabis local option taxes.....	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	6,402,144
Community preservation tax.....	-	-	-	1,341,677	1,422,684	1,561,303	1,763,664	1,898,337	2,188,572	2,216,481
Penalties and interest on taxes.....	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	1,961,292
Payments in lieu of taxes.....	2,553,962	1,489,346	2,109,803	486,485	261,621	314,867	381,835	50,828	282,619	302,040
Chapter 121A - excise payments in lieu of taxes.....	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	17,214,672
Grants and contributions not restricted to specific programs.....	33,726,234	34,943,018	36,440,603	37,992,614	39,485,253	40,547,726	40,511,400	41,963,546	-	45,523,343
Unrestricted investment income.....	754,978	989,345	2,338,896	3,770,273	5,669,398	3,866,067	3,128,586	5,083,234	6,066,345	17,324,057
Miscellaneous.....	303,704	582,428	19,282	134,302	30,974	36,799	-	-	-	-
Transfers.....	(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)	(7,266,762)
Extraordinary Items:										
Tornado reimbursements.....	1,062,077	1,186,382	-	-	-	-	-	-	-	-
Tornado expense.....	(457,097)	(908,183)	-	-	-	-	-	-	-	-
Total governmental activities.....	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	351,832,574
Business-type activities:										
Transfers.....	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	7,266,762
Total primary government.....	\$ 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	\$ 359,099,336
Changes in Net Position										
Governmental activities.....	\$ (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	\$ 64,361,119
Business-type activities.....	(295,440)	(1,031,516)	(5,811,548)	(767,203)	(1,156,606)	(1,011,755)	(201,170)	2,780,126	(130,216)	1,450,282
Total primary government.....	\$ (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	\$ 65,811,401

Source: Audited Financial Statements

City of Springfield, Massachusetts
Fund Balances, Governmental Funds

Last Ten Years

	<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>	<u>2024</u>
General Fund										
Restricted.....	\$ 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	\$ 70,401,822
Assigned.....	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	6,072,208
Unassigned.....	<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>	<u>144,573,942</u>
Total general fund.....	<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>	<u>\$ 221,047,972</u>
All Other Governmental Funds										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ 3,114,650	\$ 2,985,227	\$ 3,465,047	\$ 4,285,709	\$ 4,240,214	\$ 4,696,411
Restricted.....	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	117,406,688
Unassigned.....	<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>	<u>(729,703)</u>
Total all other governmental funds...	<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>	<u>\$ 121,373,396</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.

City of Springfield, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 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	\$ 251,737,936
Tax liens.....	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	1,328,481
Motor vehicle and other excise taxes.....	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	13,572,703
Hotel/motel, meals and cannabis local option taxes.....	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	6,402,144
Charges for services.....	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	10,303,642
Penalties and interest on taxes.....	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	1,961,292
Payments in lieu of taxes.....	2,553,962	1,489,346	2,109,803	486,485	261,621	314,867	381,835	50,828	282,619	302,040
Chapter 121A - excise payments in lieu of taxes.....	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	17,214,672
Licenses and permits.....	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	8,131,618
Fines and forfeitures.....	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	1,955,034
Intergovernmental.....	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	829,309,764
Departmental and other.....	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	33,774,875
Community preservation taxes.....	-	-	-	1,310,997	1,409,325	1,580,028	1,750,684	1,916,834	2,191,518	2,188,400
Contributions and donations.....	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	6,505,733
Investment income.....	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	17,136,324
Total Revenue.....	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	1,201,824,658
Expenditures:										
General government.....	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	84,300,329
Public safety.....	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	110,353,440
Education.....	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	733,713,059
Public works.....	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	31,809,338
Health and welfare.....	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	8,618,092
Culture and recreation.....	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	34,058,465
Community preservation.....	-	-	-	3,393	392,142	489,972	716,541	1,567,692	1,007,862	2,398,607
Community development - union station.....	-	2,904,953	202,630	-	-	-	-	-	-	-
Pension benefits.....	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	123,756,328
Employee fringe benefits - non school.....	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	31,821,459
Claims and judgments.....	-	-	1,279,448	-	-	-	6,982,377	175,521	575,455	189,305
State and county charges.....	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	3,718,653
Debt service.....	-	-	48,495,000	-	-	-	-	-	-	-
Payment of callable debt prior to maturity.....	-	-	48,495,000	-	-	-	-	-	-	-
Principal.....	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	13,320,000
Interest.....	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	8,850,117
Debt service related to leases.....	-	-	-	-	-	-	-	13,223,491	15,999,764	16,829,109
Total Expenditures.....	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	1,203,736,301
Excess of revenues over (under) expenditures.....	(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)	(1,911,643)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	50,543,000	-	47,420,000	-	27,935,000	-	39,475,000	61,045,000	-	35,060,000
Premium from issuance of debt.....	2,779,251	-	3,220,816	-	1,953,039	-	3,325,471	5,117,783	-	4,362,637
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.....	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	8,235,809
Transfers in.....	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	7,923,674
Transfers out.....	(7,957,050)	(10,941,519)	(6,405,662)	(4,833,185)	(8,121,843)	(8,869,965)	(9,911,762)	(19,843,437)	(14,161,711)	(15,190,436)
Total other financing sources (uses).....	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	40,391,684
Extraordinary Item - Intergovernmental tornado revenue.....	1,062,077	1,186,382	-	-	-	-	-	-	-	-
Extraordinary Item - Tornado relief expenditures.....	(457,097)	(908,183)	-	-	-	-	-	-	-	-
Net change in fund balance.....	\$ 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)	\$ 38,480,041
Debt service as a percentage of noncapital expenditures.....	4.97%	4.78%	10.17%	3.36%	3.20%	3.12%	2.77%	4.04%	4.10%	3.56%

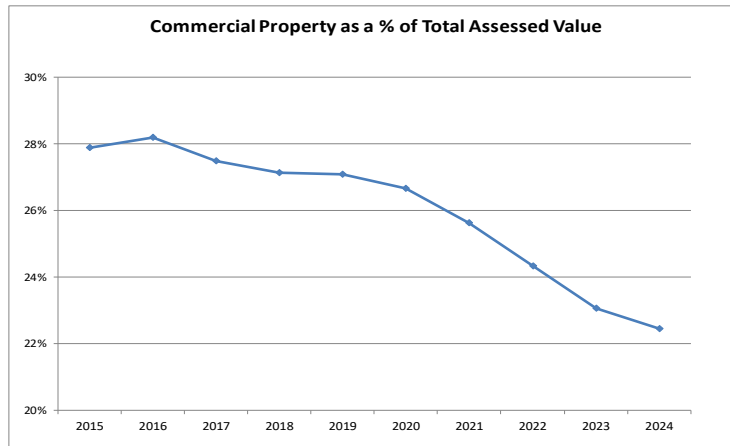
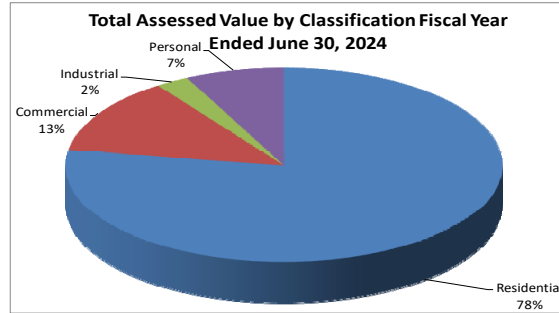
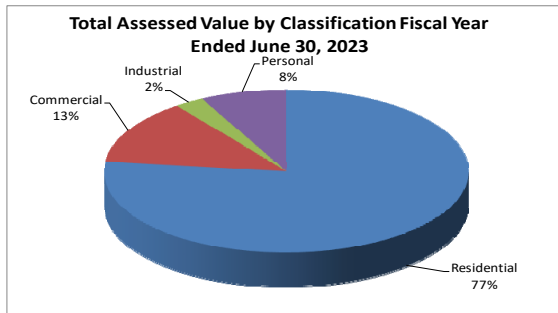
(1) Debt service in 2017 includes \$22.6 million of a state grant to complete a current refunding of the same amount.
Source: Audited Financial Statements

City of Springfield, Massachusetts

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates							
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total CIP Value	CIP Tax Rate	Total Direct Rate (1)
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
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
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
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
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
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
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
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
2023	\$8,675,183,438	\$17.05	\$1,443,635,062	\$294,050,400	\$861,859,550	\$2,599,545,012	\$35.40	\$21.28
2024	\$9,730,827,463	\$16.06	\$1,585,361,837	\$311,194,300	\$921,043,700	\$2,817,599,837	\$35.41	\$20.40



(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.

City of Springfield, Massachusetts

Principal Taxpayers

Current and Nine Years Ago

Name	Nature of Business	2024			Percentage of Total Taxable Assessed Value	2015			Percentage of Total Taxable Assessed Value
		Assessed Valuation	Rank			Assessed Valuation	Rank		
NSTAR Electric Company	Utility	\$ 408,840,790	1	3.3%		\$ 276,208,720	1	3.9%	
EVERSOURCE Energy	Utility	223,424,340	2	1.8%		110,781,100	2	1.6%	
Massachusetts Mutual Life Insurance	Insurance	61,620,300	3	0.5%		83,282,100	3	1.2%	
CNR Springfield LLC	Industrial	57,724,200	4	0.5%		-	-	-	
BC Colonial Estates LLC	Residential	53,734,940	5	0.4%		-	-	-	
Chesnut Park Preservation LP	Residential	55,927,600	6	0.4%		-	-	-	
Solutia Inc	Industrial	54,597,500	7	0.4%		-	-	-	
D Amour Gerald E. & Charles L. & Donald H.	Office/Warehouse	40,565,800	8	0.3%		-	-	-	
Stockbridge Ventures	Residential	38,472,100	9	0.3%		-	-	-	
15 Taylor LLC	Residential	35,773,110	10	0.3%		-	-	-	
Verizon New England	Utility	-	-	-		41,703,300	5	0.6%	
Masspower LLC	Energy	-	-	-		34,000,000	6	0.5%	
Five Town Station	Retail	-	-	-		26,989,500	10	0.4%	
1277 Liberty St LLC	Retail	-	-	-		31,893,700	7	0.5%	
Wason Ave/Henshon	Medical Office	-	-	-		50,320,400	4	0.7%	
Cataldo and Wallace	Office	-	-	-		30,178,000	8	0.4%	
Sprint	Telecommunications	-	-	-		28,554,820	9	0.4%	
Totals		<u>\$ 1,030,680,680</u>		<u>8.2%</u>		<u>\$ 713,911,640</u>		<u>10.1%</u>	

Source: Board of Assessors

City of Springfield, Massachusetts

Property Tax Levies and Collections

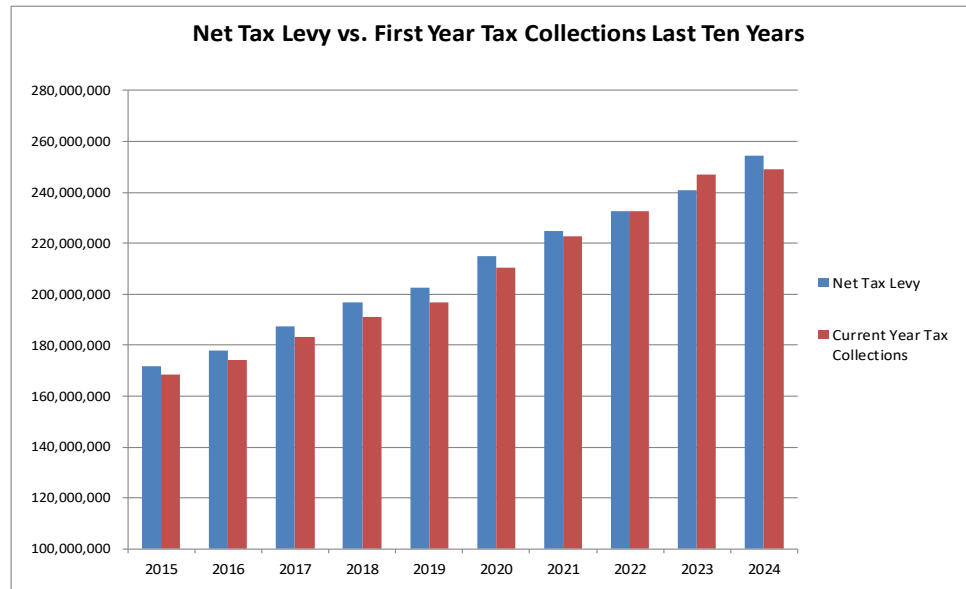
Last Ten Years

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
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	\$247,210,722	102.5%	\$2,573,151	\$249,783,873	103.6%
2024	\$256,048,299	\$1,690,662	\$254,357,637	\$249,164,785	98.0%	-	\$249,164,785	98.0%

(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



City of Springfield, Massachusetts

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				
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
2024	\$ 255,924,460	\$ 65,134,629	\$ -	\$ 321,059,089	8.14%	153,672	\$ 2,089

(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

City of Springfield, Massachusetts

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
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
2024	\$ 255,924,460	\$ (13,919,502)	\$ 242,004,958	1.93%	\$ 2,089

(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

City of Springfield, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2024

<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..... \$	15,500,000	38.60%	\$ 5,983,000
Direct debt:			
Right-to-use lease liability.....	65,134,629		65,134,629
Bonds payable.....	<u>255,924,460</u>		<u>255,924,460</u>
City direct debt.....	<u>321,059,089</u>		<u>321,059,089</u>
Total direct and overlapping debt..... \$	<u><u>336,559,089</u></u>		\$ <u><u>327,042,089</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.

City of Springfield, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Equalized Valuation.....	\$ 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	\$ 13,220,617,400
Debt Limit - 5% of Equalized Valuation.....	\$ 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	\$ 661,030,870
Less:										
Outstanding debt applicable to limit.....	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	106,330,000
Authorized and unissued debt applicable to limit.....	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	180,981,717
Legal debt margin.....	\$ 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	\$ 373,719,153
Total debt applicable to the limit as a percentage of debt limit.....	72.40%	81.25%	36.11%	31.60%	35.42%	29.05%	26.01%	21.93%	20.03%	16.09%

Source: Audited Financial Statements; Statement of Indebtedness

City of Springfield, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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%
2024	153,672	\$3,944,606,568	\$25,669	33.9	23,693	8.1%

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

City of Springfield, Massachusetts

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2024			2015		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Baystate Health Systems	Healthcare	8,000	1	12.2%	9,773	1	14.5%
MassMutual Financial Group	Insurance	4,300	2	6.6%	3,997	2	5.9%
Trinity Health - (Mercy)	Healthcare	2,800	3	4.3%	1,962	3	2.9%
MGM Springfield	Hospitality	1,541	4	2.4%	-	-	-
Big Y	Grocery	1,000	5	1.5%	1,035	6	1.5%
Smith and Wesson (American Outdoor Brands Inc.)	Firearms	907	6	1.4%	1,301	4	1.9%
Western New England University	Education	807	7	1.2%	844	7	1.3%
Peter Pan Bus Lines	Transportation	750	8	1.1%	-	-	-
Center for Human Development	Social Sciences	650	9	1.0%	350	10	0.5%
TD Bank	Financial	575	10	0.9%	-	-	-
Springfield Technical Community College	Education	-	-	-	1,081	5	1.6%
Springfield College	Education	-	-	-	680	8	1.0%
Eastman Chemical (formerly Solutia, Inc.)	Chemical	-	-	-	388	9	0.6%
		21,330		32.6%	21,411		31.8%

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

City of Springfield, Massachusetts

Full-time Equivalent City Employees by Function

Last Ten Years

	<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>	<u>2024</u>
Function										
General government.....	272	274	278	283	291	295	291	298	300	301
Public safety.....	870	897	897	918	950	957	958	974	975	984
Education.....	4,709	4,781	4,761	4,660	4,722	4,811	4,838	4,889	5,153	5,345
Public works.....	71	70	70	70	80	79	79	79	80	80
Health and welfare.....	33	34	34	35	40	39	39	42	42	44
Culture and recreation.....	77	77	77	76	76	78	77	81	84	89
Total	<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>	<u>6,843</u>

Source: Payroll Department

City of Springfield, Massachusetts

Operating Indicators by Function/Program

Last Ten Years

<u>Function/Program</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Marriage recordings.....	959	820	874	853	808	664	680	806	1,441	1,021
Birth recordings.....	5,416	5,366	5,985	5,424	5,212	5,186	5,262	5,423	5,759	5,434
Death recordings.....	2,131	2,444	2,746	2,565	2,668	3,094	3,636	3,112	3,388	3,164
Police										
Physical arrests.....	4,347	4,646	4,708	4,084	4,231	3,695	3,173	2,997	3,048	2,957
Motor vehicle violations.....	41,505	25,963	33,206	24,786	24,839	15,031	11,673	22,226	17,355	12,504
Police personnel and officers.....	521	515	526	586	555	568	602	601	606	607
Fire										
Inspections.....	5,064	4,852	4,468	5,161	5,530	3,858	4,790	4,613	4,458	4,740
Emergency responses.....	16,043	15,870	15,690	15,593	16,280	13,901	9,899	17,173	19,328	21,275
Fire personnel and officers.....	228	228	230	230	230	232	232	232	232	232
Education										
Number of students.....	25,645	25,479	25,629	25,285	25,297	25,007	24,239	23,799	23,721	23,693
Number of graduating seniors.....	1,467	1,284	1,322	1,386	1,264	1,374	1,467	1,597	1,528	1,521
Number of teachers.....	2,174	2,167	2,206	2,242	2,118	2,179	2,223	2,415	2,414	2,406
Number of administrators.....	200	202	193	193	193	255	292	342	242	234
Elder Affairs										
Number of persons using COA transportation.....	133	581	661	771	871	52	-	-	164	-
Number of personnel.....	1	1	1	1	1	1	-	-	1	1
Libraries										
Volumes in circulation.....	659,936	814,908	694,832	705,166	668,484	521,517	526,905	521,132	592,278	499,224
Total volumes borrowed.....	560,494	616,865	628,489	631,595	592,263	473,647	297,966	287,144	324,700	332,844

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

City of Springfield, Massachusetts

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</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>	<u>2024</u>
General government										
Number of buildings.....	39	39	43	46	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	4	4	5	4	4	4	4
Education										
Number of elementary schools.....	33	33	33	34	34	34	35	35	36	36
Number of middle/junior high schools.....	15	15	16	16	16	16	16	16	19	19
Number of secondary schools.....	13	13	13	14	14	14	14	14	15	15
Culture and recreation										
Parks and playgrounds.....	39	40	41	42	42	44	44	44	45	46
Park and playground (acreage).....	2,103	2,105	2,200	2,212	2,224	2,224	2,224	2,224	2,225	2,270
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

City of Springfield, Massachusetts

Free Cash and Stabilization Fund Balances

Last Ten Years

Year	Free Cash	Stabilization Funds
2024.....	\$ 21,275,296	\$ 94,084,268
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

Source: City Records

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AND AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Massachusetts, as of and for the year ended June 30, 2024, (except for the Springfield Contributory Retirement System which is as of and for the year ended December 31, 2023) and the related notes to the financial statements, which collectively comprise the City of Springfield, Massachusetts' basic financial statements, and have issued our report thereon dated January 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the Springfield Contributory Retirement System, the Springfield Empowerment Zone Partnership, the Springfield Library Foundation, Inc. as described in our report on the City of Springfield's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

Boston, MA
January 30, 2025



The City of Springfield held a remembrance ceremony at the 9-11 memorial at Riverfront Park.