



City of Springfield WATER FACILITIES PLAN

Prepared for:

Florida Department of Environmental Protection

Drinking Water State Revolving Fund Loan Program (DWSRF)

Design Loan Application

June 2020

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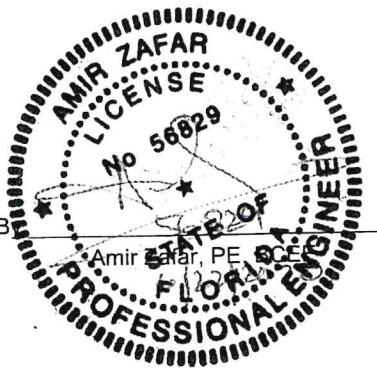
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Signed By



Amir Zafar, PE, SCE

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- Exhibit B – Springfield Water Distribution System
- Exhibit C – Bay County – Springfield Water Supply Contract
- Exhibit D – Project Area Map
- Exhibit E – Work Orders in Project Areas
- Exhibit F – Estimated System Static Pressures – Existing Conditions
- Exhibit G – Estimated Available Fire Flow at 20 psi Residual Pressure in Project Area
- Exhibit H – Proposed Waterline Improvements in Project Area (locations)
- Exhibit I – Proposed Waterline Improvements in Project Area (by size)
- Exhibit J – Estimated Available Fire Flow at 20 psi Residual Pressure in Project Area Following Proposed Improvements
- Exhibit K – Master Plan of Utility Improvements
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- Exhibit M – Minutes of Public Meeting
- Exhibit N – Documentation of Half Cent Sales Tax Revenue and Escrow Fund
- Exhibit O – City of Springfield's Potable Water Rates
- Exhibit P – Drinking Water State Revolving Fund Business Plan
- Exhibit Q – Project Construction Phases
- Exhibit R – Cost Projections for Each Phase of Construction

Executive summary

This Facilities Plan has been prepared by Mott MacDonald for the City of Springfield, Florida. It supports the City of Springfield's funding request to the Florida Department of Environmental Protection's Drinking Water State Revolving Fund Loan Program (DWSRF). It was prepared in accordance with DWSRF guidelines and includes evaluation of alternative water system rehabilitation/upgrade concepts and a recommended plan based on the most cost effective, environmentally sound, and implementable alternative.

The City of Springfield lies along Transmitter Road in Bay County, Florida. Much of the City is concentrated along Transmitter Road from Game Farm Road to Cherry Street (3.6 miles). The City's population is approximately 9,621 (2018 BEBR Estimate) and has a combination of residential and a small number of commercial business enterprises.

The existing water distribution system includes much of the original piping which is forty to fifty years old, does not meet current regulatory requirements (F.A.C. 62-555 and Ten States Standards) for pipe material, joint types, and pipe size, and experiences frequent line failures. These conditions negatively impact the hydraulic capacity of the distribution system, result in excess leakage and water loss, and can have an adverse effect on the health and safety of water consumers by allowing the intrusion of contaminants. Furthermore, some of the older system components are known to contain asbestos cement pipe, lead joints, and copper components. Finally, the undersized pipes limit the City's ability to provide adequate fire protection.

In 2006 the portion of the water distribution system serving north Springfield was upgraded with the installation of approximately 88,000 feet of new potable water pipes. This was necessary due to leaking small diameter lines that required frequent repairs and to the inability of the system to support fire protection in that area of the City. Various neighborhoods in the southern portion of the City are now experiencing similar problems with ever increasing frequency where the system needs replacement to maintain public health and safety, requires continuous maintenance, and does not provide adequate fire protection.

To further compound the problems with the City's water system, Hurricane Michael impacted the region on October 10, 2018, causing severe devastation. Toppled trees fell on and damaged hydrants and meters while their root systems pulled up waterlines. In the rush to restore power, utility locate protocols were not followed and electrical repair crews repeatedly cut through water mains to place power poles. In each of these cases emergency temporary repairs were made in order to restore service, now permanent. Engineered repairs need to be made with properly sized lines and fittings.

It is recommended that this Facilities Plan be implemented to replace and upgrade the City of Springfield's water distribution system in areas that have not been previously addressed and that are the most problematic. The recommended upgrades include replacement of approximately 100,600 linear feet of old and undersized pipes with new properly sized pipes and the provision of fire hydrants, valves, and other components, to meet current standards for safety and reliable supply. Such upgrades will reduce the health hazard of the current system, reduce water losses, provide better community fire protection, reduce the cost to users for water losses and frequent repairs and maintenance, and provide more reliable service to the citizens of Springfield.

It is anticipated that the cost of construction of the proposed upgrade will be approximately \$14.5 million. Due to the size of the project and funding constraints the proposed upgrade will be completed in several phases.

1 General

1.1 Introduction

This Facilities Plan was prepared by Mott MacDonald for the City of Springfield, Florida. It supports a multi-year effort to obtain grant funding for the continued rehabilitation and upgrade of the obsolete and undersized components of the City's water distribution system. The Plan includes an evaluation of alternative concepts for the water system rehabilitation and recommends a preferred, implementable alternative that will comply with current standards for potable water systems, will be environmentally sound, and will protect public health and safety.

1.2 Location

The City of Springfield is located in the southern area of Bay County, Florida (see the Springfield Location Map in **Exhibit A**). Much of the City is concentrated along Transmitter Road from Game Farm Road to Cherry Street (3.6 miles). It is bounded by Panama City to the west, the City of Parker to the south, the City of Callaway to the east, and unincorporated Bay County to the north.

The City Limits and the extents of the City's water distribution system are shown on **Exhibit B**.

1.3 Existing Water System

1.3.1 Existing Water System Network

The City does not have a water treatment plant, but instead purchases treated potable water from Bay County under a long-term contract (see **Exhibit C**). Bay County's Water Treatment Plant that supplies the City is located on Transmitter Road near the City's northern city limits. The delivery of the water is through nine master meters within the City as shown on **Exhibit B**. (NOTE: The location map of the "Wholesale Meter Locations" that is Attachment A to the long-term contract with Bay County in Exhibit C shows eleven master meters. Since the signing of that agreement, Bay County has reduced the number of meters to nine as reflected in Exhibit B. Bay County has not supplied a revised map to replace the one attached to the original potable water supply agreement.)

The City operates and maintains its potable water distribution system through which it provides service to most of the residential and commercial facilities within the City Limits and to a small number of customers outside the City Limits. The areas outside the City Limits which are served by the City's water distribution system are shaded gray on **Exhibit B**. In 2017 the City served 3,935 water system customers; of that number 166 were outside the City Limits in unincorporated Bay County.

Due to the small number of commercial facilities served by the water system and the fact that those few commercial facilities are not large volume consumers, the City does not distinguish between its residential and commercial users. The system has no industrial customers. All users are categorized under residential.

1.3.2 Water System History

The City's water distribution system has been in operation since the 1960s and its most problematic areas are 40 to 50 years old. The pipes installed during the time of the original

construction were typically cast iron, ductile iron, or asbestos cement. Based on EPA criteria, the useful life of waterlines is 30 years; the City's system has far exceeded that useful life and the community and the environment are experiencing the consequences of deterioration due to age.

In the 1990's the northern Springfield area was annexed which greatly increased the City's potable water service area. In 2006 the water distribution system components in that area were upgraded for existing customers and service was extended to unserved residents with the installation of a total of approximately 88,000 linear feet (LF) of water piping. Therefore, no improvements for north Springfield are proposed within this Facilities Plan.

The most problematic areas of the distribution system are located in the southern portion of the City and are in need of rehabilitation. These are shown on the map of the Project Area in **Exhibit D**. The selection of these specific areas for rehabilitation was based on the experience of the senior utilities personnel with the City who have been responsible for the water system's maintenance and reliability for many years. This was further supported by a review of the City's work orders for water system repairs. While the field notes of repair personnel were not sufficiently detailed to quantify the work, they did confirm a much higher frequency of repairs in the targeted areas than is the norm for the City. While the areas targeted for rehabilitation/replacement are 15% of the City's land area, 121 out of 481 repairs (25%) documented by work orders issued in fiscal years 2017 and 2018 are within those targeted areas (see **Exhibit E**).

1.3.3 Condition of Water Facilities

The aged and unimproved water system components in the City have far exceeded their useful life and need to be replaced. Furthermore, they experience frequent line breaks requiring emergency repairs which create the potential for introduction of contaminants and pathogens. The City's Water Department Superintendent reports that City crews are frequently repairing broken and leaking waterlines, peaking at upwards of 50 repairs in their worst months. With so many repairs required, the City's customers are unnecessarily exposed to health risks. Adding to the safety concern, some of the older pipes contain lead joints which are prone to leak and which also present a health hazard.

As supporting evidence of the condition of the distribution system, a comparison was made of the volume of water the City purchases from Bay County through the master meters (see **Exhibit B**) to the amount of that water that it delivers to its retail customers through their meters. As can be seen in **Table 1** below which covers the 24-months of fiscal years 2017 and 2018, approximately 21% of the water purchased is not accounted for through those retail meters.

This level of loss is costly not only in terms of dollars, but also in the loss of the area's resources. The water the City acquires from Bay County is withdrawn from Deer Point Lake which is in turn supplied by spring-fed Econfina Creek. The proposed water system rehabilitation project will conserve water that is now being lost to leakage and will contribute to the sustainability of regional water resources by reducing the withdrawal from these surface water sources.

Table 1: Metered Water Losses

Year	Wholesale Metered Flow (Gallons)	Retail Metered Flow (Gallons)	Total Loss (Gallons)	Total Loss (Percent)
2017	291,022,000	230,126,153	60,895,847	20.9%
2018	304,360,000	234,847,423	69,512,577	22.8%
Totals	595,382,000	464,973,576	130,408,424	21.9%

Source: City of Springfield

1.4 Need for Project

As noted above, improvements to the City of Springfield’s water distribution system are needed in order to reduce the threats to public health and safety that result from contamination exposure caused by frequent line breaks and from the hazardous materials present in the old lines.

In addition to the health and safety issues, the project is needed in order to reduce the cost of frequent emergency repairs to the system resulting from line breaks. Dedicated maintenance and repair is needed to the degree that it is taxing City staff to maintain the system at an acceptable level of service.

Another cost factor that needs to be addressed by the project is the 21% loss of treated water identified in **Table 1** above. This loss represents not only a dollar cost for treatment and distribution but also the loss of a valuable public resource.

As the lines leak, they can create subsurface voids prior to collapsing at the surface. With many of the lines beneath the roadway, this can create a driving hazard. Also, during installation and maintenance of adjacent utilities, caution is required for trench excavation near the waterlines due to their deteriorated and fragile nature.

Finally, as further evidence of the need for the project, there remain several areas of the City that do not have adequate fire protection due to restrictive pipe sizes and distance to existing fire hydrants; this results in greater safety risk to both residents and property. Continued improvements to the water distribution system will likely support the secondary benefit of lowering of the Insurance Services Office (ISO) fire ratings and lower insurance rates for Springfield citizens.

1.5 Proposed Project

1.5.1 Project Description

The project for which this Facilities Plan has been prepared is replacement of the City of Springfield’s waterlines in an effort to address the failing, deteriorated, and unsafe components of the City of Springfield’s potable water distribution system. Meetings were held with City officials and Water Department staff who are the most knowledgeable of the system to identify the most problematic areas within the system (e.g., oldest lines and most frequent line breaks). Those have been identified and are shown on **Exhibit D** and are limited to south Springfield. Not surprisingly, most of these are in older neighborhoods where there is considerable

deterioration due to system age and undersized waterlines. The alternatives that were considered for this proposed project are detailed in **Chapter 2 “Analysis of Alternatives”**.

1.5.2 Design Criteria

The Great Lakes-Upper Mississippi River Board (Ten States) Standards and Florida Department of Environmental Protection rules as established in F.A.C. 62-555 form the basis of design for the water system improvements project. Specific design criteria detailed in these references include the following:

1.5.2.1 Water Model Development

A hydraulic model of the Springfield water distribution system was constructed in ArcGIS using Innowyze’s InfoWater software. Each master meter supplying the system was modeled as a constant source of supply at a specific pressure (as measured in the field); the model network was imported using GIS information provided by the City. This included pipe length and diameter; a Hazen-Williams “C” factor of 120 was assumed for all pipes. Elevations at pipe junctions were established using model tools by referencing Bay County GIS contour information.

In order to apply demands to the model, the service area of each master meter was estimated with confirmation from City staff. GIS and model tools were then used to “grab” all model junctions within a specific master meter’s service area. Using historical master meter flow data, demands were applied uniformly to each model junction or “node” within each master meter service area. A typical diurnal demand pattern was then applied to all demand nodes. This diurnal demand pattern was developed by Mott MacDonald for a previous project whose network is similar in nature to that of the City of Springfield.

Following construction and successful running of the model, minor calibration was performed using hydrant pressure recording data obtained in the field (and described further below).

1.5.2.2 Pressure

All waterlines, including those not designed to provide fire protection, shall be sized based on the results of the water modeling study which was performed as a part of this Facilities Planning effort. Field data was gathered by placing pressure recording gauges at selected fire hydrant locations throughout Springfield. The results of the pressure recording indicated adequate static system pressures are provided throughout the system and correlated well with the results of the hydraulic model (see **Exhibit F**). The system shall be designed to maintain a minimum pressure of 20 psi at ground level and all points in the distribution system should have pressures in the range of approximately 60 psi and not less than 35 psi. Static pressures in the 60 psi to 70 psi range are generally provided throughout the existing system under non-fire-flow conditions during the average day peak hour condition.

1.5.2.3 Diameter

The minimum size water main for providing fire protection and supplying fire hydrants shall be six inches in diameter. Larger size lines will be provided when necessary to supply increased fire flow while maintaining the minimum residual pressure specified above; these determinations will be made during final design for which funding is being sought with this Facilities Plan.

The minimum size water main in the distribution system where fire protection is not to be provided will be three inches in diameter. Where fire protection is to be provided, a minimum waterline diameter of six inches will be used for areas where the system is looped, and eight

inches for dead-end lines. These criteria are recommended in AWWA Manual of Practice M31, *Distribution System Requirements for Fire Protection, 4th ed.*

1.5.2.4 Fire Protection

New waterlines in the Project Area will be designed to provide fire flow in the range of 500-1,000 GPM at a residual pressure of 20 psi. This criterion was estimated based on the typical building spacing in the City of Springfield, and compared to Table 1-6 in AWWA M31, which is recreated below and presented as **Table 2**:

Table 2: Needed Fire Flow for One- and Two-family Dwellings §

Distance Between Buildings (feet)	Needed Fire Flow (gpm)
More than 100	500
31-100	750
11-30	1,000
Less than 11	1,400

§ Recreated from AWWA M31, Table 1-6.

Exhibit G shows there are deficiencies in available fire flow in the areas of the Proposed Project. These deficiencies are due primarily to undersized waterlines, which are proposed to be improved as part of the Proposed Project. In addition to the proposed waterline improvements under this phase of the project, fire hydrants will be installed at intersections and intermediate points between intersections to provide a maximum service range of 500 feet; the anticipated locations of fire hydrants are shown on **Exhibit D – Project Area**, subject to final design.

1.5.2.5 Dead Ends

In order to provide increased reliability of service and reduce head loss, dead ends shall be minimized by making appropriate tie-ins wherever practical. Where dead ends occur, they shall be provided with a fire hydrant if flow and pressure are sufficient, or with an approved flushing hydrant. Flushing devices will be sized to provide flows with a velocity of at least 2.5 feet per second. No flushing device will be directly connected to any sewer.

1.5.2.6 Valves

Sufficient valves shall be provided on waterlines so that inconvenience and sanitary hazards will be minimized during repairs. Valves will be located at not more than 500-foot intervals in the City's few commercial areas and at not more than one block or 800-foot intervals in residential areas. These determinations will be made during final design for which funding is being sought with this Facilities Plan.

1.5.2.7 Materials

All pipe, fittings, and appurtenances will be specified in accordance with AWWA Standards.

1.6 Population Trends and Growth

1.6.1 Population Projections

The following **Table 3** contains population information for the City of Springfield. The 2010 population is from the U. S. Census Bureau and the 2017 population is the projection of the University of Florida’s Bureau of Economic and Business Research (BEBR). Since future population projections are not available for the City, the projections shown for 2020 and beyond were developed using the projected growth rates for Bay County and applied to Springfield’s population.

Table 3: Springfield Population Projections

Year	Population Estimate	Change per Year	% Change
2010	8,903*		
2017	9,568**		
2020	9,883	315	3.29%
2025	10,412	530	5.36%
2030	10,846	433	4.16%
2035	11,204	358	3.31%
2040	11,509	305	2.72%
2045	11,809	300	2.60%

Source: *2010 U.S. Census Bureau **BEBR Projection

1.6.2 Growth

The City of Springfield’s population in year 2045 is projected to increase by 2,241 residents over the 2017 population projection; this will result in a corresponding increase in water demand. **Table 4** identifies the 2017 water use, number of connections, water demand and equivalent residential connections (ERC).

Table 4: 2017 Water Use and Equivalent Residential Connections

User Category	Number of Connections	Monthly Demand (gal/month)	Daily Demand (gpd)	Demand per ERC	Number of ERCs
Residential	3,975	17,536,817	576,553	145	3,975
Other (Irrigation)	426	1,640,363	53,930	145	372
TOTAL	4,401	19,177,179	630,483	145	4,347

Source: City of Springfield

Table 5 “Equivalent Residential Connections (ERC) and Demand Projections” uses the data from **Table 4** to project the increase in demand from 630,483 gpd in 2017 to 809,643 gpd in 2045, proportional to the population growth.

Table 5: Equivalent Resident Connections (ERC) and Demand Projections

Year	Total ERC	Demand per ERC (gpd)	Total Average Daily Demand (gpd)
2017	4,347	145	630,483
2020	4,671	145	677,576
2025	4,922	145	713,894
2030	5,127	145	743,609
2035	5,296	145	768,188
2040	5,440	145	789,099
2045	5,582	145	809,643

1.7 Operation and Maintenance

1.7.1 Staffing and Training

The City of Springfield has well experienced staff who are trained to perform maintenance and operation of the potable water system. In recent years the City has experienced an ever increasing problem with leaking meters; this has been exacerbated by the destruction caused by Hurricane Michael. To address this issue the City initiated a program to replace their approximately 4,000 meters, all equipped with a dual check device. The City anticipates completion of the meter replacement project by November 2020.

The attention that must be given to the distribution system keeps the utility staff predominantly in the repair mode as opposed to maintenance on the water system. The condition of the aged lines is such that no amount of maintenance will guarantee acceptable serviceability. Additionally, high water loss in the distribution system results in longer operating times for the County's well pumps and treatment system components which translates into increased operations and maintenance cost for the overall potable water system but are not accounted for in the City's O&M expenses below.

1.7.2 Operation and Maintenance (O & M) Expenses

The operation and maintenance expenses for the City of Springfield's potable water system during 2017 are shown in **Table 6**.

Table 6: City of Springfield 2017 Potable Water Operation & Maintenance (O&M) Expenses

Expenses	Water
Salaries	\$175,133
Benefits	\$67,221
Testing/Monitoring	\$9,535
Materials, Supplies, & Parts	\$108,341
Vehicles/Transportation	\$41,709
Purchased Water Costs	\$550,032
Total	\$951,971

Source: City of Springfield

2 Analysis of Alternatives

2.1 Alternatives Considered

In an effort to comply with the intent of F.A.C. 62-552 to maximize the number of alternatives, and therefore to arrive at the most cost-effective solution to the City's water system problems, three alternatives were initially conceptualized. These included the City (1) taking "no action" in which they continue to operate the water system as it currently exists with no corrective action to address the ongoing problems, (2) replacing waterlines with the same size as existing and no further upgrades, and (3) replacing and upgrading pipes to meet current standards for safety, supply, and fire protection.

Unfortunately, the problems the City is experiencing are directly related to the age, condition, and size of the waterlines in the problem areas; the only solution for these problems is replacement of the waterlines. Furthermore, since the replacement of lines with the same size will not be compliant with current codes and regulations and will also not provide for adequate pressure and volume for fire protection, the City was left with only two alternatives for consideration and analyses in this Facilities Plan: (1) take no action and (2) upgrade to current standards. No other practical alternatives can be conceived that will solve the issues the City is proposing to address; therefore, only two alternatives are compared here.

2.2 Alternative 1

Alternative 1 is the "No Action" alternative in which the City of Springfield continues to operate, maintain and repair the potable water system as it currently exists. The result is no action to address the leakage problems; the taxing issue of operating, maintaining, and repairing an aged distribution system; and depriving its citizens of safe, reliable, and cost-effective fire protection measures.

The "No Action" alternative would have the lowest present worth cost of \$0 capital expenditure and does not merit a formal analysis; however, the risks of taking no action will be realized as time passes and system components fail due to continued deterioration. As failures are experienced it will be necessary to make more repairs on emergency bases during which costs are likely inflated due to incurred overtime for labor, purchase of materials without benefit of the normal competitive bidding process, unplanned service disruptions, unplanned traffic disruptions, etc. In addition, there are potential threats to public health due to some lead joints and asbestos cement pipe at some locations.

2.3 Alternative 2

Alternative 2 provides for replacement and upgrades of the water distribution system in the most problematic areas (i.e., lines that have exceeded their useful life and experience the most frequent line breaks, lines with lead joints, areas of low pressure, leaking lines, areas in need of additional looped connections, etc.); these are all located in south Springfield and are identified in **Exhibit D** in the Project Area. The upgrades will include replacement of aged, deteriorated, and undersized pipes of various material types with new PVC pipes that are properly sized, and installation of fire hydrants, valves, and other components to meet current standards for safety and reliable supply (see **Exhibit H** and **Exhibit I**). Such upgrades will reduce the health hazard of the current system, reduce the loss of the water resource, provide for better community fire protection, reduce the cost to users for water losses and frequent repairs and maintenance, and

provide more reliable service to the citizens of Springfield. **Exhibit J** shows improved fire flow availability (compared to **Exhibit G**) following the recommended waterline improvements.

2.4 Comparison of Alternatives 1 and 2

As previously detailed in section 2.2, the “No Action” Alternative 1 will not address the many problems, including lead joints, that the City of Springfield is experiencing with the aged pipes in its water distribution system; the pipes will only continue to age and further deteriorate. For this reason, Alternative 1 is not considered a viable option to be pursued. Alternative 2 provides for replacement of old deteriorated pipes with properly sized pipes for compliance with F.A.C. 62-555. This alternative will result in the City incurring the cost of construction but will reduce the overall maintenance cost currently being incurred due to leaking and deteriorated pipes and will significantly curtail the costly and very frequent emergency repairs currently being experienced in the areas where new pipes will be installed. Once completed, the project will reduce the overall project maintenance cost and will provide much needed line pressure and fire protection.

It is the recommendation of this Facilities Plan that Alternative 2 be the selected alternative. Proceeding with this recommendation will likely place a financial burden on the City and its utility customers. To ease the burden the City is seeking assistance from the State of Florida Department of Environmental Protection’s Drinking Water State Revolving Fund (DWSRF) loan program. Without the loan and the benefit of forgiveness of a portion of the loan, the City of Springfield and its residents will be unable to afford this critical project and its positive impacts on public health and safety.

2.5 Cost Projection of the Recommended Alternative 2

The cost projection for Alternative 2 is \$14,532,844 as shown in **Table 7** below. This cost projection was developed based on pre-design assumptions and with consideration to the following factors:

The quantities shown were developed based on the AutoCAD measured lengths of pipe taken from the planned replacement waterlines shown on **Exhibit D**, the placement of fire hydrants to meet the maximum 500’ spacing to maintain flow and pressure, and the number and frequency of valves typically installed on residential distribution systems of comparable length.

In addition, the leadership and staff of the City of Springfield, as well as the City’s engineers at Mott MacDonald, are very familiar with the soils and other related construction conditions within the City, having completed a sanitary sewer project comprised of nearly two miles of gravity lines. Specifically, the soils are sandy and well drained with no limerock or other soils that might be difficult to excavate. The terrain is relatively flat with the few grade changes limited to areas near water features. (Note, wetlands are addressed in Chapter 3).

The unit prices are based on the Engineer’s records of costs incurred on similar water system rehabilitation projects, with consideration given to site conditions and to the current workload of utility contractors who perform this type of work. This is an order of magnitude estimate that includes contingency consideration given to the probable need for directional drilling under some paved streets; final material and labor quantities will not be known until final design.

It is contemplated that construction of the potable water system improvements will be coordinated with other improvements that are needed in the same areas of work, including sanitary sewer and stormwater infrastructure, to be followed by resurfacing of the streets in the impacted neighborhoods. This is being planned with the intent of exercising good stewardship of public funds and should result in cost savings as it will not be necessary to bore under those

streets that will be repaved. Also, with all underground work having been completed it should not be necessary to excavate within the streets for many years. **Exhibit K – Master Plan of Utility Improvements** provides a map of the Project Area. In addition to the water system improvements, the planned improvements to the sanitary sewer and stormwater systems are included, as well as planned road improvements including resurfacing as a minimum.

Table 7: Total Project Cost Estimate

CONSTRUCTION				
<i>Description</i>	<i>Unit of Measure</i>	<i>Quantity</i>	<i>Unit Cost</i>	<i>Cost</i>
6" PVC Water Lines	LF	74,200	\$60	\$4,452,000
8" HDPE Directional Drill	LF	800	\$150	\$120,000
8" PVC Water Lines	LF	25,600	\$72	\$1,843,200
8" Gate Valve	EA	256	\$1,740	\$445,440
8" Retainer Glands	EA	1,280	\$136	\$173,568
8" Bell Restraint	EA	128	\$154	\$19,661
6" Gate Valve	EA	742	\$1,450	\$1,075,900
6" Retainer Glands	EA	3,710	\$113	\$419,230
6-inch Bell Restraint	EA	371	\$128	\$47,488
4" Line stop	EA	15	\$5,000	\$75,000
6" Line stop	EA	45	\$5,800	\$261,000
DI Fittings	LBS	24,950	\$17	\$424,150
Remove & Replace Pavement (Patch)	LF	5,988	\$52	\$311,376
Remove & Replace Pavement (Overlay)	SY	2,295	\$75	\$172,155
Sand or Sand-Clay Backfill	CMCY	24,950	\$17	\$424,150
Grassing	SY	74,850	\$2	\$149,700
Concrete	CY	100	\$340	\$33,930
Service Connections	EA	599	\$1,000	\$598,800
Fire Hydrant Assemblies	EA	80	\$4,000	\$319,360
10% Construction Contingency				\$1,131,621
Subtotal (Construction Cost)				\$12,447,831
ENGINEERING				
Design Engineering				\$995,826
Other Services (Geotech, Surveying, As-Built Confirmed, etc.)				\$155,600

Technical Services During Construction	\$933,587
Subtotal	\$2,085,013
Total Water Project Cost	\$14,532,844

An annual cost summary and a present worth analysis are shown in **Tables 8 and 9** respectively.

Table 8: Annual Cost Summary – Alternative 2

Summary of Cost	Amount
Operations & Maintenance¹	\$951,971
Debt Service (\$14,532,844, 20 yrs. @ 1.66%)	\$856,887
20 Years	
1.66% Interest Rate	
\$14,532,844 PV	
(\$859,887) PMT	
Debt Service Reserves (10% Debt Service)	\$85,989
Projected Obligation	\$1,897,847
Summary of Costs Per EDU (2022)²	
Number of Equivalent Residential Connections, (ERC)	4,771
Proposed Cost Per Year Per ERC	\$397.75
Proposed Cost Per Month Per ERC	\$33.15
Summary of Cost Per ERC (2042)	
Number of Equivalent Residential Connections (ERC)	5,497
Proposed Cost Per Year Per ERC	\$173.19
Proposed Cost Per Month Per ERC	\$14.43

Source: ¹ City of Springfield FY 2017 ² Assumed payments begin in 2022 and complete in 2041

Table 9: Present Worth Analysis – Alternative 2

Description	Value	Present Value
Initial Construction Cost		
Total Project	\$14,532,844	\$14,532,844
Debt Payment 20yr @ 1.66%		\$859,887
Salvage Value		
Piping useful life = 30 years		\$3,485,196
O&M Costs		
\$951,971 annually	\$19,039,420	\$16,089,142
TOTAL PRESENT WORTH*	\$33,572,264	\$27,136,790

Note: *Initial Construction Cost + O&M – Salvage Value

2.6 Conclusion

As demonstrated in this Facilities Plan, the older portions of the City of Springfield's water distribution system have exceeded their useful life, have deteriorated, and need to be replaced. Further, the presence of lead joints and some asbestos pipe present continuous exposure to health hazards. Alternative 1 calls for taking "No Action" which is not considered to be a viable option since the system will continue to deteriorate, and costs and health risks will continue to rise.

Alternative 2 is compatible with the efforts to rehabilitate the system and will:

- Significantly reduce on-going maintenance and repair efforts which are taxing the utility staff,
- Reduce water loss from leaks in the system,
- Promote health and safety by the removal of lead joints and other harmful materials,
- Provide increased fire protection in areas not currently protected, and
- Provide reliable service for the citizens and customers of the Springfield water system.
- Bring the City's water system in compliance with current standards.

For these reasons Alternative 2 is recommended.

3 Environmental Benefits/ Effects

3.1 Environmental Impacts

Significant portions of the City of Springfield's water system are in a state of deterioration and millions of gallons of water are unaccounted for through losses in the system. Because the City of Springfield receives its water from Bay County, the County must commit and maintain treatment capacity to the City at a level that is far above the actual rate of consumption. This, in turn, requires greater resources from the County's water source, Deer Point Lake, which is supplied by spring-fed Econfina Creek. These losses strain public resources and taxpayer funds. Improving the City's loss rate will save the cost of treatment and transport of the water that is lost to leakage and will contribute to the sustainability of regional water resources by reducing the withdrawal from these surface water sources.

The work proposed under this project will be performed within existing road rights-of-way which have been previously disturbed and which are continuously impacted by maintenance, repair activities, and vehicular traffic. Such conditions generally inhibit the presence of animal and plant species other than the grasses that are planted and maintained for soil retention and erosion control. Further, this road right-of-way environment is also generally devoid of surface water bodies, prime agricultural lands, and wetlands. The features common to this specific area of impact and proposed construction with respect to recently completed utility projects in Springfield are:

- Paved streets, driveways, and related stormwater drainage systems/structures.
- Unpaved areas which are mowed and maintained.
- Other public utilities including sanitary sewer, electric, natural gas, telephone/internet.
- The absence of wetlands (see detailed discussion below).
- The absence of plant diversity.
- The absence of wildlife habitat.
- The absence of wildlife.

In light of the conditions noted above, no specific investigations or studies to determine environmental effects have been performed. It is anticipated that the Florida Department of Environmental Protection will conduct an environmental review in conjunction with the processing of the loan application and publish an Environmental Information Document (EID).

3.2 Threatened and Endangered Species

Per Ms. Patricia Kelly of the U.S. Fish and Wildlife Service, there are no listed threatened or endangered species in the project area.

3.3 Wetlands

The placement and replacement of potable water distribution lines is almost universally within the rights-of-way of existing streets and roadways so that they are accessible to the homes and businesses to which they supply water. Where these roadways cross wetlands or flood prone areas they are generally constructed on fill material over a stormwater structure to elevations above the anticipated flood level. Under these circumstances when waterlines are shown crossing wetlands or flood prone areas they are typically placed within existing fill and do not introduce any further impacts to the wetlands.

There are four locations within the City of Springfield's project area that either cross or are proximate to wetlands and which are addressed individually below (see **Exhibit L –Wetlands**):

Fourteenth St. between Twin Pines and Alleghany – The proposed new water line along Fourteenth St. at this location will cross the wetland at the elevated grade of the roadway over the existing stormwater pipes and not impact the wetland. The placement of silt fencing downgrade from construction trenching is a standard requirement for construction projects.

Lake Martin at Seventh St. – The existing water line at this location was placed by directional drilling under this narrow area of Lake Martin. The replacement line will be relocated and placed adjacent to and within the right-of-way of Seventh St. in order to minimize costs and wetlands impacts. This location will place the line above the wetland on the existing roadway fill and stormwater structure and will avoid the cost of a placing a long water line in the same location by means of horizontal directional drilling.

Arlington Dr. West of Lake Martin – Arlington Dr. is on the hill at an elevation well above the flood zone area and wetlands of Lake Martin. There are no impacts anticipated from placement of a water line within the right-of-way of Arlington Dr.

Everitt Ave. in Southwest Springfield – The waterlines shown proximate to this wetland crossing by Everitt Ave. are shown as dead ending on either side of the wetland. Should it be concluded in final design that these need to be connected, the line will be placed within the right-of-way of Everitt Ave. and not impact the wetlands.

Should any construction activities encounter a wetland, the contractor will be required to conform to the Florida Department of Environmental Protection, Northwest Florida Water Management District, and U.S. Army Corp of Engineers rules and regulations.

3.4 Archeological and Historical Sites

There are no known archeological or historic sites within the street rights-of-way where the new waterlines will be placed. Furthermore, the new waterlines will replace existing aged and deteriorated waterlines.

3.5 Effects on Minority / Low-Income Communities

The proposed project will not have any significant adverse human health or environmental effects on minority or low-income communities nor on any other communities. On the contrary, since the purpose of the project is to enhance the public health and safety by repairing and replacing failing components of the City's potable water system, the net effect will be a positive one for all members of the community.

3.6 Land Requirements

It is anticipated that there will be no additional land requirements for this project as the lines to be replaced are within existing City of Springfield street rights-of-way; the new waterlines will be placed within the same rights-of-way.

3.7 Construction Impacts

Alternative 1, the "no action" alternative does not incur any construction impacts. Construction impacts resulting from Alternative 2 include maintenance of traffic issues, road reconstruction, and special efforts to maintain water service to existing customers throughout construction. The short-term impacts during construction include increased noise levels, increased airborne particulates, and surface runoff during rainfall events on the site. Control measures will be implemented to minimize these temporary effects.

4 Public Participation Process

On November 4, 2019, after providing due public notice, the City of Springfield City Commission held a public meeting for the purpose of receiving comments on the alternatives presented in this Facilities Plan for making improvements to its potable water distribution system. Alternative 1 (do nothing) and Alternative 2 (bringing the system up to code with the proper size and type of replacement lines) were presented to the attendees and their financial implications discussed. After discussion, the Commission voted unanimously to approve Alternative 2, to bring the system up to code with properly sized lines. Thee legal ad and the minutes for that meeting are attached as **Exhibit M**.

5 Financial Feasibility

5.1 Loan Repayment Source

The requested loan from the DWSRF to the City of Springfield will be repaid from the revenues the City receives from the water system users. In recognition of the growing cost of operating and maintaining the potable water system, the City adopted the present rate structure which provides for (1) an automatic inflationary adjustment of 3% plus (2) any percentage increase imposed by their water supplier, Bay County, (3) "in addition to any other adjustments which may be approved". The City's practice of adjusting rates on October 1 of each year by resolution (see paragraph 5.2 below) provides assurance that it has in place the mechanism to repay the requested SRF loan.

In addition to the water system revenues, the City receives in excess of \$800,000 per year for the term of 2017-2026 from Bay County from the voter approved local option Half Cent Sales Tax for Infrastructure. The Springfield City Commission acted to place \$660,000 of that revenue per year in escrow to fund water and sewer system improvements. **Exhibit N** contains an excerpt from the City of Springfield's 2018-2019 Budget which shows the \$660,000 in the Escrow Account and shows the revenue from the Bay County Half Cent Sales Tax in the amount of \$844,034. While not a pledged revenue, this further assures the City's commitment and capacity to repay the requested SRF loan.

Regarding the total project cost projection including construction, financing the total water system improvements project as described herein will be feasible through a phased construction approach. Such an approach enables the City to pursue future grant/ loan opportunities – including USDA and CDBG in addition to SRF – as they become available and to exercise its discretion to not initiate a subsequent phase of construction until it is financially feasible.

In addition, the reduction of leakage and line failures will reduce maintenance costs as well as the purchase cost of leaked water, which will have a positive impact on the City's budget.

Finally, the City is nearing completion of its program to replace all retail water meters that were not previously replaced in a pilot program. While too early to quantify, this has already resulted in an observable increase in water system revenues as they are now accurately metering flow that has not previously been accounted for through aged and inaccurate meters.

5.2 User Charge System

The City of Springfield purchases its treated potable water from Bay County which is authorized in their contract to adjust the cost of that water each year. For this reason, the City reviews and adjusts its water rates on an annual basis once it has been informed of the cost of its wholesale water for the upcoming year. The rate is increased on October 1 of each year by the amount of that wholesale rate adjustment from Bay County plus an automatic 3% inflationary adjustment plus "any other rate adjustments which may be approved by the City" at its discretion to cover any other water system cost increases, including loan repayment. Provision is made in the City's Code of Ordinances "authorizing the amendment of charges and fees by resolution by the City Commission," and gives them the opportunity to adjust the rate through its overall budget adoption process. See **Exhibit O** which includes the City's Resolution 13-10 in which this policy was established and includes their current rate sheet titled "Utility Billing Rates Effective October 1, 2018".

5.3 Business Plan

Detailed financial, technical, and managerial information on the City's water system are included in **Exhibit P – Drinking Water State Revolving Fund Business Plan**.

6 Project Phasing & Schedule

It is anticipated that this project will be constructed in as many as five phases, subject to available funding, and be accomplished over a term of six years. Once the City has secured funds, completed design, and is ready to proceed with construction, it is their plan to apply for DWSRF loans in the amount of \$2.9 million each (or the loan limit at the time of application) for at least four of the phases of construction. In addition, they will be pursuing:

- CDBG grants for up to two of those construction phases,
- Legislative appropriations for two phases, and
- USDA for one or more of the phases.

It is noted that the number of grant and loan pursuits could potentially exceed the project cost projection; however, consideration must be given to the likelihood that not all funding pursuits will be successful. For example, the City has not been successful in recent efforts to receive Legislative appropriations. Also, consideration must be given to inflation and the volatility of construction costs.

The following is the proposed schedule for the project. It may be necessary to modify the schedule depending on the City's success at receiving grant and/or loan funds to supplement its own funds and subject to the funding cycles of the various programs. Each phase of the project will be focused on a particular geographic area or neighborhood within the City which are mapped on **Exhibit Q**. The construction will be phased in the sequential order that the areas are numbered, the priority being established by the City based on their knowledge of the urgency of repairs. Cost projections for each phase of construction are provided in **Exhibit P**, however, due to the many funding variables and uncertainties of future bids, the scope and cost of each phase will likely be somewhat fluid and the actual limits not be finalized until time of construction.

Phase 1 Design & Permitting	November 2020
Phase 1 Construction	January 2021
Phases 2 thru 5 Design & Permitting	May 2021
Phase 1 Construction Completion	November 2021
Phase 2 Construction	January 2022
Phase 2 Construction Completion	November 2022
Phase 3 Construction	January 2023
Phase 3 Construction Completion	November 2023
Phase 4 Construction	January 2024
Phase 4 Construction Completion	November 2024
Phase 5 Construction	January 2025
Phase 5 Construction Completion	November 2025

7 Authorization by Springfield City Commission

The City of Springfield City Commission held a properly advertised public meeting on November 4, 2019, and, following discussion and public input, voted to approve the recommendation made in this Facilities Plan to approve Alternative 2 which is to upgrade the targeted areas of the water distribution system by replacing aged and deteriorated pipes with new, properly sized pipes to meet current standards for safety, supply, and fire protection. That legal ad and the minutes for that meeting are attached as **Exhibit M**.

EXHIBITS

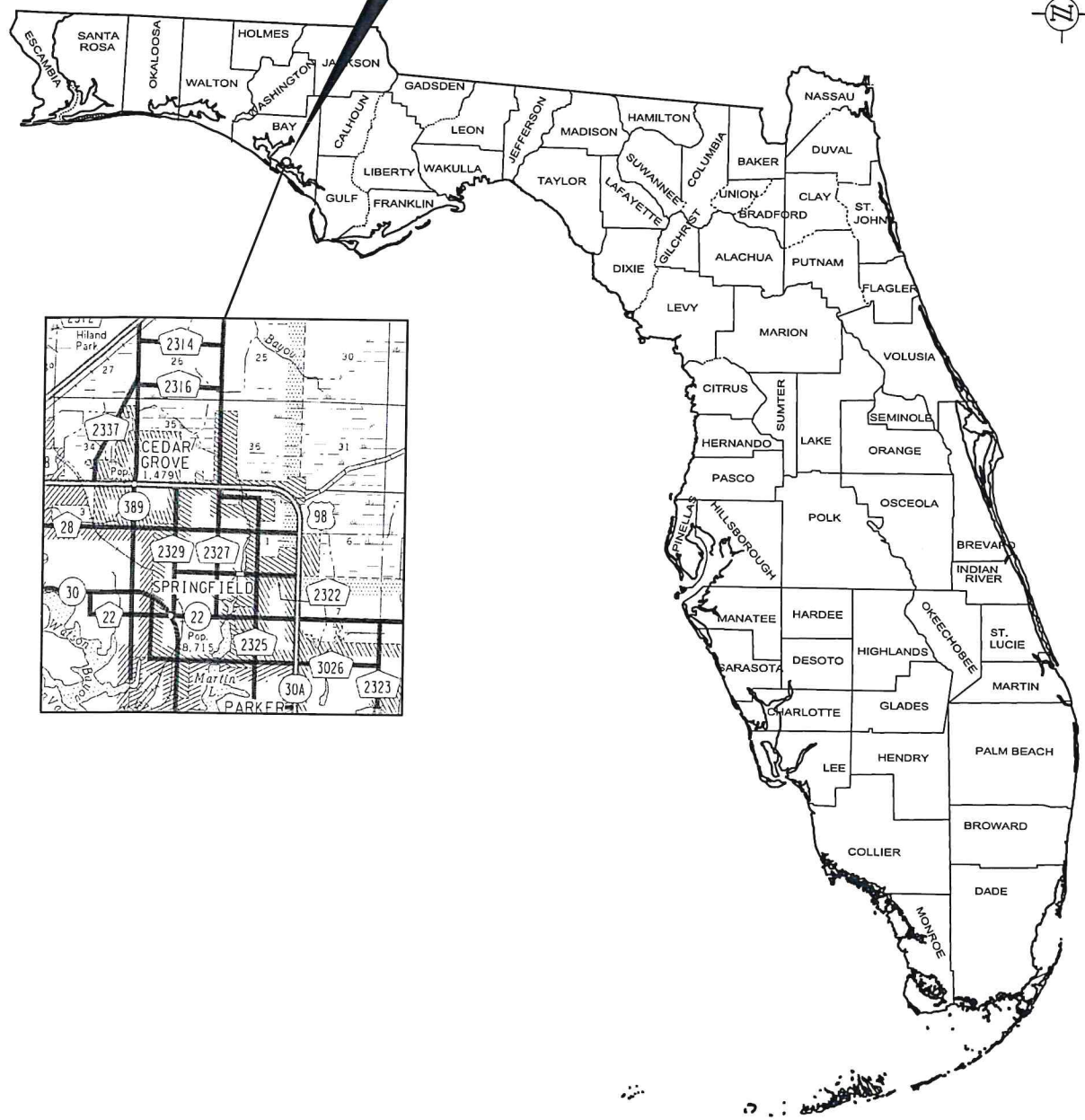
- Exhibit A – Location Map
- Exhibit B – Springfield Water Distribution System
- Exhibit C – Bay County – Springfield Water Supply Contract
- Exhibit D – Project Area Map
- Exhibit E – Work Orders in Project Areas
- Exhibit F – Estimated System Static Pressures – Existing Conditions
- Exhibit G – Estimated Available Fire Flow at 20 psi Residual Pressure in Project Area
- Exhibit H – Proposed Waterline Improvements in Project Area (locations)
- Exhibit I – Proposed Waterline Improvements in Project Area (by size)
- Exhibit J – Estimated Available Fire Flow at 20 psi Residual Pressure in Project Area Following Proposed Improvements
- Exhibit K – Master Plan of Utility Improvements
- Exhibit L – Wetlands
- Exhibit M – Minutes of Public Meeting
- Exhibit N – Documentation of Half Cent Sales Tax Revenue and Escrow Fund
- Exhibit O – City of Springfield's Potable Water Rates
- Exhibit P – Drinking Water State Revolving Fund Business Plan
- Exhibit Q – Project Construction Phases
- Exhibit R – Cost Projections for Each Phase of Construction



mottmac.com

EXHIBIT A

SPRINGFIELD, FLORIDA



SPRINGFIELD LOCATION MAP

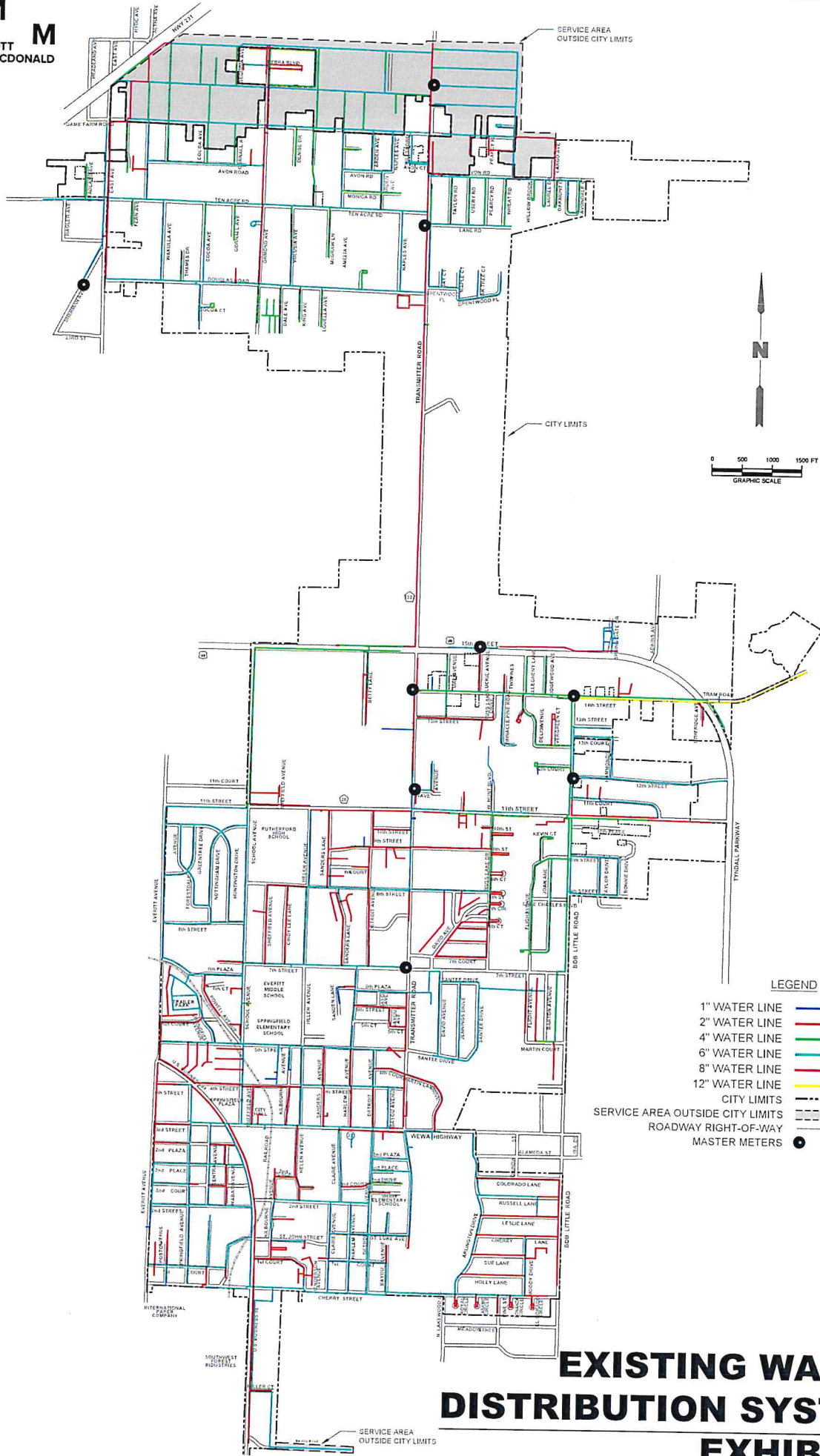
P:\391275 SPRD SRF Water Improvement\Drawings\Civil\PLANS\EXHIBIT A - Location Map.dwg

This drawing is the property of Hatch Mott MacDonald Florida, LLC, and may not be reproduced without written permission.

EXHIBIT A

EXHIBIT B

M
MOTT
MACDONALD



LEGEND

- 1" WATER LINE —
- 2" WATER LINE —
- 4" WATER LINE —
- 6" WATER LINE —
- 8" WATER LINE —
- 12" WATER LINE —

- CITY LIMITS
- SERVICE AREA OUTSIDE CITY LIMITS
- ROADWAY RIGHT-OF-WAY
- MASTER METERS ●

**EXISTING WATER
DISTRIBUTION SYSTEM
EXHIBIT B**

EXHIBIT C

9/24/01
sq

Bay County
Clerk's Original
WATER SERVICE CONTRACT

MEMO # 438 7/10/01

THIS CONTRACT is made and entered into on this 10th day of July, 2001, by and between BAY COUNTY, FLORIDA, acting through its BOARD OF COUNTY COMMISSIONERS OF BAY COUNTY, FLORIDA, (the "County"), and the City of Springfield (the "City").

WHEREAS, the City desires to purchase water from the County to sell on a retail basis to its customers located within its corporate city limits and as provided in Section 10 herein (the "Service Area"); and,

WHEREAS, the City is the retailing entity for the distribution of water to customers in the Service Area.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, it is agreed by and between the parties hereto as follows:

1. TERM. The term of this contract shall be for a period of forty (40) years from the date hereof. The County agrees to sell water to the City for the term of this contract, and any renewals thereof, at the rate, as it may be altered from time to time, as is described hereinafter. This Contract shall renew for successive 30 year periods unless either party gives notice of non-renewal at least 6 months prior to the scheduled termination date.

2. SALE OF WATER: WATER QUALITY. The County covenants and agrees that all water sold and delivered to the City shall be of such quality that it will at all times and at all contractually agreed upon points of delivery to the City be in no way inferior to the quality requirements of Chapter 381, Florida Statutes as implemented by Florida Administrative Code ("FAC") §62-550, or any statutes and/or regulations that may from time-to-time be modified and/or reissued in place of or in addition to Chapter 381, Florida Statutes, and FAC §62-550 or such supersessions thereof. The County further covenants and agrees that the treatment and quality control procedures shall always be maintained by the County such that treated water delivered to the City shall be clear, stable, adequately disinfected and contain a corrosion protection additive. The County shall at all times take adequate measures to insure maintenance of such quality and to prevent any pollution or contamination of such water by salt, oil, domestic sewage, or other foreign or deleterious materials or chemicals. The County shall routinely have made such analyses

as may from time to time be required by the Florida Department of Environmental Protection or other agency having regulatory jurisdiction over the County's water system.

The County further covenants and agrees that it shall exercise its best efforts to do such things and procure and provide such facilities as are necessary from year to year, throughout the life of this contract to provide to the City, to continue to provide a high quality potable water at the contractually agreed upon point(s) of delivery.

3. SALE OF WATER: WATER QUANTITY. The County covenants and agrees that it shall exercise its best efforts throughout the life of this contract to provide to the City, at the contractually agreed upon point(s) of delivery, a minimum quantity of potable water which is equal to the mid-range gallon per minute flow rating of the installed master meter at a pressure of not less than 45 pounds per square inch gauge (psig), the mid-range flow rating being based on the meter manufacturer's specified normal operating range for the individual master meter. However, this minimum delivery volume and pressure is contingent upon the capabilities of the water treatment plant and transmission system. The volume delivered may be higher than the mid-range flow rating of the meter, and the pressure provided by the County at the contractually agreed upon point(s) of delivery may be considerably higher than 45 psig, thus making it advisable for the City to install appropriate pressure reducing valves or equipment on the downstream side of the master meters, such pressure reducing equipment to be designed, installed, and maintained by the City at City's expense. The County assumes no liability or responsibility for line breakage downstream of the master meters due to sustained high operating pressure delivered by the County to and through the master meter.

4. EXISTING POINTS OF DELIVERY. The water furnished hereunder shall be delivered by the County, at its expense, and received by the City at the contractually agreed upon point or points of delivery shown on the map attached hereto as Exhibit "A" and made a part hereof for all purposes. Master meter infrastructure at the points of delivery, inclusive of the meter and all associated hardware in the meter vault, including the check valve (where installed) and meter bypass piping and valves, shall be the property of the County, whose responsibility it is to properly maintain and replace, if necessary, all master meter infrastructure. Details shown on Exhibit "A" may be changed from time to time by written mutual agreement of the parties. In no instance shall the City or the County substantially modify or disconnect an existing point of delivery without express written agreement of both parties.

5. NEW POINTS OF DELIVERY. Additional points of delivery may be established at such times and places as shall be mutually agreed upon by the parties, such agreement to be confirmed by a written amendment to this contract, including an amended Exhibit "B", prior to constructing a new point of delivery. For any new points of delivery using existing County transmission lines, the City shall bear all costs associated with establishing such additional points of delivery, including tapping the transmission main and installing the new master meter infrastructure in accordance with the County's standards for material and construction. After the installation is inspected and accepted by the County, the County shall thereafter own and be responsible for all operation, maintenance, calibration and replacement costs associated with the master meter. In any instance where a proposed new point of delivery requires increasing the delivery capability of the County's wholesale transmission main in order to provide the additional service requested by the City in compliance with water quantity and quality provisions of this contract, the County shall provide to the City detailed engineering drawings, diagrams, data, and reports in connection with such proposed increase and all costs related thereto. Upon written approval by City of such engineering materials and costs, the City shall pay all costs for the master meter installation as described above, as well as City's respective share of all costs associated with the improvements needed to increase the transmission main delivery capability, the share of costs being inclusive of any easements necessary for the improvements. The respective share of costs for necessary transmission main improvements shall be established by mutual written agreement of the parties. In no instance shall the City or the County install a new point of delivery without express written agreement of both parties. All agreements and consents contemplated by this paragraph are binding if concurred in writing by the County Manager (for the County) and the Mayor of the City.

6. WATER RATES AND CHARGES. The City agrees to pay to the County, for water delivered hereunder, a rate which shall be the Wholesale Municipal Rate. The wholesale rate will be uniform for all municipal customers and may be modified uniformly from time to time by the Board of County Commissioners. The County shall notify the City by July 1 each year of any increase in the Wholesale Municipal Rate that will take effect on October 1 of the same year. The County shall read all master meters on the first (1st) day of each month or on the work day nearest that date, and render invoices to the City on or about the tenth (10th) day of the month for the previous month's service. The City's

payment shall be due within ten (10) days after receipt of each month's billing. The City agrees that the County may assess and it shall pay a late charge for all payments that are not received within ten (10) days after receipt of each month's billing. Such late charge shall be the County's "cost of funds" plus an administrative fee equal to 3% of the unpaid invoice. The "cost of funds" shall be a sum computed by the amount of the unpaid invoice (i) times the previous month's "SBA Rate" (which is established by the State Board of Administration for governmental pooled funds but in no event shall such rate exceed 10%) (ii) times the number of days delinquent and (iii) divided by 365. The initial Wholesale Municipal Rate shall be nine hundred dollars and no cents (\$900.00) per one million gallons of water.

7. MEASUREMENT OF SERVICE. All water furnished by the County shall be measured by master metering equipment which meets the County specifications for Master Meter Installations. The County shall hire a qualified contractor to perform an accuracy test of each master meter at a frequency no greater than once every 24 months. Any meter which registers not more than two percent (2%) high or low over the manufacturer's specified effective operating range for the meter shall be deemed correct. Any meter found to be outside of this acceptable accuracy range shall be repaired or replaced, as determined by the County, as soon as is practical at County expense. City representatives will be notified of these tests and are encouraged to participate as observers. The results of these tests and any repairs made by the contractor shall be made available to the City when they are received from the contractor. In the event a master meter fails to register or is shown to register incorrectly the volume of water furnished, the City and County shall agree upon the degree of the inaccuracy and an appropriate adjustment (either higher or lower), based on said agreement, shall be made in the City's bill for the month immediately preceding the identification of the meter problem. In no case shall adjustments be made based on master meter inaccuracy for more than one previous month of service unless there is substantial evidence to determine the actual duration and degree of the master meter inaccuracy. Upon written request of the City, the County shall make additional meter accuracy tests of the requested master meters in the presence of City representatives. The cost of such City requested tests shall be borne by the City if the test indicates an acceptable meter accuracy (+/- 2%).

8. MAINTENANCE OF SYSTEM AND LIMITATION OF LEAKAGE. When necessary to make repairs to, or changes in, the County's treatment plant, transmission

system, or other facilities, the County may, without incurring any liability, suspend service for such periods as may be reasonably necessary. County will notify the City as far in advance as possible, and to the degree possible, will schedule such repairs or changes at times and for periods that are not peak requirements for the City.

9. CONTINUITY OF SERVICE AND CONSUMPTION. County shall use its best efforts and reasonable diligence to provide a regular and uninterrupted supply of potable water at the delivery point(s), but it shall not be liable for damage, breach of contract, or otherwise to the City for failure, suspension, diminution or other variations in service occasioned by or in consequence of any cause beyond the control of the County, such as acts of God or of a public enemy, fire, floods, earthquakes, natural catastrophes, failure or breakdown of transmission or other facilities, or shut downs of the system mandated by a regulatory agency of the state or federal government.

10. AREA OF WATER SERVICE. The City's Service Area may extend beyond its corporate city limits if established by interlocal agreement to the extent permitted under the Master Interlocal Agreement dated September 10, 1996, and/or Chapter 163, Florida Statutes, as applicable. All potable water provided to City customers within the Service Area shall be supplied to the City by the County and any bulk sale of potable water for resale, either public or private, is prohibited unless expressly approved by the City and County.

11. RIGHT OF WAY. The City agrees that it will use its best efforts to obtain within its service area such rights of way and/or easements over and across the streets and other properties of the City as may, in the opinion of both parties hereto by mutual agreement, be necessary for the County's successful performance of its obligations hereunder.

12. WHOLESALE IMPACT FEE. Bay County reserves the right to levy a uniform wholesale water impact fee in the future should the Board determine said impact fee to be appropriate, and the City agrees to assist the County in the collection of any wholesale water impact fee by authorizing its collection from its retail customers at the time building permits are obtained for any new structures.


13. AMENDMENT, MODIFICATION, ASSIGNMENT. No change in, addition to, or modification or amendment to this contract, or any provision hereof, shall be valid or binding except when made in writing and executed by each of the parties hereto. This

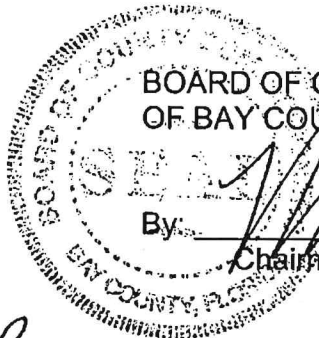
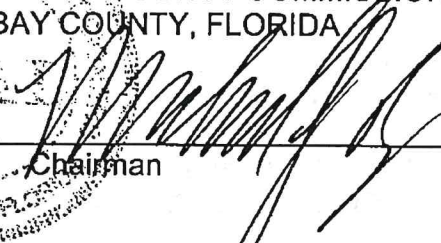

contract shall be binding upon all assigns and successors in interest of each of the parties hereto.

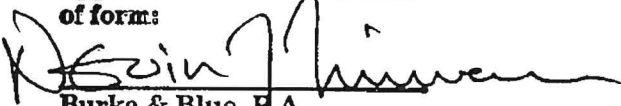
14. WATER SERVICE CONTRACT AS SECURITY. The Water Service Contract may be pledged by the City as security for any loan or bond for the purposes of expanding the City's water service utility system.

IN WITNESS WHEREOF, the parties hereto have placed their hands and seals on the first date written above.

Attest:


Clerk of the Circuit Court and
ex-officio Clerk and Auditor of the
Board of County Commissioners of
Bay County, Florida


BOARD OF COUNTY COMMISSIONERS
OF BAY COUNTY, FLORIDA
By: 
Chairman 

Approved as to correctness
of form:

Burke & Blue, P.A.
Attorneys for Bay County

In the presence of:

THE CITY OF SPRINGFIELD

[Signature]
Witness

By: [Signature]

[Signature]
Witness

Attest:

[Signature]
~~Secretary~~ City Clerk

The foregoing instrument was acknowledged before me this 14 day of Aug, 2001, by Robert Walker, as Mayor of THE CITY OF Springfield

[Signature]
Notary Public (signature)

DONNA FINCH
Notary Public (print name)

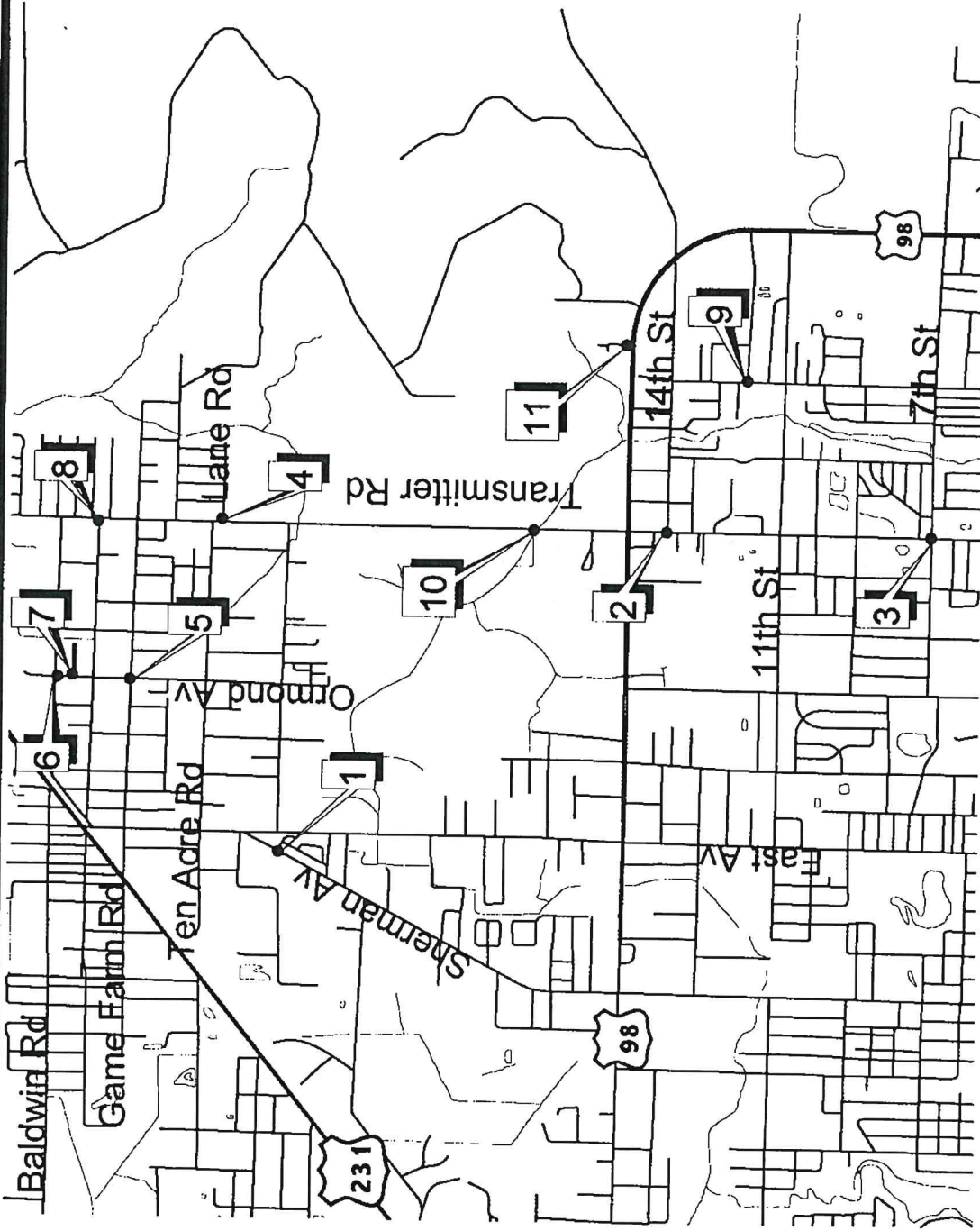
My commission expires: 05/07/04



Donna Finch
MY COMMISSION # CC933874 EXPIRES
May 7, 2004
BONDED THRU TROY FAIN INSURANCE, INC.



EXHIBIT A SPRINGFIELD WHOLESALE METER LOCATIONS



Location

1. Ammies Mhp & Sherman Ave
2. 14th St. & Transmitter Rd
3. 7th St. & Transmitter Rd
4. Lane & Transmitter Rd.
5. Game Farm Rd. & Ormond Ave

Meter Type

- 4" Sensus Turbo
- 4" Sensus Turbo
- 6" Sensus Turbo
- 6" Rockwell Compound
- 4" Sensus Compound

Location

6. Baldwin Rd. & Ormond Ave
7. Ormond Ave & Debra Blvd
8. Transmitter Rd. & Orlando Rd
9. Bob Little Rd & 12th St
10. Suncoast Machine
11. Springate Apartments

Meter Type

- 2" Badger
- 3" Sensus Turbo
- 6" Sensus Compound
- 6" Neptune Compound
- 1" Badger

EXHIBIT D



**PROJECT AREA
 INCLUDING
 PROPOSED IMPROVEMENTS**

EXHIBIT E

NOTE: The colors highlighting the addresses of work orders on the following pages correspond to the color coded project areas within the map below.

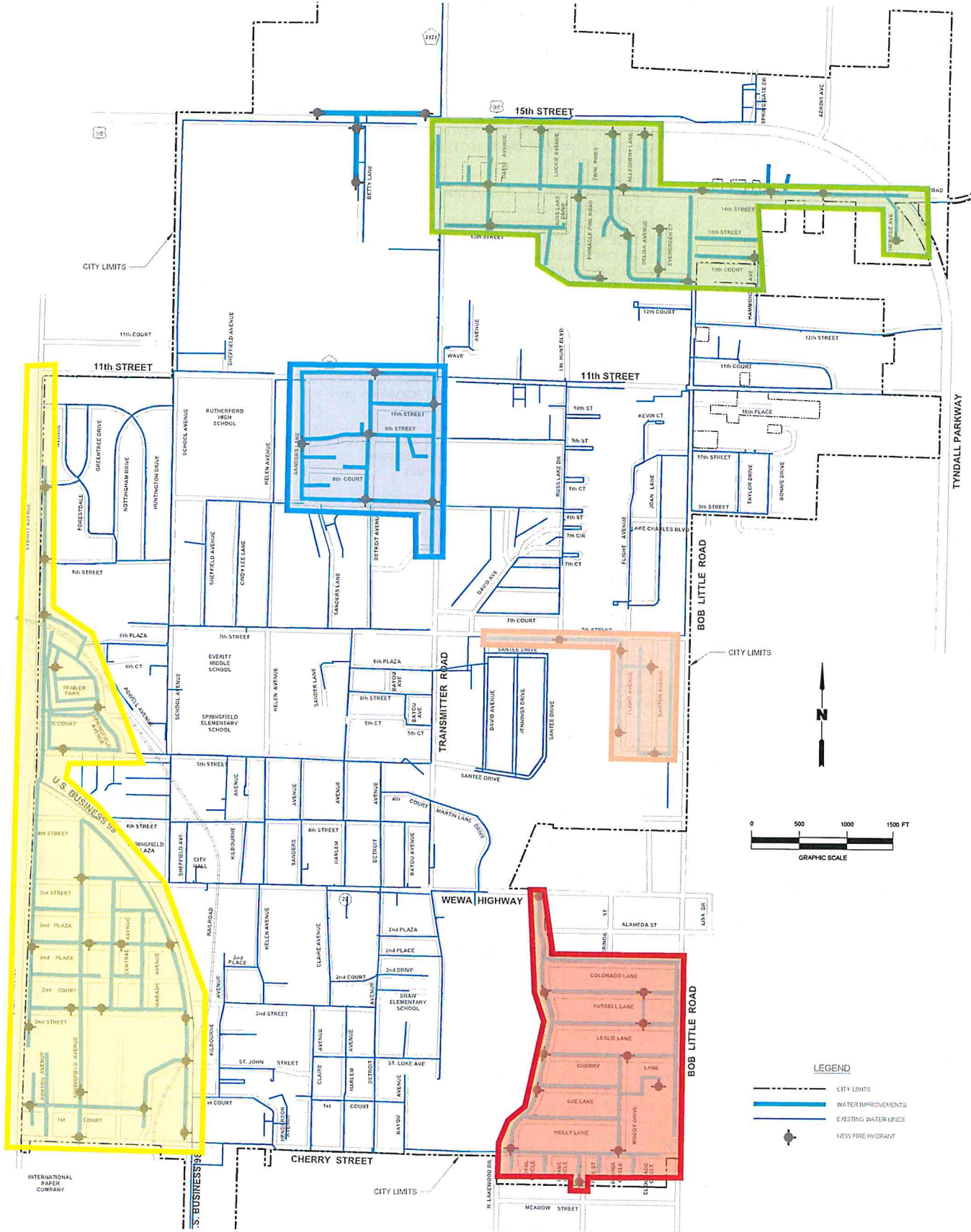


EXHIBIT E

Exhibit E is provided to show the location of work orders that have been performed within the proposed project areas. The color coding corresponds to the color coding of the project areas on the previous page.

STREET NUMBER	NUMBER	WORK DONE	TOTALS
10TH ST	3814	RR, 1 - 5/8" METER, 1 BLUE METER BOX	
10TH ST	4001	1 3/4" BRASS CURVE STOP (6-1/18) - NEW INSTALL MIU 1 - 5/8" METER, 1 - 1"x3/4" BRASS T, 6' OF 3/4" PEX, 1 - 3/4" CURBSTOP, 1 - 3/4" BACKFLOW, 1 - 3/4" FEMALE PVC COUPLING, 1 PINK BOX W/LID	
10TH ST	5018	RR, 1 - 5/8" METER	
10TH ST	5125 #4	(5/15/18) REPLACE	
11TH ST	3806	6' OF 3/4"x3/4" TUBING, 1 - 1" CURVE STOP, 2 - BLACK WASHERS	
11TH ST	3903	1 - 1"x1" BRASS COUPLING	
11TH ST	3916	4/26/18 - REPLACE 1 3/4" DRESSER COUPLING, 1 - 3/4" CURVE STOP. 4 LIDS, 1 BOXES	
11TH ST	3918	RR 1 - 5/8" METER, 1 - 3/4"x3/4" CURB STOP, 1' OF 3/4"x3/4' TUBING, 1 - 3/4" PVC FITTING, 1 - 3/4" BACKFLOW	
11TH ST	3922	1 - 3/4"x3/4" BRASS COUPLING	
11TH ST	4511	2' OF 3/4" PEX, 1 - 3/4" COUPLING	
11TH ST	5021	(5/16/18) 1 - 3/4" BRASS CURVE STOP, 1' OF 3/4" PVC, 1 - 3/4" FEMALE PVC COUPLING, 1 - 3/4" PVC COUPLING	
11TH ST	5030	2 - 1" METER COUPLING, 2' OF 1"x1" TUBING, 2 - 1" BRASS COUPLINGS, 2' BLUE LINE	
11TH ST	3702 #A	2' OF 3/4" PEX, 1 - 3/4" COUPLING	
11TH ST	3916 NO #	1 - 3/4" COUPLING	
11TH ST	3916 #1-3	RR, 1 - 5/8" METER, 1 BOX W/BLACK LID	
11TH ST	3916 #J-4	RR, 1 - 5/8" METER, 1 BLACK BOX W/LID	
11TH ST	3916 #K-4	RR, 1 - 5/8" METER, 1 - 3/4"x3/4" BRASS COUPLING, 1' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" FEMALE PVC COUPLING, 1 BOX W/BLUE LID	
11TH ST	4002 #B	RR, 1 - 5/8" METER, NEW NETER BOX W/LID	
11TH ST	4002 #D	RR, 1 - 5/8" METER, NEW NETER BOX W/LID	
11TH ST	5006 #A	(5/15/2018) REPLACE 1 3/4" BRASS BACK FLOW, 1' OF 3/4" PVC. 1 3/4" FEMALE COUPLING	
12TH ST	5102	METER BOX AND LID, 2' OF PEX, 1 - 3/4" DRESSER COUPLING	
12TH ST	5102	1' OF 3/4"x3/4" TUBING, 1 - 3/4" METER COUPLING,	
12TH ST	5107	LID	
12TH ST	5130	RR 1 - 5/8" METER, 1' OF 3/4" PVC PIPE, 1 - 3/4" BACKFLOW	
12TH ST	5302	BLACK METER BOX W/BLUE LID, REPLACE BLUE LID W/BLACK LID	
12TH ST	5317	REPLACE 1 - 1" TO 3/4" BRASS REDUCER, 25' PEX, 1 - 1" PVC COUPLING, 1 - 1"x3/4" PVC REDUCER, REPLACE 1' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 1 - 1" TO 3/4" BRASS REDUCER, 1 - 1"x3/4" PVC REDUCER, 25' PF PEX,	
12TH ST	5319	1 - 3/4"x3/4" COUPLING, MIU, 1 - 5/8" METER	
12TH ST	5327	1 - 5/8" METER,	
12TH ST	5000 BLOCK	1 - 3/4"x3/4" BRASS COUPLING, 10' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 - 1"x3/4" BRASS Y, 1 - 1"x1" BRASS COUPLING, 3' OF 1"x1" TUBING	
12TH ST	5102 #13	2 - 1"x1" BRASS COUPLING	
12TH ST	5102 #19	MIU 1 - 3/4"x3/4" BRASS COUPLING, 1' OF 3/4"x3/4" TUBING,	
12TH ST	5102 #5	1 - 3/4"x3/4" BRASS COUPLING, 2' OF 3/4" TUBING	
12TH ST	5102 #7	MIU, REPLACE 1 - 5/8" METER. 1 - 3/4" PVC FEMALE COUPLING, 1 BOX W/BLUE LID	
13TH CT	3627	MIU, REPLACE 1 - 5/8" METER, 12' OF 1" PEX, 1 - 1"x3/4" CURBSTOP, 1 - 3/4" BACK FLOW, 1 - 3/4" FEMALE COUPLING, 1	
13TH CT	3629	REPLACE 1" METER	
13TH CT	5006	1 - 3/4"x3/4" BRASS COUPLING, 1' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 THICK BLACK WASHER	
13TH CT	5023	RR, 1 5/8" METER	
13TH CT	3500 BLOCK	WATER MAIN REPAIR/ REPLACE 2 - 2" DRESSER COUPLINGS, 3 - 2" BRASS VALVESM 10 FT OF 2" GALV PIPE, 1 - 2" WRAPAROUND, (WATER MAIN REPAIR) REPLACE 2 - 2" DRESSER COUPLING, 3 - 2" BRASS VALVE, 10' OF 2" GALV PIPE, 1 - 2" (4/18/18)MIU NEW INSTALL 1 - 5/8" METER, 1 BOX W/LID	
14TH ST	3503	2 - 1"x1" BRASS COUPLING, 3' OF 1"x1" TUBING, 1 - 3/4" COUPLING	
14TH ST	3507	MIU REPLACE 1 - 5/8" METER	
14TH ST	5019	MIU REPLACE 1 - 5/8" METER	
14TH ST	5028	1 - 1"x1" METER COUPLING, 1' OF 1"x1" TUBING, 4/11/18 REPLACED 1 - 1"x5/8" CURB STOP, 1 BOX W/BLUE LIC	
14TH ST	5105	1 - 3/4"x3/4" BRASS COUPLING, 2' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP	
14TH ST	5115	1 - 3/4"x3/4" BRASS COUPLING	
14TH ST	5118	(6/19/18) - REPLACE 1 - 1" DRESSER COUPLING, 1 - 1" COUPLING, 3' OF 1" PEX	
14TH ST	5324	1 - 1"x1" BRASS COUPLING, 1' OF 1" x1" TUBING	
14TH ST	5400	LID	
14TH ST	3100 BLOCK	1 - 2" WRAPAROUND	
14TH ST	5115 #12	1 - 3/4" CURVE STOP	
14TH ST	5115 #12B	MIU 2 - 5/8" METER, 1 - 3/4" BACK FLOW	
14TH ST	5115 #6	10' OF 3/4"x3/4" TUBING, 2 - 3/4" CURVE STOP	
14TH ST	5115 #7	1 - 3/4" COUPLING, 5' OF 3/4" PEX	
14TH ST	5115 #7	10' OF 3/4"x3/4" TUBING, 2 - 3/4" CURVE STOP	
14TH ST	NO ADDRESS	1 - 3/4" BRASS CURVE STOP, 2 - 4" WRAPAROUND, 3' OF 4" PVC PIPE	
15TH ST	3423	5/2/18 - MIU, REPLACE 1 - 5/8" METER, 1 - 5/8" METER, BLUE LID	
15TH ST & DOMINIC CATHOLIC CHURCH		5/2/18 - MIU, 1 - 2" METER, 1 - 2"x4" NIPPLE, 1 BIG BLACK METER BOX	
15TH ST & LIGHTHOUSE BAPTIST CHURCH		5/2/18 - MIU REPLACE 20' OF 2" PEX, 1 6"x2" SADDLE, 2" CORPERATION (?), 2" METER, 2" VALVE, BIG BLACK METER BOX (5/8/18) MIU, 1 - 5/8" METER, 1 - 6"x1" SADDLE, 1 - 1" CORP STOP 6' OF 1" PEX, 1 - 1"x3/4" CURBSTOP, 1 - 3/4" BACKFLOW, 1 - 3/4" FEMALE PVC COUPLING, BLACK BOX W/BLUE LID	
1ST CT	3209	5/22/18) MIU, 1 - 5/8" METER, 1 6"x1" SADDLE, 1 - 1" CORP STOP, 6' OF 1" PEX, 1 - 1"x3/4" CURBSTOP, 1 - 3/4" BACKFLOW, 1 - 3/4" FEMALE PVC COUPLING, BLACK BOX W/BLUE LID	
1ST CT	3211	20' OF 1" PEX, 1 - 1" COUPLING, 1 - 3/4" CURBSTOP	
1ST CT	3528	1 - 1"x1" BRASS COUPLING, 3' OF 1"x1" TUBING	
1ST CT	3536	METER BOX	
1ST CT	3606	2 - 3/4"x3/4" BRASS COUPLING, 2' OF 3/4"x3/4' TUBING	
2ND CT	3110	1 - 1"x1" BRASS COUPLING	
2ND CT	3610		

2ND PLAZA	3102	REPLACED BLUE LID W/BLACK LID, 3/4" CURVE STOP
2ND ST	3103	REPLACED BLUE LID W/BLACK LID
2ND ST	3200	REPAIR 1 - 3/4"X3/4" BRASS COUPLING, 1' OF 3/4" TUBING, 1 - 3/4" CURVE STOP
2ND ST	3304	1 - 3/4"X3/4" BRASS COUPLING
2ND ST	3404	METER BOX W/B/LUE LID, REPLACED BLUE LID W/BLACK LID/ (4-25-18) - MIU-REPLACE 1 - 5/8" METER, 1 - 3/4"X3/4" BRASS COUPLING, 1 - 3/4" CURVE STOP, 2' OF 3/4" PEX, 1 BLUE LID
2ND ST	3512	MIU, REPLACE 1 - 5/8" METER, 1 3/4" DRESSER COUPLING, 1 - 3/4" GALV TO 3/4" BRASS TTUBING, 2' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 2' OF 3/4" PEX 1 - 3/4" FEMALE COUPLING, 1 BOX W/BLUE LID
3RD ST	3501	REPLACE BETTER BOX/LID
3RD ST	3535	1' OF 3/4"X3/4" TUBING, 1 - 3/4 GALV TO 3/4" BRASS TUBING, 1 - 3/4" BRASS CURVE STOP
3RD ST	3536	1 BLACK BOX W/BLACK LID
3RD ST	NEXT TO \$ GENERAL	1 - 3/4" CURB STOP, 1 BLACK BOX
4TH CT	3808	3' OF 3/4"X3/4" TUBING, 1 - 3/4" GGALV TO 3/4" BRASS PEX, 1 - 3/4" BRASS CURVE STOP
4TH ST	3535	RR 1 - 5/8" METER
5TH CT	3114	RR 1 5/8" METER, BOX AND LID
5TH ST	3516	REPLACE 1 BOX W/BLACK LID
5TH ST AND TRANSMITTER RD	NONE	RR, 2 - 2" DRESER COUPLING, 4' OF 2" PVC PIPE
6TH CT	3308	RR 1 - 5/8" METER,
6TH PLAZA	3107	INSTALL 1 - 5/8" METER
6TH PLAZA	3125	1 - 3/4" COUPLING, 1' OF 3/4" PEX
6TH PLAZA	3126	RR, 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1' OF 3/4" PVC PIPE, METER BOX W/BLUE LID
6TH PLAZA	3134	1 - 3/4"X3/4" BRASS COUPLING
6TH PLAZA	3221	1 - 3/4" HALF MOON
6TH PLAZA	3736	MIU NEW 5/8" METER, 2 - 3/4" BRASS 90, 5 FT OF PEX, 1 - 3/4" CURB STOP, 2 - 3/4" PVC 90, 1 - 3/4" BACK CLOW, 1 - 3/4" FEMALE COUPLING, 1 - 3/4" GALV TO PEX COUPLING,
7TH CIR	4002	1 - 5/8" METER
7TH CIR	4006	1' OF 3/4"X3/4" TUBING
7TH CT	4000	5' OF 1" PEX
7TH CT	4009	2 - 1" DRESSER COUPLING, 2' OF 1" PEX
7TH ST	3700	1 - 3/4" BRASS CURVE STOP
7TH ST	3713	MIU REPLACE 1-5/8" METER, 1 - 3/4 DRESSER COUPLING, 1 - 3/4" BACK FLOW, BLACK BOX W/GREEN LID 4/10/18 REPLACE 2 - 3/4"X3/4" BRASS COUPLING, 2' OF 3/4" PEX
7TH ST	3715	2 - 3/4"X3/4" BRASS COUPLING, 4' OF 3/4" PEX
7TH ST	3724	RR, 1 - 15/8" METER, 1 BOX W/BLUE LID
7TH ST	3730	MIU INSTALL 1 - 5/8" METER, 25' OF 3/4" PEX, 1 - 1"X1" CURB STOP, 1 - 6" SADDLE 1" OUTLET - (6/19/18) REPLACE 1 - 5/8" METER. BLACK BOX W/BLUE LID
7TH ST	3812	REPLACE 1 - 1"X3/4" BRASS Y, 1 - 1" CURVE STOP, 35' OF 1" PEX, 1 8"X1" SADDLE, 1 - 1" CORP STOP, 1 - 8" WRAPAROUNC
7TH ST AND TRANSMITTER	NO #	1 - 2" WRAPAROUND
8TH CT	3733	MIU, NEW INSTALL, 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 - 1"X3/4" CORP STOP, 1 - 3/4" PVC FEMALE COUPLING, 1 BOX
8TH CT	3734	REPLACE 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1-1"X3/4" CURB STOP, 20' OF 1"X1" TUBING, 1 - 3/4" PVC COUPLING, 1 - 1" REPLACE 1 - 5/8" METER. 1 3/4" BACK FLOW, 1 - 1"X3/4" CURVE STOP, 30' OF 1" PEX LINE, 1 - 3/4" FEMALE PVC COUPLING, 1 - 1" CORP STOP
8TH CT	3735	1" CORP STOP
8TH CT	3752	REPLACE 1 - 5/8" METER, 1 NEW BOX W/LID
8TH CT	3713 #201	MIU REPLACE 1 - 5/8" METER
8TH ST	3614	REPLACE(?) 2' OF 3/4" PEX, 1 - 3/4" BRASS COUPLING, 1 - 3/4" BRASS CURBSTOP
8TH ST	3707	5/2/18 - REPLACE 2 3/4"X3/4" BRASS COUPLINGS, 4' OF 3/4" PEX
8TH ST	3808	RR 5/8" METER 2 THIN RED WASHERS
8TH ST	3809	REPLACE 1 - 3/4" BRASS CURVE STOP, 25' OF 3/4" PEX, 1 - 6"X3/4" OUTLET. 1 - 3/4" CORP STOP
8TH ST	3901	1 - 3/4" DRESSER COUPLING BRASS
8TH ST	3909	2 - 3/4" COUPLINGS, 3' PEX, 1 - 3/4" DRESSER COUPLING, 1 - 3/4"X3/4" BRASS COUPLING, 3 FT OF 3/4" PEX
8TH ST	3939	2 - 3/4"X3/4" BRASS COUPLING, 2' OF 3/4"X3/4" TUBING
8TH ST	4031	1 - 1"X1" BRASS COUPLING
		BY MAILBOX ACROSS FROM 700 TRAILER
8TH ST		PARK
8TH ST & RUSS LAKE DR	NO #	2 - 3/4"X3/4" BRASS COUPLING, 1' OF 3/4"X3/4" TUBING (6/8/18) - REPLACE 2 - 1" COUPLINGS, 8' OF PEX TUBING, 4' OF 1"X1" TUBING, 1-2" SADDLE 1" OUTLET
8TH ST BY 700 TRANSMITTER	TRAILER PARK	1 - 3/4" HALFMOON
9TH ST AND TRANSMITTER	CHURCH	1 - 1" DRESSER COUPLING
9TH ST	3738	MIU, REPLACE 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 4' OF 1"X1" TUBING, 1 - 3/4" FEMALE VC COUPLING
9TH ST	3740	MIU, REPLACE 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 4' OF 1"X1" TUBING, 1 - 3/4" FEMALE VC COUPLING
9TH ST	3742	MIU, REPLACE 1 - 5/8" METER, 1 - 3/4" BACKFLOW, 4' OF TUBING, 1 - 3/4" FEMALE PVC COUPLING
9TH ST	3744	MIU, REPLACE 1 5/8" METER, 1 - 3/4" BACK FLOW, 4' OF 1"X1" TUBING, 1 - 34" FEMALE PVC COUPLING
9TH ST	3809	RR 1 - 1" METER, 4' OF 3/4"X3/4" TUBING, 3/4" BRASS CURVE STOP,
9TH ST	3909	RR, 1 - 5/8 METER, 1 - 3/4"X3/4" BRASS COUPLING, 1' OF 3/4"X3/4" TUBING, 1 - 3/4" CURVE STOP
9TH ST	3926 1/2	1 - 5/8" METER, 1 - 1"X1" CORP STOP, 1 - 1" GALV TO 1" BRASS TUBING, 20 FT OF 1"X1" TUBING, 11- 2" SADDLE 1" OUTLET, 1 - 3/4" BRASS BACK FLOW, 1 - BOX W/LID, 4' OF 1" PEX, 1 - 1"X3/4" CURBSTOP, 1 - 1" TEE, 1 METER, 1 - 3/4" BACKFLOW
9TH ST	3939	1 - 1"X1" BRASS COUPLING
9TH ST	APTS #C	2' OF 3/4"X3/4" TUBING, 1 - 3/3"X3/4" BRASS COUPLINT, 1 - 3/4" CURVE STOP
9TH ST	BY APTS ACROSS ST	2' OF 3/4"X3/4" TUBING, 1 3/4" BRASS CURVE STOP, 1 - 2/3" TO 1" COUPLING
ALLEGHENY	1401	MIU REPLACE 1 - 5/8" METER
ALLEGHENY	1404	(4/19/18) MIU REPLACE 1 5/8" METER, 1 - 1" CURVE STOP, 20' OF 1" PEX, 1 NEW BOX W/BLUE LIC
ALLEGHENY	1432	RR 1 - 5/8" METER
ALPHA	2621	NEW INSTALL MIU 1 - 5/8" IRR METER, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 1 GREEN BOX, NEW INSTALL MIU 1 - 5/8" HOUSE METER, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 20' OF 1"X1" TUBING, 1 - 1"X3/4" BRASSREDUCER, 1 - 1" CORP STOP, 1 - 3/4"X3/4" Y, 1 - 6" SADDLE 1" OUTLET, 1 BOX W/BLUE LID
AMELIA AVE	2708	BLACK METER BOX W/BLUE LID
ARDEN AVE	2635	BLACK METER BOX W/BLUE LID
ARDEN AVE	3334	METER BOX W/BLUE LID
ARDEN AVE	3300 BLOCK	RR, 1 - 5/8" METER, 1 - 1"X1" CORP STOP, 1 - 1" CURVE STOP, 25' OF 1"X1" TUBING, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" FEMALE PVC COUPLING, 1 - 6" SALLDLE 1" OUTLET,

ARLINGTON DR	105	1 - 3/4"X3/4" BRASS COUPLING, 3' OF 3/4"X3/4" TUNING, 1 - 3/4" GALV TO 3/4" BRASS TUBING (BRASS)
ARLINGTON DR	113	1 - 3/4"X3/4" BRASS COUPLING, 2' OF 3/4"X3/4" TUBING, 1 3/4" GALV TO 3/4" BRASS TUBING (BRASS)
ARLINGTON DR	116	2' OF 3/4"X3/4" TUBING, 2 - 3/4" GALV TO 3/4" BRASS TUBING, 2 - 3/4" BRASS CURVE STOP
ARLINGTON DR	140	1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURVE STOP, 1 3/4" CURB STOP, 1 - 3/4" GALV TO TUBING COUPLING, 2' OF TUBING, 2 WASHERS
AVON RD	3641	METER BOX AND LID
AVONDALE CT	2637	2 - 3/4" PVC MALE COUPLINGS, 1 - 3/4" PVC TEE, 1 - 1" TO 3/4" PVC REDUCER, 1 - 1" COUPLING, 1 - 3/4" FEMALE COUPLING
AVONDALE CT	2648	REPLACE 1 - 3/4" DRESSER COUPLING
BALDWIN RD	3040	3' OF 3/4"X3/4" TUBING, 1 - 3/4 GALV TO 3/4" BRASS PEX, 1' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" FEMALE PVC COUPLING, 1 - 3/4" MALE COUPLING, 1 - 3/4" MALE BACK FLOW, 2 -3/4" THICK BLACK WASHERS
BALDWIN RD	3106	MIU REPLACE 1 - 5/8" METER
BALDWIN RD	3631	METER BOX W/BLUE LID
BALDWIN RD	3636	METER BOX
BARTON AVE	601	2 - 3/4" DRESSER COUPLING, 7' PF 3/4"X3/4" TUBING, 3' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 2" SADDLE 1" OUTLET, 3' OF 2" PVC PIPE, 2 - 2" WRAPAROUND
BAY CT	2400	RR 1 - 5/8" METER, NEW BOX W/BLUE LID, 1 THIN RED WASHER, 1 THICK RED WASHER
BAY CT	2402	REPLACE 1 - 3/4" CURVE STOP
BAY CT	2408	RR 1 - 5/8 " METER, NEW BOX W/BLUE LID, 1 THIN RED WASHER, 1 THICK RED WASHER
BAYOU AVE	110	METER BOX W/BLUE LID
BAYOU AVE	308	1 - 1" GALV TO 1" TUBING (BRASS), 5' OF 1"X1" TUBING, 1 - 6" SADDLE 1" OUTLET, 1 - 1"X1" CORP STOP, 1 METER, 1 BETTER
BAYOU AVE	322	REPLACE 1 MUSHROOM
BETTY LANE	NO #	2' OF 3/4"X3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 2 - 2" DRESSER COUPLING, 1 - 2" TAPPER SADDLE
BOB LITTLE RD	705	3' OF PEX, 2 - 1" COUPLINGS
BOB LITTLE RD	807	METER BOX W/LID
BOB LITTLE RD	903	METER BOX LID
BOB LITTLE RD	1022	RR 1 -15/8" METER, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 1 BOX W/BLUE LID, 1' OF 1"X1" TUBING
BOB LITTLE RD	1203	1' OF 3/4"X3/4" TUBING, 1 - 3/4" CURVE STOP
BOB LITTLE RD	1221	1 - 3/4"X3/4" BRASS COUPLING
BOB LITTLE RD	1240	MIU REPLACE 1 - 5/8" METER
BOB LITTLE RD	NO ADDRESS	1 - 3/4" DRESSER COUPLING, 1' OF PEX
BOB LITTLE RD AND 11TH CT	NO #	1 - 1" METER COUPLING, 1' OF 1"X1" TUBING
BONANZA CIRCLE	106	REPLACE 1 - 5/8" METER, 3' OF 3/4"X3/4" TUBING, 3/4" 1 - GALV TO 3/4"BRASS TUBING, 1 - 3/4" BACKFLOW, 1 BOX W/BLUE
BONNIE	906	2 - 3/4"X3/4" BRASS COUPLING, 3' OF 3/4"X3/4" TUBING
BRENTWOOD	3544	RR 1 - 5/8 METER, 1 - 3/4" BACK FLOW, 1 METER BOX W/LID, 3/4" BACKFLOW, METER BOX W/LIC (5/10/18) REPLACE 1 - 1"X3/4" BRASS COUPLING, 9' OF PEX, 1 - 3/4" CURBSTOP, 1 - 3/4" BACKFLOW, 1 - 3/4" FMALE COUPLING, 10' OF 1" PVC, 1 - 1" PVC COUPLING, 1 BLACK BOX W/BLUE LID
BUS HWY 98	3701	1 - 3/4"X3/4" BRASS COUPLING, 1 - 1"X1" BRASS COUPLING, 2 - 1" COUPLINGS, 2' OF PEX
CENTRAL	230	1 - 3/4"X3/4" BRASS COUPLING, 15' OF 3/4"X3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, MOVE METER
CHERRY ST	3105	1 - 3/4" CURVE STOP, RR, 1 - 5/8" METER, 2 - 3/4" 90, 10' OF 3/4" PVC. 1 - 3/4" FEMALE COUPLING, 1 - 3/4" BACK FLOW, 1 - 3/4" CURBSTOP, 20' OF 3/4" PEX, 1 - 3/4"X3/4" BRASS COUPLING, 3" OF 3/4"X3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
CHERRY ST	4063	3' OF 3/4"X3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING (BRASS), 1 - 3/4" BRASS CURVE STOP
CHERRY ST	4125	
CHERRY ST	LEFT OF MARTIN LK	1 - 3/4" BRASS CURVE STOP
CINDY LEE	709	2 - 2" DRESSER COUPLING, 2 - 2" SADDLE 1" OUTLET, 3' OF 2" PIPE RR, 1 - 5/8" METER, 1 - 3/4"X3/4" BRASS COUPLING, 8' 3/4"X3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 2' PVC PUPE, 1 - 3/4" CURVE STOP, 1 - 3/4" BRASS TO PEX ADAPTER, 1 BOX W/LID, 2 - 3/4" MALE PVC FITTINGS, 1 - 3/4" FEMALE PVC
CLAIRE AVE	132	RR 5/8" METER 2 THIN RED WASHERS
CLAIRE AVE	146	3/4" TO 3/4" PVC TO PEX WITH 3/4" CURB STOP
CLAIRE AVE	215	1' OF 3/4" PVC PIPE, 1 - 3/4" FEMALE BALLVANE PVC, 3 -33/4" MALE PVC COUPLING
COCOA AVE	2900	INSTALL BETTER BOX AND LID
COLORADO ST	4718	METER BOX
COLORADO ST	4906	2 - 3/4" GALV TO 3/4" BRASS TUBING, 3 - 3/4" 90, 3' OF 3/4" PEX, 5' OF PIPE INSULATION
DALE AVE	2318	1 - 2"BACK FLOW, 1 - 3" LONG NIPPLES, 2 - 4" LONG NIPPLES, 2 - 2" UNION
DALE AVE	TRAILER PARK	
DAVID AVE	500	RR 1-5/8" METER
DAVID AVE	514	RR 1 - 5/8" METER, RR 1 - 5/8" METER, 1 - 3/4" GALV TO 3/4" BRASS PEX, 2' OF 3/4" PVC PIPE, 1 - 3/4" BRASS BACK FLOW, 2 - 3/4" PVC 90, 1 - 3/4"
DAVID AVE	607	FEMALE COUPLING
DAVID AVE	617	RR 1 - 5/8" METER
DAVID AVE	1426	2 - 1"X1" CORP STOP, 2 - 1" CURVE STOP, 40' OF 1"X1" TUBING
DEBRA	3114	METER BOX LID
DEBRA	3126	RR, 1 - 5/8" METER, 2 BLACK METER BOXES
DEBRA	3128	RR, 1 - 5/8" METER, 2 BLACK METER BOXES
DELISA	3966	1 3/4"X3/4" BRASS COUPLING, 2 - 3/4"X3/4" BRASS COUPLING, 5' OF 3/4"X3/4" TUBING
DELISA	3968	RR, 1 -15/8" METER, 1 - 3/4" CURBSTOP, 30' OF 3/4" PEX
DELISA	3984	1 - 3/4"X3/4" BRASS COUPLING, 6' OF TUBING, 1 BLACK BOX W/BLUE LID
DELISA	3992	REPLACE 2' OF 3/4"X3/4" BRASS COUPLING, 2' OF TUBING
DENISE	2700	1 - 5/8" METER, 1 - 1"X1" CORP STOP, 1 - 1"X1" BRASS TEE, 4' OF 1"X1" TUNING RR, 10' 3/4"X3/4" TUBING, 10' OF 3/4" PVC PIPE, 1 BOX W/LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC COUPLING, 2 - 3/4" PVC 90, 1 - 3/4" FEMALE COUPLING
DETROIT AVE	112	FIBERGLASS BOX W/CONCRETE LID
DETROIT AVE	112	2' OF 3/4" PEX, 1 - 3/4" COUPLING, 1 - 3/4" NUT
DETROIT AVE	158	REPLACE 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURVE STOP, 3' OF 3/4" PEX, 1 BOX W/BLUE LID
DETROIT AVE	310	RR 5/8" METER 2 THIN RED WASHERS
DETROIT AVE	402	1 - 2" WRAPAROUND
DETROIT AVE	407	REPLACE 1 - 5/8" METER, 1 - 3/4" CURVE STOP, 4' OF 1"X1" TUBING, 1 - 2" SADDLE1" OUTLET
DETROIT AVE	803	MIU, REPLACE 1 - 5/8" METER, 1 - 1"X3/4" CURB STOP, 4' OF 1" PEX, 1 - 2" DRESSER COUPLING
DETROIT AVE	810	MIU, REPLACE 1 - 5/8" METER, 1 - 1"X3/4" CURB STOP, 4' OF 1"X1" TUBING, 1 - 2" DRESSER COUPLING
DETROIT AVE	812	MIU, REPLACE 1 - 5/8" METER, 1 - 1"X1" CURB STOP, 1 - 1"X1" CURB STOP, 1 - 1"X3/4" BRASS Y, 4' OF 1"X1" TUBING
DETROIT AVE	814	MIU, REPLACE 1 - 5/8" METER, 1 - 1"X1" CURB STOP, 1 - 1"X1" CURB STOP, 1 - 1"X3/4" BRASS Y, 4' OF 1"X1" TUBING
DETROIT AVE	816	MIU, REPLACE 1 - 5/8" METER, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 2' OF 3/4" PEX, 4' OF 1" PE

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DETROIT AVE	603 #C	MIU REPLACE 1 - 5/8" METER, 1' OF 3/4"x3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 1 BOX W/BLUE LID, 1 - 3/4" FEMALE COUPLING
DOUGLAS RD	2813	(6/7/18) NEW INSTALL 1 - 5/8" METER, 6 STICKS OF 3/4" PVC PIPE, 4 - 3/4" PVC 90, 1 - 3/4" PVC COUPLING, 1 - 3/4" CURB STOP FEMALE THREADED, 1 - 3/4" BACKFLOW, 1 - 3/4" FEMALE COUPLING, 1 BLACK BOX W/BLUE LID
DOUGLAS RD	2837	BLACK METER BOX W/BLUE LID
DOUGLAS RD	2912	BLACK METER BOX W/BLUE LID
DOUGLAS RD	3027	RR, 1 - 5/8" METER
DOUGLAS RD	3037	METER BOX W/BLUE LID
DOUGLAS RD	3019 #4	2 - 1" METER COUPLING, 1' OF 1"x1" TUBING
EAGLE LN	3524	REGISTER
EVERGREEN CT	1308	1 - 3/4" DRESSER COUPLING, 2' OF 3/4"x3/4" TUBING, 1 3/4" CURVE STOP
EVERGREEN CT	1316	1 - 5/8" METER,
EVERGREEN CT	1316	1' 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
EVERITT AVE	142	1' - 3/4"x3/4" TUBING, 1 - 3/4" BRASS 90
EVERITT AVE	142	REPLACE 1 - 5/8" METER, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 3/4" FEMALE PVC COUPLING
EVERITT AVE	214	RR, 1 5/8" METER, 1 3/4"x3/4 BRASS COUPLING, 3' OF 3/4"x3/4" TUBING, 3/4" BRASS CURVE STOP
EVERITT AVE	508	REPLACED BLUE LID W/BLACK LID
EVERITT AVE	702 1/2	1 BETTER BOX
EVERITT AVE	714	REPLACE 1 - 3/4"x3/4" BRASS 90, 5' OF 3/4" PEX, 1 - 3/4" CURBSTOP, 1 - 3/4" BACK FLOW, 1 - 3/4" FEMALE COUPLING
EVERITT AVE	716	6/1/18) - NEW INSTALL - MIU 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 - 1"x1" CURB STOP, 1 - 1" GALV TO 1" BRASS TUBING, 6' OF 1" PEX, 1 - 3/4" FEMALE PVC COUPLING, 1 BLACK BOX W/BLUE LID
EVERITT AVE	518 #11	1 FT 2" OVC, 1 - 2" WRAPAROUND
EVERITT AVE	518 #13	MIU, 2 - 2" DRESSER COUPLING, 2' OF 2" WRAPAROUND, 3/4" CURBSTOP 2" OF 3/4" PEX, 3/4" BACKFLOW, 3/4" FEMALE COUPLING, 3/4" CURB STOP, 1 BLACK METER BOX W/LID
EVERITT AVE	518 #19	RR, 1 - HOUSE BOX, 5' OF PEX, 1 3/4" CURB STOP, 1 - 3/4" BACK FLOW, 1 - 2" TAPPING SADDLE, 1 - 3/4" CORP STOP, 2
EVERITT AVE	518 #19	RR, 5' PEX, 1 - 3/4" CURB STOP, 1 - 3/4" BACK FLOW, 1 HOUSE BOX, 1 - 2" TAPPING SADDLE, 1 - 3/4" CORP STOP, 2 WADHERS
EVERITT AVE	518 #20	6/1/18) - REPLACE 4' OF PVC SCH40, 1 - 2" DRESSER COUPLING
EVERITT AVE	518 #33	1 - 5/8" METER, 8' OF 3/4" PVC PIPE, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 2 - 3/4" 90, 2 - THICK BLACK WASHERS, 1 - 3/4" FEMALE COUPLING
EVERITT AVE	518 #37	REPLACE 1 - 3/4" METER COUPLING, 2 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURVE STOP, 5' OF PEX, 1 - 3/4" 90
EVERITT AVE	518 #41	RR, 1 - 5/8" METER, 3' OF PVC PIPE, 2 - 3/4" PVC 90, 2 - 3/4" MALE PVC COUPLINGS
EVERITT AVE	518 #46	REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID
EVERITT AVE	518 #52	REPLACE 1 - 5/8" METER, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 6" OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 5' OF 3/4" PEX 3/4" FEMALE COUPLING, 2 - 3/4" DRESSER COUPLING 3' PF 3/4" PVC PIPE, 1 - 3/4" BRASS 90, 3 - 3/4" PVC 90, 1 - 3/4" PVC TEE
EVERITT AVE	518 #75	(4/18/18) MIU REPLACE 1 - 5/8" METER, 1 - 3/4" CURVE STOP, 1 BOX W/BLUE LID
FLIGHT AVE	708	6' OF 3/4" PEX, 1 - 3/4" COUPLING
FLIGHT AVE	710	MIU, REPLACE 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 BOX W/BLUE LID, 1 - 3/4" PVC FEMALE COUPLING
FLIGHT AVE	712	MIU REPLACE 1 - 5/8" METER, 5' OF 3/4"x3/4" TUBING, 1' OF 3/4" PVC PIPE 1 - 3/4" BACKFLOW, 1 - 1"x3/4" BRASS Y, 10' OF 1"x1" TUBING, 1 - 3/4" PVC FEMALE COUPLING, 2 - 3/4" PVC COUPLINGS, 1 BOX W/BLUE LID
FLIGHT AVE	713	3' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
FLIGHT AVE	714	REPLACE 1 - 5/8" METER, 3' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 1 - 1"x3/4" BRASS Y, 10' OF 1"x1" TUBING, 1 - 3/4" FEMALE PVC COUPLING, 1 BOX W/BLUE LID
FLIGHT AVE	715	1 - 1" COUPLING
FLIGHT AVE	716	2' OF 1"x1" TUBING, MIU, REPLACE 1 - 5/8" METER, 3' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 BOX W/BLUE LID
FLIGHT AVE	718	13' OF 1" PEX
FLIGHT AVE	740	MIU, REPLACE 1 5/8" METER, 1 BOX W/BLUE LID
FORESTDALE	806	RR, 1 BOX W/LID
FORESTDALE	903	RR, 5/8" METER
FORESTDALE AVE	803	1 - 5/8" METER,
GAME FARM RD	2715	MIU NEW INSTALL 1 - 5/8" METER, 1 - 3/4" CURVE STOP, 6' OF 3/4" PEX, 1 - 1"x3/4" BRASS T
GAME FARM RD	3404	METER BOX W/BLUE LID
GAME FARM RD	3434	1 - 1"x1" BRASS COUPLING
GAME FARM RD	CORNER OF ARDEN &	(6/19/18) - NEW INSTALL, MIU, 1 - 5/8" METER, 1 - 3/4" BACKFLOW, 1 - 3/4" CURVE STOP, 1 - 1"x1" CURB STOP, 1 - 1"x1" TEE, 10' OF 1" PEX, 1 - 3/4" FEMALE PVC COUPLING, 1 BETTER BOX, OLD ONE
GORNALL	2519	RR 1 - 5/8" METER, 1 - METER BOX W/BLUE LID
GORNALL	2525	MIU, INSTALL 1 - 5/8" METER, 1 3/4" BACK FLOW, 30' - 1" PEX, 1 - 3/4" FEMALE COUPLING, 1 - 1" TO 3/4" CURBSTOP, 1 - 1" CORP STOP, BLACK BOX W/BLUE LID
GORNALL	2526	BLACK BOX W/BLACK LID, PINLOCK
GREENTREE RD	902	1 - 3/4"x3/4" BRASS COUPLING, 5' OF 3/4"x3/4" TUBING, 1 - 3/4" CURVE STOP
HARLEM AND 6TH PLAZA	NO #	1' OF 3/4"x3/4" TUBING, 1' OF 3/4" PVC PIPE, 2 - 3/4" BRASS 90, 2 - 3/4" PVC 90
HARLEM AVE	156	METER BOX W/LID
HARLEM AVE	314	1 - 6"x3/4" SADDLE, 1 3/4" CORPSTOP, 35' OF 3/4" PEX, 1 - 3/4" CURBSTOP, 1 - 3/4" FEMALE COUPLING, 7" OF 3/4" PVC, 1 - 3/4" DRESSER COUPLING, 1 - 3/4" REGULAR COUPLING
HARLEM AVE	406	REPLACE 2 - 3/4"x3/4" BRASS COUPLING, 2' OF 3/4"x3/4" TUBING,
HARLEM AVE	511	1 5/8" METER, 1 CURVE STOP, 1 BLACK BOX W/ BLUE LID
HARLEM AVE	603	1' OF 3/4"x3/4" TUBING, 2' OF 3/4" GALV TO 3/4" BRASS TUBING, 2 - 3/4" CURVE STOP
HARLEM AVE	646	INSTALL 1 - 5/8" METER, 1 - 3/4" CURVE STOP, 25' OF 3/4" PEX, 1 - 1"x3/4" CURB STOP, 1 - 6" SADDLE 1" OUTLET
HARLEM AVE	136 OR 138	1 - 3/4"x3/4" BRASS COUPLING, 3' OF 3/4"x3/4" TUBING
HELEN AVE	646	(5/3/18) MIU NEW INSTALL 1 - 1" CORP STOP, 1 - 1X3/4" CURBSTOP, 1 - 3/4" BACKFLOW, 1 - 3/4" FEMALE COUPLING, 1 - 1"x1" SADDLE, 1 BLACK BOX W/BLUE LID
HELEN AVE	648	RR, 1 - 5/8" METER, 6 FT OF 3/4"x3/4" TUBING, 1 - 3/4" CURVE STOP, 1 - 3/4" BRASS CORP STOP, 1 - 3/4" BRASS BACK FLOW, 1 - BOX W/LID
HELEN AVE	660	1 - 1"x1" CURB STOP, 1" CURVE STOP, 8' OF 1"x1" TUBING, 1 - 2" SADDLE 1" OUTLET, METER BOX
HELEN AVE	664	40' 3/4" PVC PIPE, 2 - 1"x1" CORP STOP, 1 - 1" CURVE STOP,, 10' OF 1"x1" TUBING, 2 - 2" SADDLE 1" OUTLET, 1 - 3/4" BRASS
HELEN AVE	664	BACK FLOW, 1 - 3/4" PVC 90, 1 - PVC FEMALE COUPLING
HELEN AVE	668	RR 1 - 5/8" METER
HELEN AVE	701	RR 1 - 5/8" METER,
HELEN AVE	706	1 - 3/4" DRESSER COUPLING, 1 - 3/4" BRASS CURE STOP, 10' OF 3/4"x3/4" TUBING
HELEN AVE	734	1 - 1" COUPLING, REPLACE 2' OF 3/4"x3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURVE STOP
HELEN AVE	734	1 - 1" COUPLING

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HELEN AVE	846	1 - 3/4"x3/4" BRASS COUPLING, 1' OF 3/4"x3/4" TUBING
HELEN AVE	914	2' OF 3/4"x3/4" TUBING, 2' OF 3/4" PVC PIPE, 1 3/4" BRASS CURVE STOP
HELEN AVE	920	RR, REPLACED 1 - 3/4" CURVE STOP, 1 - 3/4" COUPLING, 1 FT OF 3/4" PEX
HELEN AVE	237 #E	1 - 5/8" METER, 3' 3/4"x3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING (BRASS), 1 - 3/4" BRASS CURVE STOP
HELEN AVE	720 #4	1 - 5/8" METER
HOLLY LN	NO #	1 - 2" WRAPAROUND
HUNTINGTON	815	2' OF 3/4"x3/4" TUBING, 1 - 3/4" CURVE STOP
HUNTINGTON	918	CHANGED REGISTER
HUNTINGTON	1012	1 - 1"x1" CURB STOP, 1 - 1" CURVE STOP. 10' OF 1" PVC PIPE, 1 - 6" SADDLE 1" OUTLET, METER BOX, NEW TAF
HWY 22A	135	MIU REPLACE 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW, 1 - 1"x3/4" CURB STOP, 1 - 3/4" FEMALE PVC COUPLING
HWY 98	3127	1 - 3/4" CURB STOP
HWY 98	3203	REPLACE 1 - 1" METER, 1 BLACK BOX W/BUE LID
HWY 98	3420	1 - 3/4" CURVE STOP, 1 - 1"x1" CURB STOP, 1 - 1" CURVE STOP, 4' OF 1"x1" TUBING, 1 - 2" SADDLE 1" OUTLET
HWY 98	NEW GAS STATION	
HWY 98 AND 3RD CT	NO #	20' OF PVC PIPE, 2 - 2" GALV TEE RR, 4"x1" TAPPING SADDLE, 1" CORP STOP, 1 5/8" CURB STOP, BACKFLOW, 1 FEMALE COUPLING, 5' OF 1" PLEX, 1 - 5/8" METER, BLACK WASHER, BLACK METER BOX, METER WAS INSTALLED WHEN THERE WAS NO RR IN STOCK
HYDE AVE	2705	RR, 1 - 5/8" METER
HYDE AVE	2708	METER BOX W/BUE LID
HYDE AVE	2834	RR 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW
JENNINGS AVE	503	RR 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW
JENNINGS AVE	510	RR 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" FEMALE PVC COUPLING
JENNINGS AVE	513	RR 1 - 5/8" METER, 1 - 3/4" DRESSER COUPLING, 1' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURB STOP
JENNINGS AVE	600	RR 1 - 5/8" METER,
JENNINGS AVE	603	RR 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW
JENNINGS AVE	607	RR 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW, 2' OF 3/4" PVC PIPE, 1 - 3/4" PVC COUPLING, 1 - 3/4" FEMALE PVC COUPLE
JENNINGS AVE	612	1 BLACK METER BOX, 3' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
JOAN LANE	710	REPLACED METER BOX WITH BLACK BOX & BLACK LID
JOAN LANE	712	REPLACED METER BOX WITH BLACK BOX & BLACK LID
JOAN LANE	718	REPLACED METER BOX WITH BLACK BOX & BLACK LID
JOAN LANE	720	REPLACED BLUE LID W/BUE LID
JOAN LANE	722	INSTALLED METER LID
JOAN LANE	724	INSTALLED NEW METER BOX & BLACK LID
KILBOURNE	425	RR 1 - 5/8" METER
KILDAVE	3603	2 - RR, 2 - 1" PVC 90S, 2 - 3/4" PVC 45S, 1 3/4, 1 3/4 BALL VALVE, 2 - 1"x1" BRASS COUPLINGS, 2 - 1" GALV TO BRASS TUBING, 12' OF 1"x1" TUBING
KILDAVE	3605	RR, 2 - 5/8" METERS, 5' OF 3/4"x3/4" TUBING, 2 - 3/4" BRASS CURVE STOP, 2 - 3/4" PVC FEMALE COUPLINGS, 2 - 3/4" BRASS BACK FLOW, 2 - 1"x3/4" BRASS REDUCER, 1 BLAK BOX W/BUE LID, 1 IRR GREE BOX
KILDAVE	3610	rr, 2 - 5/8" meter. 6' of 3/4"x3/4" tubing, 2 - 3/4" curve stop, 2 - 1" backflow,
KINGS AVE	2312	1 - 5/8" METER, 2 - WASHERS 4"x2" SADDLE, 2" CORP STOP, 4' OF 2" PEX. 1 - 2" CURB STOP, 1 - 2" METER, NEW MIU 1 - 5/8" METER, 1 - 1" CURVE STOP, 1 - 1" BACK FLOW, 20' PF 1" PEX, 1 BLACK WASHER
LAFAYETTE RD	2801	2 - 3/4" DRESSER COUPLING, 1' PF 3/4"x3/4" TUBING
LARAMIE CIR	106	METER BOX W/BUE LID
LARK AVE	3521	1 - 5/8" METER
LARK LANE	3643	1 - 2" WRAPAROUND
MARTIN CT	BALLFIELD	1 - 2" WRAPAROUND
MARTIN LAKE DR	108	25' OF 3/4"x3/4" TUBING, 1 - 3/4" CURVE STOP
MONICA	3323	4' OF 1" PEX, 1 - 1"x3/4" CURB STOP, 1 - 1" TEE, 1 METER, 1 3/4" BACKFLOW RR, 1 - 5/8" METER, 1 CURVE STOP, 1 - 1"x1" TEE (BRASS), 8' FO 1"x1" TUBING, 4' OF 1" pex, 1 - 1"x3/4" curbstop, 1 - 1" tee, 1 meter, 1 - 3/4" back flow
MONICA RD	3317	1 - 5/8" METER, 1 THICK BLACK WASHER
MONICA RD	3319	1 - 5/8" METER BOX, 1 THICK BLACK WASHER
MONICA RD	3321	(5/15/18) MIU NEW INSTALL 1 5/8" METER, 1 - 3/4" BACKFLOW, 3' OF 1" PX, 1 - 1X3/4" T COUPLING, 1 - 3/4" FEMALE PVC COUPLING, 1 PINK BOX W/LID
MONICA RD	3420	METER BOX W/BUE LID
MONICA RD	REPAIR	2 - 3/4" COUPLINGS, 8' OF 3/4" PEX, 1 - 3/4" PVC 90, 1 - 3/4" PVC COUPLING
N EAST AVE	3612	BLACK METER BOX W/BUE LID
NOTTINGHAM DR	813	5' OF 3/4"x3/4" TUBING, 2 - 3/4" BRASS CURVE STOP, 1 METER BOX W/BUE LID
NOTTINGHAM DR	921	MIU REPLACE 1 BOX W/BUE LID
NOWELL CT	3009	1 - 1" COUPLING
ORLANDO RD	2714	BLACK METER BOX W/BUE LID
ORLANDO RD	3105	NEW METER (IFO FROM NEW SERVICE W/O), METER WAS INSTALLED BUT WITH NO RR
ORLANDO RD	3111	INSTALL 1 - 5/8" METER
ORLANDO RD	3521	RR 5/8" METER 2 THIN RED WASHERS
ORLANDO RD	3527	METER BOX
ORLANDO RD	3601	LID
ORLANDO RD	3603	1 - 5/8" METER, 1 BRASS BACK FLOW
ORLANDO RD	3605	LID MIU INSTALL 1 - 5/8" METER 1 - 3/4"x3/4"x3/4" BRASS TEE, 6' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 3/4" BACK FLOW, 1 GRASS BOX, 1 - 3/4" PVC FEMALE COUPLING
ORLANDO RD	3627	1 - 5/8" METER, 2 - 3/4"x3/4" BRASS COUPLING, 1 - 3/4" BACKFLOW
ORMOND AVE	2515	METER BOX W/BUE LID
ORMOND AVE	2524	METER BOX W/BUE LID
ORMOND AVE	2530	3/4" METER COUPLING, 3/4" BRASS CURVE STOP
ORMOND AVE	2922	REPLACE 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 BOX W/LID, 1 - 3/4" PVC FEMALE COUPLING, 1 - 3/4" PVC COUPLING
ORMOND AVE	2924	MIU REPLACE 1 - 5/8" METER, 1 - 3/4" CURVE STOP, 1 BOX W/BUE LID
ORMOND AVE	2926	MIU REPLACE 1 - 5/8" METER, 1 - 3/4" BRASS CURVE STOP
PINNACLE PINES	1310	1 - 3/4" COUPLING, 1' OF PEX, 1 - 3/4" COUPLING, 1' OF PEX
PINNACLE PINES	1311	2 - 3/4" DRESSER COUPLING, 1' OF 3/4"x3/4" TUBING
PINNACLE PINES	1314	1 - 3/4"x3/4" BRASS COUPLING, 2' OF 3/4"x3/4" TUBING, 1 - 3/4" CURVE STOP
PINNACLE PINES	1326	REPLACE 1 BLACK BOX W/BUE LID
PINNACLE PINES	1329	1 - 1"x1" BRASS COUPLING

POWELL AVE	500	1 - 1"x1" CURB STOP
POWELL AVE	612	10' OF 1"x1" TUBING
POWELL AVE	614	1 - 3/4"x3/4" BRASS COUPLING, 5' OF 3/4"x3/4" TUBING
RIDGEWOOD	1416	1" DRESSER COUPLING, 1 - 1" GALV TO 1" TUBING, (BRASS), 2' OF 1"x1" TUBING
RUSS LAKE DR	518	(5/17/18) MIU REPLACE 1 5/8" METER
RUSS LAKE DR	740	REPLACE 1 - 3/4" METER, 1 BOX W/BLUE LID NEW INSTALL (IRR METER) 1 - 5/8" METER, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 3' OF PEX, 1 PINK BOX W/LID, 1 3/4" FEMALE PVC COUPLING (HOUSE METER) MIU REPLACE 1 - 5/8" METER, 1 - 3/4"x3/4" BRASS COUPLING, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 3' OF 3/4" PEX, 1 BLACK BOX W/ BLUE LID, 1 - 3/4" FEMALE PVC COUPLING
RUSS LAKE DR	802	5/22/18) MIU REPLACE 1 - 5/8" METER
RUSS LAKE DR	804	1 - 3/4"x3/4" BRASS COUPLING, 1 - 3/4" BRASS CURVE STOP, 2' OF 3/4" TUBING
RUSS LAKE DR	906	RR, 1' OF 3/4"x3/4" TUBING
RUSS LAKE DR	908	1' 3/4"x3/4" TUBING, 1 3/4" BRASS CURVE STOP
RUSS LAKE DR	708 #A	3' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
RUSS LAKE DR	708 #B	1 - 3/4" METER COUPLING, 1 - 3/4" CURVE STOP, 6" 3/4"x3/4" TUBING
RUSS LAKE DR	829 #B	1 - 3/4"x3/4" BRASS COUPLING, 1' OF 3/4"x3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
RUSSELL	4111	1 - 3/4" CURVE STOP, 1 - 3/4"x3/4"x1" TEE, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
RUSSELL	4113	REPAIR 2 - FT 3/4"x3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURB STOP
SANDERS LN	410	6/1/18) - REPLACE 1' 3/4" PEX, 1 CURB STOP
SANDERS LN	418	RR, 1 - 5/8" METER, 1' OF 3/4" GALV PIPE, 1 - 3/4 BRASS CURVE STOP, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 1 - 3/4" PVC COUPLING
SANDERS LN	915	2 - 1"x1" BRASS COUPLING, 5' OF 1"x1" TUBING, 2 - 3/4" BRASS CURVE STOP, 1 - 3/4" BRASS CURB STOP
SANDERS LN	923	GRASS BOX, 3/4" METER, 2 WASHERS
SANTEE DR	108	HOUSE BOX
SANTEE DR	112	HOUSE BOX
SANTEE DR	127	HOUSE BOX
SANTEE DR	129	1 - 3/4" DRESSER COUPLING, 1 3/4"x3/4" BRASS COUPLING, 10' OF 3/4"x3/4" TUBING, 10' OF 3/4" PVC PIPE, 2 - 3/4" PVC 90,
SANTEE DR	129	1 - 3/4" FEMALE PVC COUPLING, 1 - 3/4 BRASS BACK FLOW
SANTEE DR	131	HOUSE BOX
SANTEE DR	141	1 - 3/4" DRESSER COUPLING, 1 3/4"x3/4" BRASS COUPLING, 6' OF 3/4"x3/4" TUBING, 5' OF 3/4" PVC PIPE, 1 - 3/4" PVC 45, 1 - 3/4" BRASS BACKFLOW, 1 - 3/4" PVC COUPLING
SANTEE DR	141	RR 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 - 3/4" FEMALE COUPLING, 1 3/4" PVC 90
SANTEE DR	142	RR 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 - 3/4" FEMALE COUPLING
SANTEE DR	143	RR, 5/8" METER, 1 - 3/4" METER COUPLING, 2' OF 3/4" GALV PIPE. 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC 90, 1 - 3/4" FEMALE COUPLING
SANTEE DR	144	RR 1 5/8" METER, 1' OF 3/4" PVC PIPE. 1 - 3/4" BRASS BACKFLOW, 1 - 3/4" PVC COUPLING, 1 - 3/4" PVC COUPLING
SCHOOL AVE	306	2' OF 1" PEX, 2 - 1" COUPLINGS
SCHOOL AVE	308	2 BETTER BOXES, 1 - 3/4" BACK FLOW, 1 - 3/4" FEMALE COUPLING, 1 - 3/4" 90, 4' OF 3/4" PEX, 2 - 3/4" WASHERS, 6" OF 3/4" RR, 2 - 5/8" METER, 2" OF 3/4" PVC PIPE, 2 - 3/4" BRASS CURVE STOP, 1 - 1"x1" CORP STOP, 1 - 1"x1" BRASS TEE, 5' OF 1"x1" TUBING, 1 - 6" SADDLE 1" OUTLET, 2 BACKFLOWS, 2 PVC BACKFLOW PARTS, MIU, REPLACE 1 - 5/8" METER, 1 BOX W/BLUE REPLACE 1 - 2" GALV 90, 1 - 12 1/2 2" WRAPAROUND, 1 - 2" AGK VLAVE, 1 - 2" BRASS GATE VALVE, 3 - 2" 6" GALC NIPPLES, 1 2" PVC COUPLING, 1 - 2" PVC 90, 2' OF PVC PIPE, 1 - 12" MALE PVC COUPLING
SCHOOL AVE	318	RR, REPLACE 1 5/8" METER, 1 BOX W/BLUE LID (6/19/18)- MIU, REPLACE 1 - 3/4" BACK FLOW, 1 - 3/4" FEMALE PVC COUPLING, 1 - BLACK BOX W/BLUE LID 7' OF 3/4"x3/4" PVC PIPE, 1 - 3/4" BACK FLOW, 1 - 3/4" PVC COUPLING, 1 3/4" MALE TO FEMALE
SCHOOL AVE	520	RR 1 - 5/8" METER,
SCHOOL AVE	811	MIU REPLACE
SCHOOL AVE	813	1 - 5/8" METER, 2 WASHERS
SCHOOL AVE	409 #C9	RR 1 5/8" METER, 3' OF 3/4"x3/4" TUBING, 1 - 3/4 GALV TO 3/4" BRASS TUBING, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BRASS
SCHOOL AVE	409 NO #	1 - 3/4" CURBSTOP
SCHOOL AVE	551 B	RR, 5/8" METER, 3 CLIPS, 1 BLACK CASING, 1 MUSHROOM
SEQUOIA	2920	2 - 1" COUPLING
SHEFFIELD	734	6' OF 3/4" PVC PIPE, 1 - 3/4" PVC COUPLING, 1 - 3/4" MALE PVC COUPLING, 1 METER BOX W/LID, INSTALL METER BOX
SHEFFIELD	1109 #A	1 - 2" WRAPAROUND
SHEFFIELD AVE	734	2' OF 3/4"x3/4" TUBING, 2' OF 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" CURVE STOP, 1 - 3/4" PVC FEMALE COUPLING
SHEFFIELD AVE	1113	MIU, REPLACE 1 5/8" METER, 1 BOX W/BLUE LID
SHEFFIELD AVE	1109 #B	3' OF 3/4"x3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING (BRASS)
SPRINGFIELD & CHERRY	NO #	RR 1 - 5/8" METER, 2 - BETTER BOXES, 2 - WASHERS, 1 - 3/4" BRASS Y, 2 - 3/4" CURVE STOPS, 3' TUBING 1 - 3/4" GALV TO TUBING COUPLING
SPRINGFIELD AVE	133	REPAIR 1 - 3/4"x3/4" BRASS COUPLING, 2' OF 3/4" PEX
SPRINGFIELD AVE	141	4' OF 3/4" PEX, 2 - 3/4" COUPLING
SPRINGFIELD AVE	152	1 - 3/4" DRESSER COUPLING, 2' OF 3/4" PVC PIPE. 1 - 3/4" BRASS CURVE STOP, 3/4" BACK FLOW, 3/4" BRASS CURVE
SPRINGFIELD AVE	215	REPLACE 1 - 5/8" METER, 1 BLUE LID
SPRINGFIELD AVE	221	RR 1 - 5/8" METER, 1' OF 3/4"x3/4" TUBING, 1' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" PVC 90, 1 - 3/4" FEMALE FITTING, 1 - 3/4" BACK FLOW, 1 THICK BLACK WASHERM 1 - 3/4"x3/4" BRASS 90,
ST JOHNS	3536	REPLACE 1 - 3/4"x3/4" BRASS COUPLING
ST LUKE	3824	1' OF 3/4" PVC PIPE, 1 - 3/4" FEMALE COUPLING, 1 PVC COUPLING, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACKFLOW, 25' OF METER BOX AND LID
TAULOR RD	2633	25' OF 3/4"x3/4" TUBING, 25' OF 1"x1" TUBING
TAYLOR DR	940	RR, 1 - 5/8" METER
TAYLOR RD	913	NEW INSTALL - MIU 1 5/8" METER, 1 3/4" BACK FLOW,
TAYLOR RD	919	(METER ON GORNALL) 1 - 1" CURVE STOP, PIN LOCK, 1 - BLACK BOX W/BLUE LID
TAYLOR RD	2539	BLACK BOX LID
TAYLOR RD	900 BLOCK	MIU (HOUSE METER), NEW INSTALL 2 - 5/8 METERS, 2 - 3/4" BACK FLOWS, 1 - 1"x1" BRASS TEE, 6' OF 1"x1" TUBING, 1 - 1" CORP STOP, 2 - 1"x3/4" CURB STOP, 1 - 1" BRASS 90, 2 - 3/4" PVC COUPLINGS, 1 BOX W/BLUE LID, 1 GREEN BOX
TEN ACRE RD	2731	(2/15/18) MIU NEW INSTALL 1 - 5/8" METER, 2 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACKFLOW, 4' OF 3/4" PEX, 1 - 1"x3/4" BRASS Y, 1 - 1" CORP STOP, 1 - 3/4" FEMALE PVC COUPLING, 1 - 6"x1" SADDLE, 8' OF 1" PEX, 2 BLACK BOX 2/BLUE LID (HOUSE
TEN ACRE RD	2836	NEW INSTALL MIU, 1 - 5/8" METER, 1 - 3/4" BACK FLOW, 1 - 1"x3/4" BRASS COUPLING, 1 - 1"x3/4" BRASS COUPLING, 1 - 6"x1" SADDLE, 12' OF 1" TUBING,
TEN ACRE RD	3000	2 - 3/4" CURB STOPS, 1 - 3/4" FEMALE PVC COUPLING, 1 - 1" CORPSTOP
TEN ACRE RD	3101	NEW INSTALL MIU, 1 - 5/8" METER, 2 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 1 - 1"x3/4" BRASS Y, 1 - 6"x1" SADDLE,
TEN ACRE RD	3318	1 - 1" CORP STOP, 12' OF 1" PEX TUBING, 6' OF 3/4" PEX TUBING, 1 - 3/4" FEMALE PVC COUPLING
TEN ACRE RD	3320	
TEN ACRE RD	3324	
TEN ACRE RD	3326	

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TEN ACRE RD	3330	(6/2/18) REPLACE 5' OF 3/4" PEX, 5' OF 1"X3/4"X2" 3/4" PEX, NEW INSTALL, IRR METER, 2 - 5/8" METER, 6X1 SADDLE, 1 - 1" CORPORATION, 1 - 1"X1"X1" TEE COUPLING, 10' OF 1" PEX, 2 - 3/4" BACKFLOWS, 2 - 1" CURBSTOPS, 1 BLACK BOX W/BLUE LID, 1 PINK BOX W/PINK LID (FOR RR METERS & NEW INSTALL FOR HOUSE)
TEN ACRE RD	3334	(6/2/18) NEW INSTALL - HOUSE 1 - 5/8" METER, IRR - NEW INSTALL 2- 5/8" METERS, 1 - 1" COUPLING, 10' OF 1" PEX, 1 - 1"X1"X1" TEE COUPLING, 2 - 1"X3/4" CURB STOPS, 2 - 3/4" BACKFLOWS, 2 - 3/4" FEMALE COUPLINGS, 1 PINK BOX W/PINK LID, 1 BLACK BOX W/BLUE LID
TEN ACRE RD	3406	RR, 1 - 5/8" METER, 1 - 1"X1" CORP STOP, 10 FT 1"X1" TUBING, 1 - 5/8" METER, 1 - 1" CORP STOP, 10' OF 1"X1" tubing, 1 - 6" saddle 1" outlet, 1 - 3/4" brass back flow, 1 5/8" METER, 1 3/4"x1" CORP STOP, 10' OF 1"X1" TUBING, 1 - 6" SADDLE 1" REPLACE MIU, 1 - 5/8" METER, 2 - 3/4"X3/4" BRASS COUPLING, 1' OF 3/4" PVC PIPE, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 4' OF 3/4" PEX, 1 - 3/4" FEMALE PVC COUPLING, 1 BOX W/BLUE LID
TRANSMITTER RD	313	REPLACE MIU, 1 - 5/8" METER, 2 - 3/4"X3/4" BRASS COUPLING, 1' OF 3/4" PVC PIPE, 1 - 3/4" CURVE STOP, 1 - 3/4" BACK FLOW, 10' OF 3/4" PEX, 1 - 3/4" FEMALE PVC COUPLING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 BOX W/BLUE LID
TRANSMITTER RD	315	MIU REPLACE 2- 5/8" METER, 2 - 3/4"X3/4" BRASS COUPLING, 2 - 3/4" CURVE STOP, 2 - 3/4" BACK FLOW, 8' OF 3/4" PEX, 2 - 3/4" FEMALE PVC COUPLING, 2 BLUE LID, 1 BLACK BOX
TRANSMITTER RD	317	1 - 3/4" CURVE STOP, 5' OF 3/4" PEX, 1 - 3/4" GALV TO PEX COUPLING
TRANSMITTER RD	517	REPLACE 1 - 3/4" DRESSER COUPLING, 5' OF 3/4"X3/4" TUBING, 1 3/4" GALV TO 3/4" BRASS TUBING, 5' OF 3/4" PVC PIPE, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" BACK FLOW, 2 - 3/4" PVC 90, 1 - 3/4" FEMALE PVC COUPLING, 1- BOX W/BLUE LID
TRANSMITTER RD	519	(6/22/18) REPLACED METER BOX LID (HOUSE)
TRANSMITTER RD	523	1 - 3/4"X3/4" BRASS COUPLING
TRANSMITTER RD	806	(6/5/18)- REPLACE 1 - 3/4" GALV TO PEX COUPLING, 4' OF 3/4" PEX TUBING, 1 - 3/4" CURB STOP
TRANSMITTER RD	812	REPLACE 1 - 5/8" METER, 2 THICK WASHERS
TRANSMITTER RD	821	1" WRAPAROUND
TRANSMITTER RD	1009	(4/18/18) MIU REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	1301	1 - 1"X1" BRASS COUPLING, 3/4" DRESSER COUPLING, 1' OF 3/4" PEX, REPAIRED LEAK
TRANSMITTER RD	1329	RR, REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	1418	REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	1498	RR 1 - 5/8" METER
TRANSMITTER RD	2304	1 - CURVE STOP
TRANSMITTER RD	2703	REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	2727	BLACK BOX LID
TRANSMITTER RD	2730	REPLACE 1 - 5/8" METER, 1 BLUE LID
TRANSMITTER RD	2734	BLACK METER BOX W/BLUE LID
TRANSMITTER RD	1000 #C1	BLACK METER BOX W/BLUE LID
TRANSMITTER RD	1000 #C2	BLACK METER BOX W/BLUE LID
TRANSMITTER RD	1000 #C3	BLACK METER BOX W/BLUE LID
TRANSMITTER RD	1000 #C4	METER BOX W/BLUE LID
TRANSMITTER RD	1305 #1	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 1 - 3/4" PVC COUPLING
TRANSMITTER RD	1305 #10	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
TRANSMITTER RD	1305 #11	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
TRANSMITTER RD	1305 #13	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
TRANSMITTER RD	1305 #14	MIU, REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	1305 #15	RR 1 - 5/8" METER,
TRANSMITTER RD	1305 #16	MIU, REPLACE 1 - 5/8" METER, 1 BOX W/BLUE LID, REPLACE 1 5/8" METER ONLY (MIU REMAINS THE SAME)
TRANSMITTER RD	1305 #2	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 1 - 3/4" PVC COUPLING
TRANSMITTER RD	1305 #4	RR 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	1305 #5	RR 1 - 5/8" METER, 1 BOX W/BLUE LID
TRANSMITTER RD	1305 #6	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
TRANSMITTER RD	1305 #7	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING
TRANSMITTER RD	1305 #8	RR 1 - 5/8" METER, 1 BOX W/BLUE LID, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 1 - 3/4" PVC COUPLING
TRANSMITTER RD	2608 NO #	3 - 4"X1" TAPPING SADDLES, 3 - 1" CURBSTOPS, 4 - 3/4" CURBSTOPS, 4 - 3/4" BACK FLOWS, 2 - 4" WRAPAROUND 4.45 SCH 40, 4 - 3/4" PVC FEMALE COUPLING, 4 METER BOXES, 12' OF 4" SCH 40 PIPE, 15' OF 1" PEX, 8' OF 3/4" PEX METER BOX AND LID
TRANSMITTER RD	2608 #B	1 - 3/4" DRESSER COUPLING, 1 - 3/4" COUPLING
TRANSMITTER RD	700 #92	(5/16/2018) REPLACE 1 - 5/8" METER
TRANSMITTER RD	700 0A	1' OF 3/4"X3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
TRANSMITTER RD	700 #106	3' OF 3/4"X3/4" TUBING, 1 - 3/4" BRASS CURVE STOP, 1 - 3/4" GAL TO PEX FITTING
TRANSMITTER RD	700 #11	METER BOX W/LID, 2" 3/4"X3/4" TUBING, 1 - 3/4"X3/4" BRASS TUBING (BRASS), 1 - 13/4" CURVE STOP
TRANSMITTER RD	700 #17	1' 3/4"X3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING (BRASS)
TRANSMITTER RD	700 #33	1' OF 3/4"X3/4" TUBING, 1 - BRASS CURVE STOP, 1 - 3/4" GALV TO 3/4" BRASS TUBING
TRANSMITTER RD	700 #39	4' OF 3/4"X3/4" TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING, 1 - 3/4" BRASS CURVE STOP
TRANSMITTER RD	700 #47	1' OF 3/4"X3 TUBING, 1 - 3/4" GALV TO 3/4" BRASS TUBING (BRASS), 3/4" BRASS CURVE STOP
TRANSMITTER RD	700 #50	1 - 3/4"X3/4" BRASS COUPLING
TRANSMITTER RD	700 #88	REPLACE 1 3/4"X3/4" BTASS COUPLING, 2' OF 3/4"X3/4" TUBING, 1 - 3/4" BRASS CURVE STOP
TRANSMITTER RD	700 #98	1' OF 3/4"X3/4" TUBING, 1 - 3/4" CURVE STOP
TRANSMITTER RD	700 #99	1 - 3/4" COUPLING
TRANSMITTER RD	821 #7	RR 1 - 5/8" METER, 1 - 3/4"X3/4"X3/4" BRASS TEE, 5' OF 3/4"X3/4" TUBING, 1 - 3/4" CURVE STOP, 1 - 3/4"X3/8" BACK FLOW
TRANSMITTER RD	821 NO #	RR, REPLACE 1 - 5/8" METER, 1 - 3/4" BACK FLOW
VILLAGE DR	3821 #B	METER BOX W/BLUE LID
VOLUSIA AVE	2411	REPLACE 1 - 3/4" BRASS CURVE STOP, 25' OF 3/4" PEX, 1 - 6"X3/4" OUTLET, 1 - 3/4" CORP STOP,
WABASH AVE	122	80' OF 1" X1" TUBING, 1 - 5/8" METER, 1 - 1"X1" CORP STOP, 1 - 1" X3/4" BRASS COUPLING, 1 - 1" METER, 1 - 6" SADDLE 1"
WAKULLA AVE	2404	1 - 1" CURVE STOP
WAKULLA AVE	2528	2 - 1"X1" BRASS COUPLING, 5' OF 1"X1" TUBING
WAKULLA AVE	2532	RR, 1 - 5/8" METER, 1 - 3/4" BRASS BACK FLOW, 1 - 3/4" PVC FEMALE COUPLING, 2 - METER BOX, 1 - 1"X1"CORP STOP, 2 - 1" CURVE STOP, 1 - 1"X1" BRASS TEE, 15' OF 1"X1" TUBING, 1 - 4" SADDLE 1" OUTLET, 1 - 5/8" BACKFLOW
WAKULLA AVE	2712	BLACK METER BOX W/BLUE LID
WAKULLA AVE	2727	4' OF 1" PEX, 2 - 1" GALV PEX COUPLINGS
WAVE AVE	1112	2 - 1" RED WASHERS, BLACK METER BOX, 4/19/18 - 1 - 1" DRESSER COUPLING, 1 - 1" CURVE STOP, 1" OF PEX
WAVE AVE	3900	RR, REPLACED 3/4" CURB STOP & 3/4" THICK BLACK WASHER
WAVE AVE	3908	1 - 1"X1" BRASS COUPLING, REPLACED 3/4" THICK BLACK WASHER FRO CURBSTOP TO METER
WAVE AVE	3912	1 - CURVE STOP
WAVE AVE	3904 #C	1 6"X2" TAPPING SADDLE, 1 - 2" AVK VALVE, 1 - 6"X2" GALV NIPPLE, 2 - PVC 90, 4' OF 2" PIPE, 1 - 2" MALE PVC NIPPLE
WAVE AVE	NO #	METER BOX AND LID
WHEAT RD	2619	

WILLOWBROOK
WILLOWBROOK

2600
NO #

RR, 1 - 5/8" METER
2 - 1"X1" BRASS COUPLING, 2' OF TUBING

TOTAL OF ALL COLUMNS = 128



EXHIBIT F

Exhibit F - Estimated System Static Pressures - Existing Conditions (Average Day Peak Hour Condition [06:00])

2

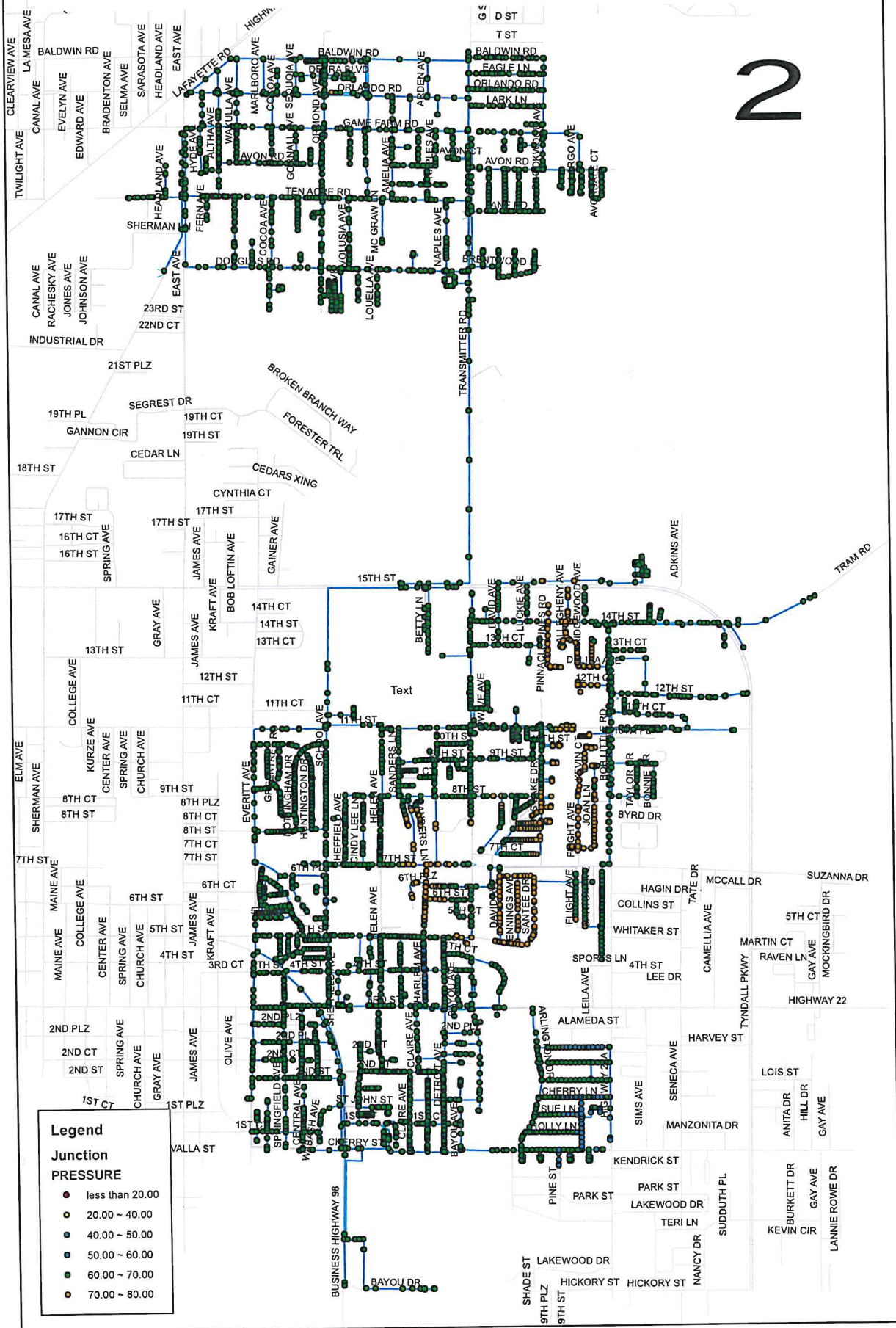
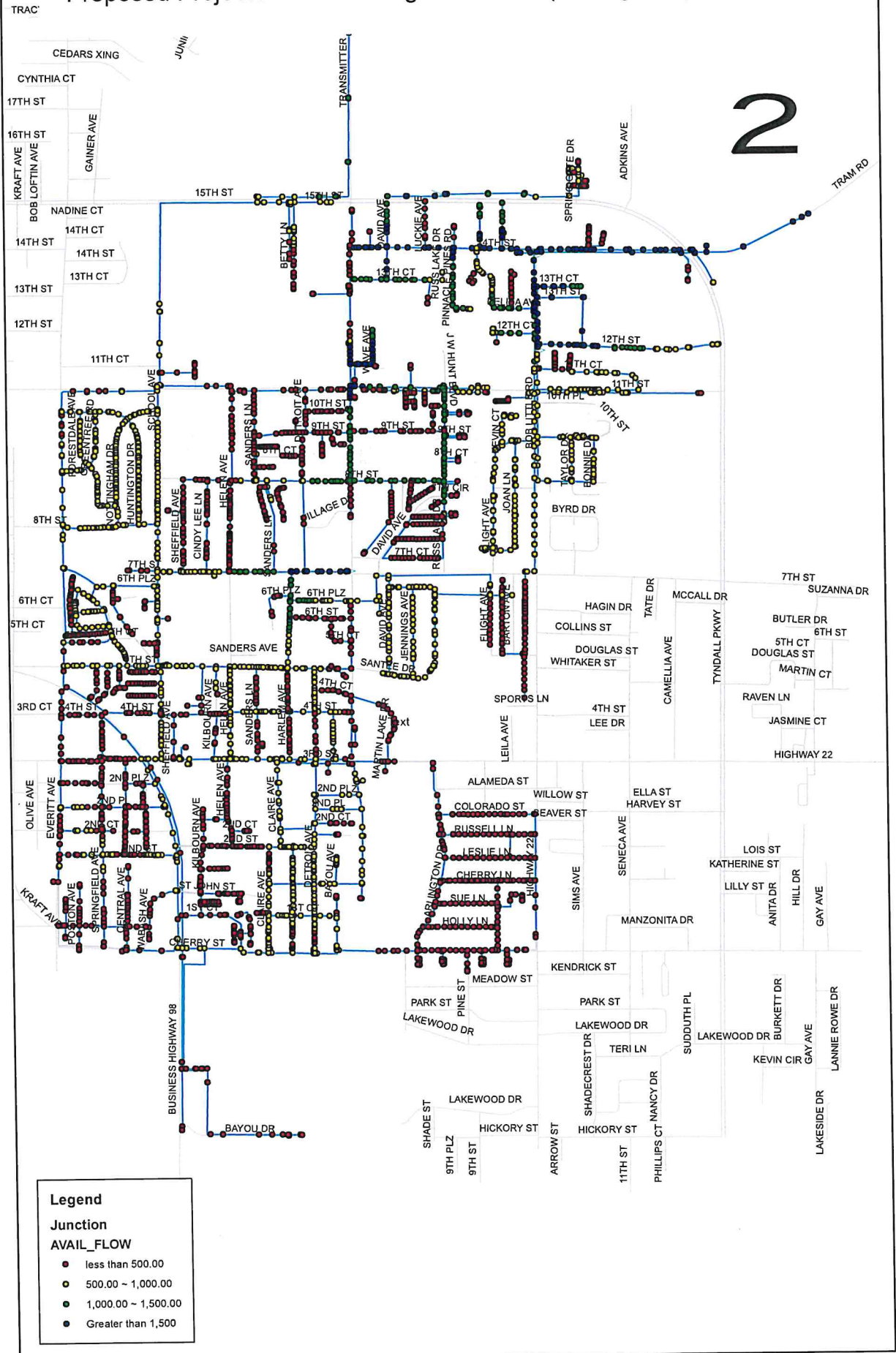


EXHIBIT G

Exhibit G - Estimated Available Fire Flow at 20 psi Residual Pressure In Proposed Project Area - Existing Conditions (Average Day Peak Hour)



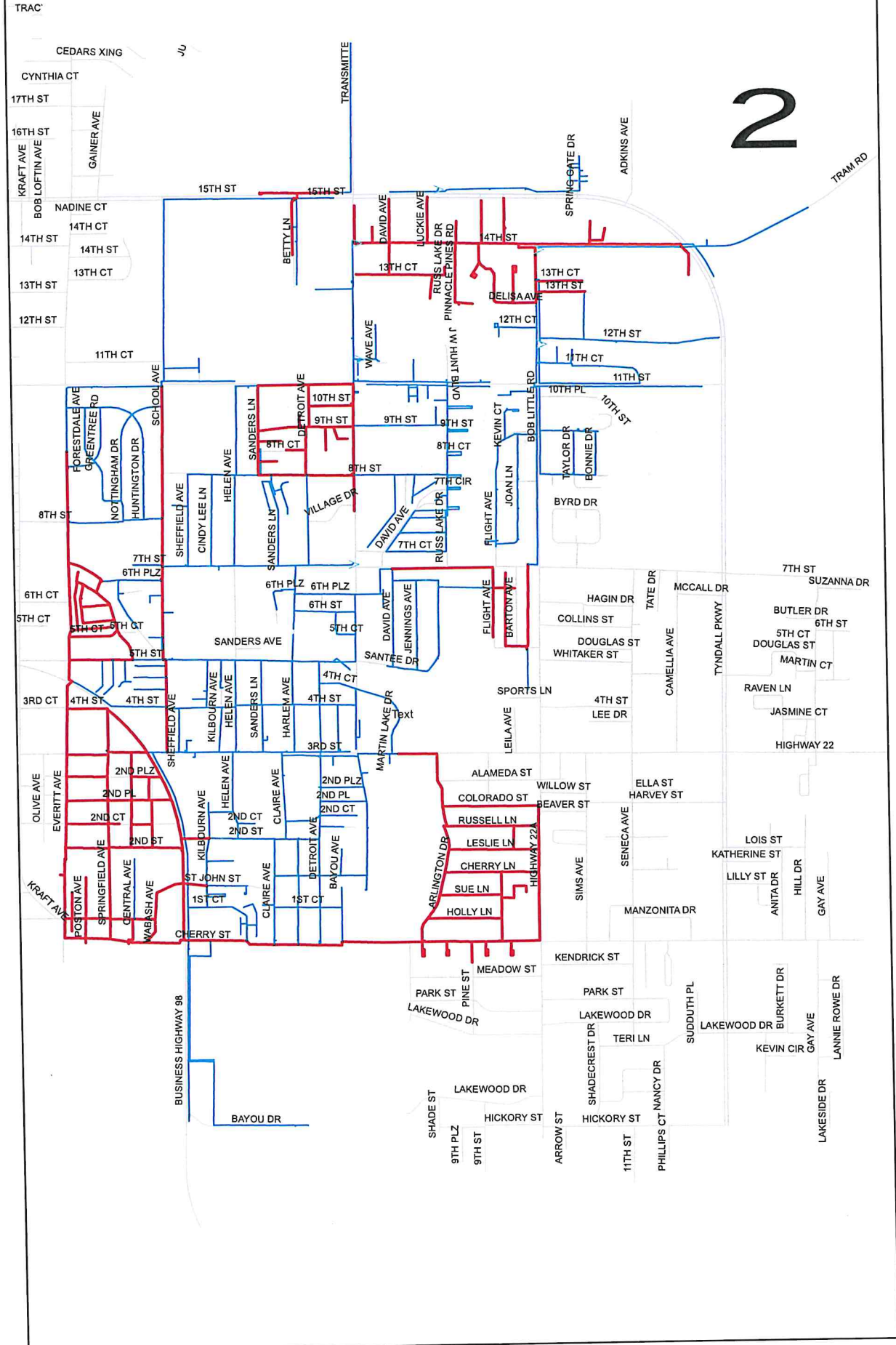
Legend

Junction AVAIL_FLOW

- less than 500.00
- 500.00 ~ 1,000.00
- 1,000.00 ~ 1,500.00
- Greater than 1,500

EXHIBIT H

Exhibit H - Proposed Waterline Improvements In Proposed Project Area

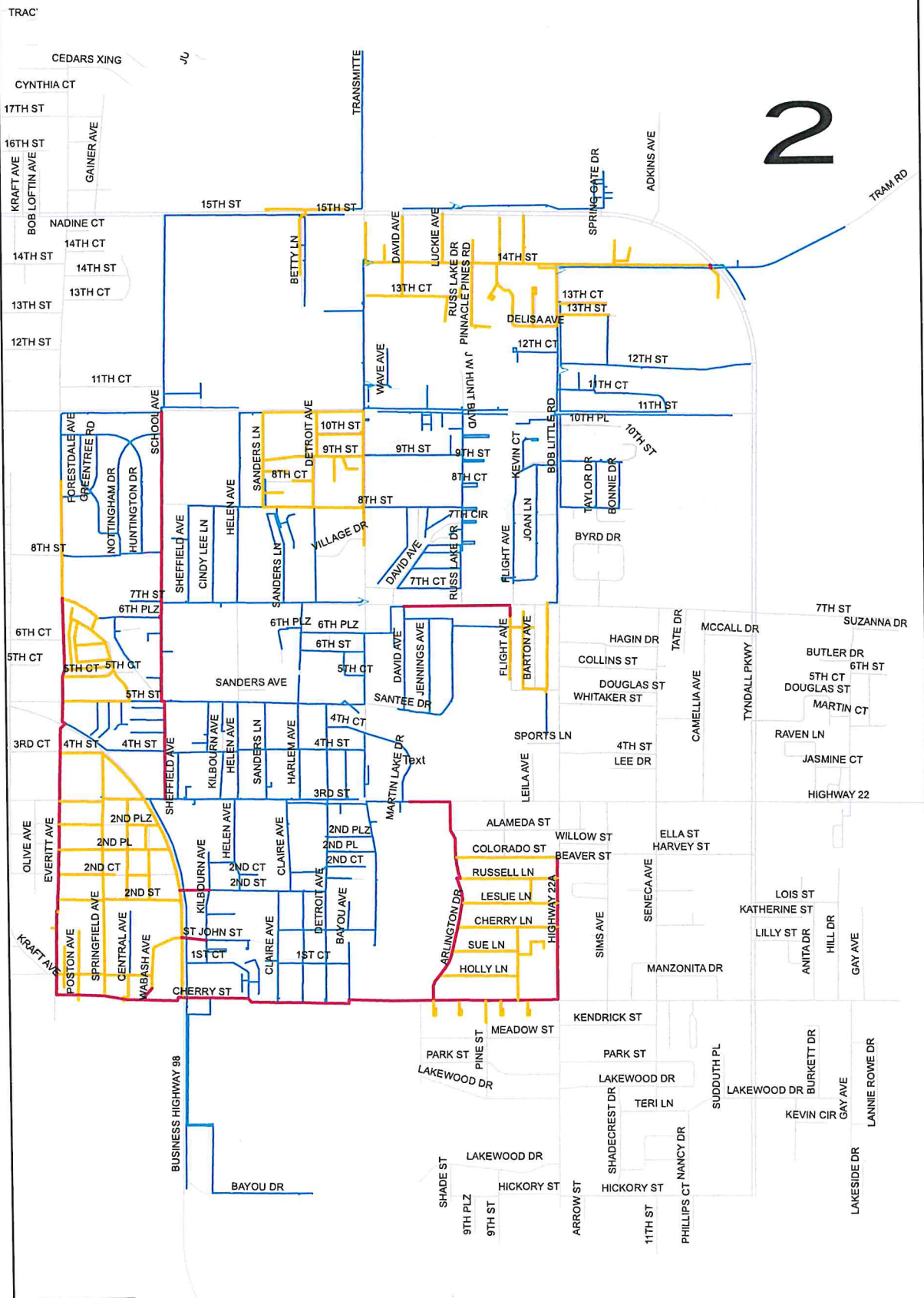


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EXHIBIT I

Exhibit I - Proposed Waterline Improvements In Proposed Project Area

2



Legend	
DIAMETER	
—	6
—	8

EXHIBIT J

Exhibit J - Estimated Available Fire Flow at 20 psi Residual Pressure In Proposed Project Area Following Proposed Improvements (Average Day Peak Hour)

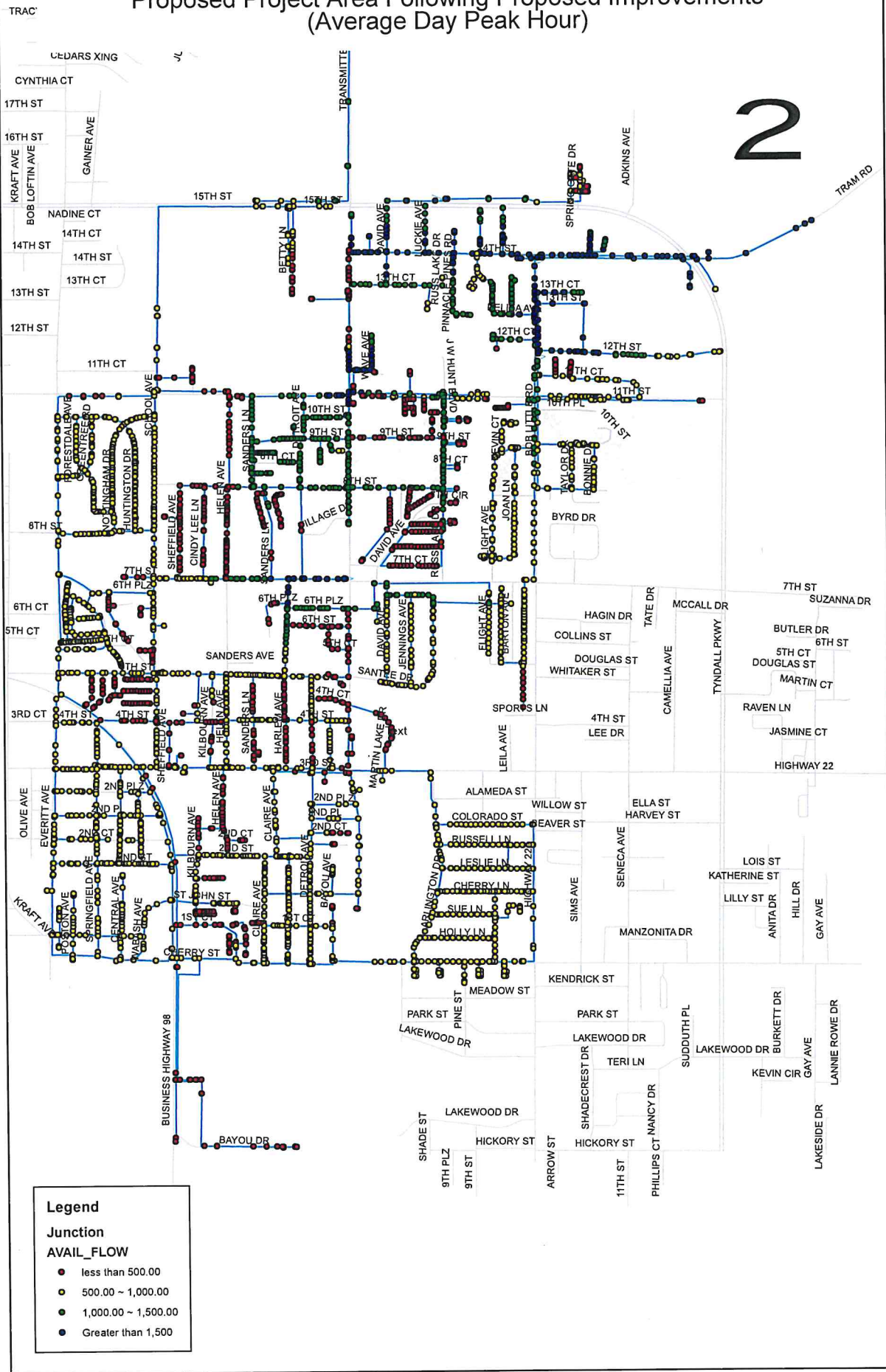
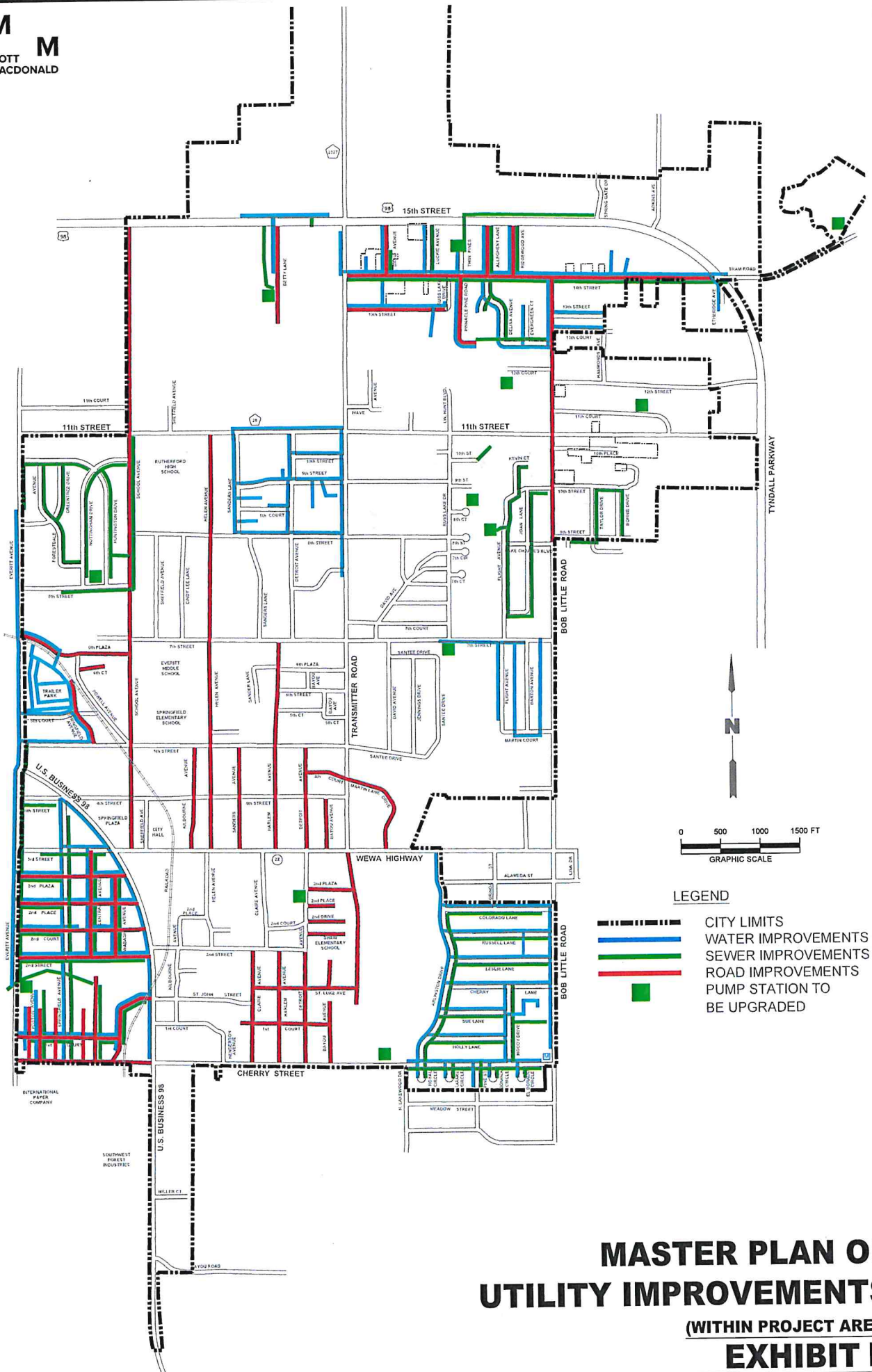


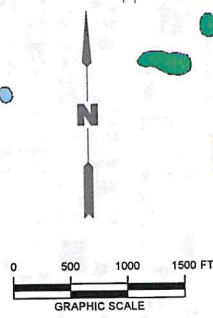
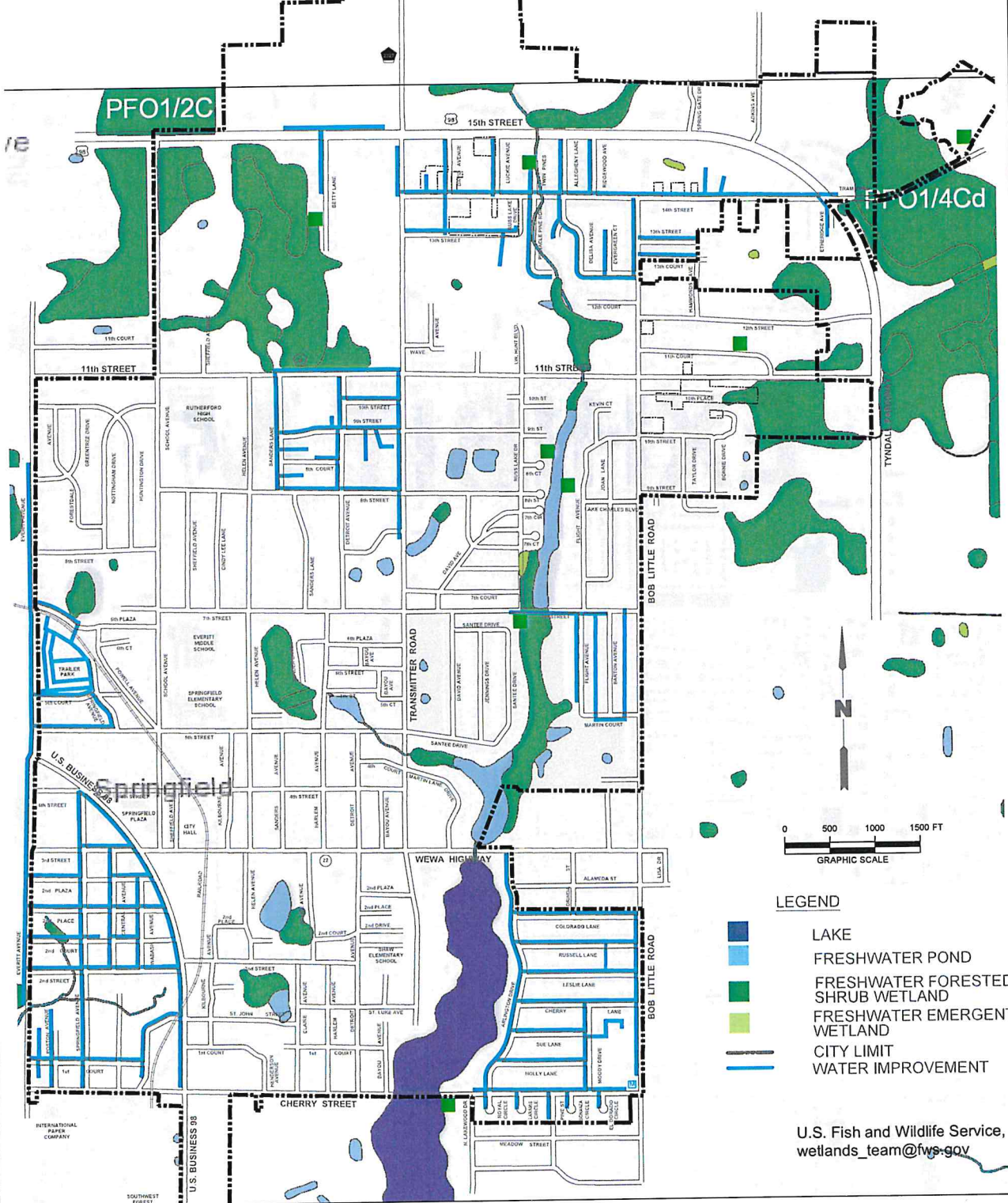
EXHIBIT K



- LEGEND**
- CITY LIMITS
 - WATER IMPROVEMENTS
 - SEWER IMPROVEMENTS
 - ROAD IMPROVEMENTS
 - PUMP STATION TO BE UPGRADED

**MASTER PLAN OF
 UTILITY IMPROVEMENTS
 (WITHIN PROJECT AREA)
 EXHIBIT K**

EXHIBIT L



- LEGEND**
- LAKE
 - FRESHWATER POND
 - FRESHWATER FORESTED SHRUB WETLAND
 - FRESHWATER EMERGENT WETLAND
 - CITY LIMIT
 - WATER IMPROVEMENT

U.S. Fish and Wildlife Service,
 wetlands_team@fws.gov

WETLANDS MAP
EXHIBIT L

EXHIBIT M

CITY OF SPRINGFIELD
Commission Meeting
Commission Chambers
MONDAY NOVEMBER 4, 2019 at 5:30p.m.

The Commission of City of Springfield held a Regular Commission Meeting on November 4, 2019.

Present were:

Mayor:	Ralph Hammond
Commissioner:	Carl Curti
Commissioner:	Topeka Humphries
Commissioner:	Jack Kennington
Commissioner:	Phillip Dykes
City Clerk:	Lee Penton
City Attorney:	Kevin Obos


Devotion was given by Commissioner Dykes

Commissioner Curti made the motion to approve the Consent Agenda, second by Commissioner Dykes. Motion passed. All ayes.

1. Lot Split – 3325 Avon Rd. – Commissioner Humphries made the motion to approve, Commissioner Kennington second the motion. Motion passed. All ayes.
2. SRF Drinking Water Plan – We discussed the final impact for \$14.5 million. We ask the public for their input and Commissioner Curti made the motion to go with Alternate #2, Commissioner Kennington second the motion. Motion passed. All ayes.

Meeting adjourned at 5:46 pm


Ralph Hammond, Mayor


Lee Penton, City Clerk

Page : 1 of 1 10/07/2019 11:18:01
Order Number : 34415835
PO Number :
Customer : 1001475 City of Springfield
Contact :
Address1 : 3529 E. 3rd Street
Address2 :
City St Zip : Springfield FL 32401
Phone : (850) 872-7570
Fax : (850) 747-5663
Credit Card :
Printed By : Karen Glenn
Entered By : Karen Glenn
Keywords : 25359 NOPH - Nov. 4
Notes :
Zones :

Ad Number : 34863691
Ad Key :
Salesperson : 751 - Karen Glenn
Publication : The News Herald
Section : Classified 2006
Sub Section : Classified 2006
Category : 1100 Legal Advertising
Dates Run : 10/10/2019-10/10/2019
Days : 1
Size : 1 x 5.51, 52 lines
Words : 150
Ad Rate : Legals Rate
Ad Price : 70.52
Amount Paid : 0.00
Amount Due : 70.52

25359
CITY OF
SPRINGFIELD
NOTICE OF PUBLIC
HEARING

On November 4, 2019, at 5:30 p.m. the City Commission of the City of Springfield, Florida will hold a public hearing at City Hall, 408 School Avenue, Springfield, Florida, 32401, for the purpose of considering the City of Springfield's Florida Department of Environmental Protection Drinking Water State Revolving Fund Facilities Plan, informing the public of the proposed project and its financial impacts, and giving the public the opportunity to comment on the project alternatives before being voted upon by the City Commission.

The public is invited to appear at the public hearing, and/or to file written comments with the City Clerk and addressed to the City Commission at the above address.

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN THE HEARING SHOULD CONTACT THE CITY CLERK AT LEAST 48 HOURS IN ADVANCE OF THE MEETING AT (850) 872-7570.

Pub: October 9, 2019

The News Herald

501 W. 11th Street
P.O. Box 1940, Panama City, FL 32401
Published Daily
Panama City, Bay County, Florida

State of Florida County of Bay

Before the undersigned authority personally appeared Karen Glenn, who on oath says that she is a Legal Advertising Representative of The News Herald, a newspaper published at Panama City in Bay County, Florida; that the attached copy of advertisement, being a Legal Advertisement #25359 in the matter of **NOTICE OF PUBLIC HEARING - November 4** in the Bay County Court, was published in said newspaper in the issue of **October 10, 2019**.

Affiant further says that the said The News Herald is a newspaper published at Panama City, in said Bay County, Florida, *is a direct successor of the Panama City News* and that the said newspaper, *together with its direct predecessor*, has heretofore been continuously published in said Bay County, Florida, each day (except that the predecessor, *Panama City News*, was not published on Sundays) and has been entered as periodicals matter at the post office in Panama City, in said Bay County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement, and affiant further says that (s)he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in said newspaper.

Karen Glenn

State of Florida

County of Bay

Sworn to and subscribed before me this **10th** day of **October**, A.D., **2019**.

By Karen Glenn, Legal Advertising Representative of The News Herald,

who is personally known to me or has produced N/A as identification.

Melissa Elaine Clemmons
Notary Public, State of Florida at Large



25359

CITY OF SPRINGFIELD NOTICE OF PUBLIC HEARING

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EXHIBIT N

**EXCERPT FROM CITY OF SPRINGFIELD 2018-2019 BUDGET
REFLECTING \$660,000 ESCROWED FOR WATER AND SEWER
INFRASTRUCTURE IMPROVEMENTS**

	Legislative 511	Admin 513	Police 521
Executive Salaries	21,600		
Executive Salaries - No Retmnt	7,200		
Regular Salaries & Wages		558,106	1,032,768
Vacation Buy Backs		13,929	23,324
Overtime			86,541
Incentive Pay	-	-	10,800
Compensated Compensatory Leave			31,348
Dental Ins	824	4,397	7,145
AD & D	48	162	243
Fica & Medicare Benefit	2,203	42,956	88,851
Pension Benefit	10,519	46,381	244,947
Life & Health Insurance	716	140,231	196,566
Workers Compensation Insurance	66	1,291	40,871
Total Personal Services	43,176	807,452	1,763,404

Aid to Other Gov't Agencies	4,500	-	-
Auditing	-	500	500
AWT Debt Service	-	-	-
AWT Rate Reserve	-	-	-
Bank Fees		1,000	1,000
Christmas Bonus	3,065	1,895	11,641
Chlorine & Chemicals	-	-	-
Communication/Internet Service	3,500	15,000	25,000
Contractual Services		6,000	75,000
Contractual Services - Sanit	-	-	-
Cost Of Disposal			
Cost Of Sewer - O&M / R&R			
Cost Of Water			
CIPP, Res R&R, Cont/Emg Res			
Dues/Publications/Subscription	1,750	2,000	500
Election Fees	-	-	-
Escrow Account		660,000	
Fees, Bad Debt Collection			-
Fire Assessment Program Fees			-
Forfeiture Expenses	-	-	-
Fuel		4,000	50,000
Health Related Expenses	-	500	2,000

**EXCERPT FROM CITY OF SPRINGFIELD 2018-2019 BUDGET
REFLECTING \$844,034 PROJECTED REVENUE FROM
THE BAY COUNTY HALF CENT SALES TAX FOR INFRASTRUCTURE**

FY 2018 - 2019 Proposed Budget
Revenues

General Fund Revenue Estimate			
	Budgeted 09/30/2018		Budgeted 09/30/2018
Utility Taxes		Fines and Forfeitures	
Electricity Utility Tax	739,950	Police Judgments & Fines	15,000
Gas Utility Tax	4,250	L.E.E. Fines	1,250
Propane Utility Tax	2,775	Library Fines	300
Total Utility Taxes	746,975	Forfeitures	8,200
		Jag Grants	-
		Total Fines and Forfeitures	24,750
Permits/Fees - Franchise Fees		Rents	
Electricity Franchise Fees	620,500	Taxable Rent	9,500
Gas Franchise Fees	2,000	Non Taxable Rent	350,000
Solid Waste Franchise Fees	12,000	Total Rents	359,500
Total Permits/Fees - Franchise Fees	634,500		
Taxes and Assessments		Grants	
Ad Valorem Taxes	711,750	Byrne Grant	-
Local Option Fuel Taxes	199,202	Total Grants	-
Communication Service Tax	175,452		
Co 1/2 Cent Sales Tax	844,034	Contributions and donations	
State Gov't 1/2c. Sales Tax	907,143	Donation	9,000
Local Buisness Taxes	20,000	Parks & Recreation	10,000
Fire Assessment Fees	509,839	Total Contributions and Donations	19,000
1483042	3,367,420		
Intergovernmental (State)		Other fees and miscellaneous	
State Revenue Sharing	619,370	Sales of Surplus Materials and Scrap	35,000
Mobile Home Licenses	650	Other Miscellaneous Revenues	200,000
Alcoholic Beverage License	350	Election Qualifying Fees	-
Total Intergovernmental	620,370		

EXHIBIT O

CITY OF SPRINGFIELD, FLORIDA

RESOLUTION NO.: 13-10

A RESOLUTION OF THE CITY OF SPRINGFIELD, FLORIDA, IN BAY COUNTY, FLORIDA ESTABLISHING WATER AND SEWER SERVICE RATES AND PROCEDURES FOR RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND BULK SERVICE; PROVIDING FOR UTILITY DEPOSITS AND ACCOUNT CHARGES; PROVIDING FOR DEPOSIT REFUNDS, TRANSFERS AND ACCOUNT NAME CHANGES; PROVIDING FOR CONNECTION AND RECONNECTION FEES; PROVIDING FOR DISHONORED INSTRUMENTS; REPEALING ALL RESOLUTIONS OR PARTS THEREOF WHICH ARE IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SPRINGFIELD, FLORIDA:

SECTION 1. WATER RATES.

Those rates for water service to residential, commercial, and industrial users required by Sections 82-37 and 82-67 of the Code of Ordinances of the City of Springfield shall be as follows:

- A. The monthly base charge, independent of water volume consumed, shall be \$8.07
- B. The consumption charge called for in Section 82-67 shall be based on the metered volume of water and shall be charged \$3.81 per one thousand gallons or any portion thereof.
- C. The monthly bill for water service called for by Section 82-67 of the Code of Ordinances shall be the sum of the base charge and the consumption charge applied to all metered water.
- D. *Users outside the City:* Any user outside the corporate limits of the City, in addition to those base rates and charges as may be set by

the Commission, shall be charged a 25% surcharge, as allowed by general law.

- E. *Annual Rate Increase:* All rates listed in this section (WATER RATES) shall automatically be subject to an inflationary adjustment of 3% above the annual wholesale water rate adjustment imposed on the City by Bay County. This adjustment shall be effective on October 1 of each year hereafter. This adjustment shall be in addition to any other rate adjustments which may be approved by the City as provided by law.

SECTION 2. SEWER RATES.

Those rates for sewer service to residential, commercial, and industrial users required by Sections 82-241 of the Code of Ordinances of the City of Springfield shall be as follows:

- A. The monthly base charge, independent of sewer volume consumed, shall be \$23.25
- B. That consumption charge called for in Section 82-241 shall be based on the metered volume of sewer and shall be charged \$8.02 per one thousand gallons or any portion thereof.
- C. The monthly bill for sewer service called for by Section 82-241 of the Code of Ordinances shall be the sum of the base charge and the consumption charge applied to all metered water.
- D. *Users outside the City:* Any user outside the corporate limits of the City, in addition to those base rates and charges as may be set by the Commission, shall be charged a 25% surcharge, as allowed by general law.
- E. *Sewer Only Customers:* The monthly charge for "sewer only" customers shall include a base charge and a consumption charge with a monthly use per account of 5,000 gallons and shall be \$70.81
- F. *Annual Rate Increase:* All rates listed in this section (SEWER RATES) shall automatically be subject to an inflationary adjustment of 3%

above the annual wholesale water rate adjustment imposed on the City by Bay County. This adjustment shall be effective on October 1 of each year hereafter. This adjustment shall be in addition to any other rate adjustments which may be approved by the City as provided by law.

SECTION 3. UTILITY SERVICE RECONNECTIONS.

- A. In the event service to an existing utility account is disconnected by the City for failure to timely pay for services, the customer must render a reconnection charge to the City according to this Resolution prior to reconnection. No additional charge will be required for any account whose services are disconnected provided they have not been disconnected in the past 24 months for non-payment. If utility service to a customer is discontinued, such service shall not be reconnected until all past due charges for each of the customers' accounts, including penalties, have been fully paid, together with the required reconnection charge. Accounts with balances of \$5.00 or less will not be subject to disconnection.

Reconnection charges for water and sewer accounts shall be \$15.00 if such reconnection is made between the hours of 8:00 a.m. and 3:00 p.m., Monday through Friday; and \$35.00 if reconnection is made after hours at the request of the customer.

- B. In the event a meter is required to be pulled or serviced due to tampering, illegal reconnection after disconnection, or for any other reason caused by the customer, the customer will be charged the following fees:

i.	First offense	\$75.00
ii.	Second offense	\$150.00
iii.	Third offense	\$250.00

This fee shall be in addition to the established reconnection fee.

- C. In the event water service cannot be left on due to water running at the premises at the time of attempted reconnection, an additional \$15.00 service charge between the hours of 8:00 a.m. and 3:00 p.m. (\$35.00 after hours) will be required prior to a second call to that

address. A door knocker will notify the customer why reconnection could not be accomplished.

- D. *Sewer Only Services.* Reconnection charges for "sewer only" accounts shall be \$200.00 and such reconnection shall be made between the hours of 8:00 a.m. and 3:00 p.m., Monday through Friday.

SECTION 4. NEW UTILITY SERVICES.

In addition to compliance with the rules, regulations and procedures set by the City for the establishment of new utility accounts, each new customer shall be charged a non-refundable account set-up service charge of \$15.00. This service charge shall be made in addition to the deposit required by the City.

SECTION 5. AUTHORIZATION AND REPEALER.

This Resolution is adopted pursuant to Sections 82-37, 82-67, 82-241 of the Code of Ordinances of the City of Springfield authorizing the amendment of charges and fees by resolution by the City Commission. Those portions of Sections 82-37, 82-67, 82-241 contained in this Resolution which do not specify charges and fees are neither modified nor re-adopted by this Resolution and are included herein for convenient reference only. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6. CODIFICATION.


The appropriate officers and agents of the City are authorized and directed to codify, include and publish the provisions of this Resolution with the City of Springfield Code. Section numbers may be assigned and changed whenever necessary or convenient.

SECTION 7. EFFECTIVE DATE.

This resolution shall take effect as to allow the increase to be collected on the utility bills due in November, 2013.


PASSED, APPROVED AND ADOPTED by the City Commission of the City of Springfield, Bay County, Florida this 4th day of November, 2013.

CITY OF SPRINGFIELD



Ralph Hammond, Mayor

ATTEST:



Lee Penton, City Clerk

Utility Billing Rates effective Oct 1, 2018

Increase of 0% to water base and per gallon charges

Increase of 3% to sewer base and per gallon charges

Increase of 3% to Sanitation

<u>Water:</u>			<u>Senior</u>
	Base	\$ 8.69 in City	\$ 7.36
		\$ 10.88 outside of City	\$ 9.25
	Per 1,000 gallons	\$ 4.11 in City	\$ 3.49
		\$ 5.13 outside of City	\$ 4.36

<u>Sewer:</u>		
	Base	\$ 28.13 in City
		\$ 35.15 outside of City
	Per 1,000 gallons	\$ 9.85 in City
		\$ 12.12 outside of City

<u>Sanitation</u>		
	\$ 26.00	in City
	\$ 33.00	outside of City
	\$ 23.00	
	\$ 30.00	

EXHIBIT P

DRINKING WATER STATE REVOLVING FUND BUSINESS PLAN

Sponsor Name: City of Springfield System Population: 8,903 (2010 Census)
 DWSRF Project #: DW030510 PWS ID#: _____
 Contact Person and Title: Beth Strobel, Finance Director Telephone: 850-872-7570
 Mailing Address: 408 School Ave. City: Springfield State: FL Zip: 32401
 Contact for Finance Plan (if different): Beth Strobel, Finance Director Telephone: 850-872-7570
 Mailing Address: 408 School Ave. City: Springfield State: FL Zip: 32401
 e-mail: bstrobel@springfield.fl.gov Fax: _____
 Source Type: Ground Water Purchase Water
 Surface Water Surface/Ground Combined

The Drinking Water State Revolving Fund Program (DWSRF), authorized by the 1996 amendments to the Safe Drinking Water Act, provides financial assistance to public water systems (PWS). To obtain this assistance, project sponsors must demonstrate Capacity Development or demonstrate how the assistance will ensure these requirements are met. The term Capacity Development takes into consideration three vital areas of a public water system: Technical, Managerial, and Financial capabilities.

FINANCIAL

A financial capability demonstration (and certification) is required well before the evaluation of the actual loan or grant application. This demonstration is necessary to ensure that the system has the financial capability to repay the loan, if applicable, and to adequately operate and maintain the system. Financial capability also includes funding future capital improvements that may be required. Please see Rule 62-552.700(4) in Chapter 62-552, F.A.C. for further details.

It is expected that the revenues to be dedicated to repaying a loan will be generated either from water and sewer utility operations or from water utility operations alone. If the source of revenues will not be from such enterprises, this set of worksheets alone will not satisfy the Department's needs. (Please contact the Department for further guidance if dedicated revenues will be generated externally to such utilities.)

The following worksheets have been developed to identify the minimum information needed. The completed worksheets should be used in disclosing DWSRF project financing to the public during the required dedicated revenue hearing. The worksheets can serve to identify the impacts of the SRF project on residential users and how the project fits into the project sponsor's overall capital improvement program for the water and sewer utility (or water utility, as appropriate). Supplemental capital financing documentation may be submitted with these worksheets and may be presented at the required dedicated revenue hearing.

The revenues being dedicated to repayment of the DWSRF loan are:	<u>Water system revenues</u>
What is the frequency of water system billing?	<u>Monthly</u>
How often are system rates reviewed for adequacy?	<u>Annually</u>
When was the last time rates were reviewed?	<u>October 2018</u>
What resources and guidance does the water system use for setting water user rates, fees or charges?	<u>Water rates are adjusted annually by the increase in its wholesale rate from Bay County plus an automatic 3% inflationary adjustment.</u>
What is your water system bond rating?	<u>Not rated</u>
Is a rate increase necessary as a result of this project?	<u>No</u>
What is the Median Household Income (MHI) for the entire system?	<u>\$35,871 (2016 City-Data)</u>

Which, if any, of the following activities must be undertaken to implement the DWSRF project?

Acquire privately held land?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Acquire land held by another public water system entity?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Enter into inter-local or inter-project sponsoring agency's agreements?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the system have an annual budget with a separate reserve account for equipment replacement and/or capital improvement?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the system have a capital improvement plan? How many years does it cover? <u>5</u>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the system have a governing board of directors? The Mayor and City Commission	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Does the water system employ the services of a professional engineer? Consulting Engr.
 Are there procedures for billing and collection?
 Does the system have audited financial statements?
 Are there standard purchasing procedures that provide controls over expenditures?
 What year will construction be completed and repayments begin (for the first project)?
 What is the estimated cost of your SRF project?

Yes No
 Yes No
 Yes No
 Yes No
 2020
 \$11,809,789

Please attach a copy of the user charge ordinance. See (Attachment #1)

Table 1
WATER RATE REVENUE SUMMARY

	LAST YR. (Audited) 2017	YEAR 1 (Actuals, Unaudited) 2018	YEAR 2 2019	YEAR 3 2020	SRF Project 2021
Number of Residential All Customers	3935	3960	3985	4010	4035
Number of New Residential Service Connections (Since '17 & '18 were both 25, subsequent years projected to be 25)	25	25	25	25	25
Annual Residential Water Sales (Gallons) (After '18 projected 3% growth)	276,613,548	269,024,484	277,095,219	285,408,075	293,970,317
Avg Daily Residential Usage (Gal/day) (Line 3 divided by line 1 divided by 365)	193	186	191	195	200
Annual Residential Water Sales \$(After '18 projected 3% growth)	\$1,444,737	\$1,479,445	\$1,523,828	\$1,569,543	\$1,616,629
Average Annual Residential Bill (line 5 divided by line 1)	\$367	\$374	\$382	\$391	\$401
Annual Residential Bill Amount Uncollected (Estimated then projected 3% growth)	\$42,000	\$43,260	\$44,558	\$45,895	\$47,271
Total Residential Rates Collected (Line 5 minus line 7)	\$1,402,737	\$1,436,185	\$1,479,270	\$1,523,648	\$1,569,357
Impact and Connection Fees per Residential Service	\$2,230	\$2,230	\$2,230	\$2,230	\$2,230
Total Residential Impact and Connection Fees (Line 2 times line 9)	\$55,750	\$55,750	\$55,750	\$55,750	\$55,750
Number of Commercial Customers (separate records not kept)					
Number of New Commercial Service Connections					
Annual Commercial Water Sales (Gallons)					
Annual Commercial Water Sales (\$)					
Annual Commercial Bill Amount Uncollected					
Total Commercial/Industrial Bills Collected (Line 14 minus line 15)					
Impact and Connection Fees for Commercial Service					
Total Commercial Impact and Connection Fees (Line 12 times line 17)					
Bulk Water Sales					
Total Projected Water Revenue (Line 8+10+16+18+19)	\$1,458,487	\$1,491,935	\$1,535,020	\$1,579,398	\$1,625,107

* Large meters should be checked annually for accuracy.

Instructions for Completing Table 1

Identify the source of the above information and explain methods used to develop the projections (*Attachment #2*). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations. In completing this table assume through year 3 that no SRF project is constructed. In the "SRF Project" column enter the numbers that reflect the first year in which the SRF loan will begin repayments. When completing the numbers in this column assume that the SRF project will be financed using 100% loan funding.

- Line 1 Include the actual number of customers for last year and year 1 (current year). The numbers in years 2 and 3 should reflect an estimated number of residential customers, adjusted for growth. In the SRF column include the expected number of customers based on constructing your SRF project.
- Line 2 This line is a subset of line 1. It should reflect the number of new customers for that year.
- Line 3 This line is your total volume (gallons) of water used by your residential customers. Use actual gallons sold for Last Year and do an estimate for the current year based on total to-date. To determine Year 2 and 3 water sales, first calculate the average daily residential usage in gallons per day on line 4. The estimated water sales for Year 2 and 3 can now be determined by multiplying line 4 by line 1.
- Line 4 This is the average daily residential usage (gallons per day) by a single residential customer. To get this number divide line 3 by line 1. Use Last Year and Current Year to project usage for Year 2 and 3. Usage should be fairly constant.
- Line 5 This is your total residential water sales in dollars. Year 2 and 3 water sales should reflect any increases in rates (i.e. due to inflation). In the SRF column list what the sales would need to be if the SRF project was a 100% loan (to meet all expenses).
- Line 6 To obtain the average annual residential bill, divide line 5 by line 1.
- Line 7 This is the amount of the uncollected residential bills outstanding for the year.
- Line 8 Line 5 minus line 7.
- Line 9 This line is the impact and connection fee for new residential service.
- Line 10 Multiply line 2 by line 9.
- Line 11 Include the actual number of customers for last year and year 1 (current year). The numbers in years 2 and 3 should reflect an estimated number of commercial customers, adjusted for growth. In the SRF column include the expected number of customers based on constructing your SRF project.

- Line 12 This line is a subset of line 11. It should reflect the number of new customers that will be charged an impact or connection fee.
- Line 13 This line is your total volume (gallons) of water used by your commercial accounts.
- Line 14 This is your total commercial water sales in dollars. Year 2 and 3 water sales should reflect any increases in rates (i.e. due to inflation). In the SRF column list what the sales would need to be if the SRF project was a 100% loan (to meet all expenses).
- Line 15 This is the amount of the uncollected residential bills outstanding for the year.
- Line 16 Total revenue collected for commercial accounts (line 14 minus line 15).
- Line 17 This line is the impact and connection fee for new commercial/industrial accounts.
- Line 18 Multiply line 12 by line 17.
- Line 19 Total revenue for bulk water sales to consecutive systems.
- Line 20 Total of line 8+10+16+18+19.

TABLE 2

INCOME, EXPENSES, AND CASH FLOW STATEMENT

Income, Expense, and Cash Flow Statement		Last Yr.2017 (Audited)	Yr. 1 2018 (Unaudited)	Year 2 2019	Year 3 2020	SRF Project 2021
OPERATING REVENUES						
1	Water Rates (Beyond '18, projected 3% growth)	\$1,458,487	\$1,491,935	\$1,535,020	\$1,579,398	\$1,625,107
2	Fire Protection					
3	Fees and Services (Incl. re-connection fees) (Beyond '18, projected 3% growth)	\$142,035	\$218,802	\$225,366	\$232,127	\$239,091
4	Interest Income					
5a	Other – Penalties, after hours calls, and miscellaneous revenue	\$44,065	\$45,244	\$46,601	\$47,999	\$49,439
5b	Other – Transfer fees	\$3,675	\$1,365	\$1,406	\$1,448	\$1,491
6	Total (Lines 1 - 5)	\$1,648,262	\$1,757,346	\$1,808,393	\$1,860,972	\$1,915,129
NON-OPERATING REVENUES						
7	Interest Income					
8	Interfund Transfer					
9	Proceeds from the Sale of Assets (Projected 3% growth)	\$900	\$927	\$955	\$983	\$1,012
10	Leases and Extraction Fees					
11	Construction Grants					
12	Proceeds from Borrowing					
13	Equity Contribution					
14	Other – Escrowed portion of ½ Cent Infrastructure Sales Tax	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000
15	Total (Lines 7 - 14)	\$660,900	\$660,927	\$660,955	\$660,983	\$661,012
OPERATING EXPENSES						
OPERATION AND MAINTENANCE						
16	Salaries (Operators)	\$175,133	\$180,387	\$185,799	\$191,373	\$197,114
17	Benefits	\$67,221	\$69,237	\$71,315	\$73,454	\$75,658
18	Utilities					
19	Chemicals & Treatment					
20	Monitoring	\$9,535	\$9,821	\$10,116	\$10,419	\$10,732
21	Materials, Supplies & Parts	\$108,341	\$103,795	\$106,909	\$110,116	\$113,419
22	Transportation	\$41,709	\$42,960	\$44,249	\$45,576	\$46,943
23	Purchased Water Costs	\$550,032	\$619,232	\$637,809	\$656,943	\$676,651
24	Outside Services –					
25	Other –					
26	Total (Lines 16 – 25)	\$951,971	\$1,025,432	\$1,056,197	\$1,087,881	\$1,120,517

ADMINISTRATIVE						
27	Salaries and Benefits (NOTE – After 2017 the City chose to pay all administrative salaries out of their General Fund; no further admin. salaries billed to the Water Dept.)	\$105,735	-	-	-	-
28	Building Overhead					
29	Office Supplies & Postage (Projected 3% growth)	\$23,965	\$24,684	\$25,424	\$26,187	\$26,973
30	Insurance (Projected 3% growth)	\$73,000	\$75,190	\$77,446	\$79,769	\$82,162
31	Customer Billing & Collection					
32	Accounting and Legal (Projected 3% growth)	\$31,588	\$32,536	\$33,512	\$35,417	\$36,480
33	A/E & Professional Services (Projected 3% growth)	\$11,315	\$11,655	\$12,004	\$13,364	\$13,765
34	Other -	\$291	\$300	\$309	\$319	\$329
35	TOTAL (Lines 27 – 34)	\$245,894	\$144,365	\$148,695	\$155,056	\$159,708
36	Net Operating Income (Line 6 minus 26 minus 35)	\$450,397	\$587,549	\$603,501	\$618,035	\$634,904
NON-OPERATING EXPENSES						
37	Debt-Repayment – Principal and Interest	\$189,452	\$189,452	\$193,618	\$197,784	\$197,784
38	Capital Improvements Acquisition of Plant Equipment					
39	Interfund Transfers (Fixed annual amount)	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000
40	To General Fund (Projected 3% growth)	\$73,239	\$75,436	\$77,699	\$80,030	\$82,431
41	To Replacement Fund					
42	To Emergency Fund					
43	Depreciation Expenses (If money is set aside)					
44	Other -					
45	TOTAL (Lines 37 + 44)	\$189,452	\$189,452	\$193,618	\$197,784	\$197,784
46	Net Non-Operating Income (Line 15 minus Line 45)	\$471,448	\$471,475	\$467,337	\$463,199	\$463,228
47	Net Income Before Taxes (Lines 36 + 46)	\$921,845	\$1,059,024	\$1,070,838	\$1,081,234	\$1,098,132
TAXES (N/A for publicly owned systems)						
48	Income Taxes					
49	Other Taxes					
50	TOTAL (Lines 48 + 49)					
51	Net Income After Taxes (Line 47 minus 50)					

Instructions for Completing Table 2

Identify the source of the above information and explain methods used to develop the projections (Attachment #3). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.

REVENUES- Revenues include all sources of income to the system. They are separated on this form as: "Operating", lines 1-6 and "Non-Operating", lines 7-15. When using the subcategory "other" under any item, please write a descriptive term.

EXPENSES- Expenses include all those activities or purchases which incur cost for the system. Expenses can be estimated in various ways. One method bases the projections on historical expense. This can be accomplished by using historical costs and escalating them from known and projected changes. An example of a known change would be an increase in labor costs for the budget period due to known or anticipated salary increases. An example of a projected increase or escalation in costs would be a 5% annual inflation rate. Materials and Supplies expense, for instance, would be expected to increase with the projected inflation rate. Expenses are separated on this form in the same fashion as Revenues with further subtopics to more clearly define expenses. When using the subcategory "other" under any item please write a descriptive term and cross out the word "other". Expenses are separated on this form as "Operating", lines 16-26, "Administrative", lines 27-35, "Non-Operating", lines 37-45, and "Taxes" lines 48-50.

Lines 1 This line includes all money received for supplying water service. Information should come from completed Attachment 1.

Line 2 If a separate fee is charged for fire protection include on this line.

Line 3 Include all miscellaneous fees and charges generated by providing water service other than for the actual water service (for example, connection fees, bad check fees, reconnect fees, meter testing fees, etc.).

Line 4 Interest earned from cash on hand or on fees financed by the utility.

Line 5 If used, please describe.

Non-operating revenues are funds generated outside the water system and used by the water system to cover expenses.

Lines 7-15 Items should be clear, modify topics if needed.

Lines 16-17 Salaries and Benefits (Operators), include all compensation to employees of your system when the work is related to the system's O&M. This account should not include compensation of officers, directors, or general and administrative staff. Volunteer labor cannot be applied.

Line 18 Utilities, includes the cost of all electric power, gas, telephone, water (at least account for what is being used at the plant), and any other system-related expenses incurred in producing and delivering water.

- Line 19 Chemicals and treatment is intended to cover the cost of all chemicals used in the treatment of your water.
- Line 20 Monitoring, includes all water monitoring costs incurred by the system. This should include both in-house monitoring and analysis costs as well as outside laboratory costs.
- Line 21 Materials, supplies, and parts means all materials and supplies used in the O&M of the water system and in providing and delivering the water to the customer. Include any repairs or parts needed in producing and delivering water. This would include grease, oil, and minor repairs to equipment. This should not include materials for administrative purposes such as postage, copying or copy machine supplies, billing forms, or letterhead.
- Line 22 Transportation is intended to include all expenses related to trucks, automobiles, construction equipment, and other vehicle expense used in producing and delivering water to the customer.
- Line 23 Include the cost of purchasing water. Use only if a consecutive system.

Administration expenses are considered overhead but not those directly related to O&M of the daily production and delivery of water to the customer. This category includes billing and administrative costs incurred by the system. For example, all meter reading costs, secretarial costs, postage, publications, reference materials, uncollectible debts insurance accounting services, and all other overhead items belong in this subsection.

- Lines 27 Salaries and Benefits include all compensation to employees of your system in which the work is related to the administration of the system, such as officers, directors, secretarial, and meter reading salaries and benefits. This account should not include compensation of operators. If an employee performs both operation and meter reading a percentage of their salary should appear under the appropriate topic. For example, if an operator reads meters 25% of the time, $\frac{3}{4}$ of their salary should be shown on line 16 and $\frac{1}{4}$ of their salary on line 27.
- Line 28 Overhead associated with the building itself such as, mortgage payment, insurance, taxes, maintenance, etc.
- Line 29 Office supplies and postage includes all materials and supplies in administration of the water system. This includes office supplies, postage, copier charges, and paper.
- Line 30 Insurance (Vehicles, Liability, Workers' Compensation) includes all insurance costs associated with the coverage for the vehicles, general liability, workers' compensation insurance, and other insurance costs related to the operation and administration of the system.
- Line 31 Customer billing and collection should include all expenses specific to this function such as, special billing forms or software.
- Lines 32 Accounting and legal expenses includes all salaries and wages with legal and accounting functions for the system even if they are outside services.

Line 33 A/E and professional services means all engineering and other professional services expenses associated with water system planning and design requirements.

Line 34 Other means expenses such as employee training and water certification requirements (classes, registration fees, travel, etc.), public relations campaigns and public notifications, etc. Also include any recurring expenses that did not fit into any of the above line items.

Non-operating expenses are ones that are necessary and paid by the water system, but are not part of daily O&M or Administration of the system. Debt Repayment and Capital Improvements are typical items that may appear on this type of analysis.

Lines 37-42 Expenses that are involved in operating or administering the water system that were not considered in the totals appearing on lines 26 and 35 should be shown in these items, modify if necessary.

Line 38 Capital improvements include facility and non-facility costs related to: 1) Meeting growth requirements or improving your system's infrastructure to provide better service and reliability to existing customers, 2) replacing or renovating existing facilities, or 3) to ensure compliance with drinking water regulations.

Line 39-42 Identify any transfer of funds used to offsets other non-water system related capital expenditures. These lines represent some possible categories, modify if needed.

Line 43 Depreciation expense only applies to systems which are currently depreciating investments made in the past (recovery of previously invested funds). Include amounts on this line only if money is actually set aside.

Line 44 Include any recurring non-operating expenses that did not fit into any of the above line items.

Taxes can be incurred in a variety of ways such as a state utility tax, business and occupation tax, property tax or federal income tax. Each of these taxes can be accounted for separately within the operating budget, modify if necessary.

Lines 48-49 Include any incurred taxes.

Table 3
SCHEDULE OF PRIOR, PARITY, AND PROJECTED LIENS

List annual debt service beginning two years before the anticipated loan agreement date and continuing at least fifteen fiscal years. Include all existing and projected liens on the system. Use additional pages as necessary.

Identify Each Obligation		Coverage	Insured?
#1	DW 030801	15%	Yes
#2	DW 030510	15%	Yes
#3	WW 030501	15%	Yes
#4			
#5			

Annual Debt Service (Principal Plus Interest)

Fiscal Year	#1	#2	#3	#4	#5	Total Debt Service	Total Debt Service Incl. Coverage
2016	\$189,452					\$189,452	\$217,870
2017	\$189,452					\$189,452	\$217,870
2018	\$189,452					\$189,452	\$217,870
2019	\$189,452	\$4,166	\$52,093			\$245,711	\$282,568
2020	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2021	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2022	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2023	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2024	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2025	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2026	\$189,452	\$8,332	\$104,186			\$301,970	\$347,266
2027	\$94,726	\$8,332	\$104,186			\$207,244	\$238,331
2028		\$8,178	\$104,186			\$112,364	\$129,219
2029			\$104,186			\$104,186	\$119,814
2030			\$104,186			\$104,186	\$119,814
2031			\$104,186			\$104,186	\$119,814
2032			\$104,186			\$104,186	\$119,814
2033			\$104,186			\$104,186	\$119,814
2034			\$104,186			\$104,186	\$119,814
2035			\$104,186			\$104,186	\$119,814
2036			\$104,186			\$104,186	\$119,814
2037			\$104,186			\$104,186	\$119,814
2038			\$104,186			\$104,186	\$119,814
2039			\$52,093			\$52,093	\$59,907
2040							

**SCHEDULE OF PRIOR, PARITY, OR PROJECTED REVENUES AND DEBT
COVERAGE FOR RATE-BASED SYSTEM PLEDGED REVENUE**

(Provide information beginning with the two fiscal years preceding the anticipated date of the first SRF loan repayment.)

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
(a) Net Operating Revenues. (Table 2 line 36)	\$450,397	\$587,549	\$603,501	\$618,035	\$634,904
NOTE: Non-Operating Revenue Escrowed for Loan Repayment (Table 2, Line 14)	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000
(b) Debt Service (including required coverage) pledged to all prior, parity, or projected projects (last column of Table 3).	\$217,870	\$217,870	\$282,568	\$347,266	\$347,266
(c) Net Revenue (= a – b)	\$892,527	\$1,029,679	\$1,010,840	\$1,050,583	\$1,047,452

- (d) Attach audited annual financial report(s), or pages thereof, and any other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF loan. (*Attachment #4, the City's 2017 Audit on which this Business Plan is based. Subsequent to the drafting of this plan the City's 2018 Audit was completed and is attached as Attachment 5.*)
- (e) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). (*Attachment # _____*)
- (f) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. (*Attachment # _____*)
- (k) Identify the source of the above information and explain methods used to develop the projections (*RESPONSE: The sources of the above information is Tables 2 and 3*). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.

LIST OF ATTACHMENTS (use additional sheets if necessary)

Attachment	Number
<u>Water Users Charge Ordinance</u>	<u>1</u>
<u>Development of Table 1 Content</u>	<u>2</u>
<u>Development of Table 2 Content</u>	<u>3</u>
<u>2017 Audited Annual Financial Report</u>	<u>4</u>
<u>2018 Audited Annual Financial Report</u>	<u>5</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

TECHNICAL: Accurate answers to the following questions will help identify the technical strengths as well as areas that may need improving within your system. If a question or section does not apply to your system, please write N/A for not applicable. For questions that ask you to rate your system from 1 to 5, answer 1 for worst case scenario and answer 5 for the best case scenario.

- System has current and accurate data showing average and peak gpd used Yes No
- System's capacity exceeds peak demand by more than 20% (Percentage - %) Yes No
- System can meet peak demand without pumping at peak capacity for extended periods. Yes No
- System has an emergency plan in place to meet system demand during a shortage (natural disaster or largest pump/well out, etc.) Yes, for Bay County Yes No
- System has accurate records indicating types and percentage of customers use: Residential ____% Commercial ____% Industrial ____% Dedicated Irrigation Meter ____% Yes No
- System has comprehensive water loss program that compares amount of water produced (plant meter) with total delivered through metered and unmetered service connections (system's unaccounted for water is 20.1%) Yes No

Purchase Water Systems NA

System has a written agreement with the supplier that:

- ensures adequate supply of water during shortage conditions, Yes No
- does not require the purchase of a minimum amount of water (water is supplied through a meter), Yes No
- assures supplying water system will remain in compliance with the appropriate State or federal regulations, and Yes No
- assures purchasing system will be notified of any water quality issues. Yes No

Surface Water Systems and Systems Using Ground Water Under the Influence of Surface Water NA

- System has redundancy for all critical treatment components 1 2 3 4 5
- System monitors raw, settled, and individual filtered water turbidity 1 2 3 4 5
- System consistently (95% of the time) has a filtered water turbidity of ____%, which is within the current standard of .3 NTU 1 2 3 4 5
- System has the capability to add coagulant before the filter and disinfect at various points in the treatment process 1 2 3 4 5
- System is evaluating (or has evaluated) changes necessary to meet the Enhanced Surface Water Treatment Rule 1 2 3 4 5
Some needed changes are: _____
- System is evaluating (or has evaluated) changes needed to meet requirements in the Disinfection By Products Rule 1 2 3 4 5
Some planned modifications are: _____

Ground Water System NA

- A minimum of two sources of groundwater are provided Yes No
- Source water protection area provides a minimum 500 foot radius around each drinking water well Yes No
- Groundwater source capacity equals or exceeds the design maximum day demand and equals or exceeds the design average day demand with the largest producing well out of service Yes No
- System monitors raw water quality to determine appropriate treatment 1 2 3 4 5

- System's well(s) have; air/vacuum relief valve, check valve, blow-off, by-pass, meter, working sanitary seal, construction/maintenance records and are properly vented 1 2 3 4 5
- System routinely monitors drawdown 1 2 3 4 5

Disinfection NA – City purchases treated water from Bay County which is responsible for disinfection.

- System has adequate contact time of _____ minutes following disinfection and before the first user in the distribution system Yes No
- Disinfection equipment is regularly inspected and maintained Yes No
- A chlorine residual is maintained throughout the distribution system 1 2 3 4 5

Distribution System

- System has accurate information, including age, for pipe materials that currently make up the distribution system Yes No
- Water mains providing fire protection are a minimum of 6-inches in diameter Yes No
- System is free of severe “water hammer” problems Yes No
- System tracks ranges of operating pressure, especially during peak demand Yes No
- System maintains a minimum operating pressure of 20 psi Yes No
- Normal operating pressure is kept between 40 and 100 psi Yes No
- System has a routine leak detection program that uses (type of equipment)_____, repairs identified leaks quickly, and keeps water loss in the distribution system below ____%. Average number of leak repairs per year is _____ Yes No
- System has a cross connection control program in place that addresses: evaluation of each service connection, installation of specified backflow preventer, training, record keeping, annual testing, and education Yes No
- System is working to eliminate dead ends in the mains Yes No
- System has a flushing program that operates 2 times a year Yes No
- System has a map showing the bacteriological, lead and copper, and TTHM (if applicable) sampling points Yes No
- System has accurate “as-built” maps of the distribution system posted that show: location of sources (or intakes), size of mains, dead end mains, valves, curb stops on service lines, and proximity of mains to other utilities (gas, electric, etc.) Yes No
- System has a routine valve exercise program Yes No
- All customers are metered and all meters are routinely calibrated Yes No
- Customer complaints are relatively infrequent Yes No
List number of complaints in the past year: unknown.

Pumping NA – Pumping provided by supplier Bay County

- System has a pump maintenance program that includes annual inspection, scheduling of repair, and routine maintenance that is conducted by a qualified contractor Yes No
- System has standby or emergency power equipment that is routinely tested under load and can provide 100% of the average daily demand for _____ days Yes No

Storage NA – Storage provided by supplier Bay County

- System is able to meet peak demand without the high service pumps running at peak capacity for extended period Yes No
- System has adequate reserve capacity for fire protection. Total storage capacity of the system is _____ gals Yes No
- System's _____ storage tanks receive routine inspection (every 3-5 years) to determine and schedule any needed maintenance Yes No

- All storage tanks are equipped with an altitude valve to prevent overflowing and are sized appropriately to ensure adequate turnover and no loss of water quality
- Storage tanks are covered and the surrounding areas are fenced
- Storage tanks have a drain valve and an entry hatch to allow access for cleaning and painting of the interior of the tank

Yes No

Yes No

Yes No

NA MANAGERIAL:

Answering the

next set of question will help the system clearly define responsible parties, staffing needs, operational needs, policies, and internal standard that guide system performance. For questions that ask you to rate your system from 1 to 5, answer 1 for worst case scenario and answer 5 for the best-case scenario.

- System has a current organizational chart and accompanying position descriptions that clearly define responsibilities of staff members NA, City does not have Yes No
- The plant is a category _____ plant operating _____ hours per day. a plant.

List names, class, and license numbers for all operators fulfilling staffing requirements:
 As a result of Hurricane Michael, Springfield lost its licensed operator and five employees who had completed training and were waiting to take the exam. In the months subsequent to the hurricane, staff were overwhelmed with recovery and repair efforts; now that there is some level of normalcy, two employees are licensed and several other employees are waiting to take the classroom training when it is next available. The licensed employees are both Class 3: Miles Grice, #0026269 Exp 4/30/21 and Keenan Martin License # 25655 Exp 4/30/21.

- System is satisfied with service provided by contract operator(s) NA 1 2 3 4 5
- The operator’s authority and responsibilities are clearly defined NA 1 2 3 4 5

Policies and Plans: Please indicate with a check mark the items for which the water system has written policies or plans.

- | | | |
|---|--|---|
| <input type="checkbox"/> standard specifications | <input checked="" type="checkbox"/> connection policies | <input type="checkbox"/> main extension policies |
| <input checked="" type="checkbox"/> bacteriological sampling plan | <input checked="" type="checkbox"/> emergency operation plan | <input checked="" type="checkbox"/> Lead & Copper sample plan |
| <input type="checkbox"/> cross connection control plan | <input checked="" type="checkbox"/> record management plan | <input checked="" type="checkbox"/> TTHM |
| <input type="checkbox"/> general rules | <input checked="" type="checkbox"/> disconnection policy | <input type="checkbox"/> public education & outreach |
| <input type="checkbox"/> disaster response plan | <input checked="" type="checkbox"/> personnel policy | <input type="checkbox"/> Safety/Risk Management Policy |

- Based on the answers above the system has: clear organizational structure, defined staffing requirements, and appropriate rules/policies Yes No

NOTE: As noted above, the City of Springfield purchases its treated water wholesale from Bay County and has only its distribution system; they have no wells, plant, pumps, or O&M manuals for such. Because of that, earlier draft submittals of this plan did not include responses to any of the remaining questions since they are specific to a O&M manuals. Recognizing that this does not present an accurate picture of the City’s O&M activities and preparedness, responses are now provided to the many items below that are applicable to its distribution system; those that are not applicable are marked NA.

Operations and Maintenance: The items that follow are elements that may be contained in a thorough Operations and Maintenance (O&M) manual. A complete O&M manual is useful as a quick reference for anything from trouble shooting to emergency procedures. Please indicate with a check mark those items contained in the system’s O&M manual.

Introduction and Overview

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> System name | <input checked="" type="checkbox"/> System ID# | <input checked="" type="checkbox"/> location |
| <input checked="" type="checkbox"/> design flow capacity | NA <input type="checkbox"/> type of treatment | NA <input type="checkbox"/> water source |
| <input checked="" type="checkbox"/> available training | <input checked="" type="checkbox"/> publications available | |
| NA <input type="checkbox"/> Statement of the purpose of the manual and relay to the operator how to best obtain pertinent information | | |
| <input checked="" type="checkbox"/> organizational chart (note which activities require qualified and licensed/certified personnel) | | |

General System Description

- a flow schematic (source to distribution)
- NA pumping capabilities (source, chemicals, and high service)

- NA storage (raw, finished water, and chemicals)
- system map showing location of all wells, intake structures, pumping stations, storage tanks, and the defined service area

System Operation and Control

- NA identification of major system components including a description of the normal operation of each component
- NA possible alternative operation modes and circumstances under which they would be used
- NA schematic diagrams of each treatment process
- preventative maintenance program (include inspections performed when the facility is off-line)
- NA common operating problems with methods of bypassing while being repaired
- NA importance of and how to use laboratory tests for process control
- NA routine system operation for each major system component this should include startup and shutdown procedures, safety procedures, and meter reading
- NA evaluation of overall system performance

Laboratory Testing

- identification of samples and tests needed for compliance as well as for process control.
- sampling locations, time, and methods
- how to interpret laboratory results and the use of these results to improve the process
- NA what should be in laboratory supply and chemicals inventory
- list of laboratory references;
- instructions for filling out worksheets for a sample (include completed example)
- NA for tests to be performed by outside laboratories, the name of the laboratory, contact person, telephone number, and method of requesting sample pick-up or schedule for sample pick-up

Records and Reports Section

- a general explanation of the purpose and importance of accurate records and reports
- a log of complaints and responses
- daily logs, maintenance records, laboratory records, monthly reports, monitoring reports, sanitary surveys, annual reports, operating cost reports, and accident reports.
- historical records (permits, standards, pumping capacity, consumption, and drawdown)
- list of equipment warranties and provisions
- specific area for filing records
- procedures for reporting to appropriate agencies (specify how long records should be kept)

Maintenance

- general information including purpose and value of scheduled and preventative maintenance
- preventative maintenance schedule and sample worksheets with instructions
- NA specifications for fuels, lubricants, filters, etc. for equipment
- NA troubleshooting charts or guides which reference pages in manufacturers' O&M manual or system's O&M manual as appropriate
- NA a record of data plate information on each piece of equipment maintained, this should include manufacturers' maintenance schedule for routine adjustments
- a work order system for maintenance of equipment with sample forms to accurately track O&M costs for each piece of equipment
- NA brief operation instructions for each piece of equipment with reference to the manufacturers' technical specifications for major system components
- NA a mechanism for storage and check out of specialized equipment used infrequently
- list of outside contract maintenance tasks
- contact person and phone numbers for equipment manufacturers, major suppliers, and all utilities serving the system
- NA list of special tools used and how to replace
- stocks of spare parts, supplies, chemicals and other items vital to system operation

- a system of requisitions and/or work orders used to distribute parts, supplies, chemicals, etc. for reorder purposes

Emergency Response Program

- NA pre-response activity such as; personnel assignments, emergency equipment inventory, filling a storage tank before a storm hits, copies of all emergency numbers. Laminated copy of phone numbers to keep readily accessible should include water system personnel responsible for making decisions in specific situations; including name, job title, home and work phone number (pager/cell phone number if available), police, fire departments, and for chemical spills or exposure CHEMTECH 800-424-9300.
- safety procedures for all personnel involved in the response
- NA a contingency plan to ensure proper treatment of water even in adverse conditions which may include agreements with nearby water systems for equipment or personnel
- procedures for putting standby and emergency sources into active service
- procedures for notifying customers, the local health jurisdiction, and EPA of water quality problems
- systematic procedure for returning to normal operation

NA Appendix

The appendix can contain documents and other information that cannot be easily incorporated into the body of the manual. Large documents such as copies of plans and specifications may be stored separately from the main manual. The following list has examples of items that might be included in appendices. Please check all that apply to your O&M Manual.

- | | | |
|---|---|--|
| <input type="checkbox"/> Detailed design criteria | <input type="checkbox"/> User Charge System | <input type="checkbox"/> Approved shop drawings |
| <input type="checkbox"/> Schematics | <input type="checkbox"/> Piping color codes | <input type="checkbox"/> Valve indices or schedule |
| <input type="checkbox"/> As-built drawings | <input type="checkbox"/> Drinking water rules/Ordinance | <input type="checkbox"/> Manufacturers' manuals |

- NA Based on the answers above please rate the system's current O&M Manual. Yes No

The last set of questions is designed to help you evaluate the systems' source(s). Please read the item then circle the number from 1 (needs improving) to 5 (top notch) that you feel best describes your systems' current status relative to that item or check boxes as appropriate.

- NA System has an active Source Water Assessment Program 1 2 3 4 5

NA For Ground Water Systems:

- System has accurate historical information (like well driller's log and construction records) for each well 1 2 3 4 5
 - Well(s) have the "zone of contribution" identified on a map 1 2 3 4 5
 - No storage of potential contaminants in close proximity of well(s) 1 2 3 4 5
 - Well(s) are housed and fenced and have an appropriate concrete pad 1 2 3 4 5
 - Well casing(s) extend at least 12" above floor or ground 1 2 3 4 5
- Name of aquifer is known: Yes No
- Aquifer is: _____ Confined Unconfined

NA For Surface Water Systems:

- Commercial, industrial, or agricultural operations up stream are identified 1 2 3 4 5
- System has provided a contact to these facilities in case of an accidental release 1 2 3 4 5
- System performs up stream monitoring 1 2 3 4 5
- System has a raw water reservoir of _____ gallons that acts as a buffer 1 2 3 4 5

Overall:

- System has adequate knowledge and program activity to protect and ensure an adequate supply of drinking water 10 years into the future 1 2 3 4 (5)
(Under contract)

CERTIFICATION: I, the undersigned authorized representative of the applicant, hereby certify that all information contained in this form and attachments is true, correct, and complete to the best of my knowledge and belief. I also certify that I have been duly authorized to file the business plan and to provide these assurances.

Signature of Authorized Representative: _____

Name (Please Print) Beth Strobel

Title Finance Director

Address 408 School Ave.

City Springfield State FL Zip 32401

Phone 850-872-7570 Fax _____

ATTACHMENT 1

CITY OF SPRINGFIELD, FLORIDA

RESOLUTION NO.: 13-10

A RESOLUTION OF THE CITY OF SPRINGFIELD, FLORIDA, IN BAY COUNTY, FLORIDA ESTABLISHING WATER AND SEWER SERVICE RATES AND PROCEDURES FOR RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND BULK SERVICE; PROVIDING FOR UTILITY DEPOSITS AND ACCOUNT CHARGES; PROVIDING FOR DEPOSIT REFUNDS, TRANSFERS AND ACCOUNT NAME CHANGES; PROVIDING FOR CONNECTION AND RECONNECTION FEES; PROVIDING FOR DISHONORED INSTRUMENTS; REPEALING ALL RESOLUTIONS OR PARTS THEREOF WHICH ARE IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SPRINGFIELD, FLORIDA:

SECTION 1. WATER RATES.

Those rates for water service to residential, commercial, and industrial users required by Sections 82-37 and 82-67 of the Code of Ordinances of the City of Springfield shall be as follows:

- A. The monthly base charge, independent of water volume consumed, shall be \$8.07
- B. The consumption charge called for in Section 82-67 shall be based on the metered volume of water and shall be charged \$3.81 per one thousand gallons or any portion thereof.
- C. The monthly bill for water service called for by Section 82-67 of the Code of Ordinances shall be the sum of the base charge and the consumption charge applied to all metered water.
- D. *Users outside the City:* Any user outside the corporate limits of the City, in addition to those base rates and charges as may be set by

the Commission, shall be charged a 25% surcharge, as allowed by general law.

- E. *Annual Rate Increase:* All rates listed in this section (WATER RATES) shall automatically be subject to an inflationary adjustment of 3% above the annual wholesale water rate adjustment imposed on the City by Bay County. This adjustment shall be effective on October 1 of each year hereafter. This adjustment shall be in addition to any other rate adjustments which may be approved by the City as provided by law.

SECTION 2. SEWER RATES.

Those rates for sewer service to residential, commercial, and industrial users required by Sections 82-241 of the Code of Ordinances of the City of Springfield shall be as follows:

- A. The monthly base charge, independent of sewer volume consumed, shall be \$23.25
- B. That consumption charge called for in Section 82-241 shall be based on the metered volume of sewer and shall be charged \$8.02 per one thousand gallons or any portion thereof.
- C. The monthly bill for sewer service called for by Section 82-241 of the Code of Ordinances shall be the sum of the base charge and the consumption charge applied to all metered water.
- D. *Users outside the City:* Any user outside the corporate limits of the City, in addition to those base rates and charges as may be set by the Commission, shall be charged a 25% surcharge, as allowed by general law.
- E. *Sewer Only Customers:* The monthly charge for "sewer only" customers shall include a base charge and a consumption charge with a monthly use per account of 5,000 gallons and shall be \$70.81
- F. *Annual Rate Increase:* All rates listed in this section (SEWER RATES) shall automatically be subject to an inflationary adjustment of 3%

above the annual wholesale water rate adjustment imposed on the City by Bay County. This adjustment shall be effective on October 1 of each year hereafter. This adjustment shall be in addition to any other rate adjustments which may be approved by the City as provided by law.

SECTION 3. UTILITY SERVICE RECONNECTIONS.

- A. In the event service to an existing utility account is disconnected by the City for failure to timely pay for services, the customer must render a reconnection charge to the City according to this Resolution prior to reconnection. No additional charge will be required for any account whose services are disconnected provided they have not been disconnected in the past 24 months for non-payment. If utility service to a customer is discontinued, such service shall not be reconnected until all past due charges for each of the customers' accounts, including penalties, have been fully paid, together with the required reconnection charge. Accounts with balances of \$5.00 or less will not be subject to disconnection.

Reconnection charges for water and sewer accounts shall be \$15.00 is such reconnection is made between the hours of 8:00 a.m. and 3:00 p.m., Monday through Friday; and \$35.00 is reconnection is made after hours at the request of the customer.

- B. In the event a meter is required to be pulled or serviced due to tampering, illegal reconnection after disconnection, or for any other reason caused by the customer, the customer will be charged the following fees:

i.	First offense	\$75.00
ii.	Second offense	\$150.00
iii.	Third offense	\$250.00

This fee shall be in addition to the established reconnection fee.

- C. In the event water service cannot be left on due to water running at the premises at the time of attempted reconnection, an additional \$15.00 service charge between the hours of 8:00 a.m. and 3:00 p.m. (\$35.00 after hours) will be required prior to a second call to that

address. A door knocker will notify the customer why reconnection could not be accomplished.

- D. *Sewer Only Services.* Reconnection charges for "sewer only" accounts shall be \$200.00 and such reconnection shall be made between the hours of 8:00 a.m. and 3:00 p.m., Monday through Friday.

SECTION 4. NEW UTILITY SERVICES.

In addition to compliance with the rules, regulations and procedures set by the City for the establishment of new utility accounts, each new customer shall be charged a non-refundable account set-up service charge of \$15.00. This service charge shall be made in addition to the deposit required by the City.

SECTION 5. AUTHORIZATION AND REPEALER.

This Resolution is adopted pursuant to Sections 82-37, 82-67, 82-241 of the Code of Ordinances of the City of Springfield authorizing the amendment of charges and fees by resolution by the City Commission. Those portions of Sections 82-37, 82-67, 82-241 contained in this Resolution which do not specify charges and fees are neither modified nor re-adopted by this Resolution and are included herein for convenient reference only. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6. CODIFICATION.

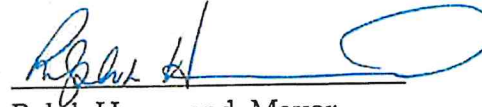
The appropriate officers and agents of the City are authorized and directed to codify, include and publish the provisions of this Resolution with the City of Springfield Code. Section numbers may be assigned and changed whenever necessary or convenient.

SECTION 7. EFFECTIVE DATE.

This resolution shall take effect as to allow the increase to be collected on the utility bills due in November, 2013.

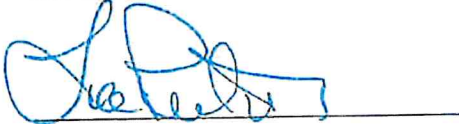
PASSED, APPROVED AND ADOPTED by the City Commission of the City of Springfield, Bay County, Florida this 4th day of November, 2013.

CITY OF SPRINGFIELD



Ralph Hammond, Mayor

ATTEST:



Lee Penton, City Clerk

Utility Billing Rates effective Oct 1, 2018

Increase of 0% to water base and per gallon charges

Increase of 3% to sewer base and per gallon charges

Increase of 3% to Sanitation

Water:

			<u>Senior</u>
Base	\$ 8.69	in City	\$ 7.36
	\$ 10.88	outside of City	\$ 9.25
Per 1,000 gallons	\$ 4.11	in City	\$ 3.49
	\$ 5.13	outside of City	\$ 4.36

Sewer:

Base	\$ 28.13	in City
	\$ 35.15	outside of City
Per 1,000 gallons	\$ 9.85	in City
	\$ 12.12	outside of City

Sanitation

\$ 26.00	in City	\$ 23.00
\$ 33.00	outside of City	\$ 30.00

ATTACHMENT 2

DEVELOPMENT OF TABLE 1 CONTENT

The content of Table 1 was received from City of Springfield Finances Director Beth Strobel.

The information for Fiscal Years 2017 and 2018 was taken from their Audited Annual Financial Reports. For years beyond 2018 values are projected based on a 3% growth rate or escalation factor. (See notes in the text column of the various rows.)

The City has only a very few commercial water users and no industrial water users. Since the few commercial users' water purchases are comparable in volume to a residential user, the City does not keep separate records for residential, commercial, and industrial users; all users are accounted for in the residential section of Table 1.

The Number of New Residential Service Connections for 2017 and 2018 were both 25, therefore the projections for subsequent years was projected to be the same.

The Annual Residential Water Sales is for water sales only and does not include any other fees or collections.

The Annual Residential Bill Amount Uncollected is an approximation for 2017 and subsequent years are escalated at 3% per year.

The Impact and Connection Fees per Residential Service has not changed in several years and is assumed to remain unchanged at \$2,230.

ATTACHMENT 3

DEVELOPMENT OF TABLE 2 CONTENT

The content of Table 2 was received from City of Springfield Finance Director Beth Strobel.

The information for Fiscal Years 2017 and 2018 was taken from their Audited Annual Financial Reports. For years beyond 2018 values are projected based on a 3% growth rate or escalation factor. (See notes in the text column of the various rows.)

ATTACHMENT 4

City of Springfield, Florida

Financial Statements

September 30, 2017



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City of Springfield, Florida
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September 30, 2017

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Florida (City), as of and for the year ended September 30, 2017, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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

Basis for Disclaimer of Opinion

The City was not able to provide sufficient support for the balances of the proprietary fund accounts receivable, allowance for doubtful accounts, accounts payable, or customer deposit liability. The City was not able to provide documentation supporting various receipts and disbursements, capital asset deletions, and journal entries made throughout the year. Due to the lack of timely monthly reconciliations of the pooled cash account and interfund balances during the year, the City was unable to provide sufficient evidence that the bank activity for the year was appropriately recorded, affecting all funds. As a result, revenues and expenditures/expenses, as well as year-end balances, could not be sufficiently substantiated. The City's records are not sufficient to allow the application of compensating auditing procedures.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10, the schedule of funding progress for the retirees' health insurance other postemployment benefits plan on page 57, the schedule of employer contributions for the retirees' health insurance other postemployment benefits plan on page 57, the schedule of the City's proportionate share of the net pension liability – Florida Retirement System on page 58, the schedule of the City's contributions – Florida Retirement System on page 59, the schedule of the City's proportionate share of the net pension liability – Health Insurance Subsidy Program on page 60, and the schedule of the City's contributions – Health Insurance Subsidy Program on page 61, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the schedule of expenditures of federal awards.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, 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 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.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
December 21, 2018

Management's Discussion and Analysis

Management's Discussion and Analysis

Management's discussion and analysis provide an easily readable analysis of the City's financial activities. The analysis provides summary financial information for the City and should be read in conjunction with the City's financial statements.

Financial Highlights

- Total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources by \$10,542,189 (net position). Of this amount, \$(8,748,214) is a deficit in unrestricted net position for governmental activities and \$6,008,404 is unrestricted net position for business-type activities, while \$1,380,592 is restricted net position for business-type activities and \$26,570 is restricted net position for governmental activities.
- Total net position increased by \$1,546,473. Of this amount, a decrease of \$600,372 is attributable to governmental activities, and an increase of \$2,146,845 is attributable to business-type activities.
- As of September 30, 2017, the general fund's unassigned fund deficit was \$(3,005,098).
- Governmental activities' revenues increased by \$454,442 or 10%, while governmental activities' expenses increased 9% or \$470,952. Business-type activities' revenues increased by \$436,384 or 6%, while business-type activities' expenses increased 1% or \$82,508.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to basic financial statements*. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. The *fund financial statements* present financial information for the City's major funds. The *notes to basic financial statements* provide additional information concerning the City's finances that are not otherwise disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

The *government-wide financial statements* include the *statement of net position* and *statement of activities*. These statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities, as well as the change in net position. Governmental activities are primarily supported by gross receipts taxes, utility taxes and franchise fees, and state shared revenues, while business-type activities are supported by charges to the users of activities, such as water, sewer, and sanitation charges.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City, with the difference between them reported as *net position*. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are reported separately for governmental activities and business-type activities. Increases or

decreases in net position over time may serve as a useful indicator of the City's improving or declining financial position.

The *statement of activities* presents information on all revenues and expenses of the City and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees and earned, but unused vacation/sick leave).

Expenses are reported by major function, along with program revenues relating to those functions, providing the net cost of all functions provided by the City. In order to better understand the City's operations, governmental activities expenses include among others, general government services, public safety, highways and streets, maintenance, and culture and recreation. Business-type activities expenses, which are mostly financed by user fees and charges, include water, sewer and sanitation services.

The government-wide financial statements include the City (known as the *primary government*) and the Springfield Community Redevelopment Agency (CRA), a legally separate component unit. The CRA is presented as a blended component unit as the City and the CRA share a governing body.

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 purposes or objectives. Individual funds have been established by the City to account for revenues that are restricted to certain uses, or to comply with legal requirements. The two major categories of funds found in the City's *fund financial statements* include: governmental funds and proprietary funds.

Fund financial statements provide financial information for the City's major funds and more detailed information about the City's activities. Governmental fund financial statements provide information on the *current* assets and liabilities of the funds, changes in *current* financial resources (revenues and expenditures), and *current* available resources. The proprietary funds financial statements provide information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements for all governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The City's general fund includes a statement of revenues, expenditures, and changes in fund balance-budget and actual. For the proprietary funds, a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows are presented.

The *government-wide financial statements* and the *fund financial statements* provide different presentations of the City's financial position. Categorized by governmental activities and business-type activities, the government-wide financial statements provide an overall picture of the City's financial standing. These statements, which are comparable to private-sector companies, provide a good understanding of the City's overall financial health and present the means used to pay for various activities, or functions provided by the City. All assets of the City, including buildings, land, and infrastructure are reported in the statement of net position, as well as all liabilities, including outstanding principal on notes, capital leases, and future employee benefits obligated but not yet paid

by the City. The statement of activities includes depreciation on all long-lived assets of the City, but all transactions between different functions of the City have been eliminated to avoid doubling up the revenues and expenditures. The *fund financial statements* provide a presentation of the City's major funds, along with a column for all nonmajor funds. In the case of governmental funds, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as notes payable and obligations under capital leases, are not included in the fund financial statements. To facilitate a comparison between the *fund financial statements* and the *government-wide financial statements*, a reconciliation is provided.

Notes to basic financial statements provide additional detail concerning the financial activities and financial balances of the City. Additional information about the accounting practices of the City, investments of the City, and long-term debt are just a few of the items included in the notes to basic financial statements.

Financial Analysis of the City

The following schedule provides a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City for the fiscal years ended September 30, 2017 and 2016. A prior period adjustment, which is described in more detail at note 17, was reported in the current year which adjusted balances reported below for September 30, 2016. At the end of the fiscal year 2017, the City is able to report positive balances in all three categories of net position for its business-type activities. However, the City has a deficit balance in the unrestricted net position of governmental activities and for the government as a whole at the end of fiscal years 2017 and 2016.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<i>September 30,</i>						
Current and other assets	\$ 420,487	\$ 170,311	\$ 9,818,517	\$ 8,898,592	\$ 10,239,004	\$ 9,068,903
Capital assets	6,103,599	5,236,373	10,464,834	8,793,980	16,568,433	14,030,353
Total assets	6,524,086	5,406,684	20,283,351	17,692,572	26,807,437	23,099,256
Deferred outflows of resources	1,805,789	1,401,521	247,861	192,365	2,053,650	1,593,886
Current liabilities	3,413,392	2,822,609	1,621,578	1,393,118	5,034,970	4,215,727
Noncurrent liabilities	7,297,324	5,881,402	5,716,573	5,461,490	13,013,897	11,342,892
Total liabilities	10,710,716	8,704,011	7,338,151	6,854,608	18,048,867	15,558,619
Deferred inflows of resources	237,204	121,867	32,827	16,940	270,031	138,807
Net position						
Net investment in capital assets	6,103,599	5,236,373	5,771,238	4,101,570	11,874,837	9,337,943
Restricted	26,570	12,711	1,380,592	1,380,592	1,407,162	1,393,303
Unrestricted	(8,748,214)	(7,266,757)	6,008,404	5,531,227	(2,739,810)	(1,735,530)
Total net position	\$ (2,618,045)	\$ (2,017,673)	\$ 13,160,234	\$ 11,013,389	\$ 10,542,189	\$ 8,995,716

At September 30, 2017, net investment in capital assets (e.g., land, buildings, and equipment), net of any related outstanding debt used to acquire those assets, represents 113% of the City's net position. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. It should be noted, that although the City's investment in its capital assets is reported net of related debt, 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.

The *restricted net position*, representing 13% of the City's net position, is subject to external restrictions, and thus is limited as to how it may be used. The remaining balance of net position is a deficit in *unrestricted net position* (\$2,739,810).

The following schedule provides a summary of the change in net position.

Change in Net Position

Year Ended September 30,	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	\$ 907,765	\$ 885,338	\$ 6,316,883	\$ 6,302,954	\$ 7,224,648	\$ 7,188,292
Operating grants/ contributions	132,523	123,258	-	-	132,523	123,258
Capital grants/ contributions	26,633	13,559	1,362,824	967,993	1,389,457	981,552
General revenues						
Gross receipts						
taxes	3,066,331	2,567,135	-	-	3,066,331	2,567,135
Franchise fees	528,040	644,022	-	-	528,040	644,022
State shared revenues	433,923	394,550	-	-	433,923	394,550
Impact fees	-	-	26,621	28,526	26,621	28,526
Other	10,747	21,243	3,392	5,070	14,139	26,313
Gain on sale of assets	5,673	8,088	35,167	3,960	40,840	12,048
Total revenues	5,111,635	4,657,193	7,744,887	7,308,503	12,856,522	11,965,696
Expenses						
General government	436,118	405,177	-	-	436,118	405,177
Public safety	3,759,288	3,509,016	-	-	3,759,288	3,509,016
Highways and streets	890,387	765,999	-	-	890,387	765,999
Maintenance	179,439	154,057	-	-	179,439	154,057
Culture and recreation	446,600	404,753	-	-	446,600	404,753
Community redevelopment	175	205	-	-	175	205
Interest on long- term debt	-	1,848	-	-	-	1,848
Water	-	-	1,761,710	1,737,177	1,761,710	1,737,177
Sewer	-	-	2,517,771	2,648,552	2,517,771	2,648,552
Sanitation	-	-	1,318,561	1,129,805	1,318,561	1,129,805
Total expenses	5,712,007	5,241,055	5,598,042	5,515,534	11,310,049	10,756,589

Year Ended September 30,	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Change in net position	\$ (600,372)	\$ (583,862)	\$ 2,146,845	\$ 1,792,969	\$ 1,546,473	\$ 1,209,107
Net position - beginning	(2,017,673)	(1,433,811)	11,013,389	9,220,420	8,995,716	7,786,609
Net position - ending	\$ (2,618,045)	\$ (2,017,673)	\$ 13,160,234	\$ 11,013,389	\$ 10,542,189	\$ 8,995,716

For the year ended September 30, 2017, governmental activities' expenses exceeded revenues by 600,372, while business-type activities' revenues exceeded expenses by \$2,146,845. Total revenues increased \$890,826 from the previous year. Total expenses increased \$553,460 from the previous year.

70% of the revenues for governmental activities were generated by gross receipts, franchise and utility taxes. Most of the governmental resources were expended for public safety (66%), highways and streets (16%), general government (8%), and culture and recreation (8%) activities. Charges for services provided 82% of the revenues for business-type activities, while sewer fund consumed 45% of business-type activities expenses.

Financial Analysis of the City's Funds

Governmental Funds

General Fund

The main operating fund of the City is the general fund. As of September 30, 2017, total assets were \$2,692,738 and total liabilities were \$5,630,153. At the end of fiscal year 2017, unassigned fund balance of the general fund was a deficit of (\$3,005,098) while the total fund deficit was (\$2,937,415).

Community Redevelopment Fund

The Community Redevelopment Fund is used by the City to account for the revenues and expenditures of the Springfield Community Redevelopment Agency.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in greater detail. All proprietary funds are reported as major funds.

Unrestricted net position of the proprietary funds at the end of the year are presented below:

September 30,	2017	2016
Water	\$ (898,572)	\$ (588,981)
Sewer	5,795,282	4,966,440
Sanitation	1,111,694	1,274,079
Total	\$ 6,008,404	\$ 5,651,538

The *proprietary funds* are used to account for the operations of the City's utility systems. Refer to the statement of net position – proprietary funds and the statement of revenues, expenses, and changes in net position – proprietary funds for specific numerical data.

Capital Assets Activity

The following schedule provides a summary of the City's capital assets activity. The City's total investment in capital assets for both its governmental and business-type activities as of September 30, 2017, was \$16,568,433 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Capital Assets (net of depreciation)

Additional information on the City's capital assets can be found in note 7 – capital assets, of the notes to basic financial statements.

September 30,	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 921,328	\$ 772,138	\$ 139,900	\$ 90,170	\$ 1,061,228	\$ 862,308
Construction in progress	-	-	3,269,952	1,431,279	3,269,952	1,431,279
Buildings	591,457	527,075	44,024	22,840	635,481	549,915
Improvements/ distribution system	2,429,565	2,517,338	6,498,470	6,831,291	8,928,035	9,348,629
Intangible assets	13,696	26,340	33,693	64,800	47,389	91,140
Machinery and equipment	986,466	735,587	478,795	353,600	1,465,261	1,089,187
Streets	1,161,087	657,895	-	-	1,161,087	657,895
Total	\$ 6,103,599	\$ 5,236,373	\$ 10,464,834	\$ 8,793,980	\$ 16,568,433	\$ 14,030,353

Debt Management

At the end of the current fiscal year, the City had total outstanding debt in the amount of \$4,693,596. This debt amount represents notes payable secured by specified revenue sources.

Outstanding Debt

September 30,	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Notes payable	\$ -	\$ -	\$ 4,693,596	\$ 4,692,410	\$ 4,693,596	\$ 4,692,410

Principal repayments during the year on notes payable totaled \$474,663.

More detail on the City's liabilities is presented in note 8 of the notes to basic financial statements.

General Fund Budgetary Highlights

The general fund actual revenues exceeded final budgeted revenues by \$374,739, which was due to an increase in the actual amount of half-cent sales tax received. The general fund actual expenditures exceeded final budgeted expenditures by \$92,938.

Economic Factors and Next Year's Budget and Rates

Although the national economy has remained stable due to steady fuel prices and an incline in the housing market, long-term demographics continue to make the area attractive. The unemployment rate in the area continued to remain below the national average.

As part of the regular budget monitoring process, the finance department will begin preparing a monthly financial report that the City Clerk and City Commission can use to follow the actual performance of revenue and expenditure estimates. In addition, during the year, an analysis of the budget estimates versus the actual results will be used to monitor compliance with the approved budget. If necessary, the City Commission will consider passing an amended budget resolution.

Contacting the City's Finance Department

This financial report is designed to provide a general overview of the City of Springfield, Florida's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Springfield Finance Department, 3529 East Third Street, Springfield, Florida 32401.

City of Springfield, Florida
Statement of Net Position
September 30, 2017

Primary Government			
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ -	\$ 2,230,913	\$ 2,230,913
Accounts receivable, net	1,452	608,809	610,261
Prepays	50,026	157,390	207,416
Internal balances	(1,453,103)	1,453,103	-
Due from other governments	359,746	85,220	444,966
Due from joint venture	-	368,369	368,369
Restricted assets			
Cash and cash equivalents, customer deposits	-	316,901	316,901
Cash and cash equivalents, impact fees	-	373,630	373,630
Cash and cash equivalents, CRA	9,263	-	9,263
Due from (to) other funds, impact fees	(1,006,962)	1,006,962	-
Investment in joint venture	-	3,217,220	3,217,220
Capital assets			
Nondepreciable	921,328	3,409,852	4,331,180
Depreciable, net	5,182,271	7,054,982	12,237,253
Total assets	4,064,021	20,283,351	24,347,372
Deferred outflows of resources			
Deferred outflows - pension	1,805,789	247,861	2,053,650
Total deferred outflows of resources	1,805,789	247,861	2,053,650
Liabilities			
Current liabilities			
Accounts payable	654,227	443,186	1,097,413
Accrued interest	-	21,853	21,853
Accrued payroll liabilities	225,188	9,366	234,554
Customer deposits	9,509	630,573	640,082
Long-term liabilities			
Due within one year			
Accrued compensated absences	64,403	10,404	74,807
Notes payable	-	506,196	506,196
Due in more than one year			
Notes payable	-	4,187,400	4,187,400
Net pension liability	3,851,699	526,722	4,378,421
Other postemployment benefits	3,445,625	1,002,451	4,448,076
Total liabilities	8,250,651	7,338,151	15,588,802

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Net Position (Continued)
September 30, 2017

Primary Government			
	Governmental Activities	Business-type Activities	Total
Deferred inflows of resources			
Deferred inflows - pension	\$ 237,204	\$ 32,827	\$ 270,031
Total deferred inflows of resources	237,204	32,827	270,031
Net position			
Net investment in capital assets	6,103,599	5,771,238	11,874,837
Restricted	26,570	1,380,592	1,407,162
Unrestricted (deficit)	(8,748,214)	6,008,404	(2,739,810)
Total net position (deficit)	\$ (2,618,045)	\$ 13,160,234	\$ 10,542,189

See accompanying notes

City of Springfield, Florida
Statement of Activities
Year Ended September 30, 2017

Functions/Programs	Program Revenues				Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating		Primary Government			
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 436,118	\$ 78,408	\$ 132,523	\$ 8,356	\$ (216,831)	\$ -	\$ (216,831)	(216,831)
Public safety	3,759,288	487,622	-	-	(3,271,666)	-	(3,271,666)	(3,271,666)
Highways and streets	890,387	-	-	18,277	(872,110)	-	(872,110)	(872,110)
Maintenance	179,439	-	-	-	(179,439)	-	(179,439)	(179,439)
Culture and recreation	446,600	341,735	-	-	(104,865)	-	(104,865)	(104,865)
Community redevelopment	175	-	-	-	(175)	-	(175)	(175)
Total governmental activities	5,712,007	907,765	132,523	26,633	(4,645,086)	-	(4,645,086)	(4,645,086)
Business-type activities								
Water	1,761,710	1,571,586	-	-	-	(190,124)	(190,124)	(190,124)
Sewer	2,517,771	3,581,319	-	1,362,824	-	2,426,372	2,426,372	2,426,372
Sanitation	1,318,561	1,163,978	-	-	-	(154,583)	(154,583)	(154,583)
Total business-type activities	5,598,042	6,316,883	-	1,362,824	-	2,081,665	2,081,665	2,081,665
Total primary government	\$ 11,310,049	\$ 7,224,648	\$ 132,523	\$ 1,389,457	(4,645,086)	2,081,665	(2,563,421)	(2,563,421)

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Activities (Continued)
Year Ended September 30, 2017

Net (Expenses)/Revenues and Changes in Net Position
Primary Government

	Governmental Activities	Business-type Activities	Total
General revenues			
Taxes			
Ad valorem taxes	\$ 676,611	\$ -	\$ 676,611
Utility taxes	633,037	-	633,037
Local option gas tax	175,014	-	175,014
Communications services tax	170,351	-	170,351
Half-cent sales tax	1,383,803	-	1,383,803
Local business tax	27,515	-	27,515
State shared revenues	433,923	-	433,923
Franchise fees	528,040	-	528,040
Impact fees	-	26,621	26,621
Miscellaneous revenues	10,747	3,392	14,139
Gain on sale of assets	5,673	35,167	40,840
Total general revenues	4,044,714	65,180	4,109,894
Change in net position	(600,372)	2,146,845	1,546,473
Net position - beginning of year (as originally stated)	(1,531,556)	11,133,700	9,602,144
Prior period adjustment	(486,117)	(120,311)	(606,428)
Net position - beginning of year (as restated)	(2,017,673)	11,013,389	8,995,716
Net position - end of year	\$ (2,618,045)	\$ 13,160,234	\$ 10,542,189

See accompanying notes

City of Springfield, Florida
Balance Sheet
Governmental Funds
September 30, 2017

	General	Community Redevelopment	Total
Assets			
Accounts receivable, net	\$ 1,452	\$ -	\$ 1,452
Due from other funds	2,281,514	-	2,281,514
Due from other governments	359,746	-	359,746
Prepays	50,026	-	50,026
Restricted assets - cash and cash equivalents	-	9,263	9,263
Total assets	\$ 2,692,738	\$ 9,263	2,702,001
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 654,227	\$ -	654,227
Accruals	225,188	-	225,188
Customer deposits	9,509	-	9,509
Due to other funds	4,741,229	350	4,741,579
Total liabilities	5,630,153	350	5,630,503
Fund balances			
Nonspendable			
Prepays	50,026	-	50,026
Restricted			
Law enforcement education	17,657	-	17,657
Community redevelopment fund	-	8,913	8,913
Unassigned	(3,005,098)	-	(3,005,098)
Total fund balance (deficit)	(2,937,415)	8,913	(2,928,502)
Total liabilities and fund balances	\$ 2,692,738	\$ 9,263	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			6,103,599
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.			(7,361,727)
Deferred outflows and inflows of resources are not financial resources or liabilities and therefore are not reported in the funds.			1,568,585
Net position of governmental activities			\$ (2,618,045)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2017

Revenues	General	Community Redevelopment	Total
Taxes			
Ad valorem taxes	\$ 676,611	\$ -	\$ 676,611
Utility taxes	633,037	-	633,037
Local option gas tax	175,014	-	175,014
Communications services tax	170,351	-	170,351
Half-cent sales tax	1,383,803	-	1,383,803
Local business tax	27,515	-	27,515
Intergovernmental	566,446	-	566,446
Licenses and permits	493,996	-	493,996
Franchise fees	528,040	-	528,040
Charges for services	17,401	-	17,401
Fines and forfeitures	56,156	-	56,156
Rents	341,735	-	341,735
Grants	8,356	-	8,356
Contributions and donations	18,277	-	18,277
Other fees and miscellaneous	43,859	-	43,859
Total revenues	5,140,597	-	5,140,597
Expenditures			
Current			
General government	317,953	-	317,953
Public safety	2,712,363	-	2,712,363
Highways and streets	628,669	-	628,669
Maintenance	135,578	-	135,578
Culture and recreation	349,745	-	349,745
Community redevelopment	-	175	175
Capital outlay			
General government	46,681	-	46,681
Public safety	368,962	-	368,962
Highways and streets	787,146	-	787,146
Maintenance	25,840	-	25,840
Culture and recreation	110,725	-	110,725
Total expenditures	5,483,662	175	5,483,837

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances (Continued)
Governmental Funds
Year Ended September 30, 2017

	General	Community Redevelopment	Total
Net change in fund balances	\$ (343,065)	\$ (175)	\$ (343,240)
Fund balance (deficit) - beginning	(2,594,350)	9,088	(2,585,262)
Fund balance (deficit) - ending	\$ (2,937,415)	\$ 8,913	\$ (2,928,502)

See accompanying notes

City of Springfield, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2017

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - total governmental funds (page 17)	\$ (343,240)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	867,226
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,610,475)
Change in net position of governmental activities (page 14)	\$ (1,086,489)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended September 30, 2017

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Ad valorem taxes	\$ 692,617	\$ 692,617	\$ 676,611	\$ (16,006)
Utility taxes	728,412	728,412	633,037	(95,375)
Local option gas tax	188,406	156,450	175,014	18,564
Communications services tax	190,000	225,681	170,351	(55,330)
Half-cent sales tax	1,284,796	834,796	1,383,803	549,007
Local business tax	20,000	28,000	27,515	(485)
Intergovernmental	581,810	562,490	566,446	3,956
Licenses and permits	493,055	474,955	493,996	19,041
Franchise fees	631,076	631,076	528,040	(103,036)
Charges for services	44,080	46,100	17,401	(28,699)
Fines and forfeitures	46,236	21,125	56,156	35,031
Rents	353,500	353,500	341,735	(11,765)
Grants	8,356	8,356	8,356	-
Contributions and donations	28,300	1,000	18,277	17,277
Other fees and miscellaneous	37,300	1,300	43,859	42,559
Total revenues	5,327,944	4,765,858	5,140,597	374,739
Expenditures				
Current				
General government				
Special governing	62,289	73,726	60,096	13,630
Administration	251,795	169,104	257,857	(88,753)
Total general government	314,084	242,830	317,953	(75,123)
Public safety				
Police	1,652,234	1,583,786	1,551,932	31,854
Fire	1,069,125	1,072,290	1,055,502	16,788
Protective services	108,383	101,680	104,929	(3,249)
Total public safety	2,829,742	2,757,756	2,712,363	45,393
Highways and streets				
Maintenance	675,318	660,257	628,669	31,588
Culture and recreation				
Library	77,080	88,073	71,013	17,060
Recreation	292,295	323,853	278,732	45,121
Total culture and recreation	369,375	411,926	349,745	62,181

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund (Continued)
Year Ended September 30, 2017

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay				
General government	\$ 46,681	\$ 65,500	\$ 46,681	\$ 18,819
Public safety	368,964	472,177	368,962	103,215
Highways and streets	782,963	594,375	787,146	(192,771)
Maintenance	25,840	21,000	25,840	(4,840)
Culture and recreation	110,724	48,350	110,725	(62,375)
Total capital outlay	1,335,172	1,201,402	1,339,354	(137,952)
Total expenditures	5,663,502	5,390,724	5,483,662	(92,938)
Excess (deficit) of revenues over (under) expenditures	(335,558)	(624,866)	(343,065)	281,801
Other financing sources (uses)				
Transfers from (to) other funds	335,558	775,906	-	(775,906)
Total other financing sources (uses)	335,558	775,906	-	(775,906)
Net change in fund balance	-	151,040	(343,065)	(494,105)
Fund balance (deficit) - beginning	(2,594,350)	(2,594,350)	(2,594,350)	-
Fund balance (deficit) - ending	\$ (2,594,350)	\$ (2,443,310)	\$ (2,937,415)	\$ (494,105)

See accompanying notes

City of Springfield, Florida
Statement of Net Position
Proprietary Funds
September 30, 2017

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 224,193	\$ 1,181,085	\$ 825,635	\$ 2,230,913
Accounts receivable, net	188,822	299,030	120,957	608,809
Prepays	73,972	73,418	10,000	157,390
Due from joint venture	-	368,369	-	368,369
Due from other governments	-	85,220	-	85,220
Due from other funds	149,003	3,299,551	540,301	3,988,855
Total current assets	635,990	5,306,673	1,496,893	7,439,556
Noncurrent assets				
Restricted assets - cash and cash equivalents				
Customer deposits	316,901	-	-	316,901
Impact fees	112,236	261,394	-	373,630
Restricted assets - due from other funds				
Impact fees	518,432	488,530	-	1,006,962
Investment in joint venture	-	3,217,220	-	3,217,220
Capital assets				
Nondepreciable	537,144	2,824,995	47,713	3,409,852
Depreciable, net	2,972,369	4,053,345	29,268	7,054,982
Total noncurrent assets	4,457,082	10,845,484	76,981	15,379,547
Total assets	5,093,072	16,152,157	1,573,874	22,819,103
Deferred outflows of resources				
Deferred outflows - pension	112,214	81,108	54,539	247,861
Total deferred outflows of resources	112,214	81,108	54,539	247,861
Liabilities				
Current liabilities				
Accounts payable	62,427	304,075	76,684	443,186
Accrued interest	21,853	-	-	21,853
Accrued payroll liabilities	5,538	3,630	198	9,366
Accrued compensated absences	5,220	2,812	2,372	10,404
Due to other funds	591,414	1,895,415	48,923	2,535,752
Customer deposits	630,573	-	-	630,573
Notes payable, current	146,708	359,488	-	506,196
Total current liabilities	1,463,733	2,565,420	128,177	4,157,330

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2017

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Noncurrent liabilities				
Notes payable	\$ 1,508,839	\$ 2,678,561	\$ -	\$ 4,187,400
Net pension liability	233,059	186,927	106,736	526,722
Other postemployment benefits	401,354	400,503	200,594	1,002,451
Total noncurrent liabilities	2,143,252	3,265,991	307,330	5,716,573
Total liabilities	3,606,985	5,831,411	435,507	9,873,903
Deferred inflows of resources				
Deferred inflows - pension	12,239	16,357	4,231	32,827
Total deferred inflows of resources	12,239	16,357	4,231	32,827
Net position				
Net investment in capital assets	1,853,966	3,840,291	76,981	5,771,238
Restricted - impact fees	630,668	749,924	-	1,380,592
Unrestricted	(898,572)	5,795,282	1,111,694	6,008,404
Total net position	\$ 1,586,062	\$ 10,385,497	\$ 1,188,675	\$ 13,160,234

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2017

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Operating revenues				
Charges for services				
Sales	\$ 1,444,737	\$ 3,203,928	\$ 1,130,081	\$ 5,778,746
Connection/reconnection fees	72,261	-	-	72,261
Penalties	41,838	94,977	33,897	170,712
Tap fees	12,750	9,250	-	22,000
Other income	3,400	-	-	3,400
Grants	-	1,362,824	-	1,362,824
Impact fees	11,786	14,835	-	26,621
Total operating revenues	1,586,772	4,685,814	1,163,978	7,436,564
Operating expenses				
Personnel services	504,025	411,584	164,818	1,080,427
Professional services	64,624	56,011	56,330	176,965
Contractual services	30,051	11,374	906,119	947,544
Insurance	73,373	73,373	9,607	156,353
Repairs and maintenance	69,246	77,344	16,691	163,281
Operating supplies	108,341	46,176	8,257	162,774
Communication services	14,379	9,361	6,477	30,217
Public utility purchases	550,032	1,193,963	6,626	1,750,621
Travel and per diem	269	159	159	587
Rentals	110,997	110,892	109,842	331,731
Printing and binding	1,776	781	-	2,557
Bad debt	18,874	39,668	13,066	71,608
Miscellaneous	19,429	16,900	8,393	44,722
Depreciation	151,638	309,787	12,176	473,601
Total operating expenses	1,717,054	2,357,373	1,318,561	5,392,988
Net operating income (loss)	(130,282)	2,328,441	(154,583)	2,043,576

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
Year Ended September 30, 2017

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Nonoperating revenues (expenses)				
Income from joint venture	\$ -	\$ 273,164	\$ -	\$ 273,164
Interest expense	(44,656)	(160,406)	-	(205,062)
Gain (loss) on asset disposal	(15,328)	50,099	396	35,167
Total nonoperating revenues (expenses)	(59,984)	162,857	396	103,269
Net income (loss)	(190,266)	2,491,298	(154,187)	2,146,845
Net position - beginning (as originally stated)	1,825,868	7,944,250	1,363,582	11,133,700
Prior period adjustment	(49,540)	(50,051)	(20,720)	(120,311)
Net position - beginning (as restated)	1,776,328	7,894,199	1,342,862	11,013,389
Net position - ending	\$ 1,586,062	\$ 10,385,497	\$ 1,188,675	\$ 13,160,234

See accompanying notes

City of Springfield, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities/Enterprise Funds			Total
	Water	Sewer	Sanitation	
Operating activities				
Receipts from customers and users	\$ 1,631,494	\$ 4,648,899	\$ 1,160,372	\$ 7,440,765
Payments to suppliers and others	(1,047,268)	(1,481,808)	(1,192,261)	(3,721,337)
Payments for personnel services	(399,309)	(310,586)	(116,737)	(826,632)
Net cash provided (used) by operating activities	184,917	2,856,505	(148,626)	2,892,796
Noncapital financing activities				
Changes in internal balances	(73,860)	(393,244)	449,005	(18,099)
Net cash provided (used) by noncapital financing activities	(73,860)	(393,244)	449,005	(18,099)
Capital and related financing activities				
Proceeds from notes payable	-	475,849	-	475,849
Principal paid on notes payable	(142,910)	(331,753)	-	(474,663)
Interest paid on notes payable	(46,543)	(160,406)	-	(206,949)
Proceeds from sale of capital assets	900	-	742	1,642
Purchases of capital assets	(94,742)	(2,016,190)	-	(2,110,932)
Net cash provided (used) by capital and related financing activities	(283,295)	(2,032,500)	742	(2,315,053)
Net increase (decrease) in cash and cash equivalents	(172,238)	430,761	301,121	559,644
Cash and cash equivalents - beginning	825,568	1,011,718	524,514	2,361,800
Cash and cash equivalents - ending	\$ 653,330	\$ 1,442,479	\$ 825,635	\$ 2,921,444
Cash and cash equivalents classified as				
Current assets	\$ 224,193	\$ 1,181,085	\$ 825,635	\$ 2,230,913
Restricted assets	429,137	261,394	-	690,531
Total cash and cash equivalents	\$ 653,330	\$ 1,442,479	\$ 825,635	\$ 2,921,444

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities/Enterprise Funds			
	Water	Sewer	Sanitation	Total
Reconciliation of net operating income (loss)				
to net cash provided (used) by				
operating activities				
Net operating income (loss)	\$ (130,282)	\$ 2,328,441	\$ (154,583)	\$ 2,043,576
Adjustments to reconcile net operating				
income (loss) to net cash provided (used)				
by operating activities				
Depreciation	151,638	309,787	12,176	473,601
(Increase) decrease in assets				
Accounts receivable, net	(27,612)	(36,907)	(3,606)	(68,125)
Prepays	-	-	(893)	(893)
(Increase) decrease in deferred				
outflows of resources	(25,827)	(16,650)	(13,019)	(55,496)
Increase (decrease) in liabilities				
Accounts payable	14,123	154,186	(49,801)	118,508
Accrued payroll liabilities	5,229	3,354	30	8,613
Accrued compensated absences	(3,939)	148	3,151	(640)
Net pension liability	37,567	24,218	18,937	80,722
Other postemployment benefits	84,293	85,161	35,255	204,709
Customer deposits	72,334	-	-	72,334
Increase (decrease) in deferred				
inflows of resources	7,393	4,767	3,727	15,887
Total adjustments	315,199	528,064	5,957	849,220
Net cash provided (used) by				
operating activities	\$ 184,917	\$ 2,856,505	\$ (148,626)	\$ 2,892,796

See accompanying notes



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Springfield, Florida (City) have been prepared in conformity with United States generally accepted accounting principles (GAAP) as applied to governmental units promulgated by the Governmental Accounting Standards Board (GASB).

This summary of the City's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

Reporting Entity

The City, established pursuant to Chapter 51-27900, Laws of Florida, is a political subdivision of the State of Florida and is located in Bay County. It operates under a commissioner/manager form of government and provides the following services as authorized by its charter: general government, public safety, highways and streets, maintenance, culture and recreation, water, sewer, and sanitation.

Component Unit –Springfield Community Redevelopment Agency

This report includes financial statements of the funds required to account for those financial activities which are related to the City and are controlled by or dependent upon the City's legislative body, the City Commission. The City has one component unit, the Springfield Community Redevelopment Agency (Agency), as defined by GASB Statement 14, *The Financial Reporting Entity* and in publications cited in the State of Florida, Office of the Auditor General Rules, Rule 10.553, and is required to be blended in these financial statements. A component unit is an entity for which the City is considered to be financially accountable and is included in the City's reporting entity because of the significance of its operational or financial relationships with the City. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The Agency is operated by the City and was created on March 30, 2007 by City Ordinance 07-05 pursuant to Florida Statute 163.357. All of the City's commission members serve as board members of the Agency. The Agency is presented as a governmental fund type with a fiscal year end of September 30 and is disclosed using the blended presentation method. Due to the nature and significance of the Agency's relationship with the City, exclusion of its financial operations would render the City's financial statements incomplete or misleading. The Agency's governing body is the same as the governing body of the City and provides services specifically to the Community Redevelopment Areas of the City.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The basic financial statements of the City are comprised of the following:

Government-wide financial statements
Fund financial statements
Notes to basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenses.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. The City chooses to eliminate the indirect costs between governmental activities to avoid duplicating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the City.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Proprietary Funds

The City's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has used GASB Statement 34 minimum criteria for major fund determination to determine which funds are required to be reported as major funds. The nonmajor governmental funds are combined in a column in the fund financial statements and detailed in the combining section; if applicable.

Governmental Major Funds

General fund – The general fund is the general operating fund of the City. It is used to account for all activities of the general government except those required to be accounted for in another fund.

Community redevelopment fund – The community redevelopment fund is the operating fund of the Springfield Community Redevelopment Agency. It is used to account for the activities of the community redevelopment areas.

Proprietary Major Funds

Water fund – The water fund is used to account for operations and activities related to the water system within the City.

Sewer fund – The sewer fund is used to account for operations and activities related to the sewer system within the City.

Sanitation fund – The sanitation fund is used to account for operations and activities related to the collection of solid waste within the City.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Noncurrent Governmental Assets/Liabilities

GASB Statement 34 requires noncurrent governmental assets, such as land, buildings and equipment, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

Budgets

Annual budgets are legally adopted in the general fund and all proprietary funds. Budgets are prepared and adopted on a basis of accounting consistent with United States generally accepted accounting principles.

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 129, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Therefore, the fund level is the legal level of control for budget considerations according to Florida Statutes.

The City budgets expenditures at the department level. Only the City Commission can approve budget amendments that change the total approved budget appropriation of an individual department. Department managers can transfer appropriations within the departmental budget, but cannot change the total appropriation of an individual department without the approval of the City Commission.

Budgetary data presented in the accompanying basic financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data, if applicable.

Encumbrances

Encumbrance accounting is not utilized as an extension of the formal budgetary process in the governmental funds. Therefore, no provision for encumbrances has been made.

Cash and Cash Equivalents

The City considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable, Net

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, infrastructure, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are stated at cost, except for donated assets, which are recorded at acquisition value on the date received. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are generally as follows:

Buildings	20-40 years
Improvements	5-40 years
Equipment	3-10 years
Infrastructure	10-50 years

Long-term Obligations

The City reports long-term debt of governmental funds at face value in the government-wide long-term liabilities. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide long-term liabilities.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Accumulated Vacation and Sick Leave

The City allows its employees to accumulate a limited amount of earned but unused vacation leave which is payable upon termination of employment.

Sick leave is earned for each month of employment and is cumulative, however, employees do not vest in unused sick leave, therefore, no accrual has been made in the financial statements.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Advances

The City periodically advances monies between funds. These monies are advanced with the intent of repayment but no specified repayment schedule has been adopted and no interest is charged.

Fund balances

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, employs the following terminology and classifications for fund balance.

Nonspendable – This category includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are nonspendable funds of \$50,026 as of September 30, 2017.

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. The balance as of September 30, 2017 of \$26,570 is restricted by enabling legislation.

Committed – This category includes resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority which is the City Commissioners. There are no committed funds as of September 30, 2017.

Assigned – This category includes resources that are intended to be used for specific purposes, but are neither restricted nor committed. These are resources that have been set aside for a specific purpose by an authorized government body or official. There are no assigned funds as of September 30, 2017.

Unassigned – This category is the residual classification for the City's fund balances. The balance as of September 30, 2017 is a deficit of \$(3,005,098).

Net Position

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and this standard renames the components of net position which were previously considered net assets.

Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets – represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

Unrestricted – indicates that portion of net position that is available for future periods.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Deferred Outflows/Inflows of Resources

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, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one item that qualifies for reporting in this category which is the deferred outflows of resources related to the net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the City has one item that qualifies for reporting in this category which is the deferred inflows of resources related to the net pension liability.

Restricted Assets

Certain assets of the various funds are required by resolutions and ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use it is the government's policy to use restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. All property is assessed by the county according to its fair market value on January 1 of each year.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Each assessment roll is submitted to the executive director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mils for general operations. The City's millage rate for the year ended September 30, 2017, was 3.4650 mils.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On, or prior to, June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer.

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

The City tax calendar is as follows: valuation date: January 1; levy date: November 1; due date; March 31, succeeding year; and lien date: April 1, succeeding year.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ significantly from those estimates.

Date of Management's Review

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 21, 2018, the date the financial statements were available to be issued.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

When capital assets (property, leasehold improvements and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes capital assets of the City as a whole.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Cost of capital assets	\$ 10,131,452
Less: accumulated depreciation	(4,027,853)
<hr/>	
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 6,103,599
<hr/>	

Long-term liabilities applicable to the City's governmental activities are not reported as fund liabilities. All liabilities are reported in the statement of net position. The details of this difference are as follows:

Other postemployment benefits	\$ (3,445,625)
Net pension liability	(3,851,699)
Compensated absences	(64,403)
<hr/>	
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ (7,361,727)
<hr/>	

Deferred inflows and outflows related to the net pension liabilities applicable to the City's governmental activities are not reported as fund assets and liabilities. All assets and liabilities are reported in the statement of net position.

Deferred outflows - pension	\$ 1,805,789
Deferred inflows - pension	(237,204)
<hr/>	
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 1,568,585
<hr/>	

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One of those reconciliation elements is governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	\$ 1,273,756
Depreciation expense	(406,530)
<hr/>	
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 867,226
<hr/>	

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Another element of the reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of this difference are as follows:

Compensated absences	\$ 2,633
Deferred outflows - pension	404,268
Deferred inflows - pension	(115,337)
Net pension liability	(588,799)
Other postemployment benefits	(1,313,240)
<hr/>	
Net adjustment to decrease <i>net change in fund balances – total</i> governmental funds to arrive at <i>change in net position of</i> <i>governmental activities</i>	\$ (1,610,475)
<hr/>	

NOTE 3 – BUDGETS

The City adopts budgets on a basis consistent with United States generally accepted accounting principles.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits Policies

All cash resources of the City are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required by this law to ensure that the City's funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro rata basis.

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid debt instruments with original maturities of three months or less from the date of acquisition.

Investment Policies

Florida Statutes, Section 218.415, authorizes the City to invest surplus funds in the following:

The Local Government Surplus Funds Trust Fund (State Board of Administration) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in State of Florida Statutes section 163.01

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency

Interest-bearing time deposits or savings accounts in state-certified qualified public depositories as defined in State of Florida Statutes section 280.02

Direct obligations of the United States Treasury

Interest Rate Risk

At September 30, 2017, the City did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2017, the City did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2017, the City did not hold any deposits or investments that were considered to be a custodial risk.

Concentrations of Credit Risk

As September 30, 2017, the City did not hold any investments that were considered to be a concentration of credit risk.

NOTE 5 – ACCOUNTS RECEIVABLE, NET

At September 30, 2017, accounts receivable in the general fund and proprietary funds is summarized as follows:

	General Fund	Proprietary Funds
Total accounts receivable	\$ 1,452	\$ 1,341,183
Less: allowance for doubtful accounts	-	(732,374)
Accounts receivable, net	<u>\$ 1,452</u>	<u>\$ 608,809</u>

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and activity for the year ended September 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
Water	General	\$ 611,593
Water	Sewer	55,842
Sewer	General	3,788,081
Sanitation	General	341,555
Sanitation	Water	197,846
Sanitation	Sewer	900
General	Sewer	1,838,673
General	CRA	350
General	Sanitation	48,923
General	Water	393,568

Interfund receivables and payables are primarily the result of loans made between funds for operations.

NOTE 7 – CAPITAL ASSETS

Changes in capital assets of the governmental activities are summarized as follows:

	September 30, 2016	Increases	Decreases	September 30, 2017
Capital assets, not being depreciated				
Land	\$ 772,138	\$ 149,190	\$ -	\$ 921,328
Total capital assets, not being depreciated	772,138	149,190	-	921,328
Capital assets, being depreciated				
Buildings	1,677,739	91,336	-	1,769,075
Streets	767,813	546,841	-	1,314,654
Improvements	3,250,188	24,036	(27,989)	3,246,235
Intangible assets	50,571	-	-	50,571
Machinery and equipment	3,144,580	490,712	(805,703)	2,829,589
Total capital assets, being depreciated	8,890,891	1,152,925	(833,692)	9,210,124

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	September 30, 2016	Increases	Decreases	September 30, 2017
Less accumulated depreciation				
Buildings	\$ 1,150,664	\$ 26,954	\$ -	\$ 1,177,618
Streets	109,918	43,649	-	153,567
Improvements	732,850	95,540	(11,720)	816,670
Intangible assets	24,231	12,644	-	36,875
Machinery and equipment	2,408,993	227,743	(793,613)	1,843,123
Total accumulated depreciation	4,426,656	406,530	(805,333)	4,027,853
Total capital assets being depreciated (net of accumulated depreciation)	4,464,235	746,395	(28,359)	5,182,271
Total governmental activities' capital assets (net of accumulated depreciation)	\$ 5,236,373	\$ 895,585	\$ (28,359)	\$ 6,103,599

The following schedule summarizes the capital assets of the City's business-type activities at September 30, 2017:

	Water	Sewer	Sanitation	Total
Land	\$ 24,865	\$ 67,322	\$ 47,713	\$ 139,900
Construction in progress	512,279	2,757,673	-	3,269,952
Buildings and improvements	15,760	15,760	41,966	73,486
Distribution system	4,618,565	7,189,631	-	11,808,196
Intangible assets	41,469	41,469	41,469	124,407
Equipment and furniture	307,431	963,013	139,687	1,410,131
Total	5,520,369	11,034,868	270,835	16,826,072
Less accumulated depreciation				
Buildings and improvements	-	-	29,462	29,462
Distribution system	1,778,873	3,530,853	-	5,309,726
Intangible assets	30,238	30,238	30,238	90,714
Equipment and furniture	201,745	595,437	134,154	931,336

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Water	Sewer	Sanitation	Total
Total accumulated depreciation	\$ 2,010,856	\$ 4,156,528	\$ 193,854	\$ 6,361,238
Total business-type activities' capital assets (net of accumulated depreciation)	\$ 3,509,513	\$ 6,878,340	\$ 76,981	\$ 10,464,834

Changes in capital assets of the business-type activities are summarized as follows:

	September 30, 2016	Transfers	Increases	Decreases	September 30, 2017
Capital assets, not being depreciated					
Land	\$ 90,170	\$ -	\$ 49,730	\$ -	\$ 139,900
Construction in progress	1,431,279	-	1,838,673	-	3,269,952
Total capital assets, not being depreciated	1,521,449	-	1,888,403	-	3,409,852
Capital assets, being depreciated					
Buildings and improvements	59,455	(17,489)	31,520	-	73,486
Distribution system	11,906,783	17,489	-	(116,076)	11,808,196
Intangible assets	124,410	(3)	-	-	124,407
Machinery and equipment	1,302,387	74,282	191,007	(157,545)	1,410,131
Total capital assets, being depreciated	13,393,035	74,279	222,527	(273,621)	13,416,220
Less accumulated depreciation					
Buildings and improvements	36,615	16,209	457	(23,819)	29,462
Distribution system	5,075,492	-	301,945	(67,711)	5,309,726
Intangible assets	59,610	-	31,104	-	90,714
Machinery and equipment	948,787	-	140,095	(157,546)	931,336

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	September 30, 2016	Transfers	Increases	Decreases	September 30, 2017
Total accumulated depreciation	\$ 6,120,504	\$ 16,209	\$ 473,601	\$ (249,076)	\$ 6,361,238
Total capital assets, being depreciated, net	7,272,531	58,070	(251,074)	(24,545)	7,054,982
Total business-type activities' capital assets (net of assets (net of accumulated depreciation)	\$ 8,793,980	\$ 58,070	\$ 1,637,329	\$ (24,545)	\$ 10,464,834

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

Governmental activities	
General government	\$ 58,106
Public safety	168,132
Highways and streets	152,837
Maintenance	7,206
Culture and recreation	20,249
<hr/>	
Total depreciation expense - governmental activities	\$ 406,530
<hr/>	
Business-type activities	
Water	\$ 151,638
Sewer	309,787
Sanitation	12,176
<hr/>	
Total depreciation expense - business-type activities	\$ 473,601

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 8 – LONG-TERM DEBT

Long-term debt for business-type activities is as follows:

September 30, 2017

\$2,796,462 Drinking Water State Revolving Fund Loan; principal and interest payable semiannually. Minimum required payments are \$94,726 including interest at 2.64%. The loan is secured by a pledge of the net revenues of the water system and matures April 2027. (See (a) below)	\$ 1,655,547
\$393,624 Clean Water State Revolving Fund Loan; principal and interest payable semiannually. Minimum required payments are \$11,616 including interest at 1.67%. The loan is secured by a pledge of the net revenues of the sewer system and matures December 2037. (See (b) below)	393,624
\$475,849 Clean Water State Revolving Fund Loan; principal payable semiannually. Minimum required payments are \$89,850 with no interest. The loan is secured by a pledge of the net revenues of the sewer system and matures March 2029. (See (c) below)	475,849
Due to joint venture; principal and interest payable monthly based on the City's portion of the debt service. Interest rates range from 5.6% to 5.7%. Maturity date is September 2027.	2,168,576
Total notes payable	4,693,596
Less amounts due within one year	(506,196)
Notes payable amount due in more than one year	\$ 4,187,400

(a) The State Revolving Fund Loan was issued April 15, 2007 to finance the cost of acquisition and construction of certain capital improvements in connection with the water utility system. The loan is secured by a pledge of gross revenues from the operation of the water system after payment of the operation and maintenance expense and satisfaction of yearly payment obligations on any senior obligations. Gross revenues include all income and earnings of the water system operations, including investment income. The remaining principal and interest payments on this debt as of September 30, 2017 totaled \$1,894,523. Principal and interest paid for the year ended September 30, 2017 and total pledged revenues were \$189,452 and \$1,260,570, respectively. Principal and interest payments were 15% of the pledged revenue for the year ended September 30, 2017.

(b) The State Revolving Fund Loan was issued March 1, 2016 to finance the cost of acquisition and construction of certain capital improvements in connection with the sewer system. The loan is secured by a pledge of gross revenues from the operation of the sewer system after payment of the operation and maintenance expense and satisfaction of yearly payment obligations on any senior obligations. Gross revenues include all income and earnings of the water system operations, including investment income. The remaining principal and interest payments on this debt as of

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 8 – LONG-TERM DEBT (CONTINUED)

September 30, 2017 totaled \$464,638. Principal and interest paid for the year ended September 30, 2017 and total pledged revenues were \$0 and \$9,570, respectively. Principal and interest payments were 0% of the pledged revenue for the year ended September 30, 2017.

- (c) The State Revolving Fund Loan was issued December 8, 2016 to finance the cost of acquisition and construction of certain capital improvements in connection with the sewer system. The loan is secured by a pledge of gross revenues from the operation of the sewer system after payment of the operation and maintenance expense and satisfaction of yearly payment obligations on any senior obligations. Gross revenues include all income and earnings of the water system operations, including investment income. The remaining principal and interest payments on this debt as of September 30, 2017 totaled \$475,849. Principal and interest paid for the year ended September 30, 2017 and total pledged revenues were \$0 and \$9,570, respectively. Principal and interest payments were 0% of the pledged revenue for the year ended September 30, 2017.

Debt service requirements to maturity on these obligations are summarized as follows:

Years Ending September 30,	Principal	Interest	Total
2018	\$ 506,196	\$ 190,874	\$ 697,070
2019	468,497	173,561	642,058
2020	493,076	152,348	645,424
2021	496,513	131,256	627,769
2022	517,397	109,094	626,491
2023-2027	1,917,646	222,782	2,140,428
2028-2032	172,674	14,864	187,538
2033-2037	110,079	6,080	116,159
2038	11,518	96	11,614
	<u>\$ 4,693,596</u>	<u>\$ 1,000,955</u>	<u>\$ 5,694,551</u>

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Net pension liability	\$ 3,262,900	\$ 588,799	\$ -	\$ 3,851,699	\$ -
Other postemployment benefits	2,132,385	1,313,240	-	3,445,625	-
Accrued compensated absences	67,036	64,403	(67,036)	64,403	64,403
Total governmental activities	<u>\$ 5,462,321</u>	<u>\$ 1,966,442</u>	<u>\$ (67,036)</u>	<u>\$ 7,361,727</u>	<u>\$ 64,403</u>

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 8 – LONG-TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable	\$ 4,692,410	\$ 475,849	\$ (474,663)	\$ 4,693,596	\$ 506,196
Net pension liability	446,000	80,722	-	526,722	-
Other postemployment benefits	677,432	325,019	-	1,002,451	-
Accrued compensated absences	11,045	10,404	(11,045)	10,404	10,404
Total business-type activities	<u>\$ 5,826,887</u>	<u>\$ 891,994</u>	<u>\$ (485,708)</u>	<u>\$ 6,233,173</u>	<u>\$ 516,600</u>

NOTE 9 – PENSION PLANS

Plan Description

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Benefits Provided

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The City's contribution rates for the year ended September 30, 2017 were as follows:

	October 1, 2016 Through June 30, 2017		July 1, 2017 Through September 30, 2017	
	FRS	HIS	FRS	HIS
Regular class	5.86%	1.66%	6.26%	1.66%
Special risk employee class	20.91%	1.66%	21.61%	1.66%
Elected officials	40.81%	1.66%	43.84%	1.66%
DROP plan participants	11.33%	1.66%	11.60%	1.66%

The City's contributions for the year ended September 30, 2017, were \$307,486 to FRS and \$44,814 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2017, the City reported a liability for its proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated July 1, 2017. The City's proportions of the net pension liability was based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	\$ 3,491,292	\$ 887,129
Proportion at:		
Current measurement date	0.011803151%	0.008296777%
Prior measurement date	0.010997936%	0.007996103%
Pension expense (benefit)	\$ 611,301	\$ 81,977

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 320,417	\$ 19,340
Changes of assumptions	1,173,321	-
Net difference between projected and actual earnings on pension plan investments	-	86,523
Changes in proportion and differences between employer contributions and proportionate share of contributions	246,022	66,150
Employer contributions subsequent to the measurement date	89,597	-
Total	\$ 1,829,357	\$ 172,013

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,847
Changes of assumptions	124,700	76,711
Net difference between projected and actual earnings on pension plan investments	492	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	86,911	19,460
Employer contributions subsequent to the measurement date	12,190	-
Total	\$ 224,293	\$ 98,018

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement period ending June 30,	FRS	HIS
2018	\$ 223,237	\$ 29,040
2019	523,576	28,947
2020	363,129	28,902
2021	102,596	18,618
2022	260,282	14,115
Thereafter	94,927	(5,537)
Total	\$ 1,567,747	\$ 114,085

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2017, was determined by an actuarial valuation dated July 1, 2017, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.10%	N/A
Discount rate	7.10%	3.58%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

The most recent experience study for FRS was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for HIS were based on certain results of the most recent experience study for FRS.

The following changes in key actuarial assumptions occurred in 2017:

FRS: The long-term expected rate of return was decreased from 7.60% to 7.10%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was increased from 2.85% to 3.58%.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.0%	3.0%
Fixed income	18%	4.5%	4.4%
Global equity	53%	7.8%	6.6%
Real estate (property)	10%	6.6%	5.9%
Private equity	6%	11.5%	7.8%
Strategic investments	12%	6.1%	5.6%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for FRS was 7.10%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.58% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	6.10%	7.10%	8.10%
	\$ 6,319,029	\$ 3,491,292	\$ 1,143,624

	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	2.58%	3.58%	4.58%
	\$ 1,012,332	\$ 887,129	\$ 782,843

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2017, totaled \$90,040.

NOTE 10 – NET POSITION RESTRICTIONS

The following is a description of reported net position restrictions in governmental activities and business-type activities at September 30, 2017.

Governmental activities	
Community redevelopment	\$ 8,913
Law enforcement education	17,657
Total governmental activities	26,570
Business-type activities	
Impact fees	1,380,592
Total	\$ 1,407,162

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12 – INVESTMENT IN JOINT VENTURE

The City, in alliance with Bay County, the Cities of Parker and Callaway, and the former Town of Cedar Grove joined efforts in 1996 to supply existing and expanded wastewater treatment and disposal services. The mission of this joint venture is to provide these services in an economical, efficient, and environmentally appropriate manner to their respective citizenry. This joint venture, known as Military Point Advanced Wastewater Treatment Facility (MPAWTF), assumed ownership of the existing wastewater treatment plant and then completed construction of a new seven million gallon per day advanced wastewater treatment facility which was placed in service in 1999. The new facility was funded by a combination of conventional borrowing and State Revolving Fund loans.

MPAWTF is owned and governed by Bay County; and the Cities of Callaway, Parker and Springfield. One owner is selected by the others to be responsible for operations of MPAWTF. The owner delegated to be the operator is Bay County, Florida. The operator of MPAWTF, in accordance with the interlocal agreement, prepares the MPAWTF’s annual budget, sets treatment rates, and collects funds sufficient to pay debt service; costs of operations and maintenance; renewal and replacement; and necessary enhancements to reserves.

The results of operations and cash flows, are accounted for, in total, within the financial statements of the joint venture. The City’s interest in equity is reported within the City’s sewer fund. As of September 30, 2017, the City’s investment in the joint venture was \$3,217,220. Complete financial statements for MPAWTF, may be obtained from the operator at P.O. Box 2269, Panama City, Florida 32402.

Condensed financial statements of MPAWTF are as follows:

Statement of Net Position

September 30, 2017

Assets		
Current assets	\$	9,877,347
Noncurrent assets		18,622,594
<hr/>		
Total assets		28,499,941
<hr/>		
Deferred outflows		
Deferred loss on bond refunding		739,253
<hr/>		
Liabilities		
Current liabilities		3,785,408

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 12 – INVESTMENT IN JOINT VENTURE (CONTINUED)

September 30, 2017

Noncurrent liabilities	\$	8,528,197
Total liabilities		12,313,605
Net position	\$	16,925,589

Statement of Activities

Year ended September 30, 2017

Operating revenues	\$	7,212,565
Operating expenses		(4,829,060)
Operating income		2,383,505
Nonoperating revenues (expenses), net		(466,360)
Net income before distributions to owners		1,917,145
Distributions to owners		(622,494)
Change in net position		1,294,651
Net position, beginning		15,630,938
Net position, ending	\$	16,925,589

For the year ended September 30, 2017, the City had income from joint venture in the amount of \$273,164. As of September 30, 2017, the City owes the joint venture \$296,044.

The City's income from joint venture for the year ended September 30, 2017 is as follows:

Share of operating income	\$	362,072
Decrease in reserve requirements		(88,908)
Income from joint venture	\$	273,164

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The City has established the Retirees’ Health Insurance Other Postemployment Benefits Plan (Plan), a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the City and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The City subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City currently has 76 total active and retired employees eligible to receive these benefits. No stand alone report is issued for the Plan.

Eligibility

A participant is eligible to receive benefits from the Plan upon retirement under the Florida Retirement System plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active participant immediately prior to retirement. Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the Plan.

Funding Policy

Although the contribution requirement is established by Statute, the contribution amount required by plan members and the government are established and may be amended by the City of Springfield’s Commissioners. Currently, members receiving benefits pay \$90 per month for insurance and the City pays \$7,931 for medical coverage and \$266 for dental coverage. Per Capita Annual Benefit Costs Per Participant are as follows:

Program	Pre 65 Cost	Post 65 Cost
Medical Insurance	\$ 10,954	\$ 3,655
Dental Insurance	266	266

The City has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. Rather, the funding is based on a pay-as-you-go basis. During the fiscal year, the City had contributions of \$103,291 toward the annual OPEB cost. A schedule of employer contributions can be found in required supplementary information immediately following the notes.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation:

Description		
Normal cost (service cost for one year)	\$	1,185,414
Amortization of unfunded actuarial accrued liability		-
Annual required contribution		1,185,414
Interest on net OPEB obligation		95,377
Adjustment to annual required contribution		(145,669)
Annual OPEB cost (expense)		1,135,122
Contribution toward the OPEB cost		(103,291)
Increase in net OPEB obligation		1,031,831
Net OPEB obligation, beginning of year, as restated		3,416,245
Net OPEB obligation, end of year	\$	4,448,076

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2017 was as follows:

Year ended September 30,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 567,823	25.1%	\$ 2,384,414
2016	1,135,122	9.1%	3,416,245
2017	1,135,122	9.1%	4,448,076

Amounts reported above for the year ended September 30, 2016 have been restated as disclosed in further detail in note 17 and the adjusted numbers have been reported above.

Funding Status and Funding Progress

The funding status and funding progress information can be found in the schedule of funding progress which is presented as required supplementary information immediately following the notes. This schedule presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial Methods and Assumptions

The City had an actuarial valuation completed for the fiscal year ended September 30, 2016. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, in effect at the valuation date and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarially determined accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The initial OPEB valuation method used for the City was the level percentage of payroll actuarial cost method. This method is used to estimate the actuarial liabilities and costs. This method was selected because it produced the best estimate of the OPEB liability and annual cost for the City employees. The actuarial assumptions include a 4.0% rate of return on investments. The actuarial assumptions also include an annual healthcare cost trend rate. For the City, this rate begins with an initial rate for 2015-16 fiscal year of 8.0%. It decreases over the years reaching a future year's rate of 4.0% in 2073. The assumed retirement age used is 60, and the average salary increase estimate used is 0%. The unfunded actuarial accrued liability is being amortized with a level percentage of payroll method. The remaining open amortization period at September 30, 2017 is 29 years.

NOTE 14 – DEFICIT BALANCES

The general fund has a deficit unassigned fund balance of \$3,005,098 and a deficit in total deficit fund balance of \$2,937,415 at September 30, 2017.

The water fund has a deficit unrestricted net position balance of \$898,572 at September 30, 2017.

NOTE 15 – OVER BUDGET

The general fund actual expenditures exceeded final budgeted expenditures by \$92,938 for the year ended September 30, 2017.

NOTE 16 – SUBSEQUENT EVENT

On October 10, 2018 the eye of Hurricane Michael, a category 4 hurricane, passed directly over Bay County, Florida causing devastating destruction and property damage to buildings and businesses throughout the area. At the time of the issuance of these financial statements, the impact of the damages and their effects on the City's financial statements cannot be determined.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 17 – PRIOR PERIOD ADJUSTMENT

At the time of issuance of the September 30, 2016 audited financial statements, the City had not obtained a current actuarial valuation in regards to their OPEB. As such, the most recent available valuation from October 1, 2012 was used to estimate the amounts reported. On August 24, 2018 the City received a new valuation from October 1, 2015 which was meant to be reported in September 30, 2016. The calculated increase in the net OPEB obligation increased from \$425,403 to \$1,031,831 resulting in a prior period adjustment of \$606,428. This prior period adjustment was allocated between the funds as follows:

As of September 30, 2016	Governmental Activities	Water	Sewer	Sanitation	Total
Other postemployment benefits (as originally stated)	\$ 2,132,385	\$ 267,521	\$ 265,292	\$ 144,619	\$ 2,809,817
Prior period adjustment	486,117	49,540	50,051	20,720	606,428
Other postemployment benefits (as restated)	\$ 2,618,502	\$ 317,061	\$ 315,343	\$ 165,339	\$ 3,416,245

Required Supplementary Information

City of Springfield, Florida
Required Supplementary Information
Year Ended September 30, 2017

Schedule of Funding Progress for the Retirees' Health Insurance Other Postemployment Benefits Plan:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio
October 1, 2015	\$ -	\$ 5,654,544	\$ 5,654,544	0%
October 1, 2016	N/A	N/A	N/A	N/A
October 1, 2017	N/A	N/A	N/A	N/A

Schedule of Employer Contributions for the Retirees' Health Insurance Other Postemployment Benefits Plan:

Fiscal Year Ended September 30,	Actual Contribution	Annual Required Contribution	Percentage Contributed
2015	\$ 142,420	\$ 567,823	25.1%
2016	103,291	1,135,122	9.1%
2017	103,291	1,135,122	9.1%

Amounts reported above for the year ended September 30, 2016 and the actual valuation date of October 1, 2015 have been restated as disclosed in further detail in note 17 and the adjusted numbers have been reported above.

See independent auditors' report

City of Springfield, Florida
Schedule of the City's Proportionate Share of the Net Pension Liability –
Florida Retirement System

June 30,	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *	2008 *
City's proportion of the net pension liability/(asset)	0.0118032%	0.0109979%	0.0100745%	0.0108840%	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability/(asset)	\$ 3,491,292	\$ 2,776,988	\$ 1,301,259	\$ 664,085	N/A	N/A	N/A	N/A	N/A	N/A
City's covered-employee payroll	2,180,905	2,022,121	1,887,602	1,953,330	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	160.08%	137.33%	68.94%	34.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%	N/A	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2008 through 2013 are N/A because comparable information is not available at this time.

See independent auditors' report

City of Springfield, Florida
Schedule of the City's Contributions –
Florida Retirement System

Year Ended September 30,	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *	2008 *
Contractually required contribution	\$ 307,486	\$ 284,439	\$ 245,625	\$ 238,406	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(307,486)	(284,439)	(245,625)	(238,406)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
City's covered-employee payroll	\$ 2,234,846	\$ 2,108,999	\$ 1,921,145	\$ 1,900,594	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	13.76%	13.49%	12.79%	12.54%	N/A	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2008 through 2013 are N/A because comparable information is not available at this time.

See independent auditors' report

City of Springfield, Florida
Schedule of the City's Proportionate Share of the Net Pension Liability –
Health Insurance Subsidy Program

June 30,	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *	2008 *
City's proportion of the net pension liability/(asset)	0.0082968%	0.0079961%	0.0074845%	0.0078546%	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability/(asset)	\$ 887,129	\$ 931,913	\$ 763,301	\$ 734,425	N/A	N/A	N/A	N/A	N/A	N/A
City's covered-employee payroll	2,180,905	2,022,121	1,887,602	1,953,330	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	40.68%	46.09%	40.44%	37.60%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%	N/A	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2008 through 2013 are N/A because comparable information is not available at this time.

See independent auditors' report

City of Springfield, Florida
Schedule of the City's Contributions –
Health Insurance Subsidy Program

Year Ended September 30,	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *	2008 *
Contractually required contribution	\$ 44,814	\$ 43,237	\$ 28,610	\$ 26,907	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(44,814)	(43,237)	(28,610)	(26,907)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
City's covered-employee payroll	\$ 2,234,846	\$ 2,108,999	\$ 1,921,145	\$ 1,900,594	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	2.01%	2.05%	1.49%	1.42%	N/A	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2008 through 2013 are N/A because comparable information is not available at this time.

See independent auditors' report

Compliance Section



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

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, Florida's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2017. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

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

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

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

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

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
December 21, 2018

City of Springfield, Florida
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2017

Federal Agency/Pass-Through Entity Name of Cluster/Federal Program	CFDA Number	Name of Grant - Grant ID No.	Passed Through to Subrecipients	Federal Expenditures
United States Department of Justice				
Passed through the Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant - Field Identification Enhancement	16.738	2017-JAGC-BAY-1-F9-0	-	\$ 8,356
Total United States Department of Justice				8,356
United States Environmental Protection Agency				
Passed through the State of Florida Department of Environmental Protection				
Clean Water State Revolving Fund Cluster				
Construction - Wastewater Pollution Control Facilities (Loan)	66.458*	WW030501	-	475,849
Construction - Wastewater Pollution Control Facilities (Principal Forgiveness)	66.458*	WW030501	-	1,362,824
Total Clean Water State Revolving Fund Cluster				1,838,673
Total United States Environmental Protection Agency				1,838,673
Total Federal Awards			-	\$ 1,847,029

* denotes major program

See independent auditors' report and notes to schedule of expenditures of federal awards

City of Springfield, Florida
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the grant activities of the City of Springfield, Florida (City). Federal expenditures are presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – PASS-THROUGH AWARDS

The City receives certain federal awards passed through the State. The total amount of such pass-through awards is included on the schedule of expenditures of federal awards.

NOTE 3 – LOAN PROGRAMS

The accompanying schedule of expenditures of federal awards does not include certain loan programs under which no expenditures were made during the year ended September 30, 2017, in accordance with the Uniform Guidance. Certain information related to these programs is disclosed here for transparency purposes. Additional information related to this debt is reported in the notes to basic financial statements.

The City of Springfield was awarded a loan of \$5,604,730 in December 2016, by the State of Florida Department of Environmental Protection. This award is identified under CFDA 66.458, Clean Water State Revolving Fund. As of September 30, 2017, the City accrued SRF loan revenues of \$1,838,673. In accordance with loan agreements, 74% or \$1,362,824 of the accrued loan revenues are to be forgiven. The City is obligated to repay \$475,849 in principal.

NOTE 4 – INDIRECT COST

The City has not elected to use the 10% de minimis indirect cost rate.

NOTE 5 – OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, noncash assistance, donated property or free rent received or included in the schedule of expenditures of federal awards.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Disclaimer of Opinion	
Internal control over financial reporting		
Material weakness(es) identified?	<u>X</u> yes	___ no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>X</u> yes	___ none reported
Noncompliance material to financial statements noted?	<u>X</u> yes	___ no

Federal Awards

Internal control over major programs		
Material weakness(es) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	<u>X</u> none reported
Type of auditors' report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a)	___ yes	<u>X</u> no

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	Clean Water State Revolving Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	___ yes	<u>X</u> no
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(Continued)

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Section II – Financial Statement Findings

2017-001 Audit Adjusting Entries (prior years 2016-001 and 15-001) (Initially reported in 2007)

Condition: Significant adjustments to the financial records were made in order for the financial statements to conform to generally accepted accounting principles.

Criteria: The requirement is for the City to be able to provide materially correct financial information.

Effect: The auditor proposed a number of journal entries which the City reviewed and approved.

Recommendation: We recommend that the accounting staff continue to strive toward minimizing the proposed audit adjustments that are required.

Views of Responsible Officials and Planned Corrective Action: Management agrees with auditors' recommendation.

2017-002 Financial Statement and Schedule of Expenditures of Federal Awards Preparation (prior years 2016-002 and 15-002) (Initially reported in 2007)

Condition: Inadequate design of internal control over the preparation of financial statements and the schedule of expenditures of federal awards being audited gives rise to a material weakness in internal control.

Criteria: The requirement is for the City to be able to prepare its own financial statements and the schedule of expenditures of federal awards.

Effect: The auditor assists in the preparation while the City retains responsibility for them.

Recommendation: We recommend that the City consider taking the necessary steps to prepare their financial statements and the schedule of expenditures of federal awards to the extent practical.

Views of Responsible Officials and Planned Corrective Action: Management believes that it is cost beneficial to have the auditors assist in the preparation of the financial statements and the schedule of expenditures of federal awards.

2017-003 Bank Reconciliations (prior years 2016-003 and 15-003) (Initially reported in 2007)

Condition: The pooled cash general ledger bank account balance did not agree with related monthly and year-end reconciliations. Management is not actively reviewing bank account reconciliations for accuracy.

Criteria: The requirement is that bank reconciliations are to be completed accurately and timely and reviewed by someone independent of the reconciliation process.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Effect: Failure to perform accurate and timely reconciliations and lack of review could result in ineffective cash management and/or a material error or fraud going undetected.

Recommendation: We recommend that the City establish procedures to ensure that all bank reconciliations are prepared timely and that they agree with the general ledger. We recommend that the bank reconciliations be reviewed by a member of management or governance who is independent of the bank reconciliation process. We also recommend that all reconciliations be signed or initialed and dated by the preparer and reviewer so that timing and responsibility can be easily determined.

Views of Responsible Officials and Planned Corrective Action: The City is continuing to make efforts to keep all accounts properly reconciled and timely performed by having an employee dedicated to that position. Procedures to incorporate a management level review of the reconciliations are in process.

2017-004 Interfund Balances (prior years 2016-004 and 15-004) (Initially reported in 2007)

Condition: We noted instances where the due from/to accounts between funds did not balance. An audit adjusting entry was proposed to correct these errors.

Criteria: Interfund balances between funds and transfers between funds must agree.

Effect: Misstatement of financial data reported to management.

Recommendation: The City should establish policies and procedures to ensure that transfers between funds and other interfund transactions are recorded properly in all funds.

Views of Responsible Officials and Planned Corrective Action: The City will establish procedures to assure that these types of transactions are properly recorded.

2017-005 Property and Equipment (prior years 2016-005 and 15-005) (Initially reported in 2007)

Condition: Property and equipment records were not complete and the property and equipment is not being properly tagged. An inventory was not taken during the year ended September 30, 2017.

Criteria: A documented physical inventory and inspection of property and equipment should be conducted at least annually. This is required by the State of Florida per Rule 69I-73. A reconciliation should be completed between the current year additions on the property listing and the capital outlay accounts for the year. The inventory log should be reviewed for errors. Finally, a tag system should be implemented and used throughout the City to keep track of the City's assets.

Effect: Failure to detect and correct errors in property and equipment records in a timely manner. Possibility of property theft or misplacement without the City's knowledge.

Recommendation: Although the City has taken certain steps to improve the records and implement a tagging system, we recommend further improvement in this area, including coordination between the fiscal office and the purchasing department to assist in reconciling additions. We also recommend that

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

a detailed inventory of all capital assets be taken annually, and that the tagging system be completed. Finally, we recommend the inventory log be reviewed periodically to look for errors in additions, deletions, and calculations.

Views of Responsible Officials and Planned Corrective Action: The City will continue to improve the record keeping of the property and equipment including taking an annual inventory with the appropriate documentation on inventory procedures.

2017-006 Separation of Duties (prior years 2016-006 and 15-006) (Initially reported in 2009)

Condition: Due to the small number of staff, the City does not have proper segregation of duties in many areas. Even when daily activities are properly segregated, most staff is crossed trained as backups in incompatible duties. Of particular importance, employees approving credits to customer accounts have access to cash on a consistent basis, no formal review of billing adjustments, and adjustments to cash are made by the same individual reconciling the bank accounts.

Criteria: To provide effective control and help prevent deposits from being stolen, each of these duties should be separated.

Effect: This situation provides ample opportunity for theft of cash.

Recommendation: The City should continue to evaluate the cost/benefit analysis of hiring additional staff to better segregate controls. Duties should be separated as much as possible and compensating controls should be used to mitigate the risk associated with the lack of proper segregation of duties. Monthly financial activity such as journal entries, significant account balances, bank reconciliations, bank statements and check images should be reviewed for reasonableness by an independent member of management with sufficient knowledge. We also recommend that the person approving customer credits does not have access to change customer account data or access to cash and oversight be implemented in other areas were possible in order to reduce the City's risks to an acceptable level.

Views of Responsible Officials and Planned Corrective Action: We will establish procedures to segregate incompatible duties and add oversight controls as much as possible.

2017-007 Improper Computer Access (prior years 2016-007 and 15-007) (Initially reported in 2011)

Condition: Certain employees have computer access to areas considered unnecessary to perform their duties according to their job descriptions.

Criteria: Employee's computer access should be limited to areas for which they have assigned duties.

Effect: Improper or unnecessary computer access does not allow for proper control over recording, monitoring, safe keeping, and reporting of financial transactions.

Recommendation: We recommend that unique and secure passwords be issued and access be limited to only those software functions required for performing employee's assigned duties.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Views of Responsible Officials and Planned Corrective Action: We will do as you recommend. The effect of our new software being implemented will allow us to more properly restrict access to software functions.

2017-008 Account Balances (prior years 2016-008 and 15-008) (Initially reported in 2015)

Condition: Many general ledger accounts had incorrect balances and were not reconciled to the subsidiary ledger prior to the audit.

Criteria: Account balances should be accurate and agree with subsidiary ledgers and other supporting documentation.

Effect: The result of this situation was account balances were incorrect and did not allow for accurate and timely financial reporting to the Commission.

Recommendation: We recommend that the City implement procedures to ensure that City finance personnel obtain the necessary knowledge to ensure that account balances are accurate and agree with supporting documentation. All accounts should be reviewed and adjusted as necessary for accuracy. City finance personnel should also have training on how the software posts transactions to the general ledger to verify the transactions are posting properly. We also recommend that the payroll clerk review payroll related balances on a monthly basis to verify balances are appropriate and no adjustments are necessary between actual activity (e.g. insurance bills, payroll tax payments, retirement payments, etc.) and expectations based on automated entries by the system. We also recommend that a monthly review by an appropriate level of management be performed and documented to assure that reconciliations are accurately and timely prepared.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to finance personnel and implement policies and procedures to review account balances and adjust as needed. The City will also assign an appropriate level of management to provide oversight.

2017-009 Accounts Receivable and Customer Deposits (prior years 2016-009 and 15-009) (Initially reported in 2015)

Condition: The subsidiary ledger of accounts receivable and customer deposits for the proprietary funds were not reconciled to the general ledger at September 30, 2017. Detailed reports were processed on October 1, 2017 for water, sewer, and sanitation funds. The detailed reports did not agree to the general ledger by significant amounts due, in part, to lack of knowledge on how the accounting software processed activity and journal entries made. The utility billing was processed through the old accounting software and brought into the new software at the time of the changeover via journal entries. The City began billing from the new software in October 2015 and it was noted that the balances from the old system at year end could not be reconciled with the beginning balances brought into the new accounting software in October 2015.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Criteria: Detailed accounts receivable reports and customer deposit reports should be processed as of September 30 of each year. The accounts receivable account and customer deposit account in the general ledger should be compared to the subsidiary ledger and reconciled if not in agreement.

Effect: Incorrect financial information and failure to detect and correct errors in a timely manner.

Recommendation: We recommend that complete appropriate accounts receivable and customer deposit reports are processed and retained for all funds each month. We recommend that a reconciliation of the subsidiary totals to the general ledger be made at the end of each month and that any reconciling items be investigated and cleared promptly. We also recommend that all reconciliations be signed or initialed by the preparer and the reviewer so that responsibility can be easily determined. Finally, we recommend prior to the start of the 2018 audit, the City review in detail the balances brought into the new-year for accuracy and completeness in comparison with the balances in the prior year.

Views of Responsible Officials and Planned Corrective Action: The City will establish procedures to include printing of the referenced reports, preparation of the monthly reconciliation and provide proof of the preparer's/reviewer's initials.

2017-010 Accounts Payable (prior year 2016-010) (Initially reported in 2016)

Condition: The subsidiary ledger of accounts payable for the governmental funds and the proprietary funds were not reconciled to the general ledger at September 30, 2017. Detailed reports were processed on October 1, 2017 for water, sewer, and sanitation funds. The detailed reports did not agree to the general ledger by significant amounts due, in part, to lack of knowledge on how the accounting software processed activity and journal entries made.

Criteria: Detailed accounts payable reports should be processed as of September 30 of each year. The accounts payable account in the general ledger should be compared to the subsidiary ledger and reconciled if not in agreement.

Effect: Incorrect financial information and failure to detect and correct errors in a timely manner.

Recommendation: We recommend that complete appropriate accounts payable reports are processed and retained for all funds each month. We recommend that a reconciliation of the subsidiary totals to the general ledger be made at the end of each month and that any reconciling items be investigated and cleared promptly. We also recommend that all reconciliations be signed or initialed by the preparer and the reviewer so that responsibility can be easily determined. Finally, we recommend prior to the start of the 2018 audit, the City review in detail the balances brought into the new-year for accuracy and completeness in comparison with the balances in the prior year.

Views of Responsible Officials and Planned Corrective Action: The City will establish procedures to include printing of the referenced reports, preparation of the monthly reconciliation and provide proof of the preparer's/reviewer's initials.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

2017-011 Allowance for Doubtful Accounts (prior year 2016-011) (Initially reported in 2016)

Condition: During our audit, it was determined that the City is not actively evaluating its accounts receivable balances in all funds to determine if such balances are deemed to be collectible. Adjustments are not being made to these accounts and the City does not have a formal policy in place to determine when such accounts are deemed to be uncollectible.

Criteria: Individual account balances should be evaluated and adjusted regularly to ensure that the accounts receivable balance is fairly stated in all material respects.

Effect: The result of this situation was account balances were incorrect and did not allow for accurate and timely financial reporting to the Commission.

Recommendation: We recommend that the City implement a formal policy that addresses the evaluation and writing off of accounts that are deemed to be uncollectible.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to finance personnel and implement policies and procedures to evaluate and write off accounts that are deemed to be uncollectible.

2017-012 Incorrect Billing Rates Being Used for Sales of Utility Services (Initially reported in 2017)

Condition: The City lacks proper processes to ensure that correct billing rates are being used when generating monthly utility bills.

Criteria: Billing rates should be evaluated and adjusted regularly to ensure that customers are being billed the proper approved rates.

Effect: The lack of proper processes to ensure that correct billing rates are being used when generating monthly utility bills will result in customers being over or under billed.

Recommendation: We recommend that the City implement a formal policy which ensures that customers are being billed the proper approved rates.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to billing personnel and implement policies and procedures to ensure that customers are being billed the proper approved rates.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

2017-013 Month-end Closing (prior years 2016-013 and 15-010) (Initially reported in 2010)

Condition: The City lacks month-end closing procedures which provide monthly financial statements.

Criteria: Month-end closing procedures should be established to verify all accounts are appropriately reported at month-end and produce monthly financial reports which compares actual expenditures to budget.

Effect: Without month-end financial statements, errors can go uncorrected and those errors can become increasingly difficult to locate and correct over time as errors over months accumulate. Also, the Commission and management are not able to make informed decisions when corrections aren't made in a timely manner.

Recommendation: We recommend the City implement a month-end closing process which includes the preparation of appropriate monthly financial statements.

Views of Responsible Officials and Planned Corrective Action: We will begin to implement a formal month end closing process which includes the preparation of appropriate monthly financial statements.

2017-014 Transaction Documentation (prior years 2016-015 and 15-014) (Initially reported in 2015)

Condition: During our audit, we noted that various transactions (e.g. receipts, adjusting journal entries, expenditures) had inadequate or no supporting documentation, such as copies of receipts, original invoices, contracts, sufficient explanations, etc.

Criteria: Proper documentation for all transaction must be maintained.

Effect: Lack of, or improper documentation, makes it difficult, if not impossible, to provide support for transactions in the general ledger. It could also allow unauthorized or improper transactions to occur and not be detected.

Recommendation: We recommend that timely, authorized supporting documentation for all transactions be maintained.

Views of Responsible Officials and Planned Corrective Action: We will establish procedures for ensuring all transactions have proper supporting documentation.

2017-015 Operating Expenditures Exceed Budget (prior years 2016-017 and 15-016) (Initially reported in 2015)

Condition: General fund expenditures exceeded the approved budget in total and specifically in the administration, protective services, maintenance, and capital outlays.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Criteria: Costs compared to budget should be closely monitored throughout the year and at year-end. Florida Statutes require the budget be amended when actual expenditures are expected to exceed the approved budget.

Effect: By exceeding the budget, the City has violated Florida Statutes.

Recommendation: We recommend regular review of budget variances and amendments to the budget as needed.

Views of Responsible Officials and Planned Corrective Action: The City is continuing to make efforts to work towards staying within our budget and when not able to do so, we will review and amend the budget as necessary.

2017-016 Lack of Management Review (prior year 2016-018) (Initially reported in 2016)

Condition: Management is not actively reviewing the quarterly payroll tax returns, W-2's, and the year-end payroll accrual.

Criteria: All payroll documents and supporting schedules should be reviewed by someone independent of the preparation process to ensure that documents are accurate.

Effect: Incorrect financial information and failure to detect and correct errors, rather due to fraud or material misstatement, in a timely manner.

Recommendation: We recommend that management designate someone independent of the payroll preparation process review and initial all payroll related documents and supporting schedules.

Views of Responsible Officials and Planned Corrective Action: We will establish procedures for ensuring all payroll related documents and supporting schedules are reviewed by someone independent of the preparation process for accuracy.

2017-017 Deteriorating Financial Condition (prior years 2016-019 and 15-012) (Initially reported in 2013)

Condition: As part of our financial condition assessment, we determined that the City has been experiencing a deteriorating financial condition. This includes continuing increases in deficit fund balances and net position.

Criteria: A deteriorating financial condition may lead to a financial emergency, as defined in 218.503(1).

Effect: While the City's overall financial situation is improving they still have significant balances due to the enterprise funds and continuing losses in the general, water, and sanitation funds.

Recommendation: We recommend that the City continue to improve procedures to increase revenues and decrease expenses to improve cash balances and net position/fund balance. This will allow for bills to be paid timely and improve the financial condition of the City.



City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Views of Responsible Officials and Planned Corrective Action: The City is current and will continue to keep current with the payment of monthly bills. Water and sewer rates have been increased and a resolution passed to automatically adjust rates annually to be at least 3% above the wholesale cost. We continue to sell surplus equipment. In addition, an ad valorem tax was approved and became effective November 2014.

2017-018 Purchase Order Initiated and Signed After Purchase Occurred (Initially reported in 2017)

Condition: Acquisitions of property and equipment contained purchase orders that were dated and initiated after the invoice and title transfer.

Criteria: Purchase orders are to be initiated and approved before the final purchase is initiated.

Effect: The incorrect use of purchase order may led to unauthorized or fraudulent purchases.

Recommendation: We recommend that the City implement formal policies which ensure that all required purchase orders are initiated and approved before the final purchase is initiated.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to accounting personnel and implement formal policies to ensure that purchase orders are properly used.

Section III – Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report in the current year.

Section IV – Other Issues

No summary of prior audit findings is required because there were no prior audit findings related to Federal awards.

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

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

We were engaged to audit, 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, Florida (City), as of and for the year ended September 30, 2017, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 21, 2018. Our report disclaims an opinion on such financial statements because we were unable to gather sufficient audit evidence to allow us to express an opinion as described in the Basis for Disclaimer of Opinion section of the Independent Auditors' Report.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses, 2017-001 through 2017-012.

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. We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies, 2017-013 through 2017-018.

Compliance and Other Matters

In connection with our engagement to audit the financial statements of the City, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. As a result of our tests, we noted that the City did not submit the required Annual Financial Report (AFR) and the Annual Financial Audit Report within the prescribed deadline of June 30, 2018. We also noted that the general fund actual expenditures exceeded final budgeted expenditures by \$92,938 for the year ended September 30, 2017.

City's Response to Findings

The City's views and planned corrective actions related to the findings identified in our audit are included in the Schedule of Findings and Questioned Costs. The City's views and planned corrective actions were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
December 21, 2018

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

Report on the Financial Statements

We were engaged to audit the financial statements of the City of Springfield, Florida (City), as of and for the fiscal year ended September 30, 2017. We did not express an opinion on the financial statements because we were unable to gather sufficient audit evidence to allow us to express an opinion.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and our Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated December 21, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.

Prior Year Findings and Recommendations

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2015-16 FY Finding #	2014-15 FY Finding #
2017-001	2016-001	15-001
2017-002	2016-002	15-002
2017-003	2016-003	15-003
2017-004	2016-004	15-004
2017-005	2016-005	15-005
2017-006	2016-006	15-006
2017-007	2016-007	15-007
2017-008	2016-008	15-008
2017-009	2016-009	15-009
2017-010	2016-010	N/A
2017-011	2016-011	N/A
2017-013	2016-013	15-010
2017-014	2016-015	15-014
2017-015	2016-017	15-016
2017-016	2016-018	N/A
2017-017	2016-019	15-012

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established under a Charter in accordance with the Laws of Florida 51-27900. There is one component unit of the reporting entity as defined in publications cited in Rule 10.553. The City Commission of the City of Springfield, Florida is the “ex-officio” governing body of the Springfield Community Redevelopment Agency. The Agency was created on March 30, 2007 by City Ordinance 07-05 pursuant to Florida Statute 163.357.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the City’s financial condition, and our financial assessment was based in part on representations made by management and the review of financial information provided by same. Our financial condition assessment procedures performed as of the fiscal year end disclosed a deteriorating financial condition. See finding 2017-017 for a description of the deteriorating financial condition noted.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we provided recommendations related to findings noted in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units to report in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
December 21, 2018



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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

We have examined the City of Springfield, Florida's (City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2017.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
December 21, 2018

ATTACHMENT 5

City of Springfield, Florida

Financial Statements

September 30, 2018



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City of Springfield, Florida
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September 30, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Springfield, Florida (City), as of and for the year ended September 30, 2018, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matters described in the Basis for Disclaimer of Opinions paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions.

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

Basis for Disclaimer of Opinions

Reconciliations of the pooled cash account contained unreconciled differences, and the City was unable to provide evidence that the bank activity for the year had been appropriately recorded, affecting all funds and activities. The City was not able to provide sufficient audit evidence for the balances of the proprietary fund accounts receivable, allowance for doubtful accounts, accounts payable, or customer deposit liability. The underlying subsidiary ledgers for accounts receivable, accounts payable and customer deposits did not agree to the balances shown on the general ledger. Uncorrected balances remained on the books related to general ledger balances brought forward during the software conversion in a prior year. The City continues to be unable to determine the source of these errors. As a result, revenues and expenditures/expenses, as well as year-end balances, could not be sufficiently substantiated. The City's records are not sufficient to allow the application of compensating auditing procedures.

Disclaimer of Opinions

Because of the significance of the matters described in the Basis for Disclaimer of Opinions paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions. Accordingly, we do not express opinions on the financial statements referred to in the first paragraph.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10, the schedule of changes in the City's total other postemployment benefits liability and related ratios on page 59, the schedule of employer contributions for the retirees' health insurance other postemployment benefits plan on page 60, the schedule of the City's proportionate share of the net pension liability – Florida Retirement System on page 61, the schedule of the City's contributions – Florida Retirement System on page 62, the schedule of the City's proportionate share of the net pension liability – Health Insurance Subsidy Program on page 63, and the schedule of the City's contributions – Health Insurance Subsidy Program on page 64, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express opinions or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express opinions or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matters described in the Basis for Disclaimer of Opinions paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the schedule of expenditures of federal awards.

Change in Accounting Principle

As described in note 2 to the financial statements, during the year ended September 30, 2018, the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Carri Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
October 8, 2019

Management's Discussion and Analysis

Management's Discussion and Analysis

Management's discussion and analysis provide an easily readable analysis of the City's financial activities. The analysis provides summary financial information for the City and should be read in conjunction with the City's financial statements.

Financial Highlights

- Total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources by \$11,561,313 (net position). Of this amount, \$(12,585,254) is a deficit in unrestricted net position for governmental activities and \$5,508,701 is unrestricted net position for business-type activities, while \$1,391,751 is restricted net position for business-type activities and \$27,333 is restricted net position for governmental activities.
- Total net position increased by \$3,978,222. Of this amount, a decrease of \$245,595 is attributable to governmental activities, and an increase of \$4,223,817 is attributable to business-type activities.
- As of September 30, 2018, the general fund's unassigned fund deficit was \$(3,043,637).
- Governmental activities' revenues increased by \$439,040 or 9%, while governmental activities' expenses increased 1% or \$84,263. Business-type activities' revenues increased by \$1,621,362 or 21%, while business-type activities' expenses decreased 8% or \$455,610.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to basic financial statements*. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. The *fund financial statements* present financial information for the City's major funds. The *notes to basic financial statements* provide additional information concerning the City's finances that are not otherwise disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

The *government-wide financial statements* include the *statement of net position* and *statement of activities*. These statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities, as well as the change in net position. Governmental activities are primarily supported by gross receipts taxes, utility taxes and franchise fees, and state shared revenues, while business-type activities are supported by charges to the users of activities, such as water, sewer, and sanitation charges.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City, with the difference between them reported as *net position*. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are

reported separately for governmental activities and business-type activities. Increases or decreases in net position over time may serve as a useful indicator of the City's improving or declining financial position.

The *statement of activities* presents information on all revenues and expenses of the City and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees and earned, but unused vacation/sick leave).

Expenses are reported by major function, along with program revenues relating to those functions, providing the net cost of all functions provided by the City. In order to better understand the City's operations, governmental activities' expenses include among others, general government services, public safety, highways and streets, maintenance, culture and recreation and community development. Business-type activities expenses, which are mostly financed by user fees and charges, include water, sewer and sanitation services.

The government-wide financial statements include not only the City (known as the *primary government*), but also the blended component unit, the Springfield Community Redevelopment Agency (CRA). Financial information for this component unit is included in the City's financial information.

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 purposes or objectives. Individual funds have been established by the City to account for revenues that are restricted to certain uses, or to comply with legal requirements. The two major categories of funds found in the City's *fund financial statements* include: governmental funds and proprietary funds.

Fund financial statements provide financial information for the City's major funds and more detailed information about the City's activities. Governmental fund financial statements provide information on the *current* assets and liabilities of the funds, changes in *current* financial resources (revenues and expenditures), and *current* available resources. The proprietary funds' financial statements provide information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the funds, changes in the economic resources (revenues and expenditures), and total economic resources.

Fund financial statements for all governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The City's general fund includes a statement of revenues, expenditures, and changes in fund balance-budget and actual. For the proprietary funds, a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows are presented.

The *government-wide financial statements* and the *fund financial statements* provide different presentations of the City's financial position. Categorized by governmental activities and business-type activities, the government-wide financial statements provide an overall picture of the City's financial standing. These statements, which are comparable to private-sector companies, provide a good understanding of the City's overall financial health and present the means used to pay for various activities, or functions provided by the City. All assets of the City, including buildings, land, and infrastructure are reported in the statement of net position, as well as all liabilities, including outstanding principal on notes and future employee benefits obligated but not yet paid by the City. The statement of

activities includes depreciation on all long-lived assets of the City, but all transactions between different functions of the City have been eliminated to avoid doubling up the revenues and expenses. The *fund financial statements* provide a presentation of the City's major funds, along with a column for all nonmajor funds. In the case of governmental funds, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as notes payable, are not included in the fund financial statements. To facilitate a comparison between the *fund financial statements* and the *government-wide financial statements*, a reconciliation is provided.

Notes to basic financial statements provide additional detail concerning the financial activities and financial balances of the City. Additional information about the accounting practices of the City, capital assets of the City, long-term debt and pension and other postemployment benefits (OPEB), are just a few of the items included in the notes to basic financial statements.

Financial Analysis of the City

The following schedule provides a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City for the fiscal years ended September 30, 2018 and 2017. A prior period adjustment and restatement adjustment, described in more detail at note 18, were reported in the current year which adjusted balances reported below for September 30, 2017. At the end of the fiscal year 2018, the City is able to report positive balances in all three categories of net position for its business-type activities. However, the City has a deficit balance in the unrestricted net position of governmental activities and for the government as a whole at the end of fiscal years 2018 and 2017.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<i>September 30,</i>						
Current and other assets	\$ 404,762	\$ 420,487	\$ 10,032,590	\$ 9,818,517	\$ 10,437,352	\$ 10,239,004
Capital assets	7,495,367	6,103,599	15,031,229	10,464,834	22,526,596	16,568,433
Total assets	7,900,129	6,524,086	25,063,819	20,283,351	32,963,948	26,807,437
Deferred outflows of resources	2,241,947	1,805,789	325,656	247,861	2,567,603	2,053,650
Current liabilities	3,692,212	3,413,392	1,506,579	1,621,578	5,198,791	5,034,970
Noncurrent liabilities	11,087,317	7,297,324	7,202,863	5,716,573	18,290,180	13,013,897
Total liabilities	14,779,529	10,710,716	8,709,442	7,338,151	23,488,971	18,048,867
Deferred inflows of resources	425,101	237,204	56,166	32,827	481,267	270,031
Net position						
Net investment in capital assets	7,495,367	6,103,599	9,723,415	5,771,238	17,218,782	11,874,837
Restricted	27,333	26,570	1,391,751	1,380,592	1,419,084	1,407,162
Unrestricted	(12,585,254)	(8,748,214)	5,508,701	6,008,404	(7,076,553)	(2,739,810)
Total net position	\$ (5,062,554)	\$ (2,618,045)	\$ 16,623,867	\$ 13,160,234	\$ 11,561,313	\$ 10,542,189

At September 30, 2018, net investment in capital assets (e.g., land, buildings, and equipment), net of any related outstanding debt used to acquire those assets, represents 149% of the City's net position. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. It should be noted, that although the City's investment in its capital assets is reported net of related debt, 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.

The *restricted net position*, representing 12% of the City's net position, is subject to external restrictions, and thus is limited as to how it may be used. The remaining balance of net position is a deficit in *unrestricted net position* (\$7,076,553).

The following schedule provides a summary of the change in net position.

Change in Net Position

Year Ended September 30,	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues						
Charges for services	\$ 835,395	\$ 907,765	\$ 6,525,063	\$ 6,316,883	\$ 7,360,458	\$ 7,224,648
Operating grants/ contributions	141,981	132,523	-	-	141,981	132,523
Capital grants/ contributions	7,754	26,633	2,822,316	1,362,824	2,830,070	1,389,457
General revenues						
Gross receipts						
taxes	3,477,703	3,066,331	-	-	3,477,703	3,066,331
Franchise fees	547,697	528,040	-	-	547,697	528,040
State shared revenues	521,402	433,923	-	-	521,402	433,923
Impact fees	-	-	11,941	26,621	11,941	26,621
Other	38,473	10,747	7,205	3,392	45,678	14,139
Gain (loss) on sale of assets	(19,730)	5,673	(276)	35,167	(20,006)	40,840
Total revenues	5,550,675	5,111,635	9,366,249	7,744,887	14,916,924	12,856,522
Expenses						
General government	443,782	436,118	-	-	443,782	436,118
Public safety	3,777,760	3,759,288	-	-	3,777,760	3,759,288
Highways and streets	942,919	890,387	-	-	942,919	890,387
Maintenance	177,805	179,439	-	-	177,805	179,439
Culture and recreation	453,829	446,600	-	-	453,829	446,600
Community redevelopment	175	175	-	-	175	175
Water	-	-	1,748,414	1,761,710	1,748,414	1,761,710
Sewer	-	-	2,037,860	2,517,771	2,037,860	2,517,771
Sanitation	-	-	1,356,158	1,318,561	1,356,158	1,318,561
Total expenses	5,796,270	5,712,007	5,142,432	5,598,042	10,938,702	11,310,049

<i>Year Ended September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Change in net position	\$ (245,595)	\$ (600,372)	\$ 4,223,817	\$ 2,146,845	\$ 3,978,222	\$ 1,546,473
Net position - beginning (as originally stated)	(2,618,045)	(2,017,673)	13,160,234	11,013,389	10,542,189	8,995,716
Prior period adjustment/ restatement adjustment	(2,198,914)	-	(760,184)	-	(2,959,098)	-
Net position - beginning (as restated)	(4,816,959)	(2,017,673)	12,400,050	11,013,389	7,583,091	8,995,716
Net position - ending	\$ (5,062,554)	\$ (2,618,045)	\$ 16,623,867	\$ 13,160,234	\$ 11,561,313	\$ 10,542,189

For the year ended September 30, 2018, governmental activities' expenses exceeded revenues by \$245,595, while business-type activities' revenues exceeded expenses by \$4,223,817. Total revenues increased \$2,060,402 from the previous year. Total expenses decreased \$371,347 from the previous year. 73% of the revenues for governmental activities were generated by gross receipts, franchise and utility taxes. Most of the governmental resources were expended for public safety (65%), highways and streets (16%), general government (8%), and culture and recreation (8%) activities. Charges for services provided 70% of the revenues for business-type activities and grant related revenues provided 30%. Sewer expenses consumed the majority (40%) of business-type activities expenses.

Financial Analysis of the City's Funds

Governmental Funds

General Fund

The main operating fund of the City is the general fund. As of September 30, 2018, total assets were \$5,882,508 and total liabilities were \$8,906,050. At the end of fiscal year 2018, unassigned fund balance of the general fund was a deficit of (\$3,043,637) while the total fund deficit was (\$3,023,542).

Community Redevelopment Fund

The Community Redevelopment Fund is used by the City to account for the revenues and expenditures of the Springfield Community Redevelopment Agency.

Proprietary Funds

The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in greater detail. All proprietary funds are reported as major funds.

Unrestricted net position of the proprietary funds at September 30, 2018 and 2017 are presented below:

<i>September 30,</i>	2018	2017
Water	\$ (1,615,191)	\$ (898,572)
Sewer	6,339,870	5,795,282
Sanitation	784,022	1,111,694
Total	\$ 5,508,701	\$ 6,008,404

The *proprietary funds* are used to account for the operations of the City's utility systems. Refer to the statement of net position – proprietary funds and the statement of revenues, expenses, and changes in net position – proprietary funds for specific numerical data.

Capital Assets Activity

The following schedule provides a summary of the City's capital assets activity. The City's total investment in capital assets for both its governmental and business-type activities as of September 30, 2018, was \$22,526,596 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Capital Assets (net of depreciation)

Additional information on the City's capital assets can be found in note 8 – capital assets, of the notes to basic financial statements.

<i>September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,821,328	\$ 921,328	\$ 139,900	\$ 139,900	\$ 1,961,228	\$ 1,061,228
Construction in progress	-	-	7,598,684	3,269,952	7,598,684	3,269,952
Buildings	567,318	591,457	42,414	44,024	609,732	635,481
Improvements/ distribution system	2,301,602	2,429,565	6,301,859	6,498,470	8,603,461	8,928,035
Intangible assets	1,053	13,696	2,592	33,693	3,645	47,389
Machinery and equipment	1,559,744	986,466	945,780	478,795	2,505,524	1,465,261
Streets	1,244,322	1,161,087	-	-	1,244,322	1,161,087
Total	\$ 7,495,367	\$ 6,103,599	\$ 15,031,229	\$ 10,464,834	\$ 22,526,596	\$ 16,568,433

Debt Management

At the end of fiscal year 2018, the City had total outstanding debt in the amount of \$6,107,814. This debt amount represents notes payable secured by specified revenue sources.

Outstanding Debt

<i>September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Notes payable	\$ 800,000	\$ -	\$ 5,307,814	\$ 4,693,596	\$ 6,107,814	\$ 4,693,596

Principal repayments during the year on notes payable totaled \$891,493.

More detail on the City’s liabilities is presented in note 9 of the notes to basic financial statements.

General Fund Budgetary Highlights

The general fund final budgeted revenues exceeded actual revenues by \$633,039, which was due to less than expected revenues for half-cent sales tax, franchise fees and rental revenues. The general fund actual expenditures were less than the final budgeted expenditures by \$814,949 due to less than expected general government administration costs.

Subsequent Event

In October 2018 Hurricane Michael made landfall in the Florida panhandle causing catastrophic damage. The City sustained significant damage as a result of this hurricane. The extent of the damage is not known as of the date of this report.

Economic Factors and Next Year’s Budget

The City sustained significant damage as a result of Hurricane Michael resulting in an increase in next year’s budget for debris removal and the rebuilding of damaged property. The extent of the effect of the hurricane on economic conditions is not known as of the date of this report.

Contacting the City’s Finance Department

This financial report is designed to provide a general overview of the City of Springfield, Florida’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Springfield Finance Department, 3529 East Third Street, Springfield, Florida 32401.

City of Springfield, Florida
Statement of Net Position
September 30, 2018

Primary Government			
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ -	\$ 1,793,158	\$ 1,793,158
Accounts receivable, net	1,452	636,293	637,745
Prepays	1,500	2,390	3,890
Internal balances	(2,269,951)	2,269,951	-
Due from other governments	392,547	85,220	477,767
Due from joint venture	-	277,901	277,901
Restricted assets			
Cash and cash equivalents, customer deposits	-	155,168	155,168
Cash and cash equivalents, impact fees	-	384,789	384,789
Cash and cash equivalents, CRA	9,263	-	9,263
Due from (to) other funds, impact fees	(1,006,962)	1,006,962	-
Investment in joint venture	-	3,420,758	3,420,758
Capital assets			
Nondepreciable	1,821,328	7,738,584	9,559,912
Depreciable, net	5,674,039	7,292,645	12,966,684
Total assets	4,623,216	25,063,819	29,687,035
Deferred outflows of resources			
Deferred outflows - pension	2,100,282	284,441	2,384,723
Deferred outflows - other postemployment benefits	141,665	41,215	182,880
Total deferred outflows of resources	2,241,947	325,656	2,567,603
Liabilities			
Current liabilities			
Accounts payable	47,666	293,755	341,421
Accrued interest	-	19,917	19,917
Accrued payroll liabilities	84,724	9,367	94,091
Customer deposits	10,263	690,904	701,167
Long-term liabilities			
Due within one year			
Accrued compensated absences	72,646	9,285	81,931
Notes payable	200,000	483,351	683,351
Due in more than one year			
Notes payable	600,000	4,824,463	5,424,463
Net pension liability	4,323,775	585,213	4,908,988
Other postemployment benefits liability	6,163,542	1,793,187	7,956,729
Total liabilities	11,502,616	8,709,442	20,212,058

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Net Position (Continued)
September 30, 2018

Primary Government			
	Governmental Activities	Business-type Activities	Total
Deferred inflows of resources			
Deferred inflows - pension	\$ 425,101	\$ 56,166	\$ 481,267
Total deferred inflows of resources	425,101	56,166	481,267
Net position			
Net investment in capital assets	7,495,367	9,723,415	17,218,782
Restricted	27,333	1,391,751	1,419,084
Unrestricted (deficit)	(12,585,254)	5,508,701	(7,076,553)
Total net position (deficit)	\$ (5,062,554)	\$ 16,623,867	\$ 11,561,313

See accompanying notes

City of Springfield, Florida
Statement of Activities
Year Ended September 30, 2018

Functions/Programs	Program Revenues				Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government			
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 443,782	\$ 69,551	\$ 141,981	\$ -	\$ (232,250)	\$ -	\$ -	(232,250)
Public safety	3,777,760	428,042	-	-	(3,349,718)	-	-	(3,349,718)
Highways and streets	942,919	-	-	7,754	(935,165)	-	-	(935,165)
Maintenance	177,805	-	-	-	(177,805)	-	-	(177,805)
Culture and recreation	453,829	337,802	-	-	(116,027)	-	-	(116,027)
Community redevelopment	175	-	-	-	(175)	-	-	(175)
Total governmental activities	5,796,270	835,395	141,981	7,754	(4,811,140)	-	-	(4,811,140)
Business-type activities								
Water	1,748,414	1,676,258	-	30,915	-	(41,241)	-	(41,241)
Sewer	2,037,860	3,678,921	-	2,791,401	-	4,432,462	-	4,432,462
Sanitation	1,356,158	1,169,884	-	-	-	(186,274)	-	(186,274)
Total business-type activities	5,142,432	6,525,063	-	2,822,316	-	4,204,947	-	4,204,947
Total primary government	\$ 10,938,702	\$ 7,360,458	\$ 141,981	\$ 2,830,070	(4,811,140)	4,204,947	(606,193)	(606,193)

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Activities (Continued)
Year Ended September 30, 2018

Net (Expenses)/Revenues and Changes in Net Position
Primary Government

	Governmental Activities	Business-type Activities	Total
General revenues			
Taxes			
Ad valorem taxes	\$ 721,265	\$ -	\$ 721,265
Utility taxes	682,155	-	682,155
Local option gas tax	196,793	-	196,793
Communications services tax	179,451	-	179,451
Half-cent sales tax	1,682,869	-	1,682,869
Local business tax	15,170	-	15,170
State shared revenues	521,402	-	521,402
Franchise fees	547,697	-	547,697
Impact fees	-	11,941	11,941
Miscellaneous revenues	38,473	7,205	45,678
Loss on sale of assets	(19,730)	(276)	(20,006)
Total general revenues	4,565,545	18,870	4,584,415
Change in net position	(245,595)	4,223,817	3,978,222
Net position - beginning of year (as originally stated)	(2,618,045)	13,160,234	10,542,189
Prior period adjustment/restatement adjustment	(2,198,914)	(760,184)	(2,959,098)
Net position - beginning of year (as restated)	(4,816,959)	12,400,050	7,583,091
Net position - end of year	\$ (5,062,554)	\$ 16,623,867	\$ 11,561,313

See accompanying notes

City of Springfield, Florida
Balance Sheet
Governmental Funds
September 30, 2018

	General	Community Redevelopment	Total
Assets			
Accounts receivable, net	\$ 1,452	\$ -	\$ 1,452
Due from other funds	5,487,009	-	5,487,009
Due from other governments	392,547	-	392,547
Prepays	1,500	-	1,500
Restricted assets - cash and cash equivalents	-	9,263	9,263
Total assets	\$ 5,882,508	\$ 9,263	5,891,771
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 47,666	\$ -	47,666
Accruals	84,724	-	84,724
Customer deposits	10,263	-	10,263
Due to other funds	8,763,397	525	8,763,922
Total liabilities	8,906,050	525	8,906,575
Fund balances			
Nonspendable			
Prepays	1,500	-	1,500
Restricted			
Law enforcement education	18,595	-	18,595
Community redevelopment fund	-	8,738	8,738
Unassigned	(3,043,637)	-	(3,043,637)
Total fund balance (deficit)	(3,023,542)	8,738	(3,014,804)
Total liabilities and fund balances	\$ 5,882,508	\$ 9,263	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			7,495,367
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.			(11,359,963)
Deferred outflows and inflows of resources are not financial resources or liabilities and therefore are not reported in the funds.			1,816,846
Net position of governmental activities			\$ (5,062,554)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2018

	General	Community Redevelopment	Total
Revenues			
Taxes			
Ad valorem taxes	\$ 721,265	\$ -	\$ 721,265
Utility taxes	682,155	-	682,155
Local option gas tax	196,793	-	196,793
Communications services tax	179,451	-	179,451
Half-cent sales tax	1,682,869	-	1,682,869
Local business tax	15,170	-	15,170
Intergovernmental	663,383	-	663,383
Licenses and permits	433,164	-	433,164
Franchise fees	547,697	-	547,697
Charges for services	35,847	-	35,847
Fines and forfeitures	28,481	-	28,481
Rents	337,802	-	337,802
Contributions and donations	7,754	-	7,754
Other fees and miscellaneous	50,952	-	50,952
Total revenues	5,582,783	-	5,582,783
Expenditures			
Current			
General government	387,830	-	387,830
Public safety	3,267,590	-	3,267,590
Highways and streets	709,901	-	709,901
Maintenance	161,011	-	161,011
Culture and recreation	415,910	-	415,910
Community redevelopment	-	175	175
Capital outlay			
General government	37,165	-	37,165
Public safety	590,801	-	590,801
Highways and streets	397,423	-	397,423
Maintenance	23,679	-	23,679
Culture and recreation	98,225	-	98,225
Total expenditures	6,089,535	175	6,089,710

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances (Continued)
Governmental Funds
Year Ended September 30, 2018

	General	Community Redevelopment	Total
Net change in fund balances	\$ (506,752)	\$ (175)	\$ (506,927)
Fund balance (deficit) - beginning (as originally stated)	(2,937,415)	8,913	(2,928,502)
Prior period adjustment	420,625	-	420,625
Fund balance (deficit) - beginning (as restated)	(2,516,790)	8,913	(2,507,877)
Fund balance (deficit) - ending	\$ (3,023,542)	\$ 8,738	\$ (3,014,804)

See accompanying notes

City of Springfield, Florida

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2018**

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - total governmental funds (page 17)	\$	(506,927)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		591,767
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(330,435)
<hr/>		
Change in net position of governmental activities (page 14)	\$	(245,595)
<hr/>		

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended September 30, 2018

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Ad valorem taxes	\$ 698,957	\$ 698,957	\$ 721,265	\$ 22,308
Utility taxes	746,975	731,805	682,155	(49,650)
Local option gas tax	200,228	200,228	196,793	(3,435)
Communications services tax	203,306	203,306	179,451	(23,855)
Half-cent sales tax	1,813,502	1,813,502	1,682,869	(130,633)
Local business tax	28,000	15,170	15,170	-
Intergovernmental	584,017	582,967	663,383	80,416
Licenses and permits	501,131	498,131	433,164	(64,967)
Franchise fees	638,300	688,350	547,697	(140,653)
Charges for services	66,900	30,500	35,847	5,347
Fines and forfeitures	28,750	37,106	28,481	(8,625)
Rents	359,500	683,500	337,802	(345,698)
Contributions and donations	1,000	11,000	7,754	(3,246)
Other fees and miscellaneous	21,300	21,300	50,952	29,652
Total revenues	5,891,866	6,215,822	5,582,783	(633,039)
Expenditures				
Current				
General government				
Special governing	79,755	75,255	63,554	11,701
Administration	1,237,531	1,240,677	324,277	916,400
Total general government	1,317,286	1,315,932	387,831	928,101
Public safety				
Police	2,065,630	1,891,874	1,923,028	(31,154)
Fire	1,132,780	1,129,361	1,229,733	(100,372)
Protective services	133,098	126,200	114,828	11,372
Total public safety	3,331,508	3,147,435	3,267,589	(120,154)
Highways and streets	716,072	642,124	709,901	(67,777)
Maintenance	135,263	135,099	161,011	(25,912)
Culture and recreation				
Library	96,761	101,717	100,169	1,548
Recreation	378,667	332,953	315,741	17,212
Total culture and recreation	475,428	434,670	415,910	18,760

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund (Continued)
Year Ended September 30, 2018

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay				
General government	\$ 78,964	\$ 88,007	\$ 37,165	\$ 50,842
Public safety	493,538	591,649	590,801	848
Highways and streets	352,000	403,824	397,423	6,401
Maintenance	29,500	24,004	23,679	325
Culture and recreation	149,000	121,740	98,225	23,515
Total capital outlay	1,103,002	1,229,224	1,147,293	81,931
Total expenditures	7,078,559	6,904,484	6,089,535	814,949
Excess (deficit) of revenues over (under) expenditures	(1,186,693)	(688,662)	(506,752)	181,910
Other financing sources (uses)				
Transfers from other funds	986,166	688,662	-	(688,662)
Total other financing sources (uses)	986,166	688,662	-	(688,662)
Net change in fund balance	\$ (200,527)	\$ -	\$ (506,752)	\$ (506,752)

See accompanying notes

City of Springfield, Florida
Statement of Net Position
Proprietary Funds
September 30, 2018

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 139,190	\$ 1,434,584	\$ 219,384	\$ 1,793,158
Accounts receivable, net	220,656	301,096	114,541	636,293
Prepays	1,472	918	-	2,390
Due from joint venture	-	277,901	-	277,901
Due from other governments	-	85,220	-	85,220
Due from other funds	661,864	6,202,607	1,146,552	8,011,023
Total current assets	1,023,182	8,302,326	1,480,477	10,805,985
Noncurrent assets				
Restricted assets - cash and cash equivalents				
Customer deposits	155,168	-	-	155,168
Impact fees	114,873	269,916	-	384,789
Restricted assets - due from other funds				
Impact fees	518,432	488,530	-	1,006,962
Investment in joint venture	-	3,420,758	-	3,420,758
Capital assets				
Nondepreciable	599,820	7,091,051	47,713	7,738,584
Depreciable, net	3,171,051	4,104,846	16,748	7,292,645
Total noncurrent assets	4,559,344	15,375,101	64,461	19,998,906
Total assets	5,582,526	23,677,427	1,544,938	30,804,891
Deferred outflows of resources				
Deferred outflows - pension	146,127	110,736	68,793	325,656
Total deferred outflows of resources	146,127	110,736	68,793	325,656
Liabilities				
Current liabilities				
Accounts payable	52,417	158,202	83,136	293,755
Accrued interest	19,917	-	-	19,917
Accrued payroll liabilities	5,539	3,630	198	9,367
Accrued compensated absences	3,250	3,918	2,117	9,285
Due to other funds	1,165,449	4,379,052	196,571	5,741,072
Customer deposits	690,904	-	-	690,904
Notes payable, current	154,534	328,817	-	483,351
Total current liabilities	2,092,010	4,873,619	282,022	7,247,651

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2018

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Noncurrent liabilities				
Notes payable	\$ 1,385,221	\$ 3,439,242	\$ -	\$ 4,824,463
Net pension liability	260,900	207,973	116,340	585,213
Other postemployment benefits liability	717,943	716,421	358,823	1,793,187
Total noncurrent liabilities	2,364,064	4,363,636	475,163	7,202,863
Total liabilities	4,456,074	9,237,255	757,185	14,450,514
Deferred inflows of resources				
Deferred inflows - pension	23,349	24,754	8,063	56,166
Total deferred inflows of resources	23,349	24,754	8,063	56,166
Net position				
Net investment in capital assets	2,231,116	7,427,838	64,461	9,723,415
Restricted - impact fees	633,305	758,446	-	1,391,751
Unrestricted	(1,615,191)	6,339,870	784,022	5,508,701
Total net position	\$ 1,249,230	\$ 14,526,154	\$ 848,483	\$ 16,623,867

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2018

Business-type Activities/Enterprise Funds

	Water	Sewer	Sanitation	Total
Operating revenues				
Charges for services				
Sales	\$ 1,519,325	\$ 3,246,378	\$ 1,136,022	\$ 5,901,725
Connection/reconnection fees	94,670	-	-	94,670
Penalties	43,096	96,096	33,862	173,054
Tap fees	19,167	15,184	-	34,351
Other income	7,205	-	-	7,205
Grants	30,915	2,791,401	-	2,822,316
Impact fees	3,218	8,723	-	11,941
Total operating revenues	1,717,596	6,157,782	1,169,884	9,045,262
Operating expenses				
Personnel services	431,605	365,175	161,406	958,186
Professional services	82,540	72,545	74,009	229,094
Contractual services	60,298	22,792	943,254	1,026,344
Insurance	72,500	72,500	10,000	155,000
Repairs and maintenance	116,637	37,519	-	154,156
Operating supplies	48,970	34,284	9,359	92,613
Communication services	16,375	9,651	6,561	32,587
Public utility purchases	575,497	864,424	7,521	1,447,442
Travel and per diem	30	16	-	46
Rentals	110,888	110,234	109,940	331,062
Printing and binding	1,103	772	-	1,875
Bad debt	8,800	18,444	8,143	35,387
Miscellaneous	25,582	35,689	13,445	74,716
Depreciation	156,781	248,972	12,520	418,273
Total operating expenses	1,707,606	1,893,017	1,356,158	4,956,781
Net operating income (loss)	9,990	4,264,765	(186,274)	4,088,481

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
Year Ended September 30, 2018

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Nonoperating revenues (expenses)				
Income from joint venture	\$ -	\$ 321,263	\$ -	\$ 321,263
Interest expense	(40,808)	(144,843)	-	(185,651)
Gain (loss) on asset disposal	1,700	1,100	(3,076)	(276)
Total nonoperating revenues (expenses)	(39,108)	177,520	(3,076)	135,336
Net income (loss)	(29,118)	4,442,285	(189,350)	4,223,817
Net position - beginning (as originally stated)	1,586,062	10,385,497	1,188,675	13,160,234
Prior period adjustment/ restatement adjustment	(307,714)	(301,628)	(150,842)	(760,184)
Net position - beginning (as restated)	1,278,348	10,083,869	1,037,833	12,400,050
Net position - ending	\$ 1,249,230	\$ 14,526,154	\$ 848,483	\$ 16,623,867

See accompanying notes

City of Springfield, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2018

Business-type Activities/Enterprise Funds				
	Water	Sewer	Sanitation	Total
Operating activities				
Receipts from customers and users	\$ 1,746,092	\$ 6,155,716	\$ 1,176,301	\$ 9,078,109
Payments to suppliers and others	(1,059,313)	(1,349,389)	(1,167,196)	(3,575,898)
Payments for personnel services	(417,077)	(352,819)	(156,753)	(926,649)
Net cash provided (used) by operating activities	269,702	4,453,508	(147,648)	4,575,562
Noncapital financing activities				
Changes in internal balances	61,174	(419,419)	(458,603)	(816,848)
Net cash provided (used) by noncapital financing activities	61,174	(419,419)	(458,603)	(816,848)
Capital and related financing activities				
Proceeds from notes payable	-	1,505,711	-	1,505,711
Principal paid on notes payable	(115,792)	(775,701)	-	(891,493)
Interest paid on notes payable	(42,745)	(144,842)	-	(187,587)
Proceeds from sales of capital assets	1,700	1,100	-	2,800
Purchases of capital assets	(418,138)	(4,566,529)	-	(4,984,667)
Net cash used by capital and related financing activities	(574,975)	(3,980,261)	-	(4,555,236)
Investing activities				
Investments in joint venture	-	(203,538)	-	(203,538)
Receipts from joint venture	-	411,731	-	411,731
Net cash provided by investing activities	-	208,193	-	208,193
Net increase (decrease) in cash and cash equivalents	(244,099)	262,021	(606,251)	(588,329)
Cash and cash equivalents - beginning	653,330	1,442,479	825,635	2,921,444
Cash and cash equivalents - ending	\$ 409,231	\$ 1,704,500	\$ 219,384	\$ 2,333,115
Cash and cash equivalents classified as				
Current assets	\$ 139,190	\$ 1,434,584	\$ 219,384	\$ 1,793,158
Restricted assets	270,041	269,916	-	539,957
Total cash and cash equivalents	\$ 409,231	\$ 1,704,500	\$ 219,384	\$ 2,333,115

(Continued)

See accompanying notes

City of Springfield, Florida
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2018

	Business-type Activities/Enterprise Funds			
	Water	Sewer	Sanitation	Total
Reconciliation of net operating income (loss)				
to net cash provided (used) by				
operating activities				
Net operating income (loss)	\$ 9,990	\$ 4,264,765	\$ (186,274)	\$ 4,088,481
Adjustments to reconcile net operating				
income (loss) to net cash provided (used)				
by operating activities				
Depreciation	156,781	248,972	12,520	418,273
Loss on disposal of assets	-	-	(3,076)	(3,076)
(Increase) decrease in assets				
Accounts receivable, net	(31,834)	(2,066)	6,416	(27,484)
Prepays	72,500	72,500	10,000	155,000
Increase in deferred				
outflows of resources	(33,913)	(29,628)	(14,254)	(77,795)
Increase (decrease) in liabilities				
Accounts payable	(12,593)	(143,019)	8,112	(147,500)
Accrued compensated absences	(1,970)	1,106	(255)	(1,119)
Net pension liability	27,841	21,046	9,604	58,491
Other postemployment benefits liability	11,459	11,435	5,727	28,621
Customer deposits	60,331	-	-	60,331
Increase in deferred				
inflows of resources	11,110	8,397	3,832	23,339
Total adjustments	259,712	188,743	38,626	487,081
Net cash provided (used) by operating activities	\$ 269,702	\$ 4,453,508	\$ (147,648)	\$ 4,575,562

See accompanying notes



City of Springfield, Florida Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Springfield, Florida (City) have been prepared in conformity with United States generally accepted accounting principles (GAAP) as applied to governmental units promulgated by the Governmental Accounting Standards Board (GASB).

This summary of the City's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

Reporting Entity

The City, established pursuant to Chapter 51-27900, Laws of Florida, is a political subdivision of the State of Florida and is located in Bay County. It operates under a commissioner/manager form of government and provides the following services as authorized by its charter: general government, public safety, highways and streets, maintenance, culture and recreation, water, sewer, and sanitation.

Component Unit –Springfield Community Redevelopment Agency

This report includes financial statements of the funds required to account for those financial activities which are related to the City and are controlled by or dependent upon the City's legislative body, the City Commission. The City has one component unit, the Springfield Community Redevelopment Agency (Agency), as defined by GASB Statement No. 14, *The Financial Reporting Entity* and in publications cited in the State of Florida, Office of the Auditor General Rules, Rule 10.553, and is required to be blended in these financial statements. A component unit is an entity for which the City is considered to be financially accountable and is included in the City's reporting entity because of the significance of its operational or financial relationships with the City. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The Agency is operated by the City and was created on March 30, 2007 by City Ordinance 07-05 pursuant to Florida Statute 163.357. All of the City's commission members serve as board members of the Agency. The Agency is presented as a governmental fund type with a fiscal year end of September 30 and is disclosed using the blended presentation method. Due to the nature and significance of the Agency's relationship with the City, exclusion of its financial operations would render the City's financial statements incomplete or misleading. The Agency's governing body is the same as the governing body of the City and provides services specifically to the Community Redevelopment Areas of the City.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The basic financial statements of the City are comprised of the following:

Government-wide financial statements
Fund financial statements
Notes to basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government’s citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenses.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. The City chooses to eliminate the indirect costs between governmental activities to avoid duplicating revenues and expenses.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the City.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Proprietary Funds

The City's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than another financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

Basis of Presentation

GASB Statement No.34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has used GASB Statement No. 34 minimum criteria for major fund determination to determine which funds are required to be reported as major funds. The nonmajor governmental funds are combined in a column in the fund financial statements and detailed in the combining section; if applicable.

Governmental Major Funds

General fund – The general fund is the general operating fund of the City. It is used to account for all activities of the general government except those required to be accounted for in another fund.

Community redevelopment fund – The community redevelopment fund is the operating fund of the Springfield Community Redevelopment Agency. It is used to account for the activities of the community redevelopment areas.

Proprietary Major Funds

Water fund – The water fund is used to account for operations and activities related to the water system within the City.

Sewer fund – The sewer fund is used to account for operations and activities related to the sewer system within the City.

Sanitation fund – The sanitation fund is used to account for operations and activities related to the collection of solid waste within the City.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Noncurrent Governmental Assets/Liabilities

GASB Statement No. 34 requires noncurrent governmental assets, such as land, buildings and equipment, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

Budgets

Annual budgets are legally adopted in the general fund and all proprietary funds. Budgets are prepared and adopted on a basis of accounting consistent with United States generally accepted accounting principles.

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 129, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Therefore, the fund level is the legal level of control for budget considerations according to Florida Statutes.

The City budgets expenditures at the department level. Only the City Commission can approve budget amendments that change the total approved budget appropriation of an individual department. Department managers can transfer appropriations within the departmental budget, but cannot change the total appropriation of an individual department without the approval of the City Commission.

Budgetary data presented in the accompanying basic financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data, if applicable.

Encumbrances

Encumbrance accounting is not utilized as an extension of the formal budgetary process in the governmental funds. Therefore, no provision for encumbrances has been made.

Cash and Cash Equivalents

The City considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable, Net

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, infrastructure, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are stated at cost, except for donated assets, which are recorded at acquisition value on the date received. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are generally as follows:

Buildings	20-40 years
Improvements	5-40 years
Equipment	3-10 years
Infrastructure	10-50 years

Long-term Obligations

The City reports long-term debt of governmental funds at face value in the government-wide long-term liabilities. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide long-term liabilities.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Accumulated Vacation and Sick Leave

The City allows its employees to accumulate a limited amount of earned but unused vacation leave which is payable upon termination of employment.

Sick leave is earned for each month of employment and is cumulative, however, employees do not vest in unused sick leave, therefore, no accrual has been made in the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Advances

The City periodically advances monies between funds. These monies are advanced with the intent of repayment but no specified repayment schedule has been adopted and no interest is charged.

Fund balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, employs the following terminology and classifications for fund balance.

Nonspendable – This category includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balance as of September 30, 2018 is \$1,500 from prepaids.

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. The restricted fund balance as of September 30, 2018 of \$27,333 is restricted by enabling legislation.

Committed – This category includes resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority which is the City Commissioners. There is no committed fund balance as of September 30, 2018.

Assigned – This category includes resources that are intended to be used for specific purposes, but are neither restricted nor committed. These are resources that have been set aside for a specific purpose by an authorized government body or official. There is no assigned fund balance as of September 30, 2018.

Unassigned – This category is the residual classification for the City's fund balances. The unassigned fund balance as of September 30, 2018 is a deficit of \$(3,043,637).

Net Position

GASB Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and this standard renames the components of net position which were previously considered net assets.

Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets – represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

Unrestricted – indicates that portion of net position that is available for future periods.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Deferred Outflows/Inflows of Resources

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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one item that qualifies for reporting in this category which is the deferred outflows of resources related to the net pension liability.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the City has one item that qualifies for reporting in this category which is the deferred inflows of resources related to the net pension liability.

Restricted Assets

Certain assets of the various funds are required by resolutions and ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use it is the government's policy to use restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. All property is assessed by the county according to its fair market value on January 1 of each year.



City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Each assessment roll is submitted to the executive director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for general operations. The City's millage rate for the year ended September 30, 2018, was 3.4650 mills.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On, or prior to, June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer.

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

The City tax calendar is as follows: valuation date: January 1; levy date: November 1; due date; March 31, succeeding year; and lien date: April 1, succeeding year.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ significantly from those estimates.

Date of Management's Review

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 8, 2019, the date the financial statements were available to be issued.

NOTE 2 – ACCOUNTING CHANGES

As a plan sponsor, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which requires employers of single-employer defined benefit plans to report the employers' OPEB Plan liabilities. The requirements of this statement are being applied retroactively by restating the actuarially determined liabilities of \$ 3,381,655 at September 31, 2017 the date of transition.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

When capital assets (property, leasehold improvements and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes capital assets of the City as a whole.

Cost of capital assets	\$ 11,799,691
Less: accumulated depreciation	(4,304,324)
<hr/>	
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 7,495,367
<hr/>	

Long-term liabilities applicable to the City's governmental activities are not reported as fund liabilities. All liabilities are reported in the statement of net position. The details of this difference are as follows:

Notes payable	\$ (800,000)
Other postemployment benefits liability	(6,163,542)
Net pension liability	(4,323,775)
Accrued compensated absences	(72,646)
<hr/>	
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ (11,359,963)
<hr/>	

Deferred inflows and outflows related to the net pension liabilities applicable to the City's governmental activities are not reported as fund assets and liabilities. All assets and liabilities are reported in the statement of net position.

Deferred outflows of resources related to net pension liability	\$ 2,241,947
Deferred inflows of resources related to net pension liability	(425,101)
<hr/>	
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 1,816,846
<hr/>	

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One of those reconciliation elements is governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Capital outlay	\$ 1,103,688
Depreciation expense	(511,921)
<hr/>	
Net adjustment to increase <i>net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	\$ 591,767
<hr/> <hr/>	

Another element of the reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of this difference are as follows:

Compensated absences	\$ (4,766)
Deferred outflows of resources	436,158
Deferred inflows of resources	(187,897)
Pension expenses	(472,076)
Other postemployment benefits	(101,854)
<hr/>	
Net adjustment to decrease <i>net change in fund balances – total governmental funds to arrive at change in net position of governmental activities</i>	\$ (330,435)
<hr/> <hr/>	

NOTE 4 – BUDGETS

The City adopts budgets on a basis consistent with United States generally accepted accounting principles.

NOTE 5 – DEPOSITS AND INVESTMENTS

Deposits Policies

All cash resources of the City are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required by this law to ensure that the City's funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro rata basis.

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid debt instruments with original maturities of three months or less from the date of acquisition.

NOTE 5 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Policies

Florida Statutes, Section 218.415, authorizes the City to invest surplus funds in the following:

The Local Government Surplus Funds Trust Fund (State Board of Administration) or any intergovernmental investment pool authorized pursuant to the Florida Interpositional Cooperation Act as provided in State of Florida Statutes section 163.01

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency

Interest-bearing time deposits or savings accounts in state-certified qualified public depositories as defined in State of Florida Statutes section 280.02

Direct obligations of the United States Treasury

Interest Rate Risk

At September 30, 2018, the City did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2018, the City did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2018, the City did not hold any deposits or investments that were considered to be a custodial risk.

Concentrations of Credit Risk

As September 30, 2018, the City did not hold any investments that were considered to be a concentration of credit risk.

NOTE 6 – ACCOUNTS RECEIVABLE, NET

At September 30, 2018, accounts receivable in the general fund and proprietary funds is summarized as follows:

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 6 – ACCOUNTS RECEIVABLE, NET (CONTINUED)

	General Fund	Proprietary Funds
Total accounts receivable	\$ 1,452	\$ 1,404,054
Less: allowance for doubtful accounts	-	(767,761)
Accounts receivable, net	\$ 1,452	\$ 636,293

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and activity for the year ended September 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
Water	General	\$ 1,124,454
Water	Sewer	55,842
Sewer	General	6,691,137
Sanitation	General	947,806
Sanitation	Water	197,846
Sanitation	Sewer	900
General	Sewer	4,322,310
General	CRA	525
General	Sanitation	196,571
General	Water	967,603

Interfund receivables and payables are primarily the result of loans made between funds for operations.

NOTE 8 – CAPITAL ASSETS

Changes in capital assets of the governmental activities are summarized as follows:

	September 30, 2017	Increases	Decreases	September 30, 2018
Capital assets, not being depreciated				
Land	\$ 921,328	\$ 900,000	\$ -	\$ 1,821,328
Total capital assets, not being depreciated	921,328	900,000	-	1,821,328

(Continued)

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 8 – CAPITAL ASSETS (CONTINUED)

	September 30, 2017	Increases	Decreases	September 30, 2018
Capital assets, being depreciated				
Buildings	\$ 1,769,075	\$ 5,000	\$ -	\$ 1,774,075
Streets	1,314,654	162,427	-	1,477,081
Improvements	3,246,235	-	(66,778)	3,179,457
Intangible assets	50,571	-	-	50,571
Machinery and equipment	2,829,589	868,371	(200,781)	3,497,179
Total capital assets, being depreciated	9,210,124	1,035,798	(267,559)	9,978,363
Less accumulated depreciation				
Buildings	1,177,618	29,139	-	1,206,757
Streets	153,567	79,192	-	232,759
Improvements	816,670	95,854	(34,669)	877,855
Intangible assets	36,875	12,643	-	49,518
Machinery and equipment	1,843,123	295,093	(200,781)	1,937,435
Total accumulated depreciation	4,027,853	511,921	(235,450)	4,304,324
Total capital assets, being depreciated (net of accumulated depreciation)	5,182,271	523,877	(32,109)	5,674,039
Total governmental activities' capital assets (net of accumulated depreciation)	\$ 6,103,599	\$ 1,423,877	\$ (32,109)	\$ 7,495,367

The following schedule summarizes the capital assets of the City's business-type activities at September 30, 2018:

	Water	Sewer	Sanitation	Total
Land	\$ 24,865	\$ 67,322	\$ 47,713	\$ 139,900
Construction in progress	574,955	7,023,729	-	7,598,684
Buildings and improvements	15,760	15,760	41,966	73,486
Distribution system	4,712,059	7,189,631	-	11,901,690
Intangible assets	41,469	41,469	41,469	124,407
Equipment and furniture	549,103	1,256,241	134,078	1,939,422
Total	5,918,211	15,594,152	265,226	21,777,589

(Continued)

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 8 – CAPITAL ASSETS (CONTINUED)

	Water	Sewer	Sanitation	Total
Less accumulated depreciation				
Buildings and improvements	\$ 404	\$ 404	\$ 30,264	\$ 31,072
Distribution system	1,890,018	3,709,813	-	5,599,831
Intangible assets	40,605	40,605	40,605	121,815
Equipment and furniture	216,313	647,433	129,896	993,642
Total accumulated depreciation	2,147,340	4,398,255	200,765	6,746,360
Total business-type activities' capital assets (net of accumulated depreciation)	\$ 3,770,871	\$ 11,195,897	\$ 64,461	\$ 15,031,229

Changes in capital assets of the business-type activities are summarized as follows:

	September 30, 2017	Increases	Decreases	September 30, 2018
Capital assets, not being depreciated				
Land	\$ 139,900	\$ -	\$ -	\$ 139,900
Construction in progress	3,269,952	4,328,732	-	7,598,684
Total capital assets, not being depreciated	3,409,852	4,328,732	-	7,738,584
Capital assets, being depreciated				
Buildings and improvements	73,486	-	-	73,486
Distribution system	11,808,196	93,494	-	11,901,690
Intangible assets	124,407	-	-	124,407
Machinery and equipment	1,410,131	562,442	(33,151)	1,939,422
Total capital assets, being depreciated	13,416,220	655,936	(33,151)	14,039,005

(Continued)

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 8 – CAPITAL ASSETS (CONTINUED)

	September 30, 2017	Increases	Decreases	September 30, 2018
Less accumulated depreciation				
Buildings and improvements	\$ 29,462	\$ 1,610	\$ -	\$ 31,072
Distribution system	5,309,726	290,105	-	5,599,831
Intangible assets	90,714	31,101	-	121,815
Machinery and equipment	931,336	95,457	(33,151)	993,642
Total accumulated depreciation	6,361,238	418,273	(33,151)	6,746,360
Total capital assets, being depreciated, net	7,054,982	237,663	-	7,292,645
Total business-type activities' capital assets (net of accumulated depreciation)	\$ 10,464,834	\$ 4,566,395	\$ -	\$ 15,031,229

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

Governmental activities		
General government		\$ 50,248
Public safety		202,592
Highways and streets		222,334
Maintenance		10,428
Culture and recreation		26,319
Total depreciation expense - governmental activities		\$ 511,921
Business-type activities		
Water		\$ 156,781
Sewer		248,972
Sanitation		12,520
Total depreciation expense - business-type activities		\$ 418,273

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – LONG-TERM DEBT

Long-term debt for governmental activities is as follows:

September 30, 2018

\$800,000 Promissory note to individuals for property; principal payable annually. Minimum annual required annual payments are \$200,000 with no interest. Maturity date is November 2021.		\$	800,000
Total notes payable			800,000
Less amounts due within one year			(200,000)
Notes payable amount due in more than one year		\$	600,000

Debt service requirements to maturity on government activities' notes payable are summarized as follows:

Years Ending September 30,	Principal	Interest	Total
2019	\$ 200,000	\$ -	\$ 200,000
2020	200,000	-	200,000
2021	200,000	-	200,000
2022	200,000	-	200,000
Total	\$ 800,000	\$ -	\$ 800,000

Long-term debt for business-type activities is as follows:

September 30, 2018

\$2,796,462 Drinking Water State Revolving Fund Loan; principal and interest payable semiannually. Minimum required semiannual loan payments are \$94,726 including interest at 2.64%. The loan is secured by a pledge of the net revenues of the water system and matures April 2027. See (a) below.	\$	1,508,839
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\$150,000 Drinking Water State Revolving Fund Loan; principal and interest payable semiannually. Minimum required semiannual loan payments are \$4,166 after 50% loan forgiveness including interest at 1.55%. The loan is secured by a pledge of the net revenues of the water and sewer system and matures May 2029. See (b) below.		30,915
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\$6,104,730 Clean Water State Revolving Fund Loan; principal payable semiannually. Minimum required semiannual loan payments after 68% loan forgiveness are \$52,086 including interest at .2% interest. The loan is secured by a pledge of the net revenues of the sewer system and matures September 2038. See (c) below.		1,950,645
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(Continued)

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Due to joint venture; principal and interest payable monthly based on the City's portion of the debt service. Interest rates range from 5.6% to 5.7%. Remaining principal and interest as of September 30, 2018 is \$2,363,538. Maturity date is September 2027.

	\$ 1,817,415
Total notes payable	5,307,814
Less amounts due within one year	(483,351)
Total notes payable due in more than one year	\$ 4,824,463

- (a) The State Revolving Fund Loan was issued April 15, 2007 to finance the cost of acquisition and construction of certain capital improvements in connection with the water utility system. The loan is secured by a pledge of gross revenues from the operation of the water system after payment of the operation and maintenance expense and satisfaction of yearly payment obligations on any senior obligations. Gross revenues include all income and earnings of the water system operations, including investment income. The remaining principal and interest payments on this debt as of September 30, 2018 totaled \$1,705,071. Principal and interest paid for the year ended September 30, 2018 and total pledged revenues were \$189,453 and \$116,137 respectively. Principal and interest payments were 163% of the pledged revenues for the year ended September 30, 2018.
- (b) The State Revolving Fund Loan was issued February 16, 2018 to finance the cost of acquisition and construction of certain capital improvements in connection with the water system. Proceeds available from the loan are \$150,000 with 50% loan forgiveness at the time of the first payment. The City has drawn on \$30,915 of available funds. The loan is secured by a pledge of gross revenues from the operation of the water and sewer systems after payment of the operation and maintenance expense and satisfaction of yearly payment obligations on any senior obligations. Gross revenues include all income and earnings of the water and sewer system operations, including investment income. First semiannual loan payment after the loan forgiveness is \$4,166 due May 15, 2019. The remaining principal and interest payments on this debt as of September 30, 2018 totaled \$31,968. Principal and interest paid for the year ended September 30, 2018 and total pledged revenues were \$0 and \$1,813,284, respectively. Principal and interest payments were 0% of the pledged revenue for the year ended September 30, 2018.
- (c) The State Revolving Fund Loan of \$5,482,635 was issued December 8, 2016 to finance the cost of acquisition and construction of certain capital improvements in connection with the sewer system. The loan was amended July 19, 2018 to add an additional \$500,000 of available funding plus \$122,095 in loan service fees. The City has drawn on \$1,950,645 of available funds after loan forgiveness of \$4,154,085 which includes capitalized interest of \$143. The loan is secured by a pledge of gross revenues from the operation of the sewer system after payment of the operation and maintenance expense and satisfaction of yearly payment obligations on any senior obligations. Gross revenues include all income and earnings of the sewer system operations, including investment income. First semiannual loan payment is \$52,086 due September 15, 2019. The remaining principal and interest payments on this debt as of September 30, 2018 totaled \$1,960,507. Principal and interest paid for the year ended September 30, 2018 and total pledged revenues were \$0 and \$1,697,147, respectively. Principal and interest payments were 0% of the pledged revenue for the year ended September 30, 2018.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity on these obligations are summarized as follows:

Years Ending September 30,	Principal	Interest	Total
2019	\$ 483,351	\$ 167,937	\$ 651,288
2020	539,495	147,617	687,112
2021	542,820	126,636	669,456
2022	563,587	104,590	668,177
2023	578,931	81,408	660,339
2024-2028	1,631,328	122,512	1,753,840
2029-2033	518,912	1,946	520,858
2034-2038	449,390	624	450,014
Total	\$ 5,307,814	\$ 753,270	\$ 6,061,084

Long-term liability activity for the year ended September 30, 2018, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ -	\$ 800,000	\$ -	\$ 800,000	\$ 200,000
Net pension liability	3,851,699	472,076	-	4,323,775	-
Other postemployment benefits	6,065,165	98,377	-	6,163,542	-
Accrued compensated absences	64,403	72,646	(64,403)	72,646	72,646
Total governmental activities	\$ 9,981,267	\$ 1,443,099	\$ (64,403)	\$ 11,359,963	\$ 272,646

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 4,693,596	\$ 1,505,711	\$ (891,493)	\$ 5,307,814	\$ 483,351
Net pension liability	526,722	58,491	-	585,213	-
Other postemployment benefits	1,764,566	28,621	-	1,793,187	-
Accrued compensated absences	10,404	9,285	(10,404)	9,285	9,285
Total business-type activities	\$ 6,995,288	\$ 1,602,108	\$ (901,897)	\$ 7,695,499	\$ 492,636

NOTE 10 – PENSION PLANS

Plan Description

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available at the Florida Department of Management Services website at www.dms.myflorida.com.

The Florida Retirement System (FRS) Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The City's contribution rates for the year ended September 30, 2018 were as follows:

	October 1, 2017 Through June 30, 2018		July 1, 2018 Through September 30, 2018	
	FRS	HIS	FRS	HIS
Regular class	6.26%	1.66%	6.60%	1.66%
Special risk employee class	21.61%	1.66%	22.84%	1.66%
Elected officials	43.84%	1.66%	47.04%	1.66%
DROP participants	11.60%	1.66%	12.37%	1.66%

The City's contributions for the year ended September 30, 2018, were \$373,795 to FRS and \$49,105 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2018, the City reported a liability for its proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated July 1, 2017. The City's proportions of the net pension liability were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 3,950,601	\$ 958,387
Proportion at:		
Current measurement date	0.013115978%	0.009054956%
Prior measurement date	0.011803151%	0.008296777%
Pension expense (benefit)	\$ 737,129	\$ 95,300

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 334,675	\$ 12,147
Changes of assumptions	1,290,864	-
Net difference between projected and actual earnings on pension plan investments	-	305,232
Changes in proportion and differences between employer contributions and proportionate share of contributions	381,405	46,106
Employer contributions subsequent to the measurement date	108,656	-
Total	\$ 2,115,600	\$ 363,485

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,672	\$ 1,628
Changes of assumptions	106,584	101,329
Net difference between projected and actual earnings on pension plan investments	579	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	133,917	14,825
Employer contributions subsequent to the measurement date	13,371	-
Total	\$ 269,123	\$ 117,782

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2019. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Measurement period ending June 30,	FRS	HIS
2019	\$ 585,496	\$ 38,355
2020	408,940	38,306
2021	118,613	27,692
2022	294,525	22,592
2023	198,382	3,283
Thereafter	37,503	7,742
Total	\$ 1,643,459	\$ 137,970

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2018, was determined by an actuarial valuation dated July 1, 2018, using the individual entry-age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.87%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions for FRS and HIS that determined the total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return was decreased from 7.1% to 7.0%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was increased from 3.58% to 3.87%.

The long-term expected investment rate of return assumption of 7.0 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.4 percent, consistent with the currently articulated real return target in the current Florida State Board of Administration's investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; and 2) a long-term average annual inflation assumption of 2.6 percent as adopted in October 2018 by FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 7.0 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

The 7.0 percent reported investment return assumption differs from the 7.4 percent investment return assumption chosen by the 2018 FRS Actuarial Assumption Conference for funding policy purposes as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	2.9%	2.9%
Fixed income	18%	4.4%	4.3%
Global equity	54%	7.6%	6.3%
Real estate (property)	11%	6.6%	6.0%
Private equity	10%	10.7%	7.8%
Strategic investments	6%	6.0%	5.7%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for FRS was 7.0%. FRS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City’s proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS		
	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	6.00%	7.00%	8.00%
	\$ 7,210,012	\$ 3,950,601	\$ 1,243,467

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

	HIS		
	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	2.87%	3.87%	4.87%
	\$ 1,091,546	\$ 958,387	\$ 847,390

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2018, totaled \$90,992.

NOTE 11 – NET POSITION RESTRICTIONS

The following is a description of reported net position restrictions in governmental activities and business-type activities at September 30, 2018.

Governmental activities	
Community redevelopment	\$ 8,738
Law enforcement education	18,595
Total governmental activities	27,333
Business-type activities	
Impact fees	1,391,751
Total	\$ 1,419,084

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 13 – INVESTMENT IN JOINT VENTURE

The City, in alliance with Bay County, the Cities of Parker and Callaway, and the former Town of Cedar Grove joined efforts in 1996 to supply existing and expanded wastewater treatment and disposal services. The mission of this joint venture is to provide these services in an economical, efficient, and environmentally appropriate manner to their respective citizenry. This joint venture, known as Military Point Advanced Wastewater Treatment Facility (MPAWTF), assumed ownership of the existing wastewater treatment plant and then completed construction of a new seven million gallon per day advanced wastewater treatment facility which was placed in service in 1999. The new facility was funded by a combination of conventional borrowing and State Revolving Fund loans. MPAWTF is owned and governed by Bay County; and the Cities of Callaway, Parker and Springfield. One owner is selected by the others to be responsible for operations of MPAWTF. The owner delegated to be the operator is Bay County, Florida. The operator of MPAWTF, in accordance with the interlocal agreement, prepares the annual budget, sets treatment rates, and collects funds sufficient to pay debt service; costs of operations and maintenance; renewal and replacement; and necessary enhancements to reserves.

The results of operations and cash flows are accounted for in total, within the financial statements of the joint venture. The City’s interest in equity is reported within the City’s sewer fund. As of September 30, 2018, the City’s investment in the joint venture was \$3,420,758. Complete financial statements for MPAWTF may be obtained from the operator at P.O. Box 2269, Panama City, Florida 32402.

Condensed financial statements of MPAWTF are as follows:

Statement of Net Position

<i>September 30, 2018</i>	
<hr/>	
Assets	
Current assets	\$ 10,327,954
Noncurrent assets	17,306,911
<hr/>	
Total assets	27,634,865
<hr/>	
Deferred outflows	
Deferred loss on bond refunding	657,115
<hr/>	
Liabilities	
Current liabilities	3,483,102
Noncurrent liabilities	6,588,342
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Total liabilities	10,071,444
<hr/>	
Net position	\$ 18,220,536
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City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 13 – INVESTMENT IN JOINT VENTURE (CONTINUED)

Statement of Activities

Year ended September 30, 2018

Operating revenues	\$	7,012,596
Operating expenses		(4,797,034)
Operating income		2,215,562
Nonoperating revenues (expenses), net		(463,026)
Net income before distributions to owners		1,752,536
Distributions to owners		(457,589)
Change in net position		1,294,947
Net position, beginning		16,925,589
Net position, ending	\$	18,220,536

For the year ended September 30, 2018, the City had income from joint venture in the amount of \$321,263. As of September 30, 2018, the City owes the joint venture \$297,580.

The City's income from joint venture for the year ended September 30, 2018 is as follows:

City's share of operating income	\$	293,058
Increase in reserve requirements		28,205
Income from joint venture	\$	321,263

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City has established the Retirees' Health Insurance Other Postemployment Benefits (OPEB) Plan (Plan), a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the City and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The City subsidizes the premium rates paid by the retirees by allowing them to participate in the Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The City currently has 97 total active and retired employees eligible to receive these benefits. No stand alone report is issued for the Plan.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Eligibility

A participant is eligible to receive benefits from the Plan upon retirement under the Florida Retirement System plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active participant immediately prior to retirement. Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the Plan.

Benefits Provided

The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Total OPEB Liability

The measurement date for the City's total OPEB liability was September 30, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Discount rate: 3.64% per year
- Salary increase rate: 2.50% per year
- Initial trend rate: 8.5%
- Ultimate trend rate: 4.0%
- Marital Status: 100% assumed married, with male spouses 3 years older than female spouses
- Credited Service: Total completed years of employment with the City
- Annual benefit costs per participant: for 2017/18 fiscal year \$13,697 pre 65 cost and \$4,481 post 65 cost
- Retirement Rates: 100% at age 60
- Inflation: 2.5% per year
- Mortality rate: RP-2000 Combined Health Mortality Table projected to the valuation date using Scale AA
- Health Care Participation: 100% participation assumed, with 0% election spouse coverage
- Healthcare inflation: Medical 8.50% graded uniformly down to 5.5% over 10 years
- Termination rates: 29.6% age 20, 59.3% age 30, 84.10% age 40 and 100% age 50
- Disability rates: None assumed
- Funding method: Entry-Age Cost Method
- Annual premium amounts per participant(employee): medical insurance: \$10,267, life insurance \$5.76 per \$1000 and copay \$90

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

- Eligibility for insurance coverage: Class 1 \$25,000, Class 2 \$10,000, Class 3 \$25,000 and Class 4 \$10,000

Discount Rate

There are no invested plan assets held in trust to finance the OPEB Plan liability. All future benefit payments were discounted using a high-quality municipal bond rate of 3.64% based on the Bond Buyer 20-Bond Index published by the Federal Reserve.

Changes in the Total OPEB Plan Liability

September 30, 2018

Service cost	\$	869,500
Interest		263,643
Differences between expected and actual experience		-
Changes in assumptions		(837,979)
Changes in benefit terms		-
Contributions - employer		-
Benefits (payments) refunds		(168,166)
Net Change in OPEB liability		126,998
Total OPEB liability, beginning of year, as restated		7,829,731
Total OPEB liability, end of year	\$	7,956,729

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

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.64 percent) or 1 percentage point higher (4.64 percent) than the current rate:

	1 % Decrease 2.64%	Current Discount Rate 3.64%	1 % Increase 4.64%
Total OPEB Liability	\$ 9,480,962	\$ 7,956,729	\$ 6,757,583

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower ((3.0 % to 7.5%) or 1 percentage point higher (5.0 % to 9.5 %) than the current healthcare cost trend rates:

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	1 % Decrease 3.0%-7.5%	Current Trend Rate 4.0%-8.5%	1 % Increase 5.0%-9.5%
Total OPEB Liability	\$ 6,709,996	\$ 7,956,729	\$ 9,541,442

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	N/A	N/A
Changes of assumptions	N/A	N/A
Employer contributions subsequent to the measurement date	182,880	-
Total	\$ 182,880	\$ -

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the other postemployment benefits liability in the reporting period ending September 30, 2019.

NOTE 15 – DEFICIT BALANCES

The general fund has a deficit unassigned fund balance of \$3,043,637 and a deficit in total deficit fund balance of \$3,023,542 at September 30, 2018.

The water fund has a deficit unrestricted net position balance of \$1,615,191 at September 30, 2018.

The government-wide governmental activities has a deficit unrestricted net position balance of \$12,585,254 at September 30, 2018.

NOTE 16 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

The following standards have been issued that may have an effect on the City but management has not yet determined the effect these statements will have on the City’s financial statements.

GASB Statement No. 84, *Fiduciary Activities*, was issued with the objective of improving guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

NOTE 16 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (CONTINUED)

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, was issued with the objective to improvement the information that is disclosed in the notes to government financial statements related to debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, was issued to improvement to consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

NOTE 17 – SUBSEQUENT EVENT

On October 10, 2018, Hurricane Michael made landfall in Bay County, with the eye of the storm passing directly over Tyndall Air Force Base and Mexico Beach. The City resides 6.5 miles from the eye of this storm. This category five storm brought 160 mile an hour winds and torrential rains to the area causing devastating property damage to residence and businesses, and significant vegetative loss. Bay County as a whole is reporting a 75% reduction in vegetation and tree loss. The City sustained substantial damage. Many of the City-owned properties, including the City Hall, Police Department, Fire Department, and Public Works Department, were so heavily impacted that they were condemned and later demolished. Some of the smaller facilities such as vehicle maintenance, wash bay, water-shed, and the sign shop were completely destroyed. The largest expense to date is the removal and disposal of debris from city streets and rights of way. This project is estimated to be more than \$14 million. The City has expended over \$7 million to date. The City secured a twelve-month line of credit at a local bank to continue the daily operations. The total estimated economic effects of this storm have not been determined.

City of Springfield, Florida
Notes to Basic Financial Statements

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE, RESTATEMENT ADJUSTMENT AND PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2018, the City adopted a new GASB Pronouncement, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 requires the City to recognize a liability and operating statement activities related to changes in the total OPEB liability. As a result of adopting this pronouncement, beginning net position has been restated as follows:

Restatement Adjustment

September 30, 2017	Governmental Activities	Water	Sewer	Sanitation	Total Business- type Activities
Other postemployment benefits (as originally stated)	\$ 3,445,625	\$ 401,354	\$ 400,503	\$ 200,594	\$ 1,002,451
Restatement adjustment	2,619,539	305,131	304,483	152,502	762,116
Other postemployment benefits (as restated)	\$ 6,065,164	\$ 706,485	\$ 704,986	\$ 353,096	\$ 1,764,567

Prior Period Adjustment

Subsequent to the issuance of the audited financial statements for the year ended September 30, 2017, the City determined that several of the City's payable accounts in the governmental and business-type activities and the general fund were improperly recorded. The prior period adjustment to correct beginning equity for the year ended September 30, 2018 is shown below.

September 30, 2017	General Fund	Governmental Activities	Water	Sewer	Sanitation	Total Business- type Activities
Fund Balance/Net Position (Deficit) - as originally stated	\$ (2,937,415)	\$ (2,618,045)	\$ 1,586,062	\$ 10,385,497	\$ 1,188,675	\$ 13,160,234
Restatement adjustment (as shown above)	-	(2,619,539)	(305,131)	(304,483)	(152,502)	(762,116)
Prior Period Adjustment:						
Accounts Payable	262,727	262,727	(2,583)	2,855	1,660	1,932
Accrued Payroll Liability	157,898	157,898	-	-	-	-
Total change	420,625	(2,198,914)	(307,714)	(301,628)	(150,842)	(760,184)
Fund Balance/Net Position (Deficit) - as restated	\$ (2,516,790)	\$ (4,816,959)	\$ 1,278,348	\$ 10,083,869	\$ 1,037,833	\$ 12,400,050

Required Supplementary Information

City of Springfield, Florida
Schedule of Changes in the City's Total Other
Postemployment Benefits Liability and Related Ratios

September 30, 2018

Total OPEB liability

Service cost	\$ 869,500
Interest	263,643
Change of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(837,979)
Benefits (payments) refunds	(168,166)

Total Change in OPEB liability	126,998
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Total OPEB liability, beginning of year, as restated	7,829,731
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Total OPEB liability, end of year (a)	\$ 7,956,729
---------------------------------------	--------------

Plan fiduciary net position

Contributions - employer	\$ -
Contributions - employee	-
Net investment income	-
Benefits payments/refunds	-
Administrative expenses	-

Net change in plan fiduciary net position	-
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Plan fiduciary net position - beginning	-
---	---

Plan fiduciary net position - ending (b)	\$ -
--	------

Net OPEB liability - ending (a)-(b)	\$ 7,956,729
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Plan fiduciary net position as a percentage of OPEB liability	0%
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Covered-employee payroll	2,866,915
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Net OPEB liability as a percentage of covered-employee payroll	278%
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This schedule is intended to show information for 10 years. 2018 is the first year for this presentation, so no prior year data is available. Additional years will be included as they become available.

City of Springfield, Florida
Schedule of Employer Contributions for Retirees' Health
Insurance other Postemployment Benefits Plan

September 30, 2018

Contractually required contributions	\$	-
Contributions in relation to the contractually required contribution		-
Contribution deficiency/(excess)	\$	-
Covered-employee payroll	\$	2,866,915
Contribution as a percentage of covered-employee payroll		0%

This schedule is intended to show information for 10 years. 2018 is the first year for this presentation, so no prior year data is available. Additional years will be included as they become available.

City of Springfield, Florida
Schedule of the City's Proportionate Share of the Net Pension Liability –
Florida Retirement System

June 30,	2018	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *
City's proportion of the net pension liability	0.01311160%	0.0118032%	0.0109979%	0.0100745%	0.0108840%	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability	\$ 3,950,601	\$ 3,492,491	\$ 2,776,988	\$ 1,301,259	\$ 664,085	N/A	N/A	N/A	N/A	N/A
City's covered payroll	2,450,775	2,180,905	2,022,121	1,887,602	1,953,330	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered payroll	161.20%	160.14%	137.33%	68.94%	34.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2009 through 2013 are N/A because comparable information is not available at this time.

See independent auditors' report

City of Springfield, Florida
Schedule of the City's Contributions –
Florida Retirement System

Year Ended September 30,	2018	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *
Contractually required contribution	\$ 373,795	\$ 307,265	\$ 268,202	\$ 245,625	\$ 238,406	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(373,795)	(307,265)	(268,202)	(245,625)	(238,406)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
City's covered payroll	\$ 2,528,736	\$ 2,234,846	\$ 2,108,999	\$ 1,921,145	\$ 1,900,594	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	14.78%	13.75%	12.72%	12.79%	12.54%	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2009 through 2013 are N/A because comparable information is not available at this time.

City of Springfield, Florida
Schedule of the City's Proportionate Share of the Net Pension Liability –
Health Insurance Subsidy Program

June 30,	2018	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *
City's proportion of the net pension liability	0.00905550%	0.00829688%	0.0079961%	0.0074845%	0.0078546%	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability	\$ 958,387	\$ 887,129	\$ 931,913	\$ 763,301	\$ 734,425	N/A	N/A	N/A	N/A	N/A
City's covered payroll	2,450,775	2,180,905	2,022,121	1,887,602	1,953,330	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered payroll	39.11%	40.68%	46.09%	40.44%	37.60%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2009 through 2013 are N/A because comparable information is not available at this time.

See independent auditors' report

City of Springfield, Florida
Schedule of the City's Contributions –
Health Insurance Subsidy Program

Year Ended September 30,	2018	2017	2016	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *
Contractually required contribution	\$ 49,105	\$ 43,909	\$ 40,985	\$ 28,610	\$ 26,907	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(49,105)	(43,909)	(40,985)	(28,610)	(26,907)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
City's covered payroll	\$ 2,528,736	\$ 2,234,846	\$ 2,108,999	\$ 1,921,145	\$ 1,900,594	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	1.94%	1.96%	1.94%	1.49%	1.42%	N/A	N/A	N/A	N/A	N/A

* Disclosures for 2009 through 2013 are N/A because comparable information is not available at this time.

Compliance Section



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

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, Florida's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2018. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control over Compliance

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

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

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

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

Carri Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
October 8, 2019

City of Springfield, Florida
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2018

Federal Agency/Pass-through Entity Name of Cluster/Federal Program	CFDA Number	Contract/ Grant ID No.	Passed Through to Subrecipients	Federal Expenditures
United States Environmental Protection Agency				
Passed through the State of Florida Department of Environmental Protection				
Clean Water State Revolving Fund Cluster				
Capitalization Grants for Clean Water State Revolving Funds (Loan)	66.458*	WW030501	-	\$ 1,474,655
Capitalization Grants for Clean Water State Revolving Funds (Principal Forgiveness)	66.458*	WW030501	-	2,791,401
Total Clean Water State Revolving Fund Cluster			-	4,266,056
Drinking Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water State Revolving Funds (Loan)	66.468	DW030510	-	30,915
Capitalization Grants for Drinking Water State Revolving Funds (Principal Forgiveness)	66.468	DW030510	-	30,915
Total Drinking Water State Revolving Fund Cluster				61,830
Total United States Environmental Protection Agency			-	4,327,886
Total Federal Awards			-	\$ 4,327,886
<i>* denotes major program</i>				
Capitalization Grants for Clean Water State Revolving Funds (Loan) - balance September 30, 2017		WW030501		\$ 475,849
Current year expenditures of federal awards				1,474,655
Capitalized interest				141
Capitalization Grants for Clean Water State Revolving Funds (Loan) - balance September 30, 2018				<u>\$ 1,950,645</u>
Capitalization Grants for Drinking Water State Revolving Funds (Loan) - balance September 30, 2017		DW030510		\$ -
Current year expenditures of federal awards				30,915
Capitalization Grants for Drinking Water State Revolving Funds (Loan) - balance September 30, 2018				<u>\$ 30,915</u>

See independent auditors' report and notes to schedule of expenditures of federal awards



City of Springfield, Florida
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the grant activities of the City of Springfield, Florida (City). Federal expenditures are presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – LOAN PROGRAMS

The City of Springfield was awarded a loan of \$5,604,730 in December 2016, by the State of Florida Department of Environmental Protection. This award is identified under CFDA 66.458, Clean Water State Revolving Fund. In July 2018 the City was awarded an additional \$500,000 in financing. As of September 30, 2018, the City accrued SRF loan revenues of \$1,950,645. In accordance with loan agreements, 68% or \$4,154,226 of the accrued loan revenues are to be forgiven. The City is obligated to repay \$1,950,804 in principal.

The City of Springfield was awarded a loan of \$150,000 in February 2018, by the State of Florida Department of Environmental Protection. This award is identified under CFDA 66.468, Drinking Water State Revolving Fund. As of September 30, 2018, the City accrued SRF loan revenues of \$61,830. In accordance with loan agreements, 50% or \$30,915 of the accrued loan revenues are to be forgiven. The City is obligated to repay \$30,915 in principal.

NOTE 3 – INDIRECT COST

The City has not elected to use the 10% de minimis indirect cost rate.

NOTE 4 – OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, noncash assistance, donated property or free rent received or included in the schedule of expenditures of federal awards.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Disclaimer of Opinion	
Internal control over financial reporting		
Material weakness(es) identified?	<u>X</u> yes	___ no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>X</u> yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	<u>X</u> no

Federal Awards

Internal control over major programs		
Material weakness(es) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	<u>X</u> none reported
Type of auditors' report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a)	___ yes	<u>X</u> no

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	Clean Water State Revolving Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ___ yes X no

(Continued)

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Section II – Financial Statement Findings

2018-001 Audit Adjusting Entries (prior years 2017-001 and 2016-001) (Initially reported in 2007)

Condition: Significant adjustments to the financial records were required in order to correct the financial statements.

Criteria: The requirement is for the City to be able to provide materially correct financial information.

Effect: The auditors proposed a number of journal entries which the City reviewed and approved.

Cause: The City has a limited number of staff and is not able to produce financial records that would require no adjusting journal entries.

Recommendation: We recommend that the accounting staff continue to strive toward minimizing the proposed audit adjustments that are required.

Views of Responsible Officials and Planned Corrective Action: Management agrees with auditors' recommendation.

2018-002 Financial Statement and Schedule of Expenditures of Federal Awards Preparation (prior years 2017-002 and 2016-002) (Initially reported in 2007)

Condition: Inadequate design of internal control over the preparation of financial statements and the schedule of expenditures of federal awards being audited gives rise to a material weakness in internal control.

Criteria: The requirement is for the City to be able to prepare its own financial statements and the schedule of expenditures of federal awards. The City is required to prepare the schedule of expenditures of federal awards as specified in 2 CFR 200.510(b).

Effect: The auditors assist in the preparation while the City retains responsibility for them.

Cause: The City has a limited number of staff and is not able to create its own financial statements and the schedule of expenditures of federal awards.

Recommendation: We recommend that the City consider taking the necessary steps to prepare their financial statements and the schedule of expenditures of federal awards to the extent practical.

Views of Responsible Officials and Planned Corrective Action: Management believes that it is cost beneficial to have the auditors assist in the preparation of the financial statements and the schedule of expenditures of federal awards.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

2018-003 Bank Reconciliations (prior years 2017-003 and 2016-003) (Initially reported in 2007)

Condition: The pooled cash general ledger bank account balance did not agree with related monthly and year-end reconciliations. Management is not actively reviewing bank account reconciliations for accuracy.

Criteria: The requirement is for bank reconciliations to be completed accurately and timely and reviewed by someone independent of the reconciliation process.

Effect: Failure to perform accurate and timely reconciliations and lack of review could result in ineffective cash management and/or material errors or fraud going undetected. In addition, unreconciled differences on the bank accounts results in the inability to determine if balances on the general ledger are correct allowing potential material misstatements on the financial statements.

Cause: Staff has been unable to determine the source of the unreconciled differences on the bank statement over the past several years.

Recommendation: We recommend that the City establish procedures to ensure that all bank reconciliations are prepared timely and that they agree with the general ledger. We recommend that the bank reconciliations be reviewed by a member of management or governance who is independent of the bank reconciliation process. We also recommend that all reconciliations be signed or initialed and dated by the preparer and reviewer so that timing and responsibility can be easily determined.

Views of Responsible Officials and Planned Corrective Action: The City is continuing to make efforts to keep all accounts properly reconciled and timely performed by having an employee dedicated to that position. Procedures to incorporate a management level review of the reconciliations are in process.

2018-004 Property and Equipment (prior years 2017-005 and 2016-005) (Initially reported in 2007)

Condition: Property and equipment records were not complete and the property and equipment is not being properly tagged. An inventory was not taken during the year ended September 30, 2018.

Criteria: A documented physical inventory and inspection of property and equipment should be conducted at least annually. This is required by the State of Florida per Rule 69I-73. A reconciliation should be completed between the current year additions on the property listing and the capital outlay accounts for the year. The inventory log should be reviewed for errors. Finally, a tag system should be implemented and used throughout the City to keep track of the City's assets.

Effect: Failure to detect and correct errors in property and equipment records in a timely manner. Possibility of property theft or misplacement without the City's knowledge.

Cause: The City is not performing an annual inventory of property and equipment.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Recommendation: Although the City has taken certain steps to improve the records and implement a tagging system, we recommend further improvement in this area, including coordination between the fiscal office and the purchasing department to assist in reconciling additions. We also recommend that a detailed inventory of all capital assets be taken annually, and that the tagging system be completed. Finally, we recommend the inventory log be reviewed periodically to look for errors in additions, deletions, and calculations.

Views of Responsible Officials and Planned Corrective Action: The City will continue to improve the record keeping of the property and equipment including taking an annual inventory with the appropriate documentation on inventory procedures.

2018-005 Separation of Duties (prior years 2017-006 and 2016-006) (Initially reported in 2009)

Condition: Due to the limited number of staff, the City does not have proper segregation of duties in many areas. Even when daily activities are properly segregated, most staff is crossed trained as backups in incompatible duties. Of particular importance, employees approving credits to customer accounts have access to cash on a consistent basis, no formal review of billing adjustments, and adjustments to cash are made by the same individual reconciling the bank accounts.

Criteria: To provide effective control, help prevent deposits from being stolen, and reduce the risk of material misstatement or fraud, incompatible duties should be separated.

Effect: This situation provides ample opportunity for theft of cash, assets, and misstatement or fraud.

Cause: Limited number of staff to allow for an adequate segregation of duties.

Recommendation: The City should continue to evaluate the cost/benefit of hiring additional staff to better segregate controls. Duties should be separated as much as possible and compensating controls should be incorporated to mitigate the risk associated with the lack of proper segregation of duties. Monthly financial activity such as journal entries, significant account balances, bank reconciliations, bank statements and check images should be reviewed for reasonableness by an independent member of management with sufficient knowledge. We also recommend that the person approving customer credits does not have access to change customer account data or access to cash and oversight be implemented in other areas were possible in order to reduce the City's risks to an acceptable level.

Views of Responsible Officials and Planned Corrective Action: We will establish procedures to segregate incompatible duties and add mitigating controls to reduce the City's risk to an acceptable level.

2018-006 Improper Computer Access (prior years 2017-007 and 2016-007) (Initially reported in 2011)

Condition: Certain employees have computer access to areas considered unnecessary to perform their duties according to their job descriptions.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Criteria: Employee's computer access should be limited to areas for which they have assigned duties.

Effect: Improper or unnecessary computer access does not allow for proper control over recording, monitoring, safe keeping, and reporting of financial transactions.

Cause: The finance manager has access to all the computer programs and is the security administrator for the system.

Recommendation: We recommend that unique and secure passwords be issued and access be limited to only those software functions required for performing employee's assigned duties. Someone other than financial employees should be overseeing the administrative rights of personnel to the system.

Views of Responsible Officials and Planned Corrective Action: We will do as you recommended.

2018-007 Account Balances (prior years 2017-008 and 2016-008) (Initially reported in 2015)

Condition: Many general ledger accounts were not reconciled to the subsidiary ledgers at year-end.

Criteria: Account balances should be accurate and agree with subsidiary ledgers and other supporting documentation.

Effect: The result of this situation is account balances which may be incorrect and do not allow for accurate and timely financial reporting to the Commission.

Cause: Prior year unreconciled differences between the general ledger and the subsidiary ledgers were not resolved in the current year.

Recommendation: We recommend that the City implement procedures to ensure that City finance personnel obtain the necessary training and knowledge to ensure that account balances are accurate and agree with supporting documentation. All accounts should be reviewed and adjusted as necessary for accuracy. City finance personnel should also have training on how the software posts transactions to the general ledger to verify the transactions are posting properly. We recommend that the payroll clerk review payroll related balances on a monthly basis to verify balances are appropriate and no adjustments are necessary between actual activity (e.g. insurance bills, payroll tax payments, retirement payments, etc.) and expectations based on automated entries by the system. We recommend that a monthly review by an appropriate level of management be performed and documented to assure that reconciliations are accurately and timely prepared.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to finance personnel and implement policies and procedures to review account balances and adjust as needed. The City will also assign an appropriate level of management to provide oversight.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

2018-008 Accounts Receivable and Customer Deposits (prior years 2017-009 and 2016-009) (Initially reported in 2015)

Condition: The subsidiary ledger of accounts receivable and customer deposits for the proprietary funds were not reconciled to the general ledger at September 30, 2018. Detailed reports were processed on October 1, 2018 for water, sewer, and sanitation funds. The detailed reports did not agree to the general ledger by significant amounts.

Criteria: Detailed accounts receivable reports and customer deposit reports should be processed as of September 30 of each year. The accounts receivable account and customer deposit account in the general ledger should be compared to the subsidiary ledger and reconciled when not in agreement.

Effect: Incorrect financial information and failure to detect and correct errors in a timely manner.

Cause: Lack of knowledge on how the accounting software processes activity and how journal entries are made. Utility billing was processed through the prior accounting software and then brought into the new software at the time of the changeover via journal entries. The City began billing from the new software in October 2015 and it was noted that the balances from the prior system at year-end could not be reconciled with the beginning balances brought into the new accounting software in October 2015.

Recommendation: We recommend that complete appropriate accounts receivable and customer deposit reports are processed and retained for all funds each month. We recommend that a reconciliation of the subsidiary totals to the general ledger be made at the end of each month and that any reconciling items be investigated and cleared promptly. We also recommend that all reconciliations be signed or initialed by the preparer and the reviewer so that responsibility can be easily determined. Finally, we recommend prior to the beginning of each year, the City review in detail the balances brought into the new year for accuracy and completeness as compared to the prior year.

Views of Responsible Officials and Planned Corrective Action: The City will establish procedures to include printing of the referenced reports, preparation of monthly reconciliations and document evidence of the preparer's and reviewer's initials.

2018-009 Accounts Payable (prior years 2017-010 and 2016-010) (Initially reported in 2016)

Condition: The subsidiary ledgers of accounts payable for the governmental funds and the proprietary funds were not reconciled to the general ledger at year-end. Detailed reports were processed for water, sewer, and sanitation funds, however the detailed reports did not agree to the general ledger by significant amounts.

Criteria: Detailed accounts payable reports should be processed as of September 30 of each year. The accounts payable account in the general ledger should be compared to the subsidiary ledger and reconciled when not in agreement.



City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Effect: Incorrect financial information and failure to detect and correct errors in a timely manner.

Cause: A number of items on the accounts payable aging schedule were not included in the accounts payable balance on the general ledger due to lack of knowledge on how the accounting software processed activity and how journal entries are made.

Recommendation: We recommend that complete appropriate accounts payable reports are processed and retained for all funds each month. We recommend that a reconciliation of the subsidiary totals to the general ledger be made at the end of each month and that any reconciling items be investigated and corrected promptly. We recommend that all reconciliations be signed or initialed by the preparer and the reviewer and dated so that responsibility can be easily determined. Finally, we recommend prior to the start of each year, the City review in detail the balances brought into the new year for accuracy and completeness as compared to the prior year.

Views of Responsible Officials and Planned Corrective Action: The City will establish procedures to include printing of the referenced reports, preparation of monthly reconciliations and document evidence of the preparer's and reviewer's initials.

2018-010 Allowance for Doubtful Accounts (prior years 2017-011 and 2016-011) (Initially reported in 2016)

Condition: During our audit, it was determined that the City is not actively evaluating its accounts receivable balances in all funds to determine if such balances are deemed to be collectible. Adjustments are not being made to these accounts and the City does not have a formal policy in place to determine when such accounts are deemed to be uncollectible.

Criteria: Individual account balances should be evaluated and adjusted regularly to ensure that the accounts receivable balance is fairly stated in all material respects.

Effect: The result of this situation was account balances were incorrect and did not allow for accurate and timely financial reporting to the Commission.

Cause: The City does not have a formal policy in place to determine an allowance for doubtful accounts based on the accounts which are deemed uncollectible.

Recommendation: We recommend that the City implement a formal policy that addresses the evaluation and writing off of accounts that are deemed to be uncollectible.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to finance personnel and implement policies and procedures to evaluate and write off accounts that are deemed to be uncollectible.

2018-011 Incorrect Billing Rates Being Used for Sales of Utility Services (prior year 2017-012) (Initially reported in 2017)

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Condition: CRI noted during our test of billings that one billing selected for testing did not agree to the calculated amounts based on the current year utility charges.

Criteria: Billing rates should be evaluated and adjusted regularly to ensure that customers are being billed the proper approved rates.

Effect: The lack of proper processes to ensure that correct billing rates are being used when generating monthly utility bills could result in customers being over or under billed.

Cause: The City lacks proper processes to ensure that correct billing rates are being used when generating monthly utility bills.

Recommendation: We recommend that the City implement a formal policy which ensures that customers are being billed the proper approved rates.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to billing personnel and implement policies and procedures to ensure that customers are being billed the proper approved rates.

2018-012 Month-end Closing (prior years 2017-013 and 2016-013) (Initially reported in 2010)

Condition: The City lacks month-end closing procedures which provide monthly financial statements.

Criteria: Month-end closing procedures should be established to verify all accounts are appropriately reported at month-end and produce monthly financial reports which compares actual expenditures to budget.

Effect: Without month-end financial statements, errors and fraud can go uncorrected and they can become increasingly difficult to locate and correct over time. Also, the Commission and management are not able to make informed decisions when corrections aren't made in a timely manner.

Cause: City has not implemented a formal month-end closing process.

Recommendation: We recommend the City implement a month-end closing process which includes the preparation of appropriate monthly financial statements.

Views of Responsible Officials and Planned Corrective Action: We will begin to implement a formal month-end closing process which includes the preparation of appropriate monthly financial statements.

2018-013 Operating Expenditures in Excess of Budget (prior years 2017-015 and 2016-017) (Initially reported in 2015)

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Condition: General fund expenditures exceeded the approved budget in the public safety, highways and streets, and maintenance departments.

Criteria: Amendments to the budget should be made when expenditures exceed their budgeted amounts.

Effect: Expenditures in excess of budget could be the result of unauthorized purchases or fraudulent transactions.

Cause: The City is not reviewing the monthly financial statements and amending the budget during the year for these over-expenditures.

Recommendation: We recommend regular review of budget variances and amendments to the budget as needed.

Views of Responsible Officials and Planned Corrective Action: The City is continuing to make efforts to work towards staying within our budget and when not able to do so, we will review and amend the budget as necessary.

2018-014 Lack of Management Review (prior years 2017-016 and 2016-018) (Initially reported in 2016)

Condition: Management is not actively reviewing the quarterly payroll tax returns, W-2's, and year-end payroll accrual.

Criteria: All payroll documents and supporting schedules should be reviewed by someone independent of the preparation process to ensure that documents are accurate.

Effect: Incorrect financial information and failure to detect and correct errors, due to fraud or errors.

Cause: The City has not implemented a formal review procedure over payroll processing.

Recommendation: We recommend that management designate someone independent of the payroll preparation process review and initial all payroll related documents and supporting schedules.

Views of Responsible Officials and Planned Corrective Action: We will establish procedures for ensuring all payroll related documents and supporting schedules are reviewed by someone independent of the preparation process for accuracy.

2018-015 Deteriorating Financial Condition (prior years 2017-017 and 2016-019) (Initially reported in 2013)

Condition: As part of our financial condition assessment, we determined that the City has been experiencing a deteriorating financial condition. This includes continuing increases in deficit fund balances and net position.

City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Criteria: Fund balances and net position should not be in a deficit position.

Effect: A deteriorating financial condition may lead to a financial emergency, as defined in 218.503(1).

Cause: The City continues to have expenditures in excess of revenues in the general fund, contributing to increases in deficits in unrestricted fund balance and government-wide net position.

Recommendation: We recommend that the City continue to improve procedures to increase revenues and decrease expenditures in the general fund in order to improve cash balances and net position/fund balance. This will allow for bills to be paid timely and improve the financial condition of the City.

Views of Responsible Officials and Planned Corrective Action: The City is current and will continue to keep current with the payment of monthly bills. Water and sewer rates have been increased and a resolution passed to automatically adjust rates annually to be at least 3% above the wholesale cost. We continue to sell surplus equipment.

2018-016 Purchase Order Initiated and Signed After Purchase Occurred (prior year 2017-018) (Initially reported in 2017)

Condition: Acquisitions of property and equipment contained purchase orders that were dated and initiated after the invoice and title transfer.

Criteria: Purchase orders are to be initiated and approved before the final purchase is initiated.

Effect: The incorrect use of purchase order may lead to unauthorized or fraudulent purchases.

Cause: Purchase orders are being created after the invoice has been received.

Recommendation: We recommend that the City implement formal policies which ensure that all required purchase orders are initiated and approved before the final purchase is initiated.

Views of Responsible Officials and Planned Corrective Action: The City agrees and will take steps to provide the necessary training to accounting personnel and implement formal policies to ensure that purchase orders are properly used.

2018-017 Uncorrected Balances (Initially reported in 2018)

Condition: Uncorrected balances remain on the books related to general ledger balances brought forward during the software conversion in a prior year.

Criteria: General ledger balances from the previous software system should match the beginning balances on the new software system.



City of Springfield, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Effect: Materially incorrect financial statements.

Cause: General ledger balances from the previous software system were not properly recorded on the new software system's general ledger.

Recommendation: We recommend that the City evaluate all balance sheet accounts for accuracy and adjust accordingly.

Views of Responsible Officials and Planned Corrective Action: Management agrees with this recommendation.

Section III – Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report in the current year.

Section IV – Other Issues

No summary of prior audit findings is required because there were no prior audit findings related to Federal awards.



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

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

We were engaged to audit, 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, and each major fund, of the City of Springfield, Florida (City), as of and for the year ended September 30, 2018, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 8, 2019. Our report disclaims an opinion on such financial statements because we were unable to gather sufficient audit evidence to allow us to express an opinion as described in the Basis for Disclaimer of Opinion section of the Independent Auditors' Report.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses, 2018-001 through 2018-012 and 2018-017.

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. We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies, 2018-013, 2018-014, 2018-015 and 2018-016.

Compliance and Other Matters

In connection with our engagement to audit the financial statements of the City, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. As a result of our tests, we noted that the City did not submit the required Annual Financial Report (AFR) and the Annual Financial Audit Report within the prescribed deadline of June 30, 2019.

City's Responses to Findings

The City's views of responsible officials and planned corrective actions related to the findings identified in our audit are included in the schedule of findings and questioned costs. The City's views of responsible officials and planned corrective actions were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
October 8, 2019



INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

Report on the Financial Statements

We were engaged to audit the financial statements of the City of Springfield, Florida (City), as of and for the fiscal year ended September 30, 2018. We did not express an opinion on the financial statements because we were unable to gather sufficient audit evidence to allow us to express an opinion.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated October 8, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.

Prior Year Findings and Recommendations

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2016-17 FY Finding #	2015-16 FY Finding #
2018-001	2017-001	2016-001
2018-002	2017-002	2016-002
2018-003	2017-003	2016-003
2018-004	2017-005	2016-005
2018-005	2017-006	2016-006
2018-006	2017-007	2016-007
2018-007	2017-008	2016-008
2018-008	2017-009	2016-009
2018-009	2017-010	2016-010
2018-010	2017-011	2016-011
2018-011	2017-012	N/A
2018-012	2017-013	2016-013
2018-013	2017-015	2016-017
2018-014	2017-016	2016-018
2018-015	2017-017	2016-019
2018-016	2017-018	N/A
2018-017	N/A	N/A

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established under a Charter in accordance with the Laws of Florida 51-27900. There is one component unit of the reporting entity as defined in publications cited in Rule 10.553. The City Commission of the City of Springfield, Florida is the “ex-officio” governing body of the Springfield Community Redevelopment Agency. The Agency was created on March 30, 2007 by City Ordinance 07-05 pursuant to Florida Statute 163.357.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statute sections 10.554(1)(i)5.a. and 10.556(7),

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management’s responsibility to monitor the City’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our financial condition

assessment procedures performed as of the fiscal year-end disclosed a deteriorating financial condition. See finding 2018-015 for a description of the deteriorating financial condition noted.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we provided recommendations related to findings noted in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carri Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
October 8, 2019



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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Members of the
City Commission
City of Springfield, Florida

We have examined the City of Springfield, Florida's (City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements identified above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

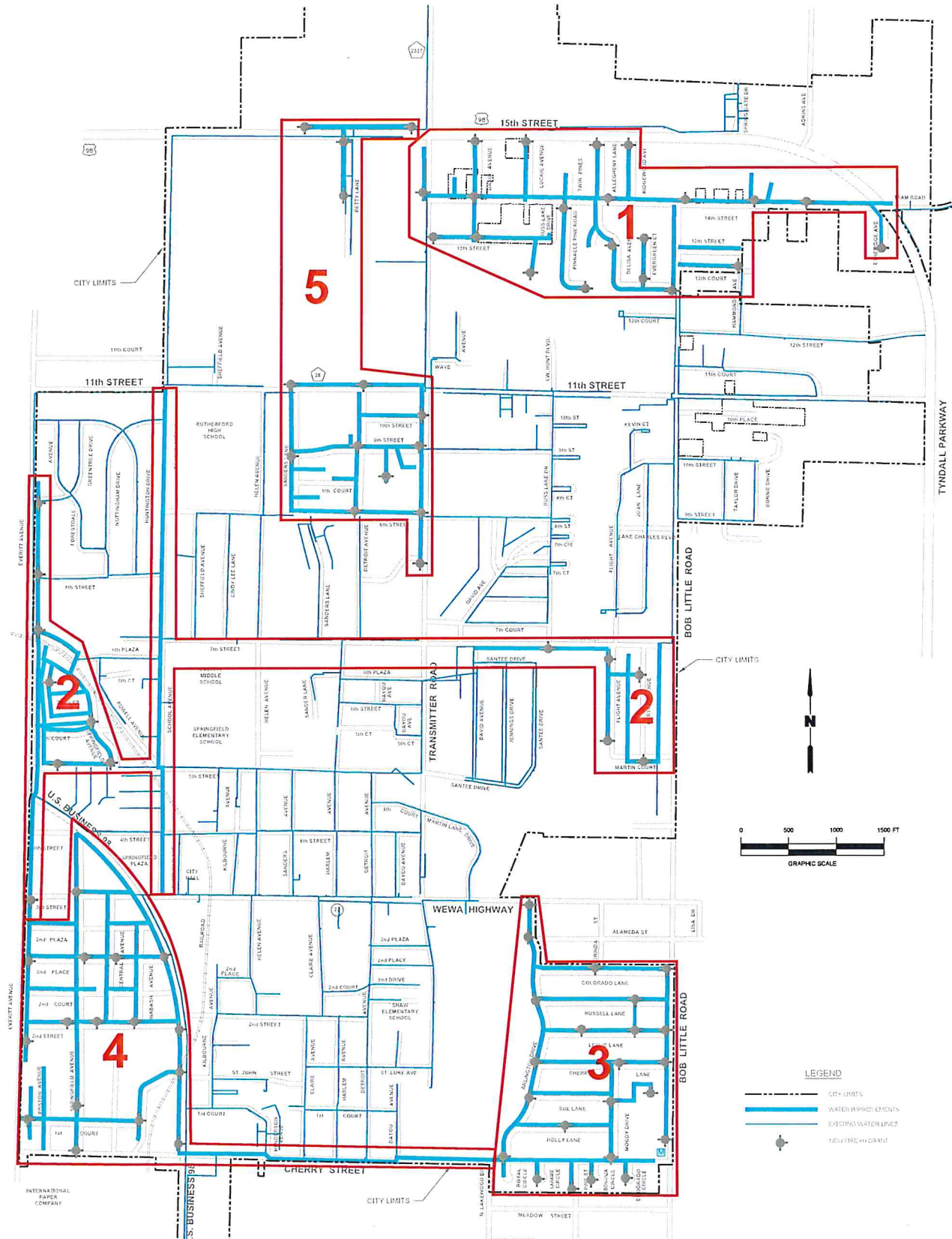
In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2018.

This report is intended solely for the information and use of the City Commission, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
October 8, 2019

EXHIBIT Q



PROJECT CONSTRUCTION PHASES
EXHIBIT Q

EXHIBIT R

Projected Cost of Phase 1 Improvements

Constuction				
Description	Units	Quantity	Unit Cost	Cost
6" PVC Water Lines	LF	17885	\$60	\$ 1,073,100.00
6" Gate Valve	EA	179	\$1,450	\$ 259,550.00
6" Retainer Glands	EA	894	\$113	\$ 101,022.00
6-inch Bell Restraint	EA	89	\$128	\$ 11,392.00
4" Linestop	EA	3	\$5,000	\$ 15,000.00
6" Linestop	EA	13	\$5,800	\$ 75,400.00
DI Fittings	LBS	4471	\$15	\$ 67,068.75
Remove/Replace Pavement (Patch)	SY	1073	\$52	\$ 55,801.20
Remove/Replace Pavement (Overlay)	LF	459	\$75	\$ 34,425.00
Sand or Sand-Clay Backfill	CMCY	4471	\$17	\$ 76,011.25
Grassing	SY	13414	\$2	\$ 26,827.50
Concrete	CY	18	\$340	\$ 6,080.90
Service Connections	EA	107	\$1,000	\$ 107,310.00
Fire Hydrant Assemblies	EA	21	\$4,000	\$ 84,000.00
10% Contingency				\$ 199,298.86
Subtotal (Construction Cost)				\$ 2,192,287.46
Engineering				
Design Engineering				\$ 175,383.00
Other Services (Geotech, Surveying, As-Built Confirmed, etc.)				\$ 27,400.00
Technical Services During Construction				\$ 164,422.00
Subtotal				\$ 367,205.00
Projected Phase 1 Cost				\$ 2,559,492.46

Projected Cost of Phase 2 Improvements

Constuction				
Description	Units	Quantity	Unit Cost	Cost
6" PVC Water Lines	LF	12485	\$60	\$ 749,100.00
8" HDPE Directional Drill	LF	267	\$150	\$ 40,000.50
8" PVC Water Lines	LF	9861	\$72	\$ 709,992.00
8" Gate Valve	EA	99	\$1,740	\$ 171,581.40
8" Retainer Glands	EA	493	\$136	\$ 66,857.58
8" Bell Restraint	EA	49	\$154	\$ 7,573.25
6" Gate Valve	EA	125	\$1,450	\$ 181,250.00
6" Retainer Glands	EA	624	\$113	\$ 70,512.00
6-inch Bell Restraint	EA	62	\$128	\$ 7,936.00
4" Linestop	EA	3	\$5,000	\$ 15,000.00
6" Linestop	EA	7	\$5,800	\$ 40,600.00
DI Fittings	LBS	5587	\$15	\$ 83,797.50
Remove/Replace Pavement (Patch)	SY	1341	\$52	\$ 69,719.52
Remove/Replace Pavement (Overl)	LF	459	\$75	\$ 34,425.00
Sand or Sand-Clay Backfill	CMCY	5587	\$17	\$ 94,970.50
Grassing	SY	16760	\$2	\$ 33,519.00
Concrete	CY	22	\$340	\$ 7,597.64
Service Connections	EA	134	\$1,000	\$ 134,076.00
Fire Hydrant Assemblies	EA	13	\$4,000	\$ 52,000.00
10% Contingency				\$ 257,050.79
Subtotal (Construction Cost)				\$ 2,827,558.68
Engineering				
Design Engineering				\$ 226,205.00
Other Services (Geotech, Surveying, As-Built Confirmed, etc.)				\$ 35,340.00
Technical Services During Construction				\$ 212,067.00
Subtotal				\$ 473,612.00
Projected Phase 2 Cost				\$ 3,301,170.68

Projected Cost of Phase 3 Improvements

Constuction				
Description	Units	Quantity	Unit Cost	Cost
6" PVC Water Lines	LF	11101	\$60	\$ 666,060.00
8" HDPE Directional Drill	LF	267	\$150	\$ 40,000.50
8" PVC Water Lines	LF	11811	\$72	\$ 850,392.00
8" Gate Valve	EA	136	\$1,740	\$ 236,640.00
8" Retainer Glands	EA	681	\$136	\$ 92,343.60
8" Bell Restraint	EA	68	\$154	\$ 10,444.80
6" Gate Valve	EA	111	\$1,450	\$ 160,950.00
6" Retainer Glands	EA	555	\$113	\$ 62,715.00
6-inch Bell Restraint	EA	56	\$128	\$ 7,168.00
4" Linestop	EA	3	\$5,000	\$ 15,000.00
6" Linestop	EA	6	\$5,800	\$ 34,800.00
DI Fittings	LBS	5728	\$15	\$ 85,920.00
Remove/Replace Pavement (Patch)	SY	1375	\$52	\$ 71,485.44
Remove/Replace Pavement (Overl)	LF	459	\$75	\$ 34,425.00
Sand or Sand-Clay Backfill	CMCY	5728	\$17	\$ 97,376.00
Grassing	SY	17184	\$2	\$ 34,368.00
Concrete	CY	23	\$340	\$ 7,790.08
Service Connections	EA	137	\$1,000	\$ 137,472.00
Fire Hydrant Assemblies	EA	14	\$4,000	\$ 56,000.00
10% Contingency				\$ 270,135.04
Subtotal (Construction Cost)				\$ 2,971,485.46
Engineering				
Design Engineering				\$ 237,719.00
Other Services (Geotech, Surveying, As-Built Confirmed, etc.)				\$ 37,140.00
Technical Services During Construction				\$ 222,861.00
Subtotal				\$ 497,720.00
Projected Phase 3 Cost				\$ 3,469,205.46

Projected Cost of Phase 4 Improvements

Constuction				
Description	Units	Quantity	Unit Cost	Cost
6" PVC Water Lines	LF	19313	\$60	\$ 1,158,780.00
8" HDPE Directional Drill	LF	267	\$150	\$ 40,000.50
8" PVC Water Lines	LF	3928	\$72	\$ 282,816.00
8" Gate Valve	EA	21	\$1,740	\$ 36,540.00
8" Retainer Glands	EA	106	\$136	\$ 14,373.60
8" Bell Restraint	EA	11	\$154	\$ 1,689.60
6" Gate Valve	EA	193	\$1,450	\$ 279,850.00
6" Retainer Glands	EA	966	\$113	\$ 109,158.00
6-inch Bell Restraint	EA	97	\$128	\$ 12,416.00
4" Linestop	EA	3	\$5,000	\$ 15,000.00
6" Linestop	EA	11	\$5,800	\$ 63,800.00
DI Fittings	LBS	5810	\$15	\$ 87,153.75
Remove/Replace Pavement (Patch)	SY	1394	\$52	\$ 72,511.92
Remove/Replace Pavement (Over)	LF	459	\$75	\$ 34,425.00
Sand or Sand-Clay Backfill	CMCY	5810	\$17	\$ 98,774.25
Grassing	SY	17431	\$2	\$ 34,861.50
Concrete	CY	23	\$340	\$ 7,901.94
Service Connections	EA	139	\$1,000	\$ 139,446.00
Fire Hydrant Assemblies	EA	19	\$4,000	\$ 76,000.00
10% Contingency				\$ 256,549.81
Subtotal (Construction Cost)				\$ 2,822,047.87
Engineering				
Design Engineering				\$ 225,764.00
Other Services (Geotech, Surveying, As-Built Confirmed, etc.)				\$ 35,280.00
Technical Services During Construction				\$ 211,654.00
Subtotal				\$ 472,698.00
Projected Phase 4 Cost				\$ 3,294,745.87

Projected Cost of Phase 5 Improvements

Constuction				
Description	Units	Quantity	Unit Cost	Cost
6" PVC Water Lines	LF	13416	\$60	\$ 804,960.00
6" Gate Valve	EA	134	\$1,450	\$ 194,300.00
6" Retainer Glands	EA	671	\$113	\$ 75,823.00
6-inch Bell Restraint	EA	67	\$128	\$ 8,576.00
4" Linestop	EA	3	\$5,000	\$ 15,000.00
6" Linestop	EA	8	\$5,800	\$ 46,400.00
DI Fittings	LBS	3354	\$15	\$ 50,310.00
Remove/Replace Pavement (Patch)	SY	805	\$52	\$ 41,857.92
Remove/Replace Pavement (Over)	LF	459	\$75	\$ 34,425.00
Sand or Sand-Clay Backfill	CMCY	3354	\$17	\$ 57,018.00
Grassing	SY	10062	\$2	\$ 20,124.00
Concrete	CY	13	\$340	\$ 4,561.44
Service Connections	EA	80	\$1,000	\$ 80,496.00
Fire Hydrant Assemblies	EA	13	\$4,000	\$ 52,000.00
10% Contingency				\$ 148,585.14
Subtotal (Construction Cost)				\$ 1,634,436.50
Engineering				
Design Engineering				\$ 130,755.00
Other Services (Geotech, Surveying, As-Built Confirmed, etc.)				\$ 20,430.00
Technical Services During Construction				\$ 122,583.00
Subtotal				\$ 273,768.00
Projected Phase 5 Cost				\$ 1,908,204.50