



**CITY OF JUNCTION CITY, OREGON**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

WITH

INDEPENDENT AUDITOR'S REPORT



**CITY OF JUNCTION CITY, OREGON**  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
WITH INDEPENDENT AUDITOR'S REPORT

Prepared by:  
Finance Department



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**INTRODUCTORY SECTION**



# CITY OF JUNCTION CITY

680 GREENWOOD • P. O. BOX 250  
JUNCTION CITY, OREGON 97448-0250  
TELEPHONE 998-2153 • FAX 998-3140

November 8, 2017

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

The management of the City of Junction City (“City”) is pleased to provide this annual financial report to its citizens, taxpayers, and other interested parties to demonstrate its accountability and communicate the City’s financial position and resource flows as of and for the year ended June 30, 2017. The Management staff of the City is responsible for the presentation of this annual financial report, for maintaining appropriate internal control over financial reporting, and for complying with applicable finance-related laws, regulations, and provisions of grants and contracts. The City reports its financial statements and schedules on a modified cash basis, which management has determined is an acceptable financial reporting framework that differs from generally accepted accounting principles (GAAP). All of the financial analyses in this report should take into consideration the limitations inherent in the modified cash basis of accounting.

Management is responsible for preparing the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Isler CPA, Certified Public Accountants, have issued their independent auditor’s report on these financial statements and schedules which includes an unmodified (“clean”) opinion for the City of Junction City’s financial statements for the year ended June 30, 2017. The independent auditor’s report is located at the front of the financial section of this report.

## **Profile of the Government**

The City, incorporated in 1872, is located on Highway 99, 14 miles north of Eugene, 38 miles south of Corvallis and centrally located between the Pacific Ocean to the West and the Cascade Mountains to the East. The City occupies 2.45 square miles and serves a population of 6,010.

The City is a home rule charter city. The charter is the basic law under which the City operates and may be amended only by a vote of the people. A proposed amendment to the charter may be placed on the ballot by the City Council or by an initiative process by the voters.



The City Council is composed of seven members; six Councilors elected to four-year terms and one Mayor elected to a two-year term. Three Council positions and the Mayor's position are voted upon every two years during the General Election.

Neither the Mayor nor the Councilors receive any compensation for serving on the Council. Travel and training expenses incurred by the Mayor or Councilors in their official capacity are reimbursed and budgeted accordingly.

The City operates under a Council-City Administrator form of government. The Council sets policies, and the City Administrator is responsible for the implementation and compliance of those policies. The City Administrator is also responsible for the day-to-day business, financial and property transactions, preparation of the annual budget, appointment and supervision of personnel, provision of City ordinances administered to the Council's satisfaction, and the general management of the City departments. The City Administrator has no vote in the Council, but may take part in all Council discussions.

The Council is required to adopt an initial budget by June 30<sup>th</sup> of each year for the following fiscal year which begins July 1<sup>st</sup>. The annual budget serves as the foundation for the City's financial planning and control. Annual budgets are adopted on the modified cash basis. The budget is prepared by fund and department.

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Except for the agency funds, the City is required by law to budget all funds. The budgetary level of control is appropriated by fund and object (i.e. personnel services, materials and services, capital outlay, debt service, inter-fund transfers, and contingency). Appropriations lapse as of the year end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publication in newspapers, and adoption by the City Council. Expenditure appropriations may not be legally over-expended, although appropriations may be increased or decreased, transferred from one appropriation category to another, or new appropriation categories created by action of the City Council. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control.

## **Local Economy**

Junction City is a blend of rural agricultural and urban lifestyles that are central to living in the southern Willamette Valley. In many ways, Junction City is a focus for Lane County's breadbasket region. Junction City is home to the Scandinavian Festival each summer, along with wineries, nurseries, dairies, fruit and vegetable markets, sheep, cattle and alpaca ranches and much more.

The Scandinavian Festival is held in August and draws thousands of visitors annually. There are nearby lakes and rivers for swimming, boating, water-skiing, and fishing. The City operates a Community Services Department that includes the Junction City Community Center, the Max Strauss Seasonal Pool, the Junction City Public Library, and the Viking Sal Senior Center. The Parks Department maintains numerous park facilities, which include a skate park, playgrounds, tennis courts, basketball courts, baseball/softball fields, picnic facilities and open space, for the enjoyment of the citizens. The City provides a full range of services, including police protection, municipal court services, building permits, planning services, licenses and permits, streets maintenance, and operates utility services for water, sewer, and sanitation.

The City has recently completed important projects, including the expansion of the urban growth boundary, installation of the waterline to connect a new elevated storage tank, upgrade and or expansion of a number of pump stations, installation of a bypass pumping system for all sewer pump stations, the completion of the City's skate park, construction of a new neighborhood park and enhancements to financial systems with the adoption of the City's broad range fiscal policies.

The City has recently completed important projects, including several blocks of street reconstruction in various areas in town, installation of a new 600 gpm drinking water well, CCTV inspections of several blocks of sewer and storm mainlines, and enhancements to financial systems with the adoption of additional fiscal policies. For the year ending June 30, 2016 the City was the recipient of the Governmental Finance Officers Association's Small Government Cash Basis Reporting Award for the fourth consecutive year.

The City's Public Works Department completed the utility infrastructure for the Vista Dale Subdivision. The department also oversaw the installation of utility infrastructure for a number of new developments within the Community. As part of the City's Capital Expenditure Plan, the Police Department began its vehicle replacement plan with the purchase of six new vehicles. The City also completed the construction of expanded offices for the City's Planning Department.

During the fiscal year, the City has completed work on the City's Capital Expenditure Plan, broken out by department and detailing a 20 year reserve plan to maintain the City's current level of service.

Council adopted the newly compiled Master Fee Schedule in September 2017 and has updated the City's Fiscal Policies.

The business community in Junction City, while challenged by the recent economy, has begun to expand over the last five years with new investment in light manufacturing, sales and service businesses and the completion of the State's mental hospital which opened in March 2015. The City has also benefited from this growth seeing the utilization of previously vacant commercial and industrial space.

Although employment levels are reported at the County level, Junction City has experienced growth with additions to operations of several businesses and the State mental hospital. Unemployment rates for the County are currently at 4.7% as of August 2017, down from 5.3% for the county one year ago.

While building permits fluctuate from year to year, business and housing development has continued over the last several years. Various builders working within the City have steadily utilized the available residential building lots and several residential developments are in progress which will add to the available housing within the City. Light manufacturing has added to the tax base for the City as well as needed jobs.

The City's population estimate at July 1, 2016 was 6,010, which represents a 2.4% increase over the prior year and an 11.5% increase since 2010. The population estimate was 5,392 for July 1, 2010.

### **Financial Analysis**

The government-wide financial statements are reported using the modified cash basis of accounting. Under this basis of accounting, only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized, except as follows:

- (1) Interfund receivables and payables that arise from transactions and events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not reported and long-term liabilities such as debt and compensated absences also are not reported on the face of the financial statements. However, the City's long-term debt obligations are disclosed in the notes to the financial statements.

## Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Total assets	\$ 6,112,794	\$ 5,812,198	\$ 5,518,150	\$ 4,679,653	\$ 11,630,944	\$ 10,491,851
Total liabilities	7,398	18,521	-	-	7,398	18,521
Net position:						
Restricted	2,980,248	2,724,610	2,178,142	1,935,601	5,158,390	4,660,211
Unrestricted	3,125,148	3,069,067	3,340,008	2,744,052	6,465,156	5,813,119
Total net position	<u>\$ 6,105,396</u>	<u>\$ 5,793,677</u>	<u>\$ 5,518,150</u>	<u>\$ 4,679,653</u>	<u>\$ 11,623,546</u>	<u>\$ 10,473,330</u>

For the year ended June 30, 2017, the overall modified cash basis net position of the City increased by \$1,150,216. Of the total increase, the governmental activities' net position increased by \$311,719 and business activities by \$838,497.

Of the increase from business-type activities, income before capital contributions and transfers accounted for \$646,467 and system development charges account for \$220,628 of the increase.

## Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 761,465	\$ 1,057,997	\$ 3,610,482	\$ 3,751,909	\$ 4,371,947	\$ 4,809,906
Operating grants and contributions	347,926	390,186	-	-	347,926	390,186
Capital grants and contributions	14,747	72,094	-	-	14,747	72,094
General revenues:						
Property taxes	2,379,980	2,286,146	-	-	2,379,980	2,286,146
Franchise taxes	437,898	415,651	-	-	437,898	415,651
Other taxes	724,580	395,931	-	-	724,580	395,931
Investment income	65,546	36,507	54,296	26,948	119,842	63,455
Total revenues	<u>4,732,142</u>	<u>4,654,512</u>	<u>3,664,778</u>	<u>3,778,857</u>	<u>8,396,920</u>	<u>8,433,369</u>
<b>Expenses</b>						
General government	1,315,477	1,288,046	-	-	1,315,477	1,288,046
Public safety	2,096,472	2,010,384	-	-	2,096,472	2,010,384
Highways and streets	267,628	371,864	-	-	267,628	371,864
Economic development	1,175	185	-	-	1,175	185
Culture and recreation	768,271	660,900	-	-	768,271	660,900
Water	-	-	800,064	1,099,032	800,064	1,099,032
Sewer	-	-	1,149,850	1,136,451	1,149,850	1,136,451
Sanitation	-	-	847,767	792,317	847,767	792,317
Total expenses	<u>4,449,023</u>	<u>4,331,379</u>	<u>2,797,681</u>	<u>3,027,800</u>	<u>7,246,704</u>	<u>7,359,179</u>
Excess before transfers	283,119	323,133	867,097	751,057	1,150,216	1,074,190
Transfers - fiduciary fund	-	(24,800)	-	-	-	(24,800)
Transfers - internal activity	28,600	(199,500)	(28,600)	199,500	-	-
Increase in net assets	311,719	98,833	838,497	950,557	1,150,216	1,049,390
Net position, beginning of year	5,793,677	5,694,844	4,679,653	3,729,096	10,473,330	9,423,940
Net position, end of year	<u>\$ 6,105,396</u>	<u>\$ 5,793,677</u>	<u>\$ 5,518,150</u>	<u>\$ 4,679,653</u>	<u>\$ 11,623,546</u>	<u>\$ 10,473,330</u>

## Governmental Funds

For the fiscal year ended June 30, 2017, the governmental funds reported a combined fund balance of \$6,081,986, an increase of \$306,920 over the prior year. The General Fund balance increased by \$75,981 and total revenues increased by a total amount of \$233,926. The General Fund revenue changes included a 4.1% or \$93,834, increase to property taxes over the prior year, and a reduction in licenses and permits revenue of \$40,000. The excess of revenues over expenditures, before transfers, in the General Fund was \$322,781 for fiscal year ended June 30, 2017. The Streets Fund expended \$230,393 in capital projects and operations which were offset by the fund's revenue for the year. The Business Development Loan Fund did not expend any funds for new loans during the year but did receive an inter-fund loan payment for \$21,500, interest for \$11,350 and a total increase to ending fund balance of \$47,641. The non-major governmental fund's combined ending balances increased by \$77,488 and included revenue from system development charges of \$27,299, reserve transfers of \$166,000 and State Revenue Sharing Funds of \$70,805.

### General Fund

**Original budget compared to final budget.** During the year, a budget transfer resolution was adopted by Council.

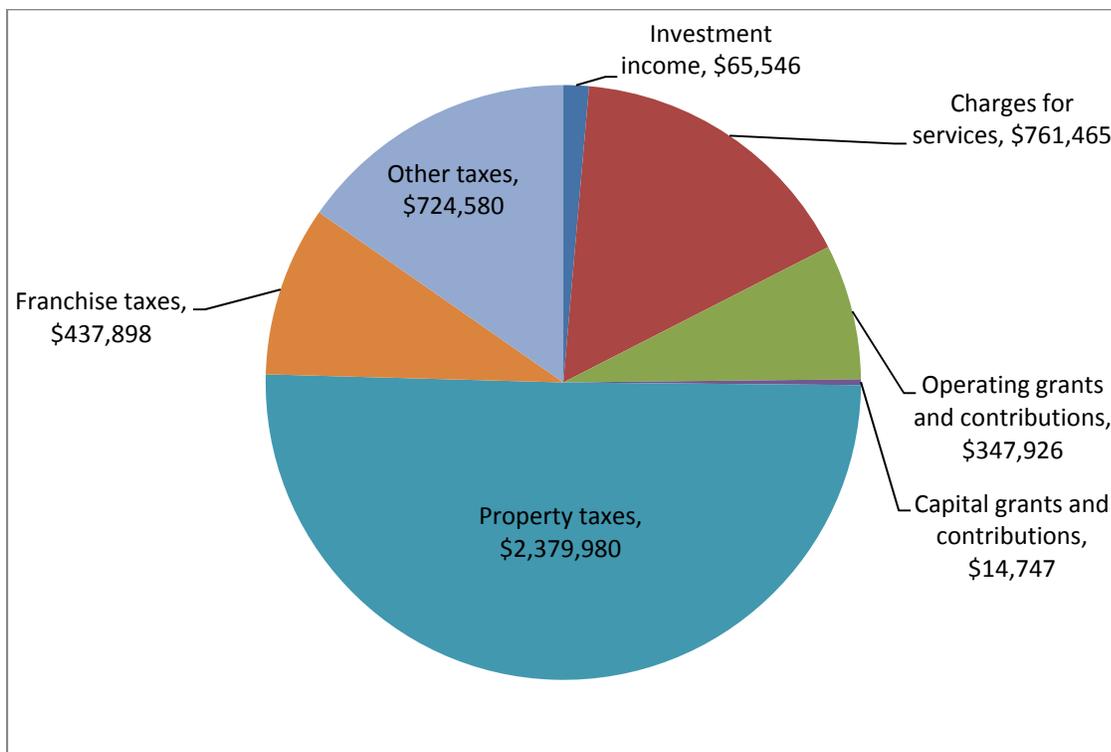
- On May 9, 2017 Council adopted resolution 1155 to increase transfers to the Police Equipment Fund and move appropriations from personnel services to materials and services. The resolution transferred contingency appropriations in the amount of \$48,400 and personnel appropriations of \$36,600 to transfers for a total amount of \$85,000. Other revenue was recognized for \$17,200 and appropriations were transferred from personnel services for \$2,800 to materials and services for a total of \$20,000.
- On May 9, 2017 Council adopted resolution 1156 to transfer general contingency appropriations for \$50,000 to Non-Departmental materials and services.
- On June 13, 2017 Council adopted resolution 1161 to transfer general contingency in the amount of \$41,000 and Building and Planning contingency of \$9,000 to Transfers to Building Reserve Fund.

**Final budget compared to actual results.** Significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Budgeted revenue	Actual revenue	Difference
Property Taxes	\$ 2,456,200	\$ 2,379,980	\$ (76,220)
Licenses & Permits	274,200	218,378	(55,822)
Muni Court Fines	165,500	134,096	(31,404)

Property Taxes were budgeted with a 4% increase, but were \$76,220 less than the budgeted amount. Actual Municipal Court Fines were less than budgeted amounts due to decreased court activity. Licenses and Building Permits received were under the budget by \$55,822 due to lower building activity.

### Governmental Activities Funding



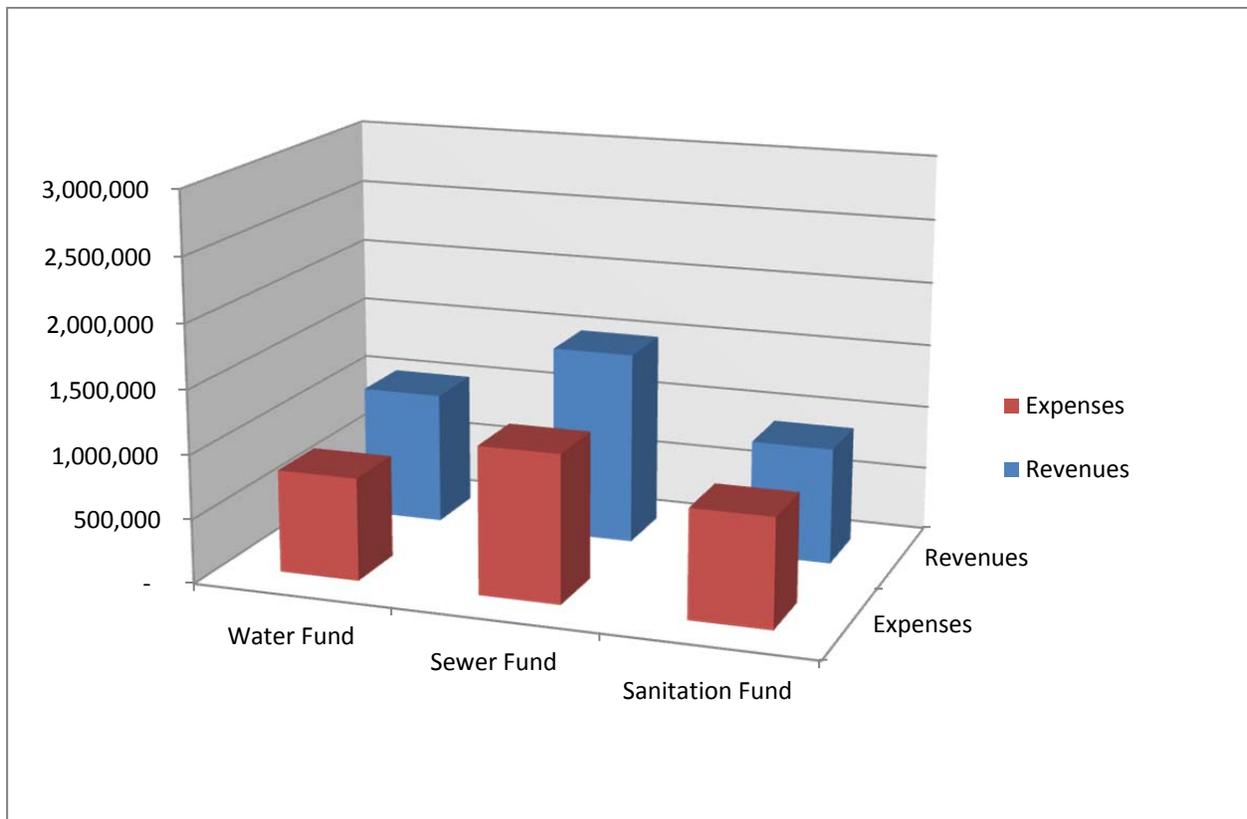
### Other Governmental Funds

Nonmajor Governmental Fund balances increased by \$77,488 during the fiscal year, most of which was in the State Revenue Sharing, where \$77,805 in revenue was received and no expenditures were made from this fund.

## Proprietary Funds

For the fiscal year ended June 30, 2017 the proprietary funds reported a modified cash basis net position of \$5,518,150, an increase of \$838,497 over the prior year. During FY16/17 capital projects in the proprietary funds were \$156,544. System development charges of \$220,628 were received which contributed to the increased ending fund balances.

### Proprietary Funds Revenue and Expenses (In dollars)



## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Award for Small Government Cash Basis Reports to the City of Junction City for its Annual Financial Report for the fiscal year ended June 30, 2016. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be granted an Award for Small Government Cash Basis Reports, the government had to publish an easily readable and efficiently organized Annual Financial Report that satisfied award program requirements.

An Award for Small Government Cash Basis Reports is valid for a period of one year only. We believe that our current financial report continues to meet the award program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated service of the Finance Department and City staff who contributed to the annual report and are dedicated to the long-term fiscal condition of the City of Junction City. We wish to thank all the departments for their assistance in providing the data necessary to compile this report. Credit also must be given to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of Junction City's finances.

Respectfully,



Jason Knope  
City Administrator



Mike Crocker  
Finance Director



Government Finance Officers Association

# Award for Small Government Cash Basis Reports

Presented to

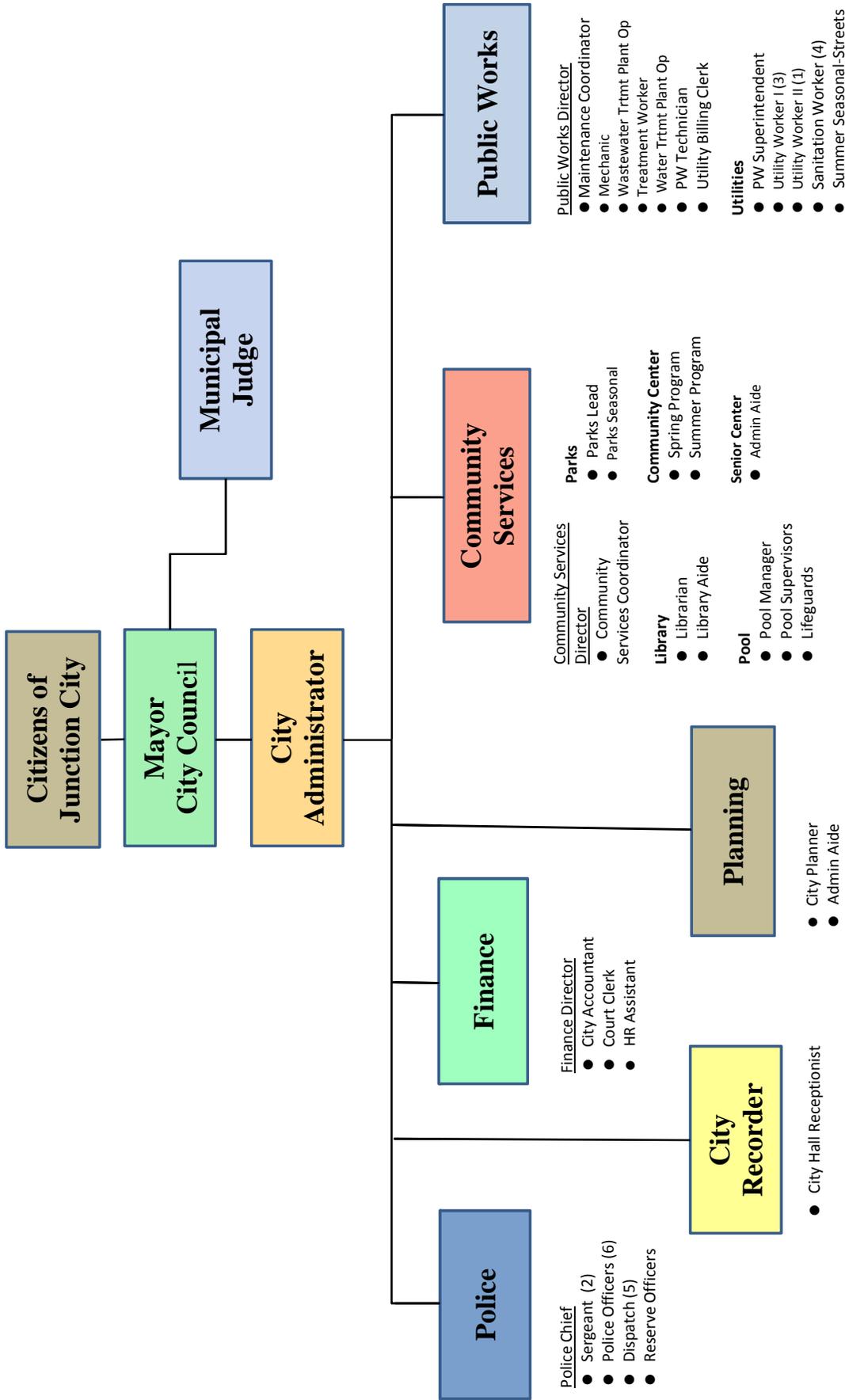
**City of Junction City  
Oregon**

For its Annual Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

**City of Junction City  
Personnel Organization Chart  
FY 2016/17**



**CITY OF JUNCTION CITY, OREGON**

List of Elected Officials

June 30, 2017

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Mark Crenshaw 1280 Oak Street Junction City, OR 97448	Mayor	January, 2019
Bill DiMarco PO Box 702 Junction City, OR 97448	Council President	January, 2021
John Gambee 264 W 6th Junction City, OR 97448	Councilor	January, 2019
Steven Hitchcock 635 W 14th Junction City, OR 97448	Councilor Resigned: June, 2017	January, 2019
Jim Leach 385 Timothy Junction City, OR 97448	Councilor Resigned: June, 2017	January, 2019
Karen Leach 385 Timothy Junction City, OR 97448	Councilor Resigned: June, 2017	January, 2021
Rob Stott 909 SW Quince Junction City, OR 97448	Councilor	January, 2021

**FINANCIAL SECTION**





## Independent Auditor's Report

To the Mayor and Members of the City Council  
City of Junction City  
Junction City, Oregon

1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
www.islercpa.com

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Junction City, Oregon, ("City") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I. A., this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City as of June 30, 2017, the respective changes in modified cash basis financial position, cash flows, where applicable, and the budgetary comparison statements for the General Fund, Street Fund, and Business Development Loan Fund thereof for the year then ended in accordance with the basis of accounting described in Note I. A.

### ***Basis of Accounting***

We draw attention to Note I.A. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Other Matters**

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the modified cash basis financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information including the combining and individual fund financial statements and schedules - modified cash basis, and the other information including the letter of transmittal narrative discussion, and trend information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

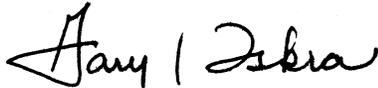
The combining and individual nonmajor fund financial statements, budgetary comparisons and other financial schedules on pages 28 - 79 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole on the basis of accounting described in note I. A.

The letter of transmittal narrative discussion presented on pages i - ix, the other introductory information on pages x - xii, and the trend information presented on pages 80 - 86 of the report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated November 8, 2017 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report on pages 87 - 88 is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**Isler CPA**



For Isler CPA  
Eugene, Oregon  
November 8, 2017

**BASIC FINANCIAL STATEMENTS**



**CITY OF JUNCTION CITY, OREGON**

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,110,272	\$ 5,518,150	\$ 11,628,422
Developer advances	<u>2,522</u>	<u>-</u>	<u>2,522</u>
Total assets	<u>\$ 6,112,794</u>	<u>\$ 5,518,150</u>	<u>\$ 11,630,944</u>
<b>LIABILITIES</b>			
Due to others	<u>\$ 7,398</u>	<u>\$ -</u>	<u>\$ 7,398</u>
Total liabilities	<u>7,398</u>	<u>-</u>	<u>7,398</u>
<b>NET POSITION</b>			
Restricted for:			
Street and bicycle paths	1,308,156	-	1,308,156
Business development	1,087,913	-	1,087,913
Systems development	411,710	2,178,142	2,589,852
State revenue sharing	172,469	-	172,469
Unrestricted	<u>3,125,148</u>	<u>3,340,008</u>	<u>6,465,156</u>
Total net position	<u>6,105,396</u>	<u>5,518,150</u>	<u>11,623,546</u>
Total liabilities and net position	<u>\$ 6,112,794</u>	<u>\$ 5,518,150</u>	<u>\$ 11,630,944</u>

**CITY OF JUNCTION CITY, OREGON**

Government-wide Statement of Activities - Modified Cash Basis

For the Year Ended June 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions / Programs</b>							
Governmental Activities:							
General Government	\$ 1,315,477	\$ 471,476	\$ 308,087	\$ -	\$ (535,914)	\$ -	\$ (535,914)
Public Safety	2,096,472	17,129	1,800	-	(2,077,543)	-	(2,077,543)
Highways and Streets	267,628	9,456	-	14,747	(243,425)	-	(243,425)
Economic Development	1,175	5,371	10,740	-	14,936	-	14,936
Culture and Recreation	768,271	258,033	27,299	-	(482,939)	-	(482,939)
Total governmental activities	<u>4,449,023</u>	<u>761,465</u>	<u>347,926</u>	<u>14,747</u>	<u>(3,324,885)</u>	<u>-</u>	<u>(3,324,885)</u>
Business-type Activities:							
Water	800,064	1,051,758	-	-	-	251,694	251,694
Sewer	1,149,850	1,658,425	-	-	-	508,575	508,575
Sanitation	847,767	900,299	-	-	-	52,532	52,532
Total business - type activities	<u>2,797,681</u>	<u>3,610,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>812,801</u>	<u>812,801</u>
Total government	<u>\$ 7,246,704</u>	<u>\$ 4,371,947</u>	<u>\$ 347,926</u>	<u>\$ 14,747</u>	<u>(3,324,885)</u>	<u>812,801</u>	<u>(2,512,084)</u>
General revenues:							
Property taxes					2,379,980	-	2,379,980
Franchise taxes					437,898	-	437,898
Other taxes and receipts					724,580	-	724,580
Unrestricted investment earnings					65,546	54,296	119,842
Transfers - internal activity					28,600	(28,600)	-
Total general revenues and transfers					<u>3,636,604</u>	<u>25,696</u>	<u>3,662,300</u>
Change in net position					311,719	838,497	1,150,216
Net position- beginning					<u>5,793,677</u>	<u>4,679,653</u>	<u>10,473,330</u>
Net position- ending					<u>\$ 6,105,396</u>	<u>\$ 5,518,150</u>	<u>\$ 11,623,546</u>

**CITY OF JUNCTION CITY, OREGON**

Balance Sheet - Modified Cash Basis

Governmental Funds

June 30, 2017

	<u>General Fund Programs</u>	<u>Street Fund</u>	<u>Business Development Loan Fund</u>	<u>Street System Development Fund</u>	<u>Building Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,389,704	\$ 243,311	\$ 1,087,913	\$ 1,027,260	\$ 74,828	\$ 1,263,846	\$ 6,086,862
Developer advances	<u>2,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,522</u>
Total assets	<u>\$ 2,392,226</u>	<u>\$ 243,311</u>	<u>\$ 1,087,913</u>	<u>\$ 1,027,260</u>	<u>\$ 74,828</u>	<u>\$ 1,263,846</u>	<u>\$ 6,089,384</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to others	<u>\$ 7,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,398</u>
Total liabilities	<u>7,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,398</u>
Fund balances:							
Restricted:							
Streets and bicycle paths	-	243,311	-	1,027,260	-	37,585	1,308,156
Business development	-	-	1,087,913	-	-	-	1,087,913
Systems development	-	-	-	-	-	411,710	411,710
State revenue sharing	-	-	-	-	-	172,469	172,469
Committed:							
Viking Sal Senior Center	38,365	-	-	-	-	-	38,365
Health insurance	50,679	-	-	-	-	-	50,679
Community services	10,052	-	-	-	-	-	10,052
Building/equipment	-	-	-	-	74,828	546,623	621,451
Street system improvement	-	-	-	-	-	95,459	95,459
Unassigned	<u>2,285,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,285,732</u>
Total fund balances	<u>2,384,828</u>	<u>243,311</u>	<u>1,087,913</u>	<u>1,027,260</u>	<u>74,828</u>	<u>1,263,846</u>	<u>6,081,986</u>
Total liabilities and fund balances	<u>\$ 2,392,226</u>	<u>\$ 243,311</u>	<u>\$ 1,087,913</u>	<u>\$ 1,027,260</u>	<u>\$ 74,828</u>	<u>\$ 1,263,846</u>	

Reconciliation to the Statement of Net Position:

The Internal Service fund is a proprietary fund and not reported with governmental funds.

However, because the Internal Service fund primarily benefits governmental activities, its assets, liabilities, and net position are reported along with governmental activities in the Statement of Net Position.

Net position of governmental activities

23,410  
\$ 6,105,396

**CITY OF JUNCTION CITY, OREGON**

Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Governmental Funds  
For the Year Ended June 30, 2017

	General Fund Programs	Street Fund	Business Development Loan Fund	Street System Development Fund	Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 2,379,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,379,980
Franchise	437,898	-	-	-	-	-	437,898
Other	13,133	-	-	-	-	-	13,133
Licenses and permits	218,378	630	-	-	-	-	219,008
Intergovernmental	272,862	352,213	10,741	-	-	74,363	710,179
Charges for services	588,902	-	-	-	-	-	588,902
System development charges	13,273	-	-	14,747	-	27,299	55,319
Fines and penalties	134,096	-	-	-	-	-	134,096
Interest	27,787	2,161	11,205	10,600	619	12,889	65,261
Loan program:							
Principal received	-	-	5,025	-	-	-	5,025
Interest received	-	-	145	-	-	-	145
Donations and special events	23,752	-	-	-	-	-	23,752
Other	88,874	6,426	200	-	-	3,030	98,530
<b>Total Revenues</b>	<b>4,198,935</b>	<b>361,430</b>	<b>27,316</b>	<b>25,347</b>	<b>619</b>	<b>117,581</b>	<b>4,731,228</b>
<b>EXPENDITURES</b>							
Current :							
General Government	1,213,412	-	-	-	48,248	57,702	1,319,362
Public Safety	1,994,691	-	-	-	-	101,781	2,096,472
Highways and Streets	-	230,393	-	-	-	37,235	267,628
Economic Development	-	-	1,175	-	-	-	1,175
Culture and Recreation	758,896	-	-	-	-	9,375	768,271
<b>Total expenditures</b>	<b>3,966,999</b>	<b>230,393</b>	<b>1,175</b>	<b>-</b>	<b>48,248</b>	<b>206,093</b>	<b>4,452,908</b>
Excess (deficiency) of revenues over (under) expenditures	231,936	131,037	26,141	25,347	(47,629)	(88,512)	278,320
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	50,000	166,000	216,000
Transfers out	(160,500)	(48,400)	-	-	-	-	(208,900)
Interfund loans	-	-	21,500	-	-	-	21,500
<b>Total other financing source (uses)</b>	<b>(160,500)</b>	<b>(48,400)</b>	<b>21,500</b>	<b>-</b>	<b>50,000</b>	<b>166,000</b>	<b>28,600</b>
<b>Net change in fund balances</b>	<b>71,436</b>	<b>82,637</b>	<b>47,641</b>	<b>25,347</b>	<b>2,371</b>	<b>77,488</b>	<b>306,920</b>
Beginning fund balance	2,313,392	160,674	1,040,272	1,001,913	72,457	1,186,358	
<b>Ending fund balance</b>	<b>\$ 2,384,828</b>	<b>\$ 243,311</b>	<b>\$ 1,087,913</b>	<b>\$ 1,027,260</b>	<b>\$ 74,828</b>	<b>\$ 1,263,846</b>	

The Internal Service fund is used by management to charge the costs of certain activities to other benefiting funds. The net revenue over expenses of the Internal Service fund is reported with governmental activities.

	4,799
Change in net position of governmental activities	<u>\$ 311,719</u>

**CITY OF JUNCTION CITY, OREGON**

**GENERAL FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Property	\$ 2,456,200	\$ 2,456,200	\$ 2,379,980	\$ (76,220)
Franchise	412,500	412,500	437,898	25,398
Other	14,700	14,700	13,133	(1,567)
Licenses and permits	274,200	274,200	218,378	(55,822)
Intergovernmental	259,600	259,600	261,612	2,012
Charges for services	704,900	704,900	586,942	(117,958)
Fines and penalties	165,500	165,500	134,096	(31,404)
Investment earnings	10,000	10,000	26,759	16,759
Donations and special events	100	100	1,900	1,800
Other	36,600	53,800	49,512	(4,288)
System development charges	<u>25,000</u>	<u>25,000</u>	<u>13,273</u>	<u>(11,727)</u>
Total revenues	<u>4,359,300</u>	<u>4,376,500</u>	<u>4,123,483</u>	<u>(253,017)</u>
Expenditures:				
Personal services	2,838,600	2,799,200	2,652,355	146,845
Materials and services	868,500	1,372,500	1,148,347	224,153
Contingency	<u>240,300</u>	<u>91,900</u>	<u>-</u>	<u>91,900</u>
Total expenditures	<u>3,947,400</u>	<u>4,263,600</u>	<u>3,800,702</u>	<u>462,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>411,900</u>	<u>112,900</u>	<u>322,781</u>	<u>209,881</u>
Other financing sources (uses):				
Transfers out	<u>(111,800)</u>	<u>(246,800)</u>	<u>(246,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(111,800)</u>	<u>(246,800)</u>	<u>(246,800)</u>	<u>-</u>
Net change in fund balances	300,100	(133,900)	75,981	209,881
Fund balance:				
Beginning of year	<u>2,295,500</u>	<u>2,295,500</u>	<u>2,209,751</u>	<u>(85,749)</u>
End of year	<u>\$ 2,595,600</u>	<u>\$ 2,161,600</u>	\$ 2,285,732	<u>\$ 124,132</u>
Other funds included in General Fund Programs:				
Viking Sal Senior Center Fund			38,365	
Health Insurance Fund			50,679	
Community Center Fund			<u>10,052</u>	
Total General Fund Programs			<u>\$ 2,384,828</u>	

**CITY OF JUNCTION CITY, OREGON**

**STREET FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Licenses and permits	\$ 1,000	\$ 1,000	\$ 630	\$ (370)
Intergovernmental	334,600	334,600	352,213	17,613
Investment earnings	1,100	1,100	2,161	1,061
Other	<u>1,200</u>	<u>1,200</u>	<u>6,426</u>	<u>5,226</u>
Total revenues	<u>337,900</u>	<u>337,900</u>	<u>361,430</u>	<u>23,530</u>
Expenditures:				
Personal services	65,800	65,800	56,461	9,339
Materials and services	202,100	202,100	173,932	28,168
Contingency	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>287,900</u>	<u>287,900</u>	<u>230,393</u>	<u>57,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>131,037</u>	<u>81,037</u>
Other financing sources (uses):				
Transfers out	<u>(49,200)</u>	<u>(49,200)</u>	<u>(48,400)</u>	<u>800</u>
Total other financing sources (uses)	<u>(49,200)</u>	<u>(49,200)</u>	<u>(48,400)</u>	<u>800</u>
Net change in fund balances	800	800	82,637	81,837
Fund balance:				
Beginning of year	<u>141,800</u>	<u>141,800</u>	<u>160,674</u>	<u>18,874</u>
End of year	<u>\$ 142,600</u>	<u>\$ 142,600</u>	<u>\$ 243,311</u>	<u>\$ 100,711</u>

**CITY OF JUNCTION CITY, OREGON**

**BUSINESS DEVELOPMENT LOAN FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,740	\$ 740
Investment earnings	9,100	9,100	16,376	7,276
Other	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total revenues	<u>19,300</u>	<u>19,300</u>	<u>27,316</u>	<u>8,016</u>
Expenditures:				
Materials and services	<u>769,500</u>	<u>769,500</u>	<u>1,175</u>	<u>768,325</u>
Total expenditures	<u>769,500</u>	<u>769,500</u>	<u>1,175</u>	<u>768,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(750,200)</u>	<u>(750,200)</u>	<u>26,141</u>	<u>776,341</u>
Other financing sources (uses):				
Interfund loans	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>	<u>-</u>
Total other financing sources (uses)	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>	<u>-</u>
Net change in fund balances	(728,700)	(728,700)	47,641	776,341
Fund balance:				
Beginning of year	<u>1,039,500</u>	<u>1,039,500</u>	<u>1,040,272</u>	<u>772</u>
End of year	<u>\$ 310,800</u>	<u>\$ 310,800</u>	<u>\$ 1,087,913</u>	<u>\$ 777,113</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Net Position - Modified Cash Basis

Proprietary Funds

June 30, 2017

	Business-Type Activities				Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 629,519	\$ 4,241,458	\$ 647,173	\$ 5,518,150	\$ 23,410
Total assets	<u>\$ 629,519</u>	<u>\$ 4,241,458</u>	<u>\$ 647,173</u>	<u>\$ 5,518,150</u>	<u>\$ 23,410</u>
<b>NET POSITION</b>					
Restricted for systems development	\$ 38,369	\$ 2,139,773	\$ -	\$ 2,178,142	\$ -
Unrestricted	<u>591,150</u>	<u>2,101,685</u>	<u>647,173</u>	<u>3,340,008</u>	<u>23,410</u>
Total net position	<u>629,519</u>	<u>4,241,458</u>	<u>647,173</u>	<u>5,518,150</u>	<u>23,410</u>
Total liabilities and net position	<u>\$ 629,519</u>	<u>\$ 4,241,458</u>	<u>\$ 647,173</u>	<u>\$ 5,518,150</u>	<u>\$ 23,410</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis

Proprietary Funds

For the Year Ended June 30, 2017

	Business-Type Activities			Total	Governmental
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
Operating revenues:					
Charges for services	\$ 1,011,820	\$ 1,447,415	\$ 883,140	\$ 3,342,375	\$ 337,731
Miscellaneous	<u>15,445</u>	<u>14,875</u>	<u>17,159</u>	<u>47,479</u>	<u>632</u>
Total operating revenues	<u>1,027,265</u>	<u>1,462,290</u>	<u>900,299</u>	<u>3,389,854</u>	<u>338,363</u>
Operating expenses:					
Personal services	457,319	466,751	312,001	1,236,071	183,125
Materials and services	<u>326,813</u>	<u>652,894</u>	<u>425,359</u>	<u>1,405,066</u>	<u>150,723</u>
Total operating expenses	<u>784,132</u>	<u>1,119,645</u>	<u>737,360</u>	<u>2,641,137</u>	<u>333,848</u>
Operating income (loss)	<u>243,133</u>	<u>342,645</u>	<u>162,939</u>	<u>748,717</u>	<u>4,515</u>
Nonoperating revenues (expenses):					
Investment earnings	6,331	41,846	6,119	54,296	284
Capital outlay	<u>(15,932)</u>	<u>(30,205)</u>	<u>(110,407)</u>	<u>(156,544)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(9,601)</u>	<u>11,641</u>	<u>(104,288)</u>	<u>(102,248)</u>	<u>284</u>
Income (loss) before capital contributions and transfers	233,532	354,286	58,651	646,469	4,799
Capital contributions:					
System development charges	<u>24,493</u>	<u>196,135</u>	<u>-</u>	<u>220,628</u>	<u>-</u>
Interfund loans	<u>(21,500)</u>	<u>-</u>	<u>-</u>	<u>(21,500)</u>	<u>-</u>
Transfers in	-	90,000	-	90,000	-
Transfers out	<u>(90,600)</u>	<u>(5,300)</u>	<u>(1,200)</u>	<u>(97,100)</u>	<u>-</u>
Total transfers	<u>(90,600)</u>	<u>84,700</u>	<u>(1,200)</u>	<u>(7,100)</u>	<u>-</u>
Change in net position	145,925	635,121	57,451	838,497	4,799
Total net position- beginning	<u>483,594</u>	<u>3,606,337</u>	<u>589,722</u>	<u>4,679,653</u>	<u>18,611</u>
Total net position- ending	<u>\$ 629,519</u>	<u>\$ 4,241,458</u>	<u>\$ 647,173</u>	<u>\$ 5,518,150</u>	<u>\$ 23,410</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Cash Flows - Modified Cash Basis

Proprietary Funds

For the Year Ended June 30, 2017

	Business - Type Activities			Total Enterprise Funds	Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,027,265	\$ 1,462,290	\$ 900,299	\$ 3,389,854	\$ -
Receipts from interfund services provided	-	-	-	-	338,363
Payments to suppliers	(326,813)	(652,894)	(425,359)	(1,405,066)	(150,723)
Payments to employees	(457,319)	(466,751)	(312,001)	(1,236,071)	(183,125)
Net cash provided (used) by operating activities	<u>243,133</u>	<u>342,645</u>	<u>162,939</u>	<u>748,717</u>	<u>4,515</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	90,000	-	90,000	-
Transfers out	(90,600)	(5,300)	(1,200)	(97,100)	-
Net cash provided (used) by noncapital financing activities	<u>(90,600)</u>	<u>84,700</u>	<u>(1,200)</u>	<u>(7,100)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(15,932)	(30,205)	(110,407)	(156,544)	-
System development charges	24,493	196,135	-	220,628	-
Interfund loan repayment	(21,500)	-	-	(21,500)	-
Net cash provided (used) by capital and related financing activities	<u>(12,939)</u>	<u>165,930</u>	<u>(110,407)</u>	<u>42,584</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>6,331</u>	<u>41,846</u>	<u>6,119</u>	<u>54,296</u>	<u>284</u>
Net change in cash and cash equivalents	145,925	635,121	57,451	838,497	4,799
Cash and cash equivalents - beginning	<u>483,594</u>	<u>3,606,337</u>	<u>589,722</u>	<u>4,679,653</u>	<u>18,611</u>
Cash and cash equivalents - ending	<u>\$ 629,519</u>	<u>\$ 4,241,458</u>	<u>\$ 647,173</u>	<u>\$ 5,518,150</u>	<u>\$ 23,410</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

June 30, 2017

	<u>Private Purpose Trust Fund - Special Police Programs Fund</u>	<u>Municipal Court Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u>18,116</u>	\$ <u>15,619</u>
<b>LIABILITIES</b>		
Fines and bails	\$ <u>-</u>	\$ <u>15,619</u>
<b>NET POSITION</b>		
Held in trust	<u>18,116</u>	<u>-</u>
Total liabilities and net position	\$ <u>18,116</u>	\$ <u>15,619</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Changes in Fiduciary Net Position - Modified Cash Basis  
Fiduciary Funds  
For the Year Ended June 30, 2017

	<u>Private Purpose Trust Fund - Special Police Programs Fund</u>
<b>ADDITIONS</b>	
Investment earnings	\$ 176
Donations and special events	<u>5,464</u>
Total additions	<u>5,640</u>
<b>DEDUCTIONS</b>	
Benefits	<u>1,931</u>
Total deductions	<u>1,931</u>
Change in net position	3,709
Net position - beginning	<u>14,407</u>
Net position - ending	<u><u>\$ 18,116</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**



## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of significant accounting policies**

##### **A. Description of government-wide financial statements and modified cash basis of accounting**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the primary government and its component units, if any. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized, except for the following modifications:

- (1) Interfund receivables and payables that arise from transactions and events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not reported and long-term liabilities such as debt and compensated absences are also not reported.

##### **B. Reporting entity**

The City of Junction City ("City") was incorporated in 1872 pursuant to state laws and to the municipal home rule provisions of the state constitution. The City has a population of approximately 5,670, includes a geographical area of approximately two square miles, and operates under a council/administrator form of government. Major services provided by the City include police protection, planning/land use, building permitting, community services, street maintenance, garbage collection, sewer services, and water services.

The accompanying financial statements present the City as the primary government. The City has no component units, which are legally separate organizations fiscally dependent on the City or for which the City is financially accountable. The City is a municipal corporation governed by a council comprised of six members and a Mayor, who are elected at large.

##### **C. Basis of presentation - government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though fiduciary funds are excluded from the government-wide financial statements.

The government-wide financial statements are presented on the modified cash basis of accounting. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

##### **D. Basis of presentation - fund financial statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds. The fund financial statements are presented on the modified cash basis of accounting.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of significant accounting policies, continued**

##### **D. Basis of presentation - fund financial statements, continued**

The City reports the following major governmental funds:

*General Fund* - is the general operating fund of the City. It accounts for all the financial operations of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, licenses and permits, intergovernmental revenues, various fees for services provided, and interest income. The General Fund accounts for the general operating expenditures of the City not recorded elsewhere. The general fund includes four budgetary funds that have been consolidated for financial reporting purposes.

*Street Fund* - accounts for revenues received from state gasoline taxes which are to be expended for the purpose of construction, reconstruction, maintenance and use of public highways, streets and roadside rest areas.

*Business Development Loan Fund* - accounts for the administration and granting of loans. Revenue is generated from the repayment of the loans.

*Street System Development Fund* - accounts for system development charges received for street development.

*Building Reserve Fund* - capital project fund that accounts for the accumulation of cash reserves to make needed building improvements and acquisitions.

Additionally, the City reports the following fund types (as nonmajor funds):

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

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

The City reports each of its three enterprise funds as major funds. Each of the funds includes two or more budgetary funds that have been consolidated for financial reporting purposes. These funds are used to account for the acquisition, operation, maintenance and improvement of water, sewer, and sanitation facilities. These funds are entirely or predominantly self-supported through user charges to customers.

Additionally, the City reports an Internal Service fund. The Internal Service fund accounts for those activities and services furnished internally to other organizational units within the City on a cost reimbursement basis. The activities and services include IT services, vehicle maintenance and building maintenance. Charges are made to the various departments and funds to support these activities.

*Fiduciary Funds* account for the assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and / or other funds. Fiduciary funds include the following funds:

*Private-Purpose Trust Fund - Special Police Programs Fund* - accounts for donations received for the specific purpose of providing Christmas shopping excursions for children with members of the police department.

*Agency Fund - Municipal Court Fund* - accounts for fines and bail monies collected by the Junction City Municipal Court.

During the course of operations the City has activity between funds for various purposes involving cash or cash equivalents. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of significant accounting policies, continued**

##### **E. Assets, liabilities, and net position/fund balance**

###### **1. Cash and investment**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and the City's investment in the State of Oregon Local Government Investment Pool ("LGIP"). The LGIP is reported at cost which approximates fair value.

###### **2. Property taxes**

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one third of taxes are due November 15th, the second one-third on February 15th. A two percent discount is allowed if two thirds of the taxes are paid by November 15th. Taxes become delinquent if not paid fully by May 15 and interest accrues after each trimester at a rate of one percent per month. If, after three years from the tax due date, taxes are still unpaid, counties initiate tax foreclosure proceedings.

###### **3. Fund balance**

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. The City does not have any assigned fund balances at June 30, 2017.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. The classification is also used to report any negative fund balance amounts in other governmental funds.

###### **4. Net position flow assumption**

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

###### **5. Fund balance flow assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note I - Summary of significant accounting policies, continued**

#### **E. Assets, liabilities, and net position/fund balance, continued**

##### **6. Minimum fund balance policy**

The following fund balance policies were adopted by the City Council on March 26, 2013:

General Fund - Measurement of the General Fund ending balance will occur annually on June 30th. The minimum targeted unassigned General Fund balance shall be no less than 35% of next year's budgeted expenditures (exclusive of transfers and contingency). For purposes of this calculation, the expenditures shall be the budget as originally adopted for the subsequent year. The unassigned fund balance amount shall be in addition to restricted, committed, or assigned fund balance amounts.

Enterprise Funds - Measurement of the fund ending balances will occur annually on June 30th. The minimum targeted unrestricted fund balance shall be no less than 25% of next year's budgeted expenditures (exclusive of transfers and contingency). For purposes of this calculation, the expenditures shall be the budget as originally adopted for the subsequent year. The unrestricted fund balance amount shall be in addition to restricted, or committed fund balance amounts.

#### **F. Revenues and expenditures/expenses**

##### **1. Program revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment (e.g., licenses and permits), 2) fines and forfeitures, and 3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All other taxes and fees, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### **2. Proprietary funds operating and nonoperating revenues and expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are water, sewer, and sanitation charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **G. Budgetary information**

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Except for the agency funds, the City is required by law to budget all funds. The budgetary level of control is appropriated by fund, and object (i.e. personal services, materials and services, capital outlay, debt service, interfund transfers, and contingency). Appropriations lapse as of the year end. The City does not use encumbrance accounting.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publication in newspapers, and adoption by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control. During the year, the City modified its adopted budget with a number of transfer resolutions and supplemental budgets.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2017

**Note II - Detailed notes on all funds**

**A. Deposits and investments**

The City combines virtually all financial resources for investment purposes. Interest earned on investments is allocated to funds based on the amounts contributed by each fund. Each fund's portion is displayed in the basic financial statements as "Cash and cash equivalents."

Oregon Revised Statutes, Chapter 294, authorizes the City to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool ("LGIP"), and various interest-bearing bonds of Oregon Municipalities.

The City is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The LGIP is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us) and [www.oregon.gov/treasury](http://www.oregon.gov/treasury).

At year end, the City's cash and cash equivalents include the following:

Cash on hand	\$	1,000		
Cash in banks		230,158		
LGIP		<u>11,430,999</u>		
Total	\$	<u>11,662,157</u>		
			Government- wide	
			<u>Statements</u>	<u>Fiduciary Funds</u>
				<u>Total</u>
Cash and cash equivalents	\$	<u>11,628,422</u>	\$	<u>33,735</u>
			\$	<u>11,662,157</u>

Custodial credit risk - deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk, but follows the requirements of ORS 295. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Where balances exceed the Federal Deposit Insurance amount of \$250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon Office of the State Treasurer in the Public Funds Collateralization Program (PFCP).

At June 30, 2017, the City's deposits were insured by federal depository insurance or collateralized under the PFCP.

Interest rate risk - While the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. The weighted-average maturity of LGIP is less than one year.

Credit risk - The City has no investment policy for credit risk but follows State law. In practice, the City limits investments to the LGIP, which is not rated by any national rating service.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2017

**Note II - Detailed notes on all funds, continued**

**B. Notes receivables**

The City has a program in which qualifying businesses receive financing from the City to provide for business expansion and job creation within the City. These loans are managed by the City and the repayments must be used to finance additional loans to the qualifying businesses in the future. During the year ended June 30, 2017, activity in the Business Development Loan Fund was as follows:

	<u>Balance at beginning of year</u>	<u>Additions</u>	<u>Principal received</u>	<u>Balance at end of year</u>
Business development loan receivables	\$ 5,025	\$ -	\$ 5,025	\$ -

**C. Interfund transfers**

<u>Transfers out of:</u>	<u>Transfers in to:</u>				<u>Total</u>
	<u>Nonmajor governmental funds</u>	<u>Building reserve fund</u>	<u>Business Development Loan fund</u>	<u>Sewer</u>	
General fund programs	\$ 110,500	\$ 50,000	\$ -	\$ -	\$ 160,500
Street fund	48,400	-	-	-	48,400
Water fund	600	-	21,500	90,000	112,100
Sewer fund	5,300	-	-	-	5,300
Sanitation fund	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
Total	<u>\$ 166,000</u>	<u>\$ 50,000</u>	<u>\$ 21,500</u>	<u>\$ 90,000</u>	<u>\$ 327,500</u>

During the year, transfers were made to move unrestricted revenues in the General fund, Street fund, Water fund, Sewer fund, and Sanitation fund to various nonmajor governmental "reserve" funds.

The Water fund transferred \$90,000 to the Sewer fund to repay an interfund loan of \$900,000 made in FY14. It is required to be repaid within 10 years.

The Water Fund transferred \$21,500 to the Business Development Loan fund to repay an interfund loan of \$215,000 made in FY 16. The loan is required to be repaid within ten years.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note III - Other information**

##### **A. Pension Plans**

###### **General Information about the Pension Plan**

###### **Plan Description**

Employees of the City of Junction City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive annual Financial Report and Actuarial Valuation that can be obtained at

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

###### **Benefits provided**

###### **1. Tier One/Tier Two Retirement Benefit ORS Chapter 238**

###### **Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police members). General service employees may retire after reaching age 55. Police members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

###### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

###### **Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualified a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police members) when determining the monthly benefit.

###### **Benefit Changes**

After retirement, members may choose to continue participation in a variable equities investment account and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note III - Other information, continued**

##### **A. Pension plans, continued**

##### **2. OPSRP Pension Program (OPSRP DB)**

###### **Pension Benefits**

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police member, the individual must have been employed continuously as a police member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

###### **Death Benefits**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, shall receive for life 50 percent of the pension that would otherwise have been paid to the deceased member.

###### **Disability Benefits**

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

###### **Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

##### **3. OPSRP Individual Account Program (OPSRP IAP)**

###### **Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

###### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

###### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note III - Other information, continued**

##### **A. Pension plans, continued**

###### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were \$312,156 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 14.49 percent for Tier One/Tier Two General Services, 18.68 percent for Tier One/Tier Two Police, 9.97 percent for OPSRP Pension Program General Services, 14.08 percent for OPSRP Pension Program Police Members, and 6 percent for OPSRP Individual Account Program.

###### **Pension Liabilities, and Pension Expense**

At June 30, 2016, the City of Junction City's proportionate share of the net pension liability is \$4,812,455. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. The City of Junction City's proportion of the net pension liability was based on a projection of the City of Junction City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City of Junction City's proportion was 0.0321 percent, which was decreased from its proportion of 0.0343 percent as of June 30, 2015. The City recognizes pension expense on the cash basis, therefore pension expense is equal to contributions made, and pension liabilities are not recognized.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2017

**Note III - Other information, continued**

**A. Pension plans, continued**

**Actuarial assumptions**

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Measurement Date	June 30, 2016
Experience Study Report	2014, published September, 2015
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.50%
Long- Term Expected Rate of Return	7.50%
Discount Rate	7.50%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%)
Mortality	Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2017

**Note III - Other information, continued**

**A. Pension plans, continued**

**Long-term expected rate of return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes 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.

<u>Asset Class/Strategy</u>	<u>Assumed Assets Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.0 %	3.0 %	0.0 %
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	32.5 %	42.5 %	37.5 %
Private Equity	13.5 %	21.5 %	17.5 %
Real Estate	9.5 %	15.5 %	12.5 %
Alternative Equity	0.0 %	12.5 %	12.5 %
Opportunity Portfolio	0.0 %	3.0 %	0.0 %
Total			<u>100.0 %</u>

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00 %	4.00 %
Short-Term Bonds	8.00 %	3.61 %
Bank/Leveraged Loans	3.00 %	5.42 %
High Yield Bonds	1.00 %	6.20 %
Large/Mid Cap US Equities	15.75 %	6.70 %
Small Cap US Equities	1.30 %	6.99 %
Micro Cap US equities	1.30 %	7.01 %
Developed Foreign Equities	13.13 %	6.73 %
Emerging Foreign Equities	4.12 %	7.25 %
No-US Small Cap Equities	1.88 %	7.22 %
Private Equities	17.50 %	7.97 %
Real Estate (Property)	10.00 %	5.84 %
Real Estate (REITS)	2.50 %	6.69 %
Hedge Fund of Funds - Diversified	2.50 %	4.64 %
Hedge Fund - Event-driven	0.63 %	6.72 %
Timber	1.88 %	5.85 %
Farmland	1.88 %	6.37 %
Infrastructure	3.75 %	7.13 %
Commodities	1.88 %	4.58 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.50 %

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2017

**Note III - Other information, continued**

**A. Pension plans, continued**

**Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Discount rate**

The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability

**Sensitivity of the City of Junction City's proportionate share of the net pension liability to changes in the discount rate**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of Net pension liability (asset)	\$ 7,770,510	\$ 4,812,455	\$ 2,340,038

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2017

#### **Note III - Other information, continued**

##### **A. Pension plans, continued**

###### **Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

###### **Changes in Plan Provisions subsequent to the Measurement Period**

There were no changes subsequent to the June 30, 2016 measurement date.

##### **B. Deferred Compensation Plans**

The City has two deferred compensation trust plans created in accordance with Internal Revenue Code Section 457. The trusts hold assets for the exclusive benefit of plan participants and their beneficiaries.

##### **C. Other Post - Employment Benefits (OPEB) - Retirement Health Insurance Account Plan**

Plan Description - The City contribute to the Oregon Public Employees Retirement Systems' (OPERS) retiree health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700 or by accessing the PERS web site at [www.oregon.gov/PERS/](http://www.oregon.gov/PERS/).

Funding Policy - Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.53% of annual covered payroll for Tier1/Tier 2, and 0.45% for OPSRP. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to PERS' RHIA for the year ended June 30, 2017 were \$16,656 which equaled the required contributions for that year.

##### **D. 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; employee injuries; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded coverage in any of the last three years.

##### **E. Tax abatements**

The City enters into property tax abatement agreements with local businesses under the Oregon Enterprise Zone Act. Under the Act, localities may grant property tax abatements of up to 50 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ended June 30, 2017, the City of Junction City abated property taxes totaling \$35,308 under this program, for the benefit of 4 Him Food Group, LLC.

##### **E. Contingencies**

The City received a tort claim notice alleging City responsibility for an unqualified amount of damages. The notice was tendered to the City's insurance company. The City cannot presently determine what effect the ultimate disposition of the matter will have on the financial position or results of operations of City funds.



**SUPPLEMENTARY AND OTHER INFORMATION ACCOMPANYING THE BASIC FINANCIAL STATEMENTS**



### **General Fund Programs**

- General Fund
- Viking Sal Senior Center Fund
- Health Insurance Fund
- Community Center Fund



**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

General Fund Programs

June 30, 2017

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,290,608	\$ 38,365	\$ 50,679	\$ 10,052	\$ 2,389,704
Developer advances	<u>2,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,522</u>
Total assets	<u>\$ 2,293,130</u>	<u>\$ 38,365</u>	<u>\$ 50,679</u>	<u>\$ 10,052</u>	<u>\$ 2,392,226</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Due to others	<u>\$ 7,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,398</u>
Fund balances:					
Committed	-	38,365	50,679	10,052	99,096
Unassigned	<u>2,285,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,285,732</u>
Total fund balances	<u>2,285,732</u>	<u>38,365</u>	<u>50,679</u>	<u>10,052</u>	<u>2,384,828</u>
Total liabilities and fund balances	<u>\$ 2,293,130</u>	<u>\$ 38,365</u>	<u>\$ 50,679</u>	<u>\$ 10,052</u>	<u>\$ 2,392,226</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis  
 General Fund Programs  
 For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
<b>REVENUES</b>					
Taxes	\$ 2,831,011	\$ -	\$ -	\$ -	\$ 2,831,011
Licenses and permits	218,378	-	-	-	218,378
Intergovernmental	261,612	11,250	-	-	272,862
Charges for services	586,942	1,960	-	-	588,902
System development charges	13,273	-	-	-	13,273
Fines and penalties	134,096	-	-	-	134,096
Investment earnings	26,759	380	526	122	27,787
Donations and special events	1,900	19,641	-	2,211	23,752
Other	49,512	17,674	-	21,688	88,874
Total revenues	<u>4,123,483</u>	<u>50,905</u>	<u>526</u>	<u>24,021</u>	<u>4,198,935</u>
<b>EXPENDITURES</b>					
Current					
General Government	1,157,530	-	-	55,882	1,213,412
Public Safety	1,994,691	-	-	-	1,994,691
Culture and Recreation	648,481	110,415	-	-	758,896
Total expenditures	<u>3,800,702</u>	<u>110,415</u>	<u>-</u>	<u>55,882</u>	<u>3,966,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>322,781</u>	<u>(59,510)</u>	<u>526</u>	<u>(31,861)</u>	<u>231,936</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	55,100	-	31,200	86,300
Transfers out	<u>(246,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(246,800)</u>
Total other financing sources (uses)	<u>(246,800)</u>	<u>55,100</u>	<u>-</u>	<u>31,200</u>	<u>(160,500)</u>
Net change in fund balances	75,981	(4,410)	526	(661)	71,436
Fund balances - beginning	<u>2,209,751</u>	<u>42,775</u>	<u>50,153</u>	<u>10,713</u>	<u>2,313,392</u>
Fund balances - ending	<u>\$ 2,285,732</u>	<u>\$ 38,365</u>	<u>\$ 50,679</u>	<u>\$ 10,052</u>	<u>\$ 2,384,828</u>

**CITY OF JUNCTION CITY, OREGON**

VIKING SAL SENIOR CENTER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 11,250	\$ (3,750)
Charges for services	3,500	3,500	1,960	(1,540)
Investment earnings	300	300	380	80
Donations and special events	22,700	22,700	19,641	(3,059)
Other	<u>14,000</u>	<u>14,000</u>	<u>17,674</u>	<u>3,674</u>
Total revenues	<u>55,500</u>	<u>55,500</u>	<u>50,905</u>	<u>(4,595)</u>
Expenditures:				
Personal services	68,400	68,400	65,091	3,309
Materials and services	55,300	55,300	45,324	9,976
Contingency	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenditures	<u>126,200</u>	<u>126,200</u>	<u>110,415</u>	<u>15,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,700)</u>	<u>(70,700)</u>	<u>(59,510)</u>	<u>11,190</u>
Other financing sources (uses):				
Transfers in	<u>55,100</u>	<u>55,100</u>	<u>55,100</u>	<u>-</u>
Total other financing sources (uses)	<u>55,100</u>	<u>55,100</u>	<u>55,100</u>	<u>-</u>
Net change in fund balances	(15,600)	(15,600)	(4,410)	11,190
Fund balance:				
Beginning of year	<u>34,200</u>	<u>34,200</u>	<u>42,775</u>	<u>8,575</u>
End of year	<u>\$ 18,600</u>	<u>\$ 18,600</u>	<u>\$ 38,365</u>	<u>\$ 19,765</u>

**CITY OF JUNCTION CITY, OREGON**

**HEALTH INSURANCE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	<u>\$          300</u>	<u>\$          300</u>	<u>\$          526</u>	<u>\$          226</u>
Total revenues	<u>          300</u>	<u>          300</u>	<u>          526</u>	<u>          226</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>          300</u>	<u>          300</u>	<u>          526</u>	<u>          226</u>
Net change in fund balances	<u>          300</u>	<u>          300</u>	<u>          526</u>	<u>          226</u>
Fund balance:				
Beginning of year	<u>         50,100</u>	<u>         50,100</u>	<u>         50,153</u>	<u>            53</u>
End of year	<u><u>         50,400</u></u>	<u><u>         50,400</u></u>	<u><u>         50,679</u></u>	<u><u>          279</u></u>

**CITY OF JUNCTION CITY, OREGON**

**COMMUNITY CENTER FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Investment earnings	100	100	122	22
Donations and special events	6,000	6,000	2,211	(3,789)
Other	<u>24,500</u>	<u>24,500</u>	<u>21,688</u>	<u>(2,812)</u>
Total revenues	<u>32,100</u>	<u>32,100</u>	<u>24,021</u>	<u>(8,079)</u>
Expenditures:				
Personal services	27,000	21,500	14,903	6,597
Materials and services	34,900	41,700	40,979	721
Contingency	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>63,200</u>	<u>63,200</u>	<u>55,882</u>	<u>7,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,100)</u>	<u>(31,100)</u>	<u>(31,861)</u>	<u>(761)</u>
Other financing sources (uses):				
Transfers in	<u>31,200</u>	<u>31,200</u>	<u>31,200</u>	<u>-</u>
Total other financing sources (uses)	<u>31,200</u>	<u>31,200</u>	<u>31,200</u>	<u>-</u>
Net change in fund balances	100	100	(661)	(761)
Fund balance:				
Beginning of year	<u>9,200</u>	<u>9,200</u>	<u>10,713</u>	<u>1,513</u>
End of year	<u>\$ 9,300</u>	<u>\$ 9,300</u>	<u>\$ 10,052</u>	<u>\$ 752</u>



**Nonmajor Governmental Funds  
Combining Statements**



**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

June 30, 2017

	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Special Revenue Fund State Revenue Sharing Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 1,091,377</u>	<u>\$ 172,469</u>	<u>\$ 1,263,846</u>
<b>FUND BALANCES</b>			
Restricted	\$ 449,295	\$ 172,469	\$ 621,764
Committed	<u>642,082</u>	<u>-</u>	<u>642,082</u>
Total fund balances	<u>\$ 1,091,377</u>	<u>\$ 172,469</u>	<u>\$ 1,263,846</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2017

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Fund State Revenue Sharing Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 3,558	\$ 70,805	\$ 74,363
System development charges	27,299	-	27,299
Investment earnings	11,357	1,532	12,889
Other	3,030	-	3,030
	<u>45,244</u>	<u>72,337</u>	<u>117,581</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
General Government	57,702	-	57,702
Public Safety	101,781	-	101,781
Highways and Streets	37,235	-	37,235
Culture and Recreation	9,375	-	9,375
	<u>206,093</u>	<u>-</u>	<u>206,093</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(160,849)</u>	<u>72,337</u>	<u>(88,512)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>166,000</u>	<u>-</u>	<u>166,000</u>
Total other financing sources (uses)	<u>166,000</u>	<u>-</u>	<u>166,000</u>
Net change in fund balances	5,151	72,337	77,488
Fund balances - beginning	<u>1,086,226</u>	<u>100,132</u>	<u>1,186,358</u>
Fund balances - ending	<u>\$ 1,091,377</u>	<u>\$ 172,469</u>	<u>\$ 1,263,846</u>

**Capital Projects Funds**



**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2017

	<u>PW Building/Yard Reserve Fund</u>	<u>Police Vehicle &amp; Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. &amp; Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 24,747	\$ 36,072	\$ 249,598	\$ 13,292	\$ 12,008
<b>FUND BALANCES</b>					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	24,747	36,072	249,598	13,292	12,008
Total fund balances	<u>\$ 24,747</u>	<u>\$ 36,072</u>	<u>\$ 249,598</u>	<u>\$ 13,292</u>	<u>\$ 12,008</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2017

	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund	Computer Equipment Reserve Fund	Street System Improvement Fund
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 57,134</u>	<u>\$ 37,585</u>	<u>\$ 411,710</u>	<u>\$ 9,995</u>	<u>\$ 95,459</u>
<b>FUND BALANCES</b>					
Restricted	\$ -	\$ 37,585	\$ 411,710	\$ -	\$ -
Committed	<u>57,134</u>	<u>-</u>	<u>-</u>	<u>9,995</u>	<u>95,459</u>
Total fund balances	<u>\$ 57,134</u>	<u>\$ 37,585</u>	<u>\$ 411,710</u>	<u>\$ 9,995</u>	<u>\$ 95,459</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2017

	<u>Street Equipment Reserve Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 67,350</u>	<u>\$ 76,427</u>	<u>\$ 1,091,377</u>
<b>FUND BALANCES</b>			
Restricted	\$ -	\$ -	\$ 449,295
Committed	<u>67,350</u>	<u>76,427</u>	<u>642,082</u>
Total fund balances	<u>\$ 67,350</u>	<u>\$ 76,427</u>	<u>\$ 1,091,377</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis

Nonmajor Capital Project Funds

For the Year Ended June 30, 2017

	<u>PW Building/Yard Reserve Fund</u>	<u>Police Vehicle &amp; Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. &amp; Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
System development charges	-	-	-	-	-
Investment earnings	290	599	2,589	138	125
Other	-	-	-	-	-
Total revenues	<u>290</u>	<u>599</u>	<u>2,589</u>	<u>138</u>	<u>125</u>
<b>EXPENDITURES</b>					
Current:					
General Government	13,846	-	-	-	-
Public Safety	-	101,781	-	-	-
Highways and Streets	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Total expenditures	<u>13,846</u>	<u>101,781</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,556)</u>	<u>(101,182)</u>	<u>2,589</u>	<u>138</u>	<u>125</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>7,600</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>7,600</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,956)	(16,182)	2,589	138	125
Fund balances - beginning	<u>30,703</u>	<u>52,254</u>	<u>247,009</u>	<u>13,154</u>	<u>11,883</u>
Fund balances - ending	<u>\$ 24,747</u>	<u>\$ 36,072</u>	<u>\$ 249,598</u>	<u>\$ 13,292</u>	<u>\$ 12,008</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis

Nonmajor Capital Project Funds

For the Year Ended June 30, 2017

	<u>Park and Pool Equipment Reserve Fund</u>	<u>Bike Path Reserve Fund</u>	<u>Park System Development Fund</u>	<u>Computer Equipment Reserve Fund</u>	<u>Street System Improvement Fund</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 3,558	\$ -	\$ -	\$ -
System development charges	-	-	27,299	-	-
Investment earnings	532	378	4,162	159	959
Other	<u>630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Total revenues	<u>1,162</u>	<u>3,936</u>	<u>31,461</u>	<u>159</u>	<u>3,359</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	43,856	-
Public Safety	-	-	-	-	-
Highways and Streets	-	7,721	-	-	16,352
Culture and Recreation	<u>9,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,375</u>	<u>7,721</u>	<u>-</u>	<u>43,856</u>	<u>16,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,213)</u>	<u>(3,785)</u>	<u>31,461</u>	<u>(43,697)</u>	<u>(12,993)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>27,000</u>
Total other financing sources (uses)	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>27,000</u>
Net change in fund balances	17,287	(3,785)	31,461	(42,497)	14,007
Fund balances - beginning	<u>39,847</u>	<u>41,370</u>	<u>380,249</u>	<u>52,492</u>	<u>81,452</u>
Fund balances - ending	<u>\$ 57,134</u>	<u>\$ 37,585</u>	<u>\$ 411,710</u>	<u>\$ 9,995</u>	<u>\$ 95,459</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis

Nonmajor Capital Project Funds

For the Year Ended June 30, 2017

	<u>Street Equipment Reserve Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ 3,558
System development charges	-	-	27,299
Investment earnings	653	773	11,357
Other	-	-	3,030
Total revenues	<u>653</u>	<u>773</u>	<u>45,244</u>
<b>EXPENDITURES</b>			
Current			
General Government	-	-	57,702
Public Safety	-	-	101,781
Highways and Streets	13,162	-	37,235
Culture and Recreation	-	-	9,375
Total expenditures	<u>13,162</u>	<u>-</u>	<u>206,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,509)</u>	<u>773</u>	<u>(160,849)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>19,700</u>	<u>-</u>	<u>166,000</u>
Total other financing sources (uses)	<u>19,700</u>	<u>-</u>	<u>166,000</u>
Net change in fund balances	7,191	773	5,151
Fund balances - beginning	<u>60,159</u>	<u>75,654</u>	<u>1,086,226</u>
Fund balances - ending	<u>\$ 67,350</u>	<u>\$ 76,427</u>	<u>\$ 1,091,377</u>

**CITY OF JUNCTION CITY, OREGON**

PW BUILDING/YARD RESERVE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 290	\$ 190
Total revenues	<u>100</u>	<u>100</u>	<u>290</u>	<u>190</u>
Expenditures:				
Capital outlay	<u>26,000</u>	<u>26,000</u>	<u>13,846</u>	<u>12,154</u>
Total expenditures	<u>26,000</u>	<u>26,000</u>	<u>13,846</u>	<u>12,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,900)</u>	<u>(25,900)</u>	<u>(13,556)</u>	<u>12,344</u>
Other financing sources (uses):				
Transfers in	<u>8,000</u>	<u>8,000</u>	<u>7,600</u>	<u>(400)</u>
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>7,600</u>	<u>(400)</u>
Net change in fund balances	(17,900)	(17,900)	(5,956)	11,944
Fund balance:				
Beginning of year	<u>31,500</u>	<u>31,500</u>	<u>30,703</u>	<u>(797)</u>
End of year	<u>\$ 13,600</u>	<u>\$ 13,600</u>	<u>\$ 24,747</u>	<u>\$ 11,147</u>

**CITY OF JUNCTION CITY, OREGON**

**POLICE VEHICLE & EQUIP RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 599	\$ 399
Total revenues	<u>200</u>	<u>200</u>	<u>599</u>	<u>399</u>
Expenditures:				
Capital outlay	<u>25,000</u>	<u>110,000</u>	<u>101,781</u>	<u>8,219</u>
Total expenditures	<u>25,000</u>	<u>110,000</u>	<u>101,781</u>	<u>8,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,800)</u>	<u>(109,800)</u>	<u>(101,182)</u>	<u>8,618</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Net change in fund balances	(24,800)	(24,800)	(16,182)	8,618
Fund balance:				
Beginning of year	<u>52,200</u>	<u>52,200</u>	<u>52,254</u>	<u>54</u>
End of year	<u>\$ 27,400</u>	<u>\$ 27,400</u>	<u>\$ 36,072</u>	<u>\$ 8,672</u>

**CITY OF JUNCTION CITY, OREGON**

PRAIRIE ROAD STREET IMPROVEMENT RESERVE FUND  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,200	\$ 1,200	\$ 2,589	\$ 1,389
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>2,589</u>	<u>1,389</u>
Expenditures:				
Capital outlay	<u>218,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
Total expenditures	<u>218,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(216,800)</u>	<u>(216,800)</u>	<u>2,589</u>	<u>219,389</u>
Other financing sources (uses):				
Net change in fund balances	(216,800)	(216,800)	2,589	219,389
Fund balance:				
Beginning of year	<u>246,800</u>	<u>246,800</u>	<u>247,009</u>	<u>209</u>
End of year	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 249,598</u>	<u>\$ 219,598</u>

**CITY OF JUNCTION CITY, OREGON**

LIBRARY EQUIP. & BUILD. RESERVE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 138	\$ 38
Total revenues	<u>100</u>	<u>100</u>	<u>138</u>	<u>38</u>
Expenditures:				
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,900)</u>	<u>(2,900)</u>	<u>138</u>	<u>3,038</u>
Other financing sources (uses):				
Net change in fund balances	(2,900)	(2,900)	138	3,038
Fund balance:				
Beginning of year	<u>13,600</u>	<u>13,600</u>	<u>13,154</u>	<u>(446)</u>
End of year	<u>\$ 10,700</u>	<u>\$ 10,700</u>	<u>\$ 13,292</u>	<u>\$ 2,592</u>

**CITY OF JUNCTION CITY, OREGON**

**ADMINISTRATION VEHICLE RESERVE**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	<u>\$          100</u>	<u>\$          100</u>	<u>\$          125</u>	<u>\$          25</u>
Total revenues	<u>          100</u>	<u>          100</u>	<u>          125</u>	<u>          25</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>          100</u>	<u>          100</u>	<u>          125</u>	<u>          25</u>
Other financing sources (uses):				
Net change in fund balances	100	100	125	25
Fund balance:				
Beginning of year	<u>         12,700</u>	<u>         12,700</u>	<u>         11,883</u>	<u>          (817)</u>
End of year	<u><u>\$         12,800</u></u>	<u><u>\$         12,800</u></u>	<u><u>\$         12,008</u></u>	<u><u>\$          (792)</u></u>

**CITY OF JUNCTION CITY, OREGON**

**PARK AND POOL EQUIPMENT RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 532	\$ 332
Other	-	-	630	630
Total revenues	<u>200</u>	<u>200</u>	<u>1,162</u>	<u>962</u>
Expenditures:				
Capital outlay	<u>42,000</u>	<u>42,000</u>	<u>9,375</u>	<u>32,625</u>
Total expenditures	<u>42,000</u>	<u>42,000</u>	<u>9,375</u>	<u>32,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,800)</u>	<u>(41,800)</u>	<u>(8,213)</u>	<u>33,587</u>
Other financing sources (uses):				
Transfers in	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>
Total other financing sources (uses)	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>
Net change in fund balances	(16,300)	(16,300)	17,287	33,587
Fund balance:				
Beginning of year	<u>49,800</u>	<u>49,800</u>	<u>39,847</u>	<u>(9,953)</u>
End of year	<u>\$ 33,500</u>	<u>\$ 33,500</u>	<u>\$ 57,134</u>	<u>\$ 23,634</u>

**CITY OF JUNCTION CITY, OREGON**

**BIKE PATH RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 3,400	\$ 3,400	\$ 3,558	\$ 158
Investment earnings	200	200	378	178
Total revenues	<u>3,600</u>	<u>3,600</u>	<u>3,936</u>	<u>336</u>
Expenditures:				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>7,721</u>	<u>12,279</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>7,721</u>	<u>12,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,400)</u>	<u>(16,400)</u>	<u>(3,785)</u>	<u>12,615</u>
Other financing sources (uses):				
Net change in fund balances	(16,400)	(16,400)	(3,785)	12,615
Fund balance:				
Beginning of year	<u>36,700</u>	<u>36,700</u>	<u>41,370</u>	<u>4,670</u>
End of year	<u>\$ 20,300</u>	<u>\$ 20,300</u>	<u>\$ 37,585</u>	<u>\$ 17,285</u>

**CITY OF JUNCTION CITY, OREGON**

**PARK SYSTEM DEVELOPMENT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 2,000	\$ 2,000	\$ 4,162	\$ 2,162
System development charges	<u>70,000</u>	<u>70,000</u>	<u>27,299</u>	<u>(42,701)</u>
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>31,461</u>	<u>(40,539)</u>
Expenditures:				
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,000</u>	<u>22,000</u>	<u>31,461</u>	<u>9,461</u>
Other financing sources (uses):				
Net change in fund balances	22,000	22,000	31,461	9,461
Fund balance:				
Beginning of year	<u>367,100</u>	<u>367,100</u>	<u>380,249</u>	<u>13,149</u>
End of year	<u>\$ 389,100</u>	<u>\$ 389,100</u>	<u>\$ 411,710</u>	<u>\$ 22,610</u>

**CITY OF JUNCTION CITY, OREGON**

**COMPUTER EQUIPMENT RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 159	\$ (141)
Total revenues	<u>300</u>	<u>300</u>	<u>159</u>	<u>(141)</u>
Expenditures:				
Materials and services	10,000	10,000	1,249	8,751
Capital outlay	<u>50,200</u>	<u>50,200</u>	<u>42,607</u>	<u>7,593</u>
Total expenditures	<u>60,200</u>	<u>60,200</u>	<u>43,856</u>	<u>16,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,900)</u>	<u>(59,900)</u>	<u>(43,697)</u>	<u>16,203</u>
Other financing sources (uses):				
Transfers in	<u>2,900</u>	<u>2,900</u>	<u>1,200</u>	<u>(1,700)</u>
Total other financing sources (uses)	<u>2,900</u>	<u>2,900</u>	<u>1,200</u>	<u>(1,700)</u>
Net change in fund balances	(57,000)	(57,000)	(42,497)	14,503
Fund balance:				
Beginning of year	<u>57,500</u>	<u>57,500</u>	<u>52,492</u>	<u>(5,008)</u>
End of year	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 9,995</u>	<u>\$ 9,495</u>

**CITY OF JUNCTION CITY, OREGON**

**STREET SYSTEM IMPROVEMENT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Investment earnings	100	100	959	859
Other	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>2,400</u>
Total revenues	<u>200,100</u>	<u>200,100</u>	<u>3,359</u>	<u>(196,741)</u>
Expenditures:				
Capital outlay	<u>272,500</u>	<u>272,500</u>	<u>16,352</u>	<u>256,148</u>
Total expenditures	<u>272,500</u>	<u>272,500</u>	<u>16,352</u>	<u>256,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(72,400)</u>	<u>(72,400)</u>	<u>(12,993)</u>	<u>59,407</u>
Other financing sources (uses):				
Transfers in	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Total other financing sources (uses)	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net change in fund balances	(45,400)	(45,400)	14,007	59,407
Fund balance:				
Beginning of year	<u>89,000</u>	<u>89,000</u>	<u>81,452</u>	<u>(7,548)</u>
End of year	<u>\$ 43,600</u>	<u>\$ 43,600</u>	<u>\$ 95,459</u>	<u>\$ 51,859</u>

**CITY OF JUNCTION CITY, OREGON**

**STREET EQUIPMENT RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 653	\$ 453
Total revenues	<u>200</u>	<u>200</u>	<u>653</u>	<u>453</u>
Expenditures:				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>13,162</u>	<u>6,838</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>13,162</u>	<u>6,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,800)</u>	<u>(19,800)</u>	<u>(12,509)</u>	<u>7,291</u>
Other financing sources (uses):				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>19,700</u>	<u>(300)</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>19,700</u>	<u>(300)</u>
Net change in fund balances	200	200	7,191	6,991
Fund balance:				
Beginning of year	<u>60,000</u>	<u>60,000</u>	<u>60,159</u>	<u>159</u>
End of year	<u>\$ 60,200</u>	<u>\$ 60,200</u>	<u>\$ 67,350</u>	<u>\$ 7,150</u>

**CITY OF JUNCTION CITY, OREGON**

**BUILDING REPLACEMENT RESERVE**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 773	\$ 273
Total revenues	<u>500</u>	<u>500</u>	<u>773</u>	<u>273</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>500</u>	<u>500</u>	<u>773</u>	<u>273</u>
Other financing sources (uses):				
Net change in fund balances	500	500	773	273
Fund balance:				
Beginning of year	<u>75,600</u>	<u>75,600</u>	<u>75,654</u>	<u>54</u>
End of year	<u>\$ 76,100</u>	<u>\$ 76,100</u>	<u>\$ 76,427</u>	<u>\$ 327</u>

### **Major Capital Projects Funds**

- Street System Development Fund
- Building Reserve Fund



**CITY OF JUNCTION CITY, OREGON**

Street System Development Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 5,000	\$ 5,000	\$ 10,600	\$ 5,600
System development charges	20,000	20,000	14,747	(5,253)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>25,347</u>	<u>347</u>
Expenditures:				
Capital outlay	<u>18,000</u>	<u>18,000</u>	-	18,000
Total expenditures	<u>18,000</u>	<u>18,000</u>	-	18,000
Excess (deficiency) of revenues over (under) expenditures	<u>7,000</u>	<u>7,000</u>	<u>25,347</u>	<u>18,347</u>
Net change in fund balances	7,000	7,000	25,347	18,347
Fund balance:				
Beginning of year	<u>982,100</u>	<u>982,100</u>	<u>1,001,913</u>	<u>19,813</u>
End of year	<u>\$ 989,100</u>	<u>\$ 989,100</u>	<u>\$ 1,027,260</u>	<u>\$ 38,160</u>

**CITY OF JUNCTION CITY, OREGON**

Building Reserve

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 619	\$ 119
Total revenues	<u>500</u>	<u>500</u>	<u>619</u>	<u>119</u>
Expenditures:				
Capital outlay	<u>40,000</u>	<u>90,000</u>	<u>48,248</u>	<u>41,752</u>
Total expenditures	<u>40,000</u>	<u>90,000</u>	<u>48,248</u>	<u>41,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,500)</u>	<u>(89,500)</u>	<u>(47,629)</u>	<u>41,871</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	(39,500)	(39,500)	2,371	41,871
Fund balance:				
Beginning of year	<u>89,200</u>	<u>89,200</u>	<u>72,457</u>	<u>(16,743)</u>
End of year	<u>\$ 49,700</u>	<u>\$ 49,700</u>	<u>\$ 74,828</u>	<u>\$ 25,128</u>

**Special Revenue Funds**



**CITY OF JUNCTION CITY, OREGON**

STATE REVENUE SHARING FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 56,000	\$ 56,000	\$ 70,805	\$ 14,805
Investment earnings	500	500	1,532	1,032
Total revenues	<u>56,500</u>	<u>56,500</u>	<u>72,337</u>	<u>15,837</u>
Expenditures:				
Materials and services	100,000	100,000	-	100,000
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(63,500)</u>	<u>(63,500)</u>	<u>72,337</u>	<u>135,837</u>
Other financing sources (uses):				
Net change in fund balances	(63,500)	(63,500)	72,337	135,837
Fund balance:				
Beginning of year	<u>105,600</u>	<u>105,600</u>	<u>100,132</u>	<u>(5,468)</u>
End of year	<u>\$ 42,100</u>	<u>\$ 42,100</u>	<u>\$ 172,469</u>	<u>\$ 130,369</u>



## **Enterprise Funds**

- Water Fund
- Water Equipment Reserve Fund
- Water System Development Fund
- Water System Improvement Fund
- Sewer Fund
- Sewer Ratepayer Assistance Fund
- Sewer System Improvement Fund
- Sewer Equipment Reserve Fund
- Sewer System Development Fund
- Sanitation Fund
- Sanitation Equipment Reserve Fund
- Sanitation System Improvement Fund



**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Water Enterprise Funds

June 30, 2017

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water System Improvement Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 494,393	\$ 66,567	\$ 38,369	\$ 30,190	\$ 629,519
Total assets	<u>\$ 494,393</u>	<u>\$ 66,567</u>	<u>\$ 38,369</u>	<u>\$ 30,190</u>	<u>\$ 629,519</u>
 Net Position:					
Restricted	\$ -	\$ -	\$ 38,369	\$ -	\$ 38,369
Unrestricted	<u>494,393</u>	<u>66,567</u>	<u>-</u>	<u>30,190</u>	<u>591,150</u>
Total net position	<u>494,393</u>	<u>66,567</u>	<u>38,369</u>	<u>30,190</u>	<u>629,519</u>
Total liabilities and net position	<u>\$ 494,393</u>	<u>\$ 66,567</u>	<u>\$ 38,369</u>	<u>\$ 30,190</u>	<u>\$ 629,519</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis

Water Enterprise Funds

For the Year Ended June 30, 2017

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water System Improvement Fund</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 989,830	\$ 13,600	\$ -	\$ 8,390	\$ 1,011,820
Miscellaneous	<u>10,055</u>	<u>5,390</u>	<u>-</u>	<u>-</u>	<u>15,445</u>
Total operating revenues	<u>999,885</u>	<u>18,990</u>	<u>-</u>	<u>8,390</u>	<u>1,027,265</u>
Operating expenses:					
Personal services	457,319	-	-	-	457,319
Materials and services	<u>315,988</u>	<u>10,000</u>	<u>-</u>	<u>825</u>	<u>326,813</u>
Total operating expenses	<u>773,307</u>	<u>10,000</u>	<u>-</u>	<u>825</u>	<u>784,132</u>
Operating income (loss)	<u>226,578</u>	<u>8,990</u>	<u>-</u>	<u>7,565</u>	<u>243,133</u>
Nonoperating revenues (expenses):					
Investment earnings	4,741	691	325	574	6,331
Capital outlay	<u>-</u>	<u>(1,450)</u>	<u>-</u>	<u>(14,482)</u>	<u>(15,932)</u>
Total nonoperating revenues (expenses)	<u>4,741</u>	<u>(759)</u>	<u>325</u>	<u>(13,908)</u>	<u>(9,601)</u>
Income (loss) before capital contributions and transfers	231,319	8,231	325	(6,343)	233,532
Capital contributions:					
System development charges	<u>-</u>	<u>-</u>	<u>24,493</u>	<u>-</u>	<u>24,493</u>
Interfund loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,500)</u>	<u>(21,500)</u>
Transfers in	-	-	-	90,000	90,000
Transfers out	<u>(90,600)</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(180,600)</u>
Total transfers	<u>(90,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,600)</u>
Change in net position	140,719	8,231	24,818	(27,843)	145,925
Total net position- beginning	<u>353,674</u>	<u>58,336</u>	<u>13,551</u>	<u>58,033</u>	<u>483,594</u>
Total net position- ending	<u>\$ 494,393</u>	<u>\$ 66,567</u>	<u>\$ 38,369</u>	<u>\$ 30,190</u>	<u>\$ 629,519</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Water Enterprise Funds

For the Year Ended June 30, 2017

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water System Improvement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 999,885	\$ 18,990	\$ -	\$ 8,390	\$ 1,027,265
Payments to suppliers	(315,988)	(10,000)	-	(825)	(326,813)
Payments to employees	(457,319)	-	-	-	(457,319)
Net cash provided (used) by operating activities	<u>226,578</u>	<u>8,990</u>	<u>-</u>	<u>7,565</u>	<u>243,133</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	-	90,000	90,000
Transfers out	(90,600)	-	-	(90,000)	(180,600)
Net cash provided (used) by noncapital financing activities	<u>(90,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,600)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	-	(1,450)	-	(14,482)	(15,932)
System development charges	-	-	24,493	-	24,493
Interfund loan repayment	-	-	-	(21,500)	(21,500)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,450)</u>	<u>24,493</u>	<u>(35,982)</u>	<u>(12,939)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>4,741</u>	<u>691</u>	<u>325</u>	<u>574</u>	<u>6,331</u>
Net change in cash and cash equivalents	140,719	8,231	24,818	(27,843)	145,925
Cash and cash equivalents - beginning	<u>353,674</u>	<u>58,336</u>	<u>13,551</u>	<u>58,033</u>	<u>483,594</u>
Cash and cash equivalents - ending	<u>\$ 494,393</u>	<u>\$ 66,567</u>	<u>\$ 38,369</u>	<u>\$ 30,190</u>	<u>\$ 629,519</u>

**CITY OF JUNCTION CITY, OREGON**

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 975,600	\$ 975,600	\$ 989,830	\$ 14,230
Investment earnings	800	800	4,741	3,941
Other	<u>7,000</u>	<u>7,000</u>	<u>10,055</u>	<u>3,055</u>
Total revenues	<u>983,400</u>	<u>983,400</u>	<u>1,004,626</u>	<u>21,226</u>
Expenses:				
Personal services	475,800	475,800	457,319	18,481
Materials and services	351,600	366,600	315,988	50,612
Contingency	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>842,400</u>	<u>842,400</u>	<u>773,307</u>	<u>69,093</u>
Excess (deficiency) of revenues over (under) expenses	<u>141,000</u>	<u>141,000</u>	<u>231,319</u>	<u>90,319</u>
Other financing sources (uses):				
Transfers out	<u>(141,000)</u>	<u>(141,000)</u>	<u>(90,600)</u>	<u>50,400</u>
Total other financing sources (uses)	<u>(141,000)</u>	<u>(141,000)</u>	<u>(90,600)</u>	<u>50,400</u>
Net change in net position	-	-	140,719	140,719
Net Position:				
Beginning of year	<u>303,700</u>	<u>303,700</u>	<u>353,674</u>	<u>49,974</u>
End of year	<u>\$ 303,700</u>	<u>\$ 303,700</u>	<u>\$ 494,393</u>	<u>\$ 190,693</u>

**CITY OF JUNCTION CITY, OREGON**

Water Equipment Reserve Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 13,600	\$ 3,600
Investment earnings	200	200	691	491
Other	<u>-</u>	<u>-</u>	<u>5,390</u>	<u>5,390</u>
Total revenues	<u>10,200</u>	<u>10,200</u>	<u>19,681</u>	<u>9,481</u>
Expenses:				
Materials and services	10,000	10,000	10,000	-
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>1,450</u>	<u>8,550</u>
Total expenses	<u>20,000</u>	<u>20,000</u>	<u>11,450</u>	<u>8,550</u>
Excess (deficiency) of revenues over (under) expenses	<u>(9,800)</u>	<u>(9,800)</u>	<u>8,231</u>	<u>18,031</u>
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in net position	200	200	8,231	8,031
Net position:				
Beginning of year	<u>53,500</u>	<u>53,500</u>	<u>58,336</u>	<u>4,836</u>
End of year	<u>\$ 53,700</u>	<u>\$ 53,700</u>	<u>\$ 66,567</u>	<u>\$ 12,867</u>

**CITY OF JUNCTION CITY, OREGON**

Water System Development Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 325	\$ (175)
System development charges	<u>18,500</u>	<u>18,500</u>	<u>24,493</u>	<u>5,993</u>
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>24,818</u>	<u>5,818</u>
Expenses:				
Capital outlay	<u>57,000</u>	<u>57,000</u>	<u>-</u>	<u>57,000</u>
Total expenses	<u>57,000</u>	<u>57,000</u>	<u>-</u>	<u>57,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>(38,000)</u>	<u>(38,000)</u>	<u>24,818</u>	<u>62,818</u>
 Net change in net position	 (38,000)	 (38,000)	 24,818	 62,818
Net position:				
Beginning of year	<u>43,700</u>	<u>43,700</u>	<u>13,551</u>	<u>(30,149)</u>
End of year	<u>\$ 5,700</u>	<u>\$ 5,700</u>	<u>\$ 38,369</u>	<u>\$ 32,669</u>

**CITY OF JUNCTION CITY, OREGON**

Water System Improvement Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 8,500	\$ 8,500	\$ 8,390	\$ (110)
Investment earnings	<u>1,100</u>	<u>1,100</u>	<u>574</u>	<u>(526)</u>
Total revenues	<u>9,600</u>	<u>9,600</u>	<u>8,964</u>	<u>(636)</u>
Expenses:				
Materials and services	1,000	1,000	825	175
Capital outlay	<u>27,000</u>	<u>27,000</u>	<u>14,482</u>	<u>12,518</u>
Total expenses	<u>28,000</u>	<u>28,000</u>	<u>15,307</u>	<u>12,693</u>
Excess (deficiency) of revenues over (under) expenses	<u>(18,400)</u>	<u>(18,400)</u>	<u>(6,343)</u>	<u>12,057</u>
Other financing sources (uses):				
Transfers in	130,000	130,000	90,000	(40,000)
Transfers out	(90,000)	(90,000)	(90,000)	-
Interfund loans	<u>(21,500)</u>	<u>(21,500)</u>	<u>(21,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>18,500</u>	<u>18,500</u>	<u>(21,500)</u>	<u>(40,000)</u>
Net change in net position	100	100	(27,843)	(27,943)
Net position:				
Beginning of year	<u>58,800</u>	<u>58,800</u>	<u>58,033</u>	<u>(767)</u>
End of year	<u><u>\$ 58,900</u></u>	<u><u>\$ 58,900</u></u>	<u><u>\$ 30,190</u></u>	<u><u>\$ (28,710)</u></u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Sewer Enterprise Funds

June 30, 2017

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer System Improvement Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	<u>\$ 490,225</u>	<u>\$ 53,074</u>	<u>\$ 1,519,684</u>	<u>\$ 38,702</u>	<u>\$ 2,139,773</u>	<u>\$ 4,241,458</u>
Total assets	<u>\$ 490,225</u>	<u>\$ 53,074</u>	<u>\$ 1,519,684</u>	<u>\$ 38,702</u>	<u>\$ 2,139,773</u>	<u>\$ 4,241,458</u>
 Net Position:						
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 2,139,773	\$ 2,139,773
Unrestricted	<u>490,225</u>	<u>53,074</u>	<u>1,519,684</u>	<u>38,702</u>	<u>-</u>	<u>2,101,685</u>
Total net position	<u>490,225</u>	<u>53,074</u>	<u>1,519,684</u>	<u>38,702</u>	<u>2,139,773</u>	<u>4,241,458</u>
Total liabilities and net position	<u>\$ 490,225</u>	<u>\$ 53,074</u>	<u>\$ 1,519,684</u>	<u>\$ 38,702</u>	<u>\$ 2,139,773</u>	<u>\$ 4,241,458</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis

Sewer Enterprise Funds

For the Year Ended June 30, 2017

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer System Improvement Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ 1,447,415	\$ -	\$ -	\$ -	\$ -	\$ 1,447,415
Miscellaneous	<u>10,711</u>	<u>-</u>	<u>4,164</u>	<u>-</u>	<u>-</u>	<u>14,875</u>
Total operating revenues	<u>1,458,126</u>	<u>-</u>	<u>4,164</u>	<u>-</u>	<u>-</u>	<u>1,462,290</u>
Operating expenses:						
Personal services	466,751	-	-	-	-	466,751
Materials and services	<u>394,753</u>	<u>-</u>	<u>258,141</u>	<u>-</u>	<u>-</u>	<u>652,894</u>
Total operating expenses	<u>861,504</u>	<u>-</u>	<u>258,141</u>	<u>-</u>	<u>-</u>	<u>1,119,645</u>
Operating income (loss)	<u>596,622</u>	<u>-</u>	<u>(253,977)</u>	<u>-</u>	<u>-</u>	<u>342,645</u>
Nonoperating revenues (expenses):						
Investment earnings	5,547	551	13,760	400	21,588	41,846
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,205)</u>	<u>-</u>	<u>(30,205)</u>
Total nonoperating revenues (expenses)	<u>5,547</u>	<u>551</u>	<u>13,760</u>	<u>(29,805)</u>	<u>21,588</u>	<u>11,641</u>
Income (loss) before capital contributions and transfers	602,169	551	(240,217)	(29,805)	21,588	354,286
Capital contributions:						
System development charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,135</u>	<u>196,135</u>
Transfers in	-	-	565,000	25,000	-	590,000
Transfers out	<u>(505,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(505,300)</u>
Total transfers	<u>(505,300)</u>	<u>-</u>	<u>565,000</u>	<u>25,000</u>	<u>-</u>	<u>84,700</u>
Change in net position	96,869	551	324,783	(4,805)	217,723	635,121
Net position - beginning	<u>393,356</u>	<u>52,523</u>	<u>1,194,901</u>	<u>43,507</u>	<u>1,922,050</u>	<u>3,606,337</u>
Net position - ending	<u>\$ 490,225</u>	<u>\$ 53,074</u>	<u>\$ 1,519,684</u>	<u>\$ 38,702</u>	<u>\$ 2,139,773</u>	<u>\$ 4,241,458</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Sewer Enterprise Funds

For the Year Ended June 30, 2017

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer System Improvement Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 1,458,126	\$ -	\$ 4,164	\$ -	\$ -	\$ 1,462,290
Payments to suppliers	(394,753)	-	(258,141)	-	-	(652,894)
Payments to employees	(466,751)	-	-	-	-	(466,751)
Net cash provided (used) by operating activities	<u>596,622</u>	<u>-</u>	<u>(253,977)</u>	<u>-</u>	<u>-</u>	<u>342,645</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	-	-	565,000	25,000	-	590,000
Transfers out	(505,300)	-	-	-	-	(505,300)
Net cash provided (used) by noncapital financing activities	<u>(505,300)</u>	<u>-</u>	<u>565,000</u>	<u>25,000</u>	<u>-</u>	<u>84,700</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of capital assets	-	-	-	(30,205)	-	(30,205)
System development charges	-	-	-	-	196,135	196,135
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,205)</u>	<u>196,135</u>	<u>165,930</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	<u>5,547</u>	<u>551</u>	<u>13,760</u>	<u>400</u>	<u>21,588</u>	<u>41,846</u>
Net change in cash and cash equivalents	96,869	551	324,783	(4,805)	217,723	635,121
Cash and cash equivalents - beginning	<u>393,356</u>	<u>52,523</u>	<u>1,194,901</u>	<u>43,507</u>	<u>1,922,050</u>	<u>3,606,337</u>
Cash and cash equivalents - ending	<u>\$ 490,225</u>	<u>\$ 53,074</u>	<u>\$ 1,519,684</u>	<u>\$ 38,702</u>	<u>\$ 2,139,773</u>	<u>\$ 4,241,458</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 1,491,500	\$ 1,491,500	\$ 1,447,415	\$ (44,085)
Investment earnings	2,200	2,200	5,547	3,347
Other	<u>4,000</u>	<u>4,000</u>	<u>10,711</u>	<u>6,711</u>
Total revenues	<u>1,497,700</u>	<u>1,497,700</u>	<u>1,463,673</u>	<u>(34,027)</u>
Expenses:				
Personal services	489,800	489,800	466,751	23,049
Materials and services	450,800	465,800	394,753	71,047
Contingency	<u>20,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenses	<u>960,600</u>	<u>960,600</u>	<u>861,504</u>	<u>99,096</u>
Excess (deficiency) of revenues over (under) expenses	<u>537,100</u>	<u>537,100</u>	<u>602,169</u>	<u>65,069</u>
Other financing sources (uses):				
Transfers out	<u>(531,000)</u>	<u>(531,000)</u>	<u>(505,300)</u>	<u>25,700</u>
Net change in net position	6,100	6,100	96,869	90,769
Net position:				
Beginning of year	<u>367,000</u>	<u>367,000</u>	<u>393,356</u>	<u>26,356</u>
End of year	<u>\$ 373,100</u>	<u>\$ 373,100</u>	<u>\$ 490,225</u>	<u>\$ 117,125</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Ratepayer Assistance Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 551	\$ 451
Total revenues	<u>100</u>	<u>100</u>	<u>551</u>	<u>451</u>
Expenses:				
Excess (deficiency) of revenues over (under) expenses	<u>100</u>	<u>100</u>	<u>551</u>	<u>451</u>
Other financing sources (uses):				
Net change in net position	100	100	551	451
Net position:				
Beginning of year	<u>48,200</u>	<u>48,200</u>	<u>52,523</u>	<u>4,323</u>
End of year	<u>\$ 48,300</u>	<u>\$ 48,300</u>	<u>\$ 53,074</u>	<u>\$ 4,774</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer System Improvement Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 2,500	\$ 2,500	\$ 13,760	\$ 11,260
Other	<u>2,100</u>	<u>2,100</u>	<u>4,164</u>	<u>2,064</u>
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>17,924</u>	<u>13,324</u>
Expenses:				
Materials and services	535,000	535,000	258,141	276,859
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenses	<u>538,000</u>	<u>538,000</u>	<u>258,141</u>	<u>279,859</u>
Excess (deficiency) of revenues over (under) expenses	<u>(533,400)</u>	<u>(533,400)</u>	<u>(240,217)</u>	<u>293,183</u>
Other financing sources (uses):				
Transfers in	<u>565,000</u>	<u>565,000</u>	<u>565,000</u>	<u>-</u>
Net change in net position	31,600	31,600	324,783	293,183
Net position:				
Beginning of year	<u>1,166,500</u>	<u>1,166,500</u>	<u>1,194,901</u>	<u>28,401</u>
End of year	<u>\$ 1,198,100</u>	<u>\$ 1,198,100</u>	<u>\$ 1,519,684</u>	<u>\$ 321,584</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Equipment Reserve Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 400	\$ 200
Total revenues	<u>200</u>	<u>200</u>	<u>400</u>	<u>200</u>
Expenses:				
Capital outlay	<u>45,500</u>	<u>45,500</u>	<u>30,205</u>	<u>15,295</u>
Total expenses	<u>45,500</u>	<u>45,500</u>	<u>30,205</u>	<u>15,295</u>
Excess (deficiency) of revenues over (under) expenses	<u>(45,300)</u>	<u>(45,300)</u>	<u>(29,805)</u>	<u>15,495</u>
Other financing sources (uses):				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>25,000</u>	<u>(25,000)</u>
Net change in net position	4,700	4,700	(4,805)	(9,505)
Net position:				
Beginning of year	<u>44,600</u>	<u>44,600</u>	<u>43,507</u>	<u>(1,093)</u>
End of year	<u>\$ 49,300</u>	<u>\$ 49,300</u>	<u>\$ 38,702</u>	<u>\$ (10,598)</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer System Development Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 9,500	\$ 9,500	\$ 21,588	\$ 12,088
System development charges	<u>140,000</u>	<u>140,000</u>	<u>196,135</u>	<u>56,135</u>
Total revenues	<u>149,500</u>	<u>149,500</u>	<u>217,723</u>	<u>68,223</u>
Expenses:				
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenses	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>49,500</u>	<u>49,500</u>	<u>217,723</u>	<u>168,223</u>
Net change in net position	49,500	49,500	217,723	168,223
Net Position:				
Beginning of year	<u>1,783,900</u>	<u>1,783,900</u>	<u>1,922,050</u>	<u>138,150</u>
End of year	<u>\$ 1,833,400</u>	<u>\$ 1,833,400</u>	<u>\$ 2,139,773</u>	<u>\$ 306,373</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Sanitation Enterprise Funds

June 30, 2017

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 373,956</u>	<u>\$ 213,853</u>	<u>\$ 59,364</u>	<u>\$ 647,173</u>
Total assets	<u>\$ 373,956</u>	<u>\$ 213,853</u>	<u>\$ 59,364</u>	<u>\$ 647,173</u>
Net Position:				
Unrestricted	<u>\$ 373,956</u>	<u>\$ 213,853</u>	<u>\$ 59,364</u>	<u>\$ 647,173</u>
Total net position	<u>373,956</u>	<u>213,853</u>	<u>59,364</u>	<u>647,173</u>
Total liabilities and net position	<u>\$ 373,956</u>	<u>\$ 213,853</u>	<u>\$ 59,364</u>	<u>\$ 647,173</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis

Sanitation Enterprise Funds

For the Year Ended June 30, 2017

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 883,140	\$ -	\$ -	\$ 883,140
Miscellaneous	<u>17,159</u>	<u>-</u>	<u>-</u>	<u>17,159</u>
Total operating revenues	<u>900,299</u>	<u>-</u>	<u>-</u>	<u>900,299</u>
Operating expenses:				
Personal services	312,001	-	-	312,001
Materials and services	<u>420,533</u>	<u>-</u>	<u>4,826</u>	<u>425,359</u>
Total operating expenses	<u>732,534</u>	<u>-</u>	<u>4,826</u>	<u>737,360</u>
Operating income (loss)	<u>167,765</u>	<u>-</u>	<u>(4,826)</u>	<u>162,939</u>
Nonoperating revenues (expenses):				
Investment earnings	3,331	2,230	558	6,119
Capital outlay	<u>-</u>	<u>(88,870)</u>	<u>(21,537)</u>	<u>(110,407)</u>
Total nonoperating revenues (expenses)	<u>3,331</u>	<u>(86,640)</u>	<u>(20,979)</u>	<u>(104,288)</u>
Income (loss) before transfers	<u>171,096</u>	<u>(86,640)</u>	<u>(25,805)</u>	<u>58,651</u>
Transfers in	-	27,500	27,000	54,500
Transfers out	<u>(55,700)</u>	<u>-</u>	<u>-</u>	<u>(55,700)</u>
Total transfers	<u>(55,700)</u>	<u>27,500</u>	<u>27,000</u>	<u>(1,200)</u>
Change in net position	115,396	(59,140)	1,195	57,451
Net position- beginning	<u>258,560</u>	<u>272,993</u>	<u>58,169</u>	<u>589,722</u>
Net position- ending	<u>\$ 373,956</u>	<u>\$ 213,853</u>	<u>\$ 59,364</u>	<u>\$ 647,173</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Sanitation Enterprise Funds

For the Year Ended June 30, 2017

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 900,299	\$ -	\$ -	\$ 900,299
Payments to suppliers	(420,533)	-	(4,826)	(425,359)
Payments to employees	<u>(312,001)</u>	<u>-</u>	<u>-</u>	<u>(312,001)</u>
Net cash provided (used) by operating activities	<u>167,765</u>	<u>-</u>	<u>(4,826)</u>	<u>162,939</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	27,500	27,000	54,500
Transfers out	<u>(55,700)</u>	<u>-</u>	<u>-</u>	<u>(55,700)</u>
Net cash provided (used) by noncapital financing activities	<u>(55,700)</u>	<u>27,500</u>	<u>27,000</u>	<u>(1,200)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	<u>-</u>	<u>(88,870)</u>	<u>(21,537)</u>	<u>(110,407)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(88,870)</u>	<u>(21,537)</u>	<u>(110,407)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>3,331</u>	<u>2,230</u>	<u>558</u>	<u>6,119</u>
Net change in cash and cash equivalents	115,396	(59,140)	1,195	57,451
Cash and cash equivalents - beginning	<u>258,560</u>	<u>272,993</u>	<u>58,169</u>	<u>589,722</u>
Cash and cash equivalents - ending	<u>\$ 373,956</u>	<u>\$ 213,853</u>	<u>\$ 59,364</u>	<u>\$ 647,173</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 835,000	\$ 835,000	\$ 883,140	\$ 48,140
Investment earnings	1,500	1,500	3,331	1,831
Other	<u>15,200</u>	<u>15,200</u>	<u>17,159</u>	<u>1,959</u>
Total revenues	<u>851,700</u>	<u>851,700</u>	<u>903,630</u>	<u>51,930</u>
Expenses:				
Personal services	347,500	347,500	312,001	35,499
Materials and services	428,400	443,400	420,533	22,867
Contingency	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>790,900</u>	<u>790,900</u>	<u>732,534</u>	<u>58,366</u>
Excess (deficiency) of revenues over (under) expenses	<u>60,800</u>	<u>60,800</u>	<u>171,096</u>	<u>110,296</u>
Other financing sources (uses):				
Transfers out	<u>(58,700)</u>	<u>(58,700)</u>	<u>(55,700)</u>	<u>3,000</u>
Net change in net position	2,100	2,100	115,396	113,296
Net position:				
Beginning of year	<u>229,600</u>	<u>229,600</u>	<u>258,560</u>	<u>28,960</u>
End of year	<u>\$ 231,700</u>	<u>\$ 231,700</u>	<u>\$ 373,956</u>	<u>\$ 142,256</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Equipment Reserve Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,000	\$ 1,000	\$ 2,230	\$ 1,230
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>2,230</u>	<u>1,230</u>
Expenses:				
Capital outlay	<u>156,300</u>	<u>156,300</u>	<u>88,870</u>	<u>67,430</u>
Total expenses	<u>156,300</u>	<u>156,300</u>	<u>88,870</u>	<u>67,430</u>
Excess (deficiency) of revenues over (under) expenses	<u>(155,300)</u>	<u>(155,300)</u>	<u>(86,640)</u>	<u>68,660</u>
Other financing sources (uses):				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>27,500</u>	<u>(2,500)</u>
Net change in net position	(125,300)	(125,300)	(59,140)	66,160
Net position:				
Beginning of year	<u>297,400</u>	<u>297,400</u>	<u>272,993</u>	<u>(24,407)</u>
End of year	<u>\$ 172,100</u>	<u>\$ 172,100</u>	<u>\$ 213,853</u>	<u>\$ 41,753</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation System Improvement Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 558	\$ 458
Total revenues	<u>100</u>	<u>100</u>	<u>558</u>	<u>458</u>
Expenses:				
Materials and services	5,000	5,000	4,826	174
Capital outlay	<u>22,000</u>	<u>22,000</u>	<u>21,537</u>	<u>463</u>
Total expenses	<u>27,000</u>	<u>27,000</u>	<u>26,363</u>	<u>637</u>
Excess (deficiency) of revenues over (under) expenses	<u>(26,900)</u>	<u>(26,900)</u>	<u>(25,805)</u>	<u>1,095</u>
Other financing sources (uses):				
Transfers in	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net change in net position	100	100	1,195	1,095
Net position:				
Beginning of year	<u>59,400</u>	<u>59,400</u>	<u>58,169</u>	<u>(1,231)</u>
End of year	<u>\$ 59,500</u>	<u>\$ 59,500</u>	<u>\$ 59,364</u>	<u>\$ (136)</u>



## **Internal Service Fund**

- Internal Service Fund



**CITY OF JUNCTION CITY, OREGON**

Internal Service Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 399,800	\$ 399,800	\$ 337,731	\$ (62,069)
Investment earnings	100	100	284	184
Other	-	-	632	632
Total revenues	<u>399,900</u>	<u>399,900</u>	<u>338,647</u>	<u>(61,253)</u>
Expense:				
Personal services	191,200	191,200	183,125	8,075
Materials and services	208,400	208,400	150,723	57,677
Contingency	8,000	8,000	-	8,000
Total expenses	<u>407,600</u>	<u>407,600</u>	<u>333,848</u>	<u>73,752</u>
Excess (deficiency) of revenues over (under) expenses	<u>(7,700)</u>	<u>(7,700)</u>	<u>4,799</u>	<u>12,499</u>
Net change in net position	(7,700)	(7,700)	4,799	12,499
Net position:				
Beginning of year	<u>20,100</u>	<u>20,100</u>	<u>18,611</u>	<u>(1,489)</u>
End of year	<u>\$ 12,400</u>	<u>\$ 12,400</u>	<u>\$ 23,410</u>	<u>\$ 11,010</u>



**Private-Purpose Trust Fund**

- Special Police Programs Fund



**CITY OF JUNCTION CITY, OREGON**

Private-Purpose Trust Fund - Special Police Programs Fund  
 Schedule of Additions, Deductions, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions:				
Investment earnings	\$ 100	\$ 100	\$ 176	\$ 76
Donations and special events	<u>4,000</u>	<u>4,000</u>	<u>5,464</u>	<u>1,464</u>
Total additions	<u>4,100</u>	<u>4,100</u>	<u>5,640</u>	<u>1,540</u>
Deductions:				
Materials and services	<u>19,600</u>	<u>19,600</u>	<u>1,931</u>	<u>17,669</u>
Total deductions	<u>19,600</u>	<u>19,600</u>	<u>1,931</u>	<u>17,669</u>
Excess (deficiency) of additions over (under) deductions	<u>(15,500)</u>	<u>(15,500)</u>	<u>3,709</u>	<u>19,209</u>
Other financing sources (uses):				
Net change in net position	(15,500)	(15,500)	3,709	19,209
Net position:				
Beginning of year	<u>15,600</u>	<u>15,600</u>	<u>14,407</u>	<u>(1,193)</u>
End of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 18,116</u>	<u>\$ 18,016</u>



## **Agency Fund**

- Municipal Court Fund



**CITY OF JUNCTION CITY, OREGON**

Agency Fund - Municipal Court  
Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 19,772</u>	<u>\$ 168,380</u>	<u>\$ (172,533)</u>	<u>\$ 15,619</u>
<b>LIABILITIES AND NET POSITION</b>				
Fines and bails	<u>\$ 19,772</u>	<u>\$ 168,380</u>	<u>\$ (172,533)</u>	<u>\$ 15,619</u>



**TREND INFORMATION**



**CITY OF JUNCTION CITY, OREGON**

Net Position by Component

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
<b>Governmental activities</b>					
Restricted	\$ 2,980,248	\$ 2,724,610	\$ 2,792,423	\$ 2,670,868	\$ 2,432,554
Unrestricted	<u>3,125,148</u>	<u>3,069,067</u>	<u>2,902,421</u>	<u>2,635,101</u>	<u>2,584,492</u>
Total governmental activities net position	<u>\$ 6,105,396</u>	<u>\$ 5,793,677</u>	<u>\$ 5,694,844</u>	<u>\$ 5,305,969</u>	<u>\$ 5,017,046</u>
<b>Business-type activities</b>					
Restricted	\$ 2,178,142	\$ 1,935,601	\$ 1,530,717	\$ 2,832,661	\$ 2,531,562
Unrestricted	<u>3,340,008</u>	<u>2,744,052</u>	<u>2,198,379</u>	<u>1,631,163</u>	<u>4,276,769</u>
Total business-type activities net position	<u>\$ 5,518,150</u>	<u>\$ 4,679,653</u>	<u>\$ 3,729,096</u>	<u>\$ 4,463,824</u>	<u>\$ 6,808,331</u>
<b>Primary government</b>					
Restricted	\$ 5,158,390	\$ 4,660,211	\$ 4,323,140	\$ 5,503,529	\$ 4,964,116
Unrestricted	<u>6,465,156</u>	<u>5,813,119</u>	<u>5,100,800</u>	<u>4,266,264</u>	<u>6,861,261</u>
Total net position	<u>\$ 11,623,546</u>	<u>\$ 10,473,330</u>	<u>\$ 9,423,940</u>	<u>\$ 9,769,793</u>	<u>\$ 11,825,377</u>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position

Last Five Fiscal Years

(Modified Cash Basis)

<b>Expenses</b>	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities					
General Government	\$ 1,315,477	\$ 1,288,046	\$ 1,026,117	\$ 1,207,777	\$ 1,320,285
Public Safety	2,096,472	2,010,384	1,725,207	1,874,793	1,796,822
Highways and streets	267,628	371,864	320,764	289,004	281,717
Economic development	1,175	185	3,146	21,756	5,810
Culture and recreation	<u>768,271</u>	<u>660,900</u>	<u>588,416</u>	<u>553,649</u>	<u>776,554</u>
Total governmental activities	<u>4,449,023</u>	<u>4,331,379</u>	<u>3,663,650</u>	<u>3,946,979</u>	<u>4,181,188</u>
Business-type activities					
Water	800,064	1,099,032	1,149,899	1,223,828	1,157,378
Sewer	1,149,850	1,136,451	2,536,708	3,648,023	2,178,043
Sanitation	<u>847,767</u>	<u>792,317</u>	<u>678,178</u>	<u>650,207</u>	<u>822,304</u>
Total business-type activities	<u>2,797,681</u>	<u>3,027,800</u>	<u>4,364,785</u>	<u>5,522,058</u>	<u>4,157,725</u>
Total expenses	<u>\$ 7,246,704</u>	<u>\$ 7,359,179</u>	<u>\$ 8,028,435</u>	<u>\$ 9,469,037</u>	<u>\$ 8,338,913</u>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General Government	\$ 471,476	\$ 959,166	\$ 589,779	\$ 714,183	\$ 614,028
Public Safety	17,129	-	378	22	9,883
Highways and streets	9,456	19,177	7,505	2,306	4,191
Economic development	5,371	79,654	45,728	44,385	37,509
Culture and recreation	258,033	-	950	650	680
Operating grants and contributions	347,926	390,186	315,830	315,814	397,109
Capital grants and contributions	14,747	72,094	94,043	76,063	245,596
<b>Total governmental activities</b>	<b>1,124,138</b>	<b>1,520,277</b>	<b>1,054,213</b>	<b>1,153,423</b>	<b>1,308,996</b>
Business-type activities					
Charges for services					
Water	1,051,758	1,034,946	1,146,663	990,784	999,790
Sewer	1,658,425	1,861,095	1,688,124	1,597,888	1,712,062
Sanitation	900,299	855,868	797,573	763,618	747,442
Capital grants and contributions	-	-	-	-	300,000
<b>Total business-type activities</b>	<b>3,610,482</b>	<b>3,751,909</b>	<b>3,632,360</b>	<b>3,352,290</b>	<b>3,759,294</b>
<b>Total program revenues</b>	<b>\$ 4,734,620</b>	<b>\$ 5,272,186</b>	<b>\$ 4,686,573</b>	<b>\$ 4,505,713</b>	<b>\$ 5,068,290</b>
Net (expense)/revenue					
Governmental activities	\$ (3,324,885)	\$ (2,811,102)	\$ (2,609,437)	\$ (2,793,556)	\$ (2,872,192)
Business-type activities	812,801	724,109	(732,425)	(2,169,768)	(398,431)
<b>Total net (expense) revenue</b>	<b>\$ (2,512,084)</b>	<b>\$ (2,086,993)</b>	<b>\$ (3,341,862)</b>	<b>\$ (4,963,324)</b>	<b>\$ (3,270,623)</b>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
<b>General revenues and transfers</b>					
Governmental activities					
Property taxes	\$ 2,379,980	\$ 2,286,146	\$ 2,187,950	\$ 2,084,931	\$ 2,029,597
Franchise taxes	437,898	415,651	399,692	391,305	365,198
Other taxes and receipts	724,580	395,931	385,437	376,219	356,116
Investment earnings	65,546	36,507	27,233	27,924	28,764
Transfer to fiduciary fund	-	(24,800)	(22,500)	-	-
Transfers in (out)	28,600	(199,500)	20,500	202,100	5,800
<b>Total governmental activities</b>	<b>3,636,604</b>	<b>2,909,935</b>	<b>2,998,312</b>	<b>3,082,479</b>	<b>2,785,475</b>
Business-type activities					
Investment earnings	54,296	26,948	18,197	27,361	41,431
Interfund loan	(21,500)	-	-	-	-
Transfers in (out)	(7,100)	199,500	(20,500)	(202,100)	(5,800)
<b>Total business-type activities</b>	<b>25,696</b>	<b>226,448</b>	<b>(2,303)</b>	<b>(174,739)</b>	<b>35,631</b>
<b>Total primary government</b>	<b>\$ 3,662,300</b>	<b>\$ 3,136,383</b>	<b>\$ 2,996,009</b>	<b>\$ 2,907,740</b>	<b>\$ 2,821,106</b>
Change in net position					
Governmental activities	\$ 311,719	\$ 98,833	\$ 388,875	\$ 288,923	\$ (86,717)
Business-type activities	838,497	950,557	(734,728)	(2,344,507)	(362,800)
<b>Total change in net position</b>	<b>\$ 1,150,216</b>	<b>\$ 1,049,390</b>	<b>\$ (345,853)</b>	<b>\$ (2,055,584)</b>	<b>\$ (449,517)</b>

**CITY OF JUNCTION CITY, OREGON**

Fund Balances of Governmental Funds  
Last Five Fiscal Years  
(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Committed	\$ 99,096	\$ 103,641	\$ 78,626	\$ 59,562	\$ 77,164
Unassigned	<u>2,285,732</u>	<u>2,209,751</u>	<u>2,141,334</u>	<u>2,015,995</u>	<u>1,984,014</u>
Total general fund	<u>2,384,828</u>	<u>2,313,392</u>	<u>2,219,960</u>	<u>2,075,557</u>	<u>2,061,178</u>
All other governmental funds					
Restricted	\$ 2,980,248	\$ 2,724,610	\$ 2,792,423	\$ 2,670,868	\$ 2,432,554
Committed	<u>716,910</u>	<u>737,064</u>	<u>662,396</u>	<u>557,975</u>	<u>523,314</u>
Total all other governmental funds	<u>3,697,158</u>	<u>3,461,674</u>	<u>3,454,819</u>	<u>3,228,843</u>	<u>2,955,868</u>
Total governmental funds	<u>\$ 6,081,986</u>	<u>\$ 5,775,066</u>	<u>\$ 5,674,779</u>	<u>\$ 5,304,400</u>	<u>\$ 5,017,046</u>

**CITY OF JUNCTION CITY, OREGON**

Changes in Fund Balances of Governmental Funds  
Last Five Fiscal Years  
(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
<b>REVENUES</b>					
Taxes:					
Property	\$ 2,379,980	\$ 2,286,146	\$ 2,187,950	\$ 2,084,931	\$ 2,029,597
Franchise	437,898	415,651	399,692	391,305	365,198
Other	13,133	12,085	14,370	10,121	10,698
Licenses and permits	219,008	179,437	235,574	339,190	271,857
Intergovernmental	710,179	622,746	615,762	605,739	621,206
Charges for services	588,902	569,369	140,029	75,318	88,920
System development charges	55,319	185,544	137,504	124,163	340,818
Fines and forfeitures	134,096	154,289	147,330	239,058	193,021
Investment earnings	65,261	36,350	27,068	27,838	28,764
Principal received - program loans	5,025	78,047	40,154	36,989	29,693
Interest received - program loans	145	1,607	5,574	7,296	7,816
Contributions and donations	23,752	36,884	27,675	28,072	26,099
Other revenue	98,530	75,523	75,678	63,695	74,984
Total revenues	<u>4,731,228</u>	<u>4,653,678</u>	<u>4,054,360</u>	<u>4,033,715</u>	<u>4,088,671</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,319,362	1,285,758	1,044,448	1,015,759	1,320,285
Public Safety	2,096,472	2,010,384	1,725,207	1,874,793	1,796,822
Highway and streets	267,628	371,864	320,764	289,004	281,717
Economic Development	1,175	185	3,146	21,756	5,810
Culture and recreation	768,271	660,900	588,416	553,649	776,554
Total expenditures	<u>4,452,908</u>	<u>4,329,091</u>	<u>3,681,981</u>	<u>3,754,961</u>	<u>4,181,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 278,320</u>	<u>\$ 324,587</u>	<u>\$ 372,379</u>	<u>\$ 278,754</u>	<u>\$ (92,517)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	237,500	468,500	513,300	300,100	246,532
Transfers out	<u>(208,900)</u>	<u>(692,800)</u>	<u>(515,300)</u>	<u>(291,500)</u>	<u>(240,732)</u>
Total other financing sources (uses)	<u>28,600</u>	<u>(224,300)</u>	<u>(2,000)</u>	<u>8,600</u>	<u>5,800</u>
Net change in fund balances	<u>\$ 306,920</u>	<u>\$ 100,287</u>	<u>\$ 370,379</u>	<u>\$ 287,354</u>	<u>\$ (86,717)</u>

**CITY OF JUNCTION CITY, OREGON**

Outstanding Long-Term Debt Obligations by Type  
Last Five Fiscal Years  
(Modified Cash Basis)

Fiscal year ended June 30,	Governmental Activities		Business-Type Activities	
	Notes Payable	Capital Lease	Capital Lease	Notes Payable
2017	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-
2015	-	-	-	-
2014	-	-	-	-
2013	-	33,756	-	-



**COMPLIANCE SECTION**





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INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and City Council  
City of Junction City

We have audited the basic financial statements of the City of Junction City, Oregon ("City") as of and for the year ended June 30, 2017, and have issued our report thereon dated November 8, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

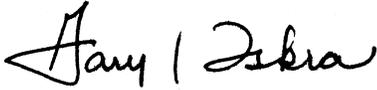
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

This report is intended solely for the information of the City Council, and Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

**Isler CPA**

A handwritten signature in black ink that reads "Amy Isler". The signature is written in a cursive style with a large, stylized initial "A".

For Isler CPA  
Eugene, Oregon  
November 8, 2017