



CITY OF JUNCTION CITY, OREGON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

WITH

INDEPENDENT AUDITOR'S REPORT

CITY OF JUNCTION CITY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
WITH INDEPENDENT AUDITOR'S REPORT

Prepared by:
Finance Department

CITY OF JUNCTION CITY, OREGON
 Annual Financial Report
 For the fiscal year ended June 30, 2016
 Table of Contents

Page

INTRODUCTORY SECTION

Letter of Transmittal	i - ix
GFOA Award for Small Government Cash Basis Reports	x
Organizational Chart	xi
List of Elected Officials	xii

FINANCIAL SECTION

Independent Auditor's Report	1 - 2
------------------------------	-------

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position (Modified Cash Basis)	3
Statement of Activities (Modified Cash Basis)	4

Fund Financial Statements:

Balance Sheet - Governmental Funds (Modified Cash Basis)	5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Modified Cash Basis)	6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual- General Fund (Modified Cash Basis)	7
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual- Street Fund (Modified Cash Basis)	8
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual- Business Development Loan Fund (Modified Cash Basis)	9
Statement of Net Position - Proprietary Funds (Modified Cash Basis)	10
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds (Modified Cash Basis)	11
Statement of Cash Flows - Proprietary Funds (Modified Cash Basis)	12
Statement of Fiduciary Net Position (Modified Cash Basis)	13
Statement of Changes in Fiduciary Net Position (Modified Cash Basis)	14

Notes to the Financial Statements	15 - 27
-----------------------------------	---------

Supplementary and Other Information Accompanying the Basic Financial Statements:

General Fund Programs:

Combining Balance Sheet - General Fund Programs (Modified Cash Basis)	28
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund Programs (Modified Cash Basis)	29
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Programs (Modified Cash Basis):	
Viking Sal Senior Center Fund	30
Health Insurance Fund	31
Community Center Fund	32

CITY OF JUNCTION CITY, OREGON
 Annual Financial Report
 For the fiscal year ended June 30, 2016
 Table of Contents

Page

FINANCIAL SECTION, CONTINUED

Supplementary and Other Information Accompanying the Basic Financial Statements, continued

Nonmajor Governmental Funds

Combining Balance Sheet - Nonmajor Governmental Funds (Modified Cash Basis) 33

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds (Modified Cash Basis) 34

Nonmajor Capital Project Funds

Combining Balance Sheet - Nonmajor Capital Projects Funds (Modified Cash Basis) 35 - 37

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds (Modified Cash Basis) 38 - 40

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Project Funds (Modified Cash Basis):

PW Building/Yard Reserve Fund 41

Police Vehicle & Equip Reserve Fund 42

Prairie Road Street Improvement Reserve Fund 43

Library Equip. & Build. Reserve Fund 44

Administration Vehicle Reserve 45

Park and Pool Equipment Reserve Fund 46

Bike Path Reserve Fund 47

Park System Development Fund 48

Computer Equipment Reserve Fund 49

Street System Improvement Fund 50

Street Equipment Reserve Fund 51

Building Replacement Reserve 52

Major Capital Projects Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Capital Projects Funds (Modified Cash Basis):

Street System Development Fund 53

Building Reserve Fund 54

Nonmajor Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Funds (Modified Cash Basis):

State Revenue Sharing Fund 55

CITY OF JUNCTION CITY, OREGON
 Annual Financial Report
 For the fiscal year ended June 30, 2016
 Table of Contents

Page

FINANCIAL SECTION, CONTINUED

Supplementary and Other Information Accompanying the Basic Financial Statements, continued

Enterprise Funds

Combining Schedule of Net Position - Water Enterprise Funds (Modified Cash Basis)	56
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Water Enterprise Funds (Modified Cash Basis)	57
Combining Schedule of Cash Flows - Water Enterprise Funds (Modified Cash Basis)	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Funds (Modified Cash Basis):	
Water Fund	59
Water Equipment Reserve Fund	60
Water System Development Fund	61
Water System Improvement Fund	62
Combining Schedule of Net Position - Sewer Enterprise Funds (Modified Cash Basis)	63
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Sewer Enterprise Funds (Modified Cash Basis)	64
Combining Schedule of Cash Flows - Sewer Enterprise Funds (Modified Cash Basis)	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Funds (Modified Cash Basis):	
Sewer Fund	66
Sewer Ratepayer Assistance Fund	67
Sewer System Improvement Fund	68
Sewer Equipment Reserve Fund	69
Sewer System Development Fund	70
Combining Schedule of Net Position - Sanitation Enterprise Funds (Modified Cash Basis)	71
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Sanitation Enterprise Funds (Modified Cash Basis)	72
Combining Schedule of Cash Flows - Sanitation Enterprise Fund (Modified Cash Basis)	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sanitation Funds (Modified Cash Basis):	
Sanitation Fund	74
Sanitation Equipment Reserve Fund	75
Sanitation System Improvement Fund	76

CITY OF JUNCTION CITY, OREGON
 Annual Financial Report
 For the fiscal year ended June 30, 2016
 Table of Contents

Page

FINANCIAL SECTION, CONTINUED

Supplementary and Other Information Accompanying the Basic Financial Statements, continued

Internal Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Internal Service Fund (Budgetary Basis)	77
--	----

Private-Purpose Trust Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Private-Purpose Trust Fund (Budgetary Basis) - Special Police Programs Fund	78
---	----

Agency Fund

Statement of Changes in Assets and Liabilities - Agency Fund - Municipal Court	79
---	----

TREND INFORMATION

Net Position by Component, Last Five Fiscal Years (Modified Cash Basis)	80
Changes in Net Position, Last Five Fiscal Years (Modified Cash Basis)	81 - 83
Fund Balances of Governmental Funds, Last Five Fiscal Years (Modified Cash Basis)	84
Changes in Fund Balances of Governmental Funds, Last Five Fiscal Years (Modified Cash Basis)	85
Outstanding Debt Obligations by Type, Last Five Fiscal Years	86

COMPLIANCE SECTION

Independent Auditor's Report Required by Oregon State Regulations	87 - 88
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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 4, 2016

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, 2016. 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, 2016. 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 5,870.



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 30th of each year for the following fiscal year which begins July 1st. 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. For the year ended June 30, 2015 the City was the recipient of the Governmental Finance Officers Association's Small Government Cash Basis Reporting Award for the third consecutive year.

Recently completed, the City's Public Works Department installed a water treatment plant, completed a water pipe replacement project, a TV inspection of the sewer mainlines a phased sewer mainline replacement project, development of an update to the wastewater treatment facility and other projects to enhance the City's water and sewer infrastructure and services provided to the City. Council and staff recently completed a Long Range Financial Plan which includes a Five Year Financial Forecast.

Council adopted the newly compiled Master Fee Schedule in October 2015 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 three 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.

Although employment levels are reported at the County level, Junction City has experienced some growth with additions to operations of several businesses and the State mental hospital. Unemployment rates for the County are currently at 5.5% as of September 2016, down from a high of 13.5% for the county in 2009.

While building permits were at a low in calendar year 2008 with 48 total permits, and 66 for calendar year 2009, total building permits were 258 in calendar year 2015. For calendar year 2016, total permits are at 195 through the 3rd quarter. Various builders working within the City have steadily utilized the available residential building lots over the last few years.

The City's population estimate at July 1, 2015 was 5,870, which represents a 4.4% increase over the prior year and an 8.1% increase since 2010. The population estimate was 5,430 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	
	2016	2015	2016	2015	2016	2015
Total assets	\$ 5,812,198	\$ 5,719,156	\$ 4,679,653	\$ 3,729,096	\$ 10,491,851	\$ 9,448,252
Total liabilities	18,521	24,312	-	-	18,521	24,312
Net position:						
Restricted	2,724,610	2,792,423	1,935,601	1,530,717	4,660,211	4,323,140
Unrestricted	3,069,067	2,902,421	2,744,052	2,198,379	5,813,119	5,100,800
Total net position	<u>\$ 5,793,677</u>	<u>\$ 5,694,844</u>	<u>\$ 4,679,653</u>	<u>\$ 3,729,096</u>	<u>\$ 10,473,330</u>	<u>\$ 9,423,940</u>

For the year ended June 30, 2016, the overall modified cash basis net position of the City increased by \$1,049,390. Of the total increase, the governmental activities' net position increased by \$98,833 and business activities by \$950,557 mostly due to the excess of revenues over expenditures.

The business-type activities in the Sewer Funds accounted for \$830,366 of the increase due to system development charges received and contributions to reserves kept in the funds.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 1,057,997	\$ 644,340	\$ 3,751,909	\$ 3,632,360	\$ 4,809,906	\$ 4,276,700
Operating grants and contributions	390,186	315,830	-	-	390,186	315,830
Capital grants and contributions	72,094	94,043	-	-	72,094	94,043
General revenues:						
Property taxes	2,286,146	2,187,950	-	-	2,286,146	2,187,950
Franchise taxes	415,651	399,692	-	-	415,651	399,692
Other taxes	395,931	385,437	-	-	395,931	385,437
Investment income	36,507	27,233	26,948	18,197	63,455	45,430
Total revenues	<u>4,654,512</u>	<u>4,054,525</u>	<u>3,778,857</u>	<u>3,650,557</u>	<u>8,433,369</u>	<u>7,705,082</u>
Expenses						
General government	1,288,046	1,026,117	-	-	1,288,046	1,026,117
Public safety	2,010,384	1,725,207	-	-	2,010,384	1,725,207
Highways and streets	371,864	320,764	-	-	371,864	320,764
Economic development	185	3,146	-	-	185	3,146
Culture and recreation	660,900	588,416	-	-	660,900	588,416
Water	-	-	1,099,032	1,149,899	1,099,032	1,149,899
Sewer	-	-	1,136,451	2,536,708	1,136,451	2,536,708
Sanitation	-	-	792,317	678,178	792,317	678,178
Total expenses	<u>4,331,379</u>	<u>3,663,650</u>	<u>3,027,800</u>	<u>4,364,785</u>	<u>7,359,179</u>	<u>8,028,435</u>
Excess before transfers	323,133	390,875	751,057	(714,228)	1,074,190	(323,353)
Transfers - fiduciary fund	(24,800)	(22,500)			(24,800)	(22,500)
Transfers - internal activity	(199,500)	20,500	199,500	(20,500)	-	-
Increase in net assets	98,833	388,875	950,557	(734,728)	1,049,390	(345,853)
Net position, beginning of year	5,694,844	5,305,969	3,729,096	4,463,824	9,423,940	9,769,793
Net position, end of year	<u>\$ 5,793,677</u>	<u>\$ 5,694,844</u>	<u>\$ 4,679,653</u>	<u>\$ 3,729,096</u>	<u>\$ 10,473,330</u>	<u>\$ 9,423,940</u>

Governmental Funds

For the fiscal year ended June 30, 2016, the governmental funds reported a combined fund balance of \$5,775,066, an increase of \$100,287. The General Fund balance increased by \$68,417 and total revenues increased by a total amount of \$540,866. The General Fund revenue changes included a 4.5% increase to property taxes over the prior year of \$98,196, a reduction in licenses and permits of \$55,672, and charges for services increased by \$429,200 due to the implementation of an administrative services cost plan. The excess of revenues over expenditures, before transfers, in the General Fund was \$289,217 for fiscal year ended June 30, 2016. The Street Fund expended \$230,352 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. The Building Reserve ending fund balance decreased due to small building projects completed for \$36,774 during the fiscal year. The Street System Development Fund ending balance increased due to system development charges of \$72,094 received by the fund with no offsetting expenses during the year.

General Fund

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

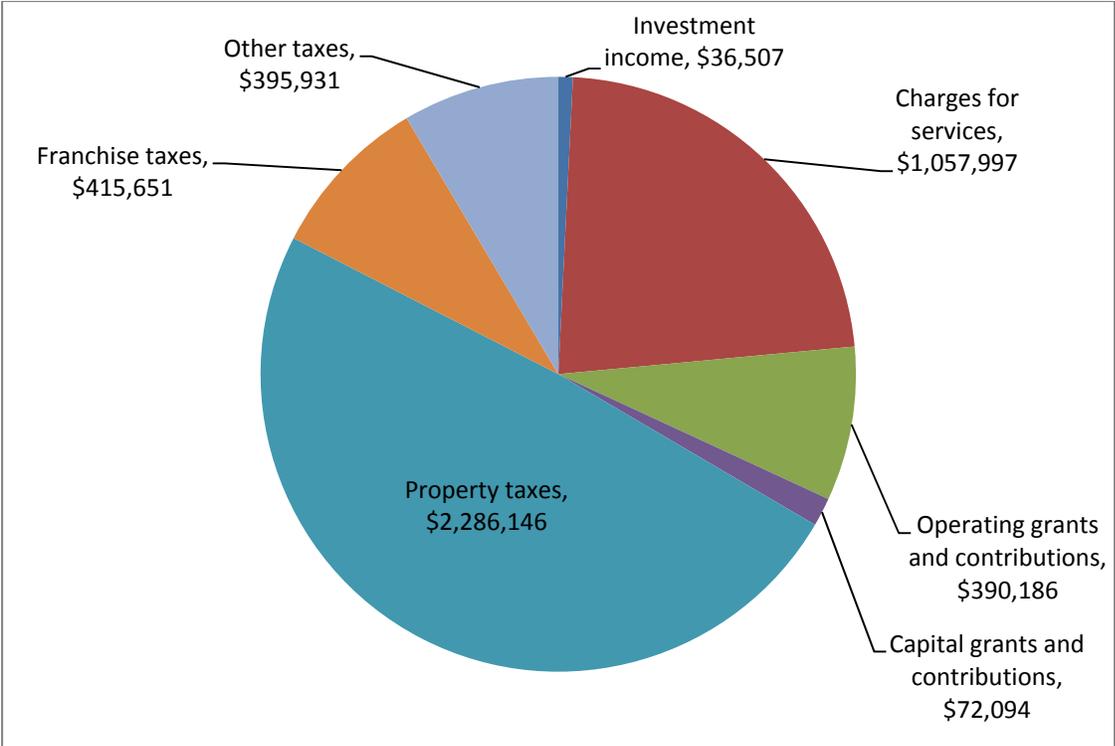
- On April 12, 2016 Council adopted resolution 1140 to increase transfers to the Community Center Fund. The resolution transferred contingency appropriations in the amount of \$23,000.

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	\$ 2,348,000	\$ 2,286,146	\$ (61,854)
Licenses & Permits	265,100	178,372	(86,728)
Charges for Services	701,100	564,833	(136,267)
Muni Court Fines	253,000	154,289	(98,711)

Property Taxes were budgeted with a 4% increase, but were \$61,854 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 adjusted budget by \$86,728 due to lower building activity. Charges for services include administrative internal services charges, which were less than budgeted by \$125,881.

Governmental Activities Funding



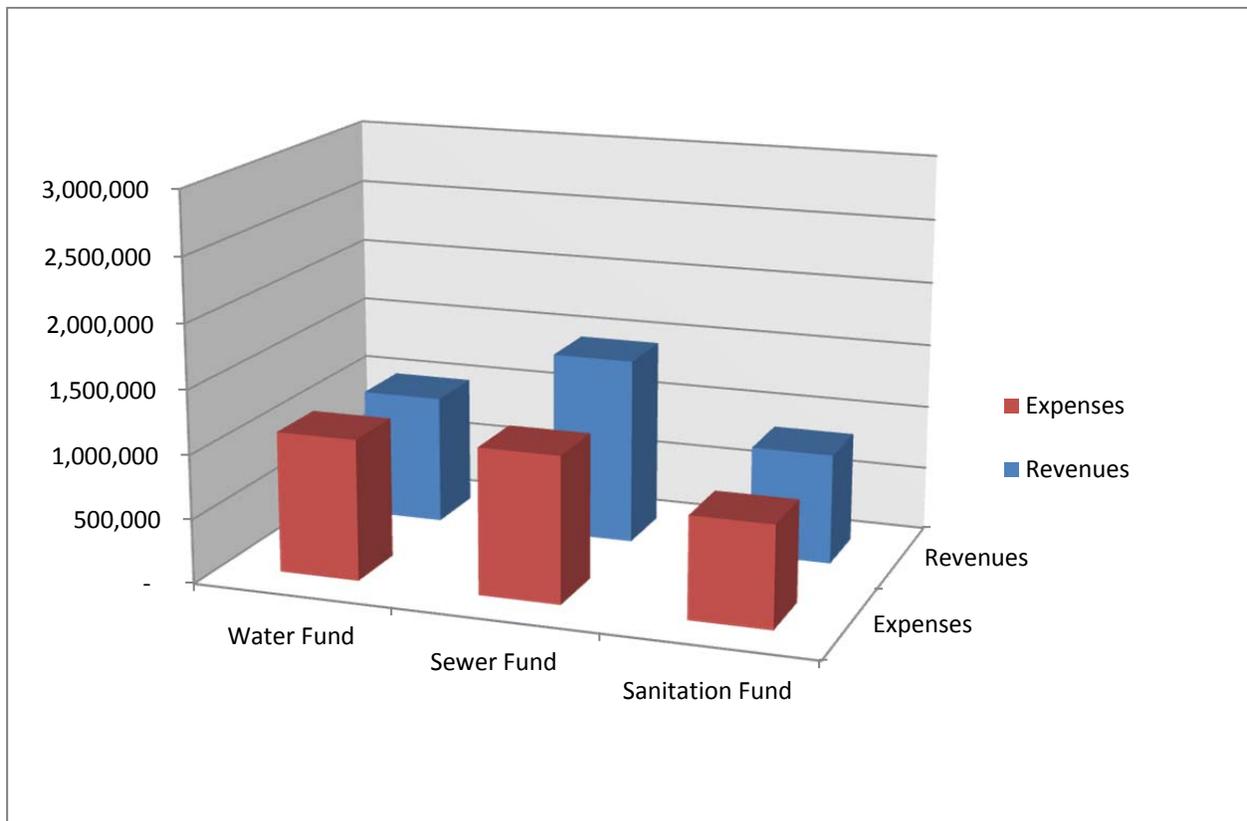
Other Governmental Funds

The Other Governmental Funds balance increased by \$194,212 during the fiscal year. The Park System Development Fund increased \$85,017 as development charges were received and no projects were in progress during the year. The Street System Improvement Fund was created during the year with a transfer from the Streets Fund and an ending fund balance of \$81,452.

Proprietary Funds

For the fiscal year ended June 30, 2016 the proprietary funds reported a modified cash basis net position of \$4,679,653, an increase of \$950,557 over the prior year. During FY15/16 capital projects were in progress in the Water Funds costing \$319,566. System development charges of \$458,229 were received which contributed to the increased ending fund balances.

Proprietary Funds Revenue and Expenses (In dollars)



Acknowledgements

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

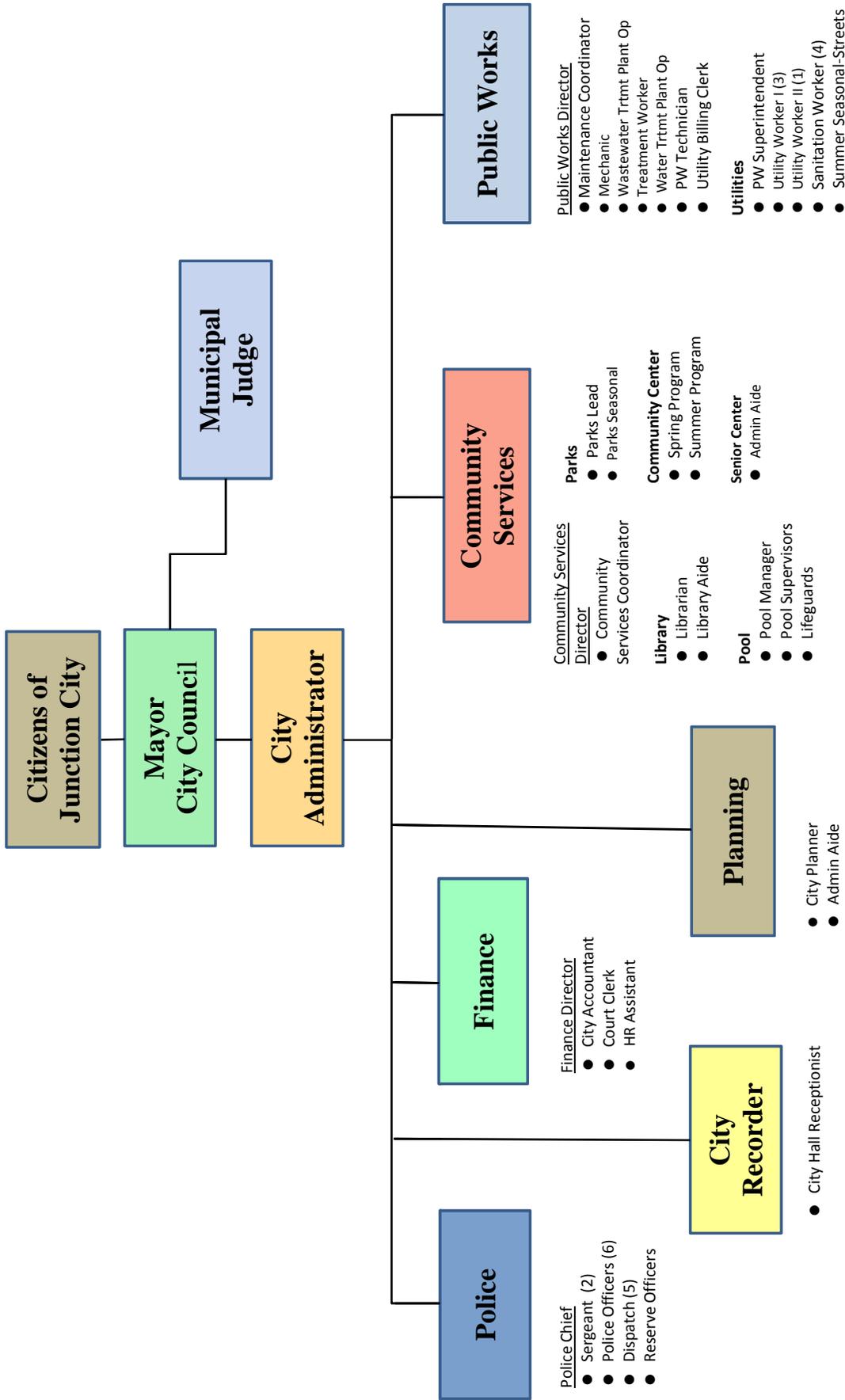
**City of Junction City
Oregon**

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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



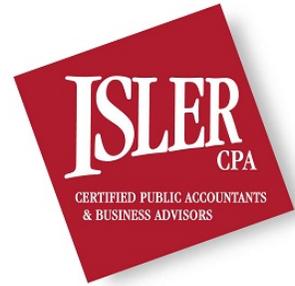
CITY OF JUNCTION CITY, OREGON

List of Elected Officials

June 30, 2016

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Mike Cahill 887 Maple St. Junction City, OR 97448	Mayor	January 31, 2017
Karen Leach 385 Timothy Junction City, OR 97448	Councilor	January 31, 2017
Randy Nelson 1389 Unity Drive Junction City, OR 97448	Council President	January 31, 2017
Bill DiMarco P.O. Box 702 Junction City, OR 97448	Councilor	January 31, 2017
Steven Hitchcock 635 West 14th Junction City, OR 97448	Councilor	January 31, 2019
Herb Christensen 815 Alder Street Junction City, OR 97448	Councilor	January 31, 2019
Jim Leach 385 Timothy Junction City, OR 97448	Councilor	January 31, 2019

FINANCIAL SECTION



Independent Auditor's Report

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

An Independently Owned Member
MCGLADREY ALLIANCE |  McGladrey

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, 2016, 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, 2016, 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.

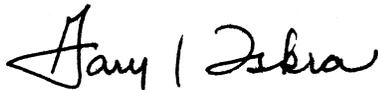
The combining and individual nonmajor fund financial statements, budgetary comparisons and other financial schedules on pages 28 - 79 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 4, 2016 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 4, 2016

BASIC FINANCIAL STATEMENTS

CITY OF JUNCTION CITY, OREGON

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 5,806,485	\$ 4,679,653	\$ 10,486,138
Developer advances	<u>5,713</u>	<u>-</u>	<u>5,713</u>
Total assets	<u>\$ 5,812,198</u>	<u>\$ 4,679,653</u>	<u>\$ 10,491,851</u>
LIABILITIES			
Due to others	<u>\$ 18,521</u>	<u>\$ -</u>	<u>\$ 18,521</u>
Total liabilities	<u>18,521</u>	<u>-</u>	<u>18,521</u>
NET POSITION			
Restricted for:			
Streets and bicycle paths	1,203,957	-	1,203,957
Business development	1,040,272	-	1,040,272
System development	380,249	1,935,601	2,315,850
State revenue sharing	100,132	-	100,132
Unrestricted	<u>3,069,067</u>	<u>2,744,052</u>	<u>5,813,119</u>
Total net position	<u>5,793,677</u>	<u>4,679,653</u>	<u>10,473,330</u>
Total liabilities and net position	<u>\$ 5,812,198</u>	<u>\$ 4,679,653</u>	<u>\$ 10,491,851</u>

CITY OF JUNCTION CITY, OREGON

Government-wide Statement of Activities - Modified Cash Basis

For the Year Ended June 30, 2016

	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
Functions / Programs							
Governmental Activities:							
General Government	\$ 1,288,046	\$ 959,166	\$ 297,421	\$ -	\$ (31,459)	\$ -	\$ (31,459)
Public Safety	2,010,384	-	-	-	(2,010,384)	-	(2,010,384)
Highways and Streets	371,864	19,177	-	72,094	(280,593)	-	(280,593)
Economic Development	185	79,654	9,981	-	89,450	-	89,450
Culture and Recreation	660,900	-	82,784	-	(578,116)	-	(578,116)
Total governmental activities	<u>4,331,379</u>	<u>1,057,997</u>	<u>390,186</u>	<u>72,094</u>	<u>(2,811,102)</u>	<u>-</u>	<u>(2,811,102)</u>
Business-type Activities:							
Water	1,099,032	1,034,946	-	-	-	(64,086)	(64,086)
Sewer	1,136,451	1,861,095	-	-	-	724,644	724,644
Sanitation	792,317	855,868	-	-	-	63,551	63,551
Total business - type activities	<u>3,027,800</u>	<u>3,751,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,109</u>	<u>724,109</u>
Total government	<u>\$ 7,359,179</u>	<u>\$ 4,809,906</u>	<u>\$ 390,186</u>	<u>\$ 72,094</u>	<u>(2,811,102)</u>	<u>724,109</u>	<u>(2,086,993)</u>
General revenues:							
Property taxes					2,286,146	-	2,286,146
Franchise taxes					415,651	-	415,651
Other taxes and receipts					395,931	-	395,931
Unrestricted investment earnings					36,507	26,948	63,455
Transfer to fiduciary fund					(24,800)	-	(24,800)
Transfers - internal activity					(199,500)	199,500	-
Total general revenues and transfers					<u>2,909,935</u>	<u>226,448</u>	<u>3,136,383</u>
Change in net position					98,833	950,557	1,049,390
Net position- beginning					<u>5,694,844</u>	<u>3,729,096</u>	<u>9,423,940</u>
Net position- ending					<u>\$ 5,793,677</u>	<u>\$ 4,679,653</u>	<u>\$ 10,473,330</u>

CITY OF JUNCTION CITY, OREGON

Balance Sheet - Modified Cash Basis

Governmental Funds

June 30, 2016

	<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>
ASSETS							
Cash and cash equivalents	\$ 2,326,200	\$ 160,674	\$ 1,040,272	\$ 1,001,913	\$ 72,457	\$ 1,186,358	\$ 5,787,874
Developer advances	<u>5,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,713</u>
Total assets	<u>\$ 2,331,913</u>	<u>\$ 160,674</u>	<u>\$ 1,040,272</u>	<u>\$ 1,001,913</u>	<u>\$ 72,457</u>	<u>\$ 1,186,358</u>	<u>\$ 5,793,587</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to others	<u>\$ 18,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,521</u>
Total liabilities	<u>18,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,521</u>
Fund balances:							
Restricted:							
Streets and bicycle paths	-	160,674	-	1,001,913	-	41,370	1,203,957
Business development	-	-	1,040,272	-	-	-	1,040,272
System development	-	-	-	-	-	380,249	380,249
State revenue sharing	-	-	-	-	-	100,132	100,132
Committed:							
Viking Sal Senior Center	42,775	-	-	-	-	-	42,775
Health insurance	50,153	-	-	-	-	-	50,153
Community services	10,713	-	-	-	-	-	10,713
Building/equipment reserves	-	-	-	-	72,457	583,155	655,612
Street system improvement	-	-	-	-	-	81,452	81,452
Unassigned	<u>2,209,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,209,751</u>
Total fund balances	<u>2,313,392</u>	<u>160,674</u>	<u>1,040,272</u>	<u>1,001,913</u>	<u>72,457</u>	<u>1,186,358</u>	<u>5,775,066</u>
Total liabilities and fund balances	<u>\$ 2,331,913</u>	<u>\$ 160,674</u>	<u>\$ 1,040,272</u>	<u>\$ 1,001,913</u>	<u>\$ 72,457</u>	<u>\$ 1,186,358</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.

	<u>18,611</u>
Net position of governmental activities	<u>\$ 5,793,677</u>

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, 2016

	<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>
REVENUES							
Taxes:							
Property	\$ 2,286,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,286,146
Franchise	415,651	-	-	-	-	-	415,651
Other	12,085	-	-	-	-	-	12,085
Licenses and permits	178,372	1,065	-	-	-	-	179,437
Intergovernmental	229,595	337,097	9,981	-	-	46,073	622,746
Charges for services	569,369	-	-	-	-	-	569,369
System development charges	30,666	-	-	72,094	-	82,784	185,544
Fines and penalties	154,289	-	-	-	-	-	154,289
Interest	15,211	1,143	6,505	6,003	550	6,938	36,350
Loan program:							
Principal received	-	-	78,047	-	-	-	78,047
Interest received	-	-	1,607	-	-	-	1,607
Donations and special events	36,884	-	-	-	-	-	36,884
Other	57,411	862	-	-	-	17,250	75,523
Total Revenues	<u>3,985,679</u>	<u>340,167</u>	<u>96,140</u>	<u>78,097</u>	<u>550</u>	<u>153,045</u>	<u>4,653,678</u>
EXPENDITURES							
Current :							
General Government	1,214,615	-	-	-	36,774	34,369	1,285,758
Public Safety	2,010,384	-	-	-	-	-	2,010,384
Highways and Streets	-	230,352	-	-	-	141,512	371,864
Economic Development	-	-	185	-	-	-	185
Culture and Recreation	635,448	-	-	-	-	25,452	660,900
Total expenditures	<u>3,860,447</u>	<u>230,352</u>	<u>185</u>	<u>-</u>	<u>36,774</u>	<u>201,333</u>	<u>4,329,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>125,232</u>	<u>109,815</u>	<u>95,955</u>	<u>78,097</u>	<u>(36,224)</u>	<u>(48,288)</u>	<u>324,587</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	189,000	-	-	-	5,000	274,500	468,500
Transfers out	<u>(220,800)</u>	<u>(225,000)</u>	<u>(215,000)</u>	<u>-</u>	<u>-</u>	<u>(32,000)</u>	<u>(692,800)</u>
Total other financing source (uses)	<u>(31,800)</u>	<u>(225,000)</u>	<u>(215,000)</u>	<u>-</u>	<u>5,000</u>	<u>242,500</u>	<u>(224,300)</u>
Net change in fund balances	93,432	(115,185)	(119,045)	78,097	(31,224)	194,212	100,287
Fund balances - beginning	<u>2,219,960</u>	<u>275,859</u>	<u>1,159,317</u>	<u>923,816</u>	<u>103,681</u>	<u>992,146</u>	
Fund balances - ending	<u>\$ 2,313,392</u>	<u>\$ 160,674</u>	<u>\$ 1,040,272</u>	<u>\$ 1,001,913</u>	<u>\$ 72,457</u>	<u>\$ 1,186,358</u>	
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.							<u>(1,454)</u>
Change in net position of governmental activities							<u>\$ 98,833</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Property	\$ 2,348,000	\$ 2,348,000	\$ 2,286,146	\$ (61,854)
Franchise	418,200	418,200	415,651	(2,549)
Other	13,600	13,600	12,085	(1,515)
Licenses and permits	265,100	265,100	178,372	(86,728)
Intergovernmental	197,700	197,700	215,845	18,145
Charges for services	701,100	701,100	564,833	(136,267)
Fines and penalties	253,000	253,000	154,289	(98,711)
Investment earnings	9,700	9,700	14,476	4,776
Donations and special events	100	100	-	(100)
Other	15,600	15,600	17,194	1,594
System development charges	<u>22,000</u>	<u>22,000</u>	<u>30,666</u>	<u>8,666</u>
Total revenues	<u>4,244,100</u>	<u>4,244,100</u>	<u>3,889,557</u>	<u>(354,543)</u>
Expenditures:				
Personal services	2,706,700	2,706,700	2,550,647	156,053
Materials and services	1,236,400	1,236,400	1,049,693	186,707
Contingency	<u>84,100</u>	<u>61,100</u>	<u>-</u>	<u>61,100</u>
Total expenditures	<u>4,027,200</u>	<u>4,004,200</u>	<u>3,600,340</u>	<u>403,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>216,900</u>	<u>239,900</u>	<u>289,217</u>	<u>49,317</u>
Other financing sources (uses):				
Transfers out	<u>(197,800)</u>	<u>(220,800)</u>	<u>(220,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(197,800)</u>	<u>(220,800)</u>	<u>(220,800)</u>	<u>-</u>
Net change in fund balances	19,100	19,100	68,417	49,317
Fund balance:				
Beginning of year	<u>2,034,700</u>	<u>2,034,700</u>	<u>2,141,334</u>	<u>106,634</u>
End of year	<u>\$ 2,053,800</u>	<u>\$ 2,053,800</u>	\$ 2,209,751	<u>\$ 155,951</u>
Other funds included in General Fund Programs:				
Viking Sal Senior Center Fund			42,775	
Health Insurance Fund			50,153	
Community Center Fund			<u>10,713</u>	
Total General Fund Programs			<u>\$ 2,313,392</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, 2016

	<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	\$ 1,065	\$ 65
Intergovernmental	323,700	323,700	337,097	13,397
Investment earnings	1,100	1,100	1,143	43
Other	<u>1,200</u>	<u>1,200</u>	<u>862</u>	<u>(338)</u>
Total revenues	<u>327,000</u>	<u>327,000</u>	<u>340,167</u>	<u>13,167</u>
Expenditures:				
Personal services	65,900	65,900	52,002	13,898
Materials and services	193,600	193,600	178,350	15,250
Contingency	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>279,500</u>	<u>279,500</u>	<u>230,352</u>	<u>49,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,500</u>	<u>47,500</u>	<u>109,815</u>	<u>62,315</u>
Other financing sources (uses):				
Transfers out	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Net change in fund balances	(177,500)	(177,500)	(115,185)	62,315
Fund balance:				
Beginning of year	<u>297,200</u>	<u>297,200</u>	<u>275,859</u>	<u>(21,341)</u>
End of year	<u>\$ 119,700</u>	<u>\$ 119,700</u>	<u>\$ 160,674</u>	<u>\$ 40,974</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 9,200	\$ 9,200	\$ 9,981	\$ 781
Investment earnings	<u>50,300</u>	<u>50,300</u>	<u>86,159</u>	<u>35,859</u>
Total revenues	<u>59,500</u>	<u>59,500</u>	<u>96,140</u>	<u>36,640</u>
Expenditures:				
Materials and services	<u>974,000</u>	<u>759,000</u>	<u>185</u>	<u>758,815</u>
Total expenditures	<u>974,000</u>	<u>759,000</u>	<u>185</u>	<u>758,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(914,500)</u>	<u>(699,500)</u>	<u>95,955</u>	<u>795,455</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>-</u>
Net change in fund balances	(914,500)	(914,500)	(119,045)	795,455
Fund balance:				
Beginning of year	<u>1,129,500</u>	<u>1,129,500</u>	<u>1,159,317</u>	<u>29,817</u>
End of year	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 1,040,272</u>	<u>\$ 825,272</u>

CITY OF JUNCTION CITY, OREGON

Statement of Net Position - Modified Cash Basis

Proprietary Funds

June 30, 2016

	Business-Type Activities				Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 483,594	\$ 3,606,337	\$ 589,722	\$ 4,679,653	\$ 18,611
Total assets	<u>\$ 483,594</u>	<u>\$ 3,606,337</u>	<u>\$ 589,722</u>	<u>\$ 4,679,653</u>	<u>\$ 18,611</u>
NET POSITION					
Restricted for system development	\$ 13,551	\$ 1,922,050	\$ -	\$ 1,935,601	\$ -
Unrestricted	<u>470,043</u>	<u>1,684,287</u>	<u>589,722</u>	<u>2,744,052</u>	<u>18,611</u>
Total net position	<u>483,594</u>	<u>3,606,337</u>	<u>589,722</u>	<u>4,679,653</u>	<u>18,611</u>
Total liabilities and net position	<u>\$ 483,594</u>	<u>\$ 3,606,337</u>	<u>\$ 589,722</u>	<u>\$ 4,679,653</u>	<u>\$ 18,611</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, 2016

	Business-Type Activities			Total	Governmental
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
Operating revenues:					
Charges for services	\$ 991,440	\$ 1,424,102	\$ 837,344	\$ 3,252,886	\$ 391,526
Miscellaneous	<u>13,164</u>	<u>9,106</u>	<u>18,524</u>	<u>40,794</u>	<u>676</u>
Total operating revenues	<u>1,004,604</u>	<u>1,433,208</u>	<u>855,868</u>	<u>3,293,680</u>	<u>392,202</u>
Operating expenses:					
Personal services	420,983	430,001	345,019	1,196,003	177,559
Materials and services	<u>358,483</u>	<u>656,407</u>	<u>411,040</u>	<u>1,425,930</u>	<u>216,254</u>
Total operating expenses	<u>779,466</u>	<u>1,086,408</u>	<u>756,059</u>	<u>2,621,933</u>	<u>393,813</u>
Operating income (loss)	<u>225,138</u>	<u>346,800</u>	<u>99,809</u>	<u>671,747</u>	<u>(1,611)</u>
Nonoperating revenues (expenses):					
Investment earnings	2,929	20,722	3,297	26,948	157
Capital outlay	<u>(319,566)</u>	<u>(50,043)</u>	<u>(36,258)</u>	<u>(405,867)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(316,637)</u>	<u>(29,321)</u>	<u>(32,961)</u>	<u>(378,919)</u>	<u>157</u>
Income (loss) before capital contributions and transfers	(91,499)	317,479	66,848	292,828	(1,454)
Capital contributions:					
System development charges	<u>30,342</u>	<u>427,887</u>	<u>-</u>	<u>458,229</u>	<u>-</u>
Transfers in	215,000	90,000	-	305,000	-
Transfers out	<u>(95,000)</u>	<u>(5,000)</u>	<u>(5,500)</u>	<u>(105,500)</u>	<u>-</u>
Total transfers	<u>120,000</u>	<u>85,000</u>	<u>(5,500)</u>	<u>199,500</u>	<u>-</u>
Change in net position	58,843	830,366	61,348	950,557	(1,454)
Total net position- beginning	<u>424,751</u>	<u>2,775,971</u>	<u>528,374</u>	<u>3,729,096</u>	<u>20,065</u>
Total net position- ending	<u>\$ 483,594</u>	<u>\$ 3,606,337</u>	<u>\$ 589,722</u>	<u>\$ 4,679,653</u>	<u>\$ 18,611</u>

CITY OF JUNCTION CITY, OREGON

Statement of Cash Flows - Modified Cash Basis

Proprietary Funds

For the Year Ended June 30, 2016

	Business - Type Activities			Total Enterprise Funds	Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,004,604	\$ 1,433,208	\$ 855,868	\$ 3,293,680	\$ 676
Receipts from interfund services provided	-	-	-	-	391,526
Payments to suppliers	(358,483)	(656,407)	(411,040)	(1,425,930)	(216,254)
Payments to employees	<u>(420,983)</u>	<u>(430,001)</u>	<u>(345,019)</u>	<u>(1,196,003)</u>	<u>(177,559)</u>
Net cash provided (used) by operating activities	<u>225,138</u>	<u>346,800</u>	<u>99,809</u>	<u>671,747</u>	<u>(1,611)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	215,000	90,000	-	305,000	-
Transfers out	<u>(95,000)</u>	<u>(5,000)</u>	<u>(5,500)</u>	<u>(105,500)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>120,000</u>	<u>85,000</u>	<u>(5,500)</u>	<u>199,500</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(319,566)	(50,043)	(36,258)	(405,867)	-
System development charges	<u>30,342</u>	<u>427,887</u>	<u>-</u>	<u>458,229</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(289,224)</u>	<u>377,844</u>	<u>(36,258)</u>	<u>52,362</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>2,929</u>	<u>20,722</u>	<u>3,297</u>	<u>26,948</u>	<u>157</u>
Net change in cash and cash equivalents	58,843	830,366	61,348	950,557	(1,454)
Cash and cash equivalents - beginning	<u>424,751</u>	<u>2,775,971</u>	<u>528,374</u>	<u>3,729,096</u>	<u>20,065</u>
Cash and cash equivalents - ending	<u>\$ 483,594</u>	<u>\$ 3,606,337</u>	<u>\$ 589,722</u>	<u>\$ 4,679,653</u>	<u>\$ 18,611</u>

CITY OF JUNCTION CITY, OREGON

Statement of Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

June 30, 2016

	Private Purpose Trust Fund - Special Police Programs Fund	Municipal Court Agency Fund
ASSETS		
Cash and cash equivalents	\$ <u>14,407</u>	\$ <u>19,772</u>
LIABILITIES		
Fines and bails	\$ <u>-</u>	\$ <u>19,772</u>
NET POSITION		
Held in trust	<u>14,407</u>	<u>-</u>
Total liabilities and net position	\$ <u>14,407</u>	\$ <u>19,772</u>

CITY OF JUNCTION CITY, OREGON

Statement of Changes in Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

For the Year Ended June 30, 2016

	<u>Private Purpose Trust Fund - Special Police Programs Fund</u>
ADDITIONS	
Intergovernmental	\$ 48,841
Investment earnings	256
Donations and special events	4,804
Transfers	<u>24,800</u>
Total additions	<u>78,701</u>
DEDUCTIONS	
Expenditures	69,893
Benefits	<u>6,270</u>
Total deductions	<u>76,163</u>
Change in net position	2,538
Net position - beginning	<u>11,869</u>
Net position - ending	<u>\$ 14,407</u>

NOTES TO THE FINANCIAL STATEMENTS

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies

A. Description of government-wide financial statements

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, 2016

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, 2016

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, 2016.

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, 2016

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.

H. Supplemental budget changes were not balanced in funds

The City's Resolution #1139 decrease transfers to Sanitation equipment reserve fund by \$25,000 in Sanitation fund. However, the transfers in to Sanitation equipment reserve fund by \$25,000 from Sanitation fund was not included in the resolution. This caused budget transfers to not be balanced.

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2016

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 and www.oregon.gov/treasury.

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

Cash on hand	\$ 1,450		
Cash in banks	492,831		
LGIP	<u>10,026,036</u>		
Total	<u>\$ 10,520,317</u>		
		Government- wide	
		<u>Statements</u>	<u>Fiduciary Funds</u>
			<u>Total</u>
Cash and cash equivalents	<u>\$ 10,486,138</u>	<u>\$ 34,179</u>	<u>\$ 10,520,317</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, 2016, 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, 2016

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, 2016, 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	<u>\$ 83,072</u>	<u>\$ -</u>	<u>\$ 78,047</u>	<u>\$ 5,025</u>

C. Interfund transfers

<u>Transfers out of:</u>	<u>Transfers in to:</u>						
	<u>General fund programs</u>	<u>Nonmajor governmental funds</u>	<u>Building reserve fund</u>	<u>Fiduciary fund</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
General fund programs	\$ 157,000	\$ 34,000	\$ 5,000	\$ 24,800	\$ -	\$ -	\$ 220,800
Street fund	-	225,000	-	-	-	-	225,000
Nonmajor governmental funds	32,000						32,000
Water fund	-	5,000	-	-	-	90,000	95,000
Sewer fund	-	5,000	-	-	-	-	5,000
Sanitation fund	-	5,500	-	-	-	-	5,500
Business development loan fund	-	-	-	-	215,000	-	215,000
Total	<u>\$ 189,000</u>	<u>\$ 274,500</u>	<u>\$ 5,000</u>	<u>\$ 24,800</u>	<u>\$ 215,000</u>	<u>\$ 90,000</u>	<u>\$ 798,300</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 Street fund transferred \$200,000 to Street improvement fund which was a newly established fund in FY16.

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 re-paid within 10 years.

The Business development loan fund transferred \$215,000 for an interfund loan to the Water fund which must be repaid within ten years.

The nonmajor governmental fund transferred \$32,000 to the General fund programs in support of community services operations.

General fund transferred \$24,800 to Fiduciary fund for the City's share of the school resource officer cost.

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2016

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.

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, 2016

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, 2016

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, 2016 were \$327,172, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 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, 2015, the City of Junction City's proportionate share of the net pension liability is \$1,971,144. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. 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, 2015, the City of Junction City's proportion was 0.0343 percent, which was decreased from its proportion of 0.0355 percent as of June 30, 2014. 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, 2016

Note III - Other information, continued

A. Pension plans, continued

Actuarial assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015 and 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, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study Report	2014, published September, 2015
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Long- Term Expected Rate of Return	7.75 percent
Discount Rate	7.75%
Projected Salary Increases	3.75 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA
Mortality	Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, 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 (65% for males, 90% for females) of the RP-2000 statistic combined disabled mortality sex-distinct 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, 2016

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 2013 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	16.0 %	24.0 %	20.0 %
Real Estate	9.5 %	15.5 %	12.5 %
Alternative Equity	0.0 %	10.0 %	10.0 %
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	7.20 %	4.50 %
Short-Term Bonds	8.00 %	3.70 %
Intermediate - Term Bonds	3.00 %	4.10 %
High Yield Bonds	1.80 %	6.66 %
Large Cap US Equities	11.65 %	7.20 %
Mid Cap US Equities	3.88 %	7.30 %
Small Cap US Equities	2.27 %	7.45 %
Developed Foreign Equities	14.21 %	6.90 %
Emerging Foreign Equities	5.49 %	7.40 %
Private Equities	20.00 %	8.26 %
Opportunity Funds/Absolute Return	5.00 %	6.01 %
Real Estate (Property)	13.75 %	6.51 %
Real Estate (REITS)	2.50 %	6.76 %
Commodities	1.25 %	6.07 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.75 %

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2016

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 our 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 7.75 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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of Net pension liability (asset)	\$ 4,757,282	\$ 1,971,144	\$ (376,839)

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2016

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 during the Measurement Period

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This change in benefit terms were reflected in the current valuation.

Changes in Plan Provisions subsequent to the Measurement Period

There were no changes subsequent to the June 30, 2015 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/.

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, 2016 were \$11,939 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. Contingencies

The City is currently a defendant in a lawsuit. 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, 2016

	<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>
ASSETS					
Cash and cash equivalents	\$ 2,222,559	\$ 42,775	\$ 50,153	\$ 10,713	\$ 2,326,200
Developer advances	<u>5,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,713</u>
Total assets	<u>\$ 2,228,272</u>	<u>\$ 42,775</u>	<u>\$ 50,153</u>	<u>\$ 10,713</u>	<u>\$ 2,331,913</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Due to others	<u>\$ 18,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,521</u>
Fund balances:					
Committed	-	42,775	50,153	10,713	103,641
Unassigned	<u>2,209,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,209,751</u>
Total fund balances	<u>2,209,751</u>	<u>42,775</u>	<u>50,153</u>	<u>10,713</u>	<u>2,313,392</u>
Total liabilities and fund balances	<u>\$ 2,228,272</u>	<u>\$ 42,775</u>	<u>\$ 50,153</u>	<u>\$ 10,713</u>	<u>\$ 2,331,913</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, 2016

	<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>
REVENUES					
Taxes	\$ 2,713,882	\$ -	\$ -	\$ -	\$ 2,713,882
Licenses and permits	178,372	-	-	-	178,372
Intergovernmental	215,845	13,500	-	250	229,595
Charges for services	564,833	4,536	-	-	569,369
System development charges	30,666	-	-	-	30,666
Fines and penalties	154,289	-	-	-	154,289
Investment earnings	14,476	347	306	82	15,211
Donations and special events	-	30,723	-	6,161	36,884
Other	<u>17,194</u>	<u>19,108</u>	<u>-</u>	<u>21,109</u>	<u>57,411</u>
Total revenues	<u>3,889,557</u>	<u>68,214</u>	<u>306</u>	<u>27,602</u>	<u>3,985,679</u>
EXPENDITURES					
Current					
General Government	1,102,999	-	-	111,616	1,214,615
Public Safety	2,010,384	-	-	-	2,010,384
Culture and Recreation	<u>486,957</u>	<u>148,491</u>	<u>-</u>	<u>-</u>	<u>635,448</u>
Total expenditures	<u>3,600,340</u>	<u>148,491</u>	<u>-</u>	<u>111,616</u>	<u>3,860,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>289,217</u>	<u>(80,277)</u>	<u>306</u>	<u>(84,014)</u>	<u>125,232</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	95,600	-	93,400	189,000
Transfers out	<u>(220,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(220,800)</u>
Total other financing sources (uses)	<u>(220,800)</u>	<u>95,600</u>	<u>-</u>	<u>93,400</u>	<u>(31,800)</u>
Net change in fund balances	68,417	15,323	306	9,386	93,432
Fund balances - beginning	<u>2,141,334</u>	<u>27,452</u>	<u>49,847</u>	<u>1,327</u>	<u>2,219,960</u>
Fund balances - ending	<u>\$ 2,209,751</u>	<u>\$ 42,775</u>	<u>\$ 50,153</u>	<u>\$ 10,713</u>	<u>\$ 2,313,392</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 15,500	\$ 15,500	\$ 13,500	\$ (2,000)
Charges for services	3,700	3,700	4,536	836
Investment earnings	100	100	347	247
Donations and special events	25,000	25,000	30,723	5,723
Other	<u>14,800</u>	<u>14,800</u>	<u>19,108</u>	<u>4,308</u>
Total revenues	<u>59,100</u>	<u>59,100</u>	<u>68,214</u>	<u>9,114</u>
Expenditures:				
Personal services	102,500	102,500	100,604	1,896
Materials and services	51,000	51,000	47,887	3,113
Contingency	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Total expenditures	<u>156,600</u>	<u>156,600</u>	<u>148,491</u>	<u>8,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,500)</u>	<u>(97,500)</u>	<u>(80,277)</u>	<u>17,223</u>
Other financing sources (uses):				
Transfers in	<u>95,600</u>	<u>95,600</u>	<u>95,600</u>	<u>-</u>
Total other financing sources (uses)	<u>95,600</u>	<u>95,600</u>	<u>95,600</u>	<u>-</u>
Net change in fund balances	(1,900)	(1,900)	15,323	17,223
Fund balance:				
Beginning of year	<u>24,600</u>	<u>24,600</u>	<u>27,452</u>	<u>2,852</u>
End of year	<u>\$ 22,700</u>	<u>\$ 22,700</u>	<u>\$ 42,775</u>	<u>\$ 20,075</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 306	\$ 6
Total revenues	<u>300</u>	<u>300</u>	<u>306</u>	<u>6</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>300</u>	<u>300</u>	<u>306</u>	<u>6</u>
Net change in fund balances	300	300	306	6
Fund balance:				
Beginning of year	<u>49,800</u>	<u>49,800</u>	<u>49,847</u>	<u>47</u>
End of year	<u>\$ 50,100</u>	<u>\$ 50,100</u>	<u>\$ 50,153</u>	<u>\$ 53</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 4,500	\$ 4,500	\$ 250	\$ (4,250)
Investment earnings	100	100	82	(18)
Donations and special events	16,000	16,000	6,161	(9,839)
Other	<u>39,000</u>	<u>39,000</u>	<u>21,109</u>	<u>(17,891)</u>
Total revenues	<u>59,600</u>	<u>59,600</u>	<u>27,602</u>	<u>(31,998)</u>
Expenditures:				
Personal services	63,800	63,800	54,731	9,069
Materials and services	61,900	66,900	56,885	10,015
Contingency	<u>2,500</u>	<u>20,500</u>	<u>-</u>	<u>20,500</u>
Total expenditures	<u>128,200</u>	<u>151,200</u>	<u>111,616</u>	<u>39,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,600)</u>	<u>(91,600)</u>	<u>(84,014)</u>	<u>7,586</u>
Other financing sources (uses):				
Transfers in	<u>70,400</u>	<u>93,400</u>	<u>93,400</u>	<u>-</u>
Total other financing sources (uses)	<u>70,400</u>	<u>93,400</u>	<u>93,400</u>	<u>-</u>
Net change in fund balances	1,800	1,800	9,386	7,586
Fund balance:				
Beginning of year	<u>10,800</u>	<u>10,800</u>	<u>1,327</u>	<u>(9,473)</u>
End of year	<u>\$ 12,600</u>	<u>\$ 12,600</u>	<u>\$ 10,713</u>	<u>\$ (1,887)</u>

**Nonmajor Governmental Funds
Combining Statements**

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

June 30, 2016

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Fund State Revenue Sharing Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,086,226	\$ 100,132	\$ 1,186,358
 FUND BALANCES			
Restricted	\$ 421,619	\$ 100,132	\$ 521,751
Committed	664,607	-	664,607
Total fund balances	\$ 1,086,226	\$ 100,132	\$ 1,186,358

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, 2016

	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Special Revenue Fund State Revenue Sharing Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 3,405	\$ 42,668	\$ 46,073
System development charges	82,784	-	82,784
Investment earnings	6,343	595	6,938
Other	<u>17,250</u>	<u>-</u>	<u>17,250</u>
Total revenues	<u>109,782</u>	<u>43,263</u>	<u>153,045</u>
EXPENDITURES			
Current			
General Government	23,159	11,210	34,369
Highways and Streets	141,512	-	141,512
Culture and Recreation	<u>25,452</u>	<u>-</u>	<u>25,452</u>
Total expenditures	<u>190,123</u>	<u>11,210</u>	<u>201,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,341)</u>	<u>32,053</u>	<u>(48,288)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	274,500	-	274,500
Transfers out	<u>-</u>	<u>(32,000)</u>	<u>(32,000)</u>
Total other financing sources (uses)	<u>274,500</u>	<u>(32,000)</u>	<u>242,500</u>
Net change in fund balances	194,159	53	194,212
Fund balances - beginning	<u>892,067</u>	<u>100,079</u>	<u>992,146</u>
Fund balances - ending	<u>\$ 1,086,226</u>	<u>\$ 100,132</u>	<u>\$ 1,186,358</u>

Capital Projects Funds

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2016

	<u>PW Building/Yard Reserve Fund</u>	<u>Police Vehicle & Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. & Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>
ASSETS					
Cash and cash equivalents	\$ <u>30,703</u>	\$ <u>52,254</u>	\$ <u>247,009</u>	\$ <u>13,154</u>	\$ <u>11,883</u>
 FUND BALANCES					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	<u>30,703</u>	<u>52,254</u>	<u>247,009</u>	<u>13,154</u>	<u>11,883</u>
Total fund balances	\$ <u>30,703</u>	\$ <u>52,254</u>	\$ <u>247,009</u>	\$ <u>13,154</u>	\$ <u>11,883</u>

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2016

	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund	Computer Equipment Reserve Fund	Street System Improvement Fund
ASSETS					
Cash and cash equivalents	<u>\$ 39,847</u>	<u>\$ 41,370</u>	<u>\$ 380,249</u>	<u>\$ 52,492</u>	<u>\$ 81,452</u>
FUND BALANCES					
Restricted	\$ -	\$ 41,370	\$ 380,249	\$ -	\$ -
Committed	<u>39,847</u>	<u>-</u>	<u>-</u>	<u>52,492</u>	<u>81,452</u>
Total fund balances	<u>\$ 39,847</u>	<u>\$ 41,370</u>	<u>\$ 380,249</u>	<u>\$ 52,492</u>	<u>\$ 81,452</u>

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2016

	<u>Street Equipment Reserve Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
ASSETS			
Cash and cash equivalents	<u>\$ 60,159</u>	<u>\$ 75,654</u>	<u>\$ 1,086,226</u>
FUND BALANCES			
Restricted	\$ -	\$ -	\$ 421,619
Committed	<u>60,159</u>	<u>75,654</u>	<u>664,607</u>
Total fund balances	<u>\$ 60,159</u>	<u>\$ 75,654</u>	<u>\$ 1,086,226</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, 2016

	<u>PW Building/Yard Reserve Fund</u>	<u>Police Vehicle & Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. & Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
System development charges	-	-	-	-	-
Investment earnings	218	292	1,506	65	77
Other	-	-	-	-	-
Total revenues	<u>218</u>	<u>292</u>	<u>1,506</u>	<u>65</u>	<u>77</u>
EXPENDITURES					
Current:					
General Government	11,250	-	-	-	877
Highways and Streets	-	-	-	-	-
Culture and Recreation	-	-	-	501	-
Total expenditures	<u>11,250</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,032)</u>	<u>292</u>	<u>1,506</u>	<u>(436)</u>	<u>(800)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	10,500	10,000	-	7,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>10,500</u>	<u>10,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Net change in fund balances	(532)	10,292	1,506	6,564	(800)
Fund balances - beginning	<u>31,235</u>	<u>41,962</u>	<u>245,503</u>	<u>6,590</u>	<u>12,683</u>
Fund balances - ending	<u>\$ 30,703</u>	<u>\$ 52,254</u>	<u>\$ 247,009</u>	<u>\$ 13,154</u>	<u>\$ 11,883</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, 2016

	<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>
REVENUES					
Intergovernmental	\$ -	\$ 3,405	\$ -	\$ -	\$ -
System development charges	-	-	82,784	-	-
Investment earnings	274	245	2,233	337	332
Other	-	-	-	-	17,250
Total revenues	<u>274</u>	<u>3,650</u>	<u>85,017</u>	<u>337</u>	<u>17,582</u>
EXPENDITURES					
Current					
General Government	-	-	-	11,032	-
Highways and Streets	-	400	-	-	136,130
Culture and Recreation	<u>24,951</u>	-	-	-	-
Total expenditures	<u>24,951</u>	<u>400</u>	<u>-</u>	<u>11,032</u>	<u>136,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,677)</u>	<u>3,250</u>	<u>85,017</u>	<u>(10,695)</u>	<u>(118,548)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	12,000	-	-	10,000	200,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>200,000</u>
Net change in fund balances	(12,677)	3,250	85,017	(695)	81,452
Fund balances - beginning	<u>52,524</u>	<u>38,120</u>	<u>295,232</u>	<u>53,187</u>	<u>-</u>
Fund balances - ending	<u>\$ 39,847</u>	<u>\$ 41,370</u>	<u>\$ 380,249</u>	<u>\$ 52,492</u>	<u>\$ 81,452</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, 2016

	<u>Street Equipment Reserve Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 3,405
System development charges	-	-	82,784
Investment earnings	330	434	6,343
Other	-	-	17,250
Total revenues	<u>330</u>	<u>434</u>	<u>109,782</u>
EXPENDITURES			
Current			
General Government	-	-	23,159
Highways and Streets	4,982	-	141,512
Culture and Recreation	-	-	25,452
Total expenditures	<u>4,982</u>	<u>-</u>	<u>190,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,652)</u>	<u>434</u>	<u>(80,341)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	5,000	274,500
Transfers out	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>5,000</u>	<u>274,500</u>
Net change in fund balances	15,348	5,434	194,159
Fund balances - beginning	<u>44,811</u>	<u>70,220</u>	<u>892,067</u>
Fund balances - ending	<u>\$ 60,159</u>	<u>\$ 75,654</u>	<u>\$ 1,086,226</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 218	\$ 118
Total revenues	<u>100</u>	<u>100</u>	<u>218</u>	<u>118</u>
Expenditures:				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>11,250</u>	<u>8,750</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>11,250</u>	<u>8,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,900)</u>	<u>(19,900)</u>	<u>(11,032)</u>	<u>8,868</u>
Other financing sources (uses):				
Transfers in	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Total other financing sources (uses)	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Net change in fund balances	(9,400)	(9,400)	(532)	8,868
Fund balance:				
Beginning of year	<u>31,200</u>	<u>31,200</u>	<u>31,235</u>	<u>35</u>
End of year	<u>\$ 21,800</u>	<u>\$ 21,800</u>	<u>\$ 30,703</u>	<u>\$ 8,903</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 292	\$ 92
Total revenues	<u>200</u>	<u>200</u>	<u>292</u>	<u>92</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>200</u>	<u>200</u>	<u>292</u>	<u>92</u>
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	10,200	10,200	10,292	92
Fund balance:				
Beginning of year	<u>41,900</u>	<u>41,900</u>	<u>41,962</u>	<u>62</u>
End of year	<u>\$ 52,100</u>	<u>\$ 52,100</u>	<u>\$ 52,254</u>	<u>\$ 154</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,200	\$ 1,200	\$ 1,506	\$ 306
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,506</u>	<u>306</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>1,506</u>	<u>218,306</u>
Other financing sources (uses):				
Net change in fund balances	(216,800)	(216,800)	1,506	218,306
Fund balance:				
Beginning of year	<u>245,500</u>	<u>245,500</u>	<u>245,503</u>	<u>3</u>
End of year	<u>\$ 28,700</u>	<u>\$ 28,700</u>	<u>\$ 247,009</u>	<u>\$ 218,309</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 65	\$ (35)
Total revenues	<u>100</u>	<u>100</u>	<u>65</u>	<u>(35)</u>
Expenditures:				
Materials and services	4,500	4,500	-	4,500
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>501</u>	<u>1,999</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>501</u>	<u>6,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,900)</u>	<u>(6,900)</u>	<u>(436)</u>	<u>6,464</u>
Other financing sources (uses):				
Transfers in	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total other financing sources (uses)	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net change in fund balances	100	100	6,564	6,464
Fund balance:				
Beginning of year	<u>7,200</u>	<u>7,200</u>	<u>6,590</u>	<u>(610)</u>
End of year	<u>\$ 7,300</u>	<u>\$ 7,300</u>	<u>\$ 13,154</u>	<u>\$ 5,854</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, 2016

	<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>\$ 77</u>	<u>\$ (23)</u>
Total revenues	<u>100</u>	<u>100</u>	<u>77</u>	<u>(23)</u>
Expenditures:				
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>877</u>	<u>1,123</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>877</u>	<u>1,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,900)</u>	<u>(1,900)</u>	<u>(800)</u>	<u>1,100</u>
Other financing sources (uses):				
Net change in fund balances	(1,900)	(1,900)	(800)	1,100
Fund balance:				
Beginning of year	<u>12,700</u>	<u>12,700</u>	<u>12,683</u>	<u>(17)</u>
End of year	<u>\$ 10,800</u>	<u>\$ 10,800</u>	<u>\$ 11,883</u>	<u>\$ 1,083</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 274	\$ 74
Total revenues	<u>200</u>	<u>200</u>	<u>274</u>	<u>74</u>
Expenditures:				
Materials and services	1,000	1,000	-	1,000
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>24,951</u>	<u>40,049</u>
Total expenditures	<u>66,000</u>	<u>66,000</u>	<u>24,951</u>	<u>41,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,800)</u>	<u>(65,800)</u>	<u>(24,677)</u>	<u>41,123</u>
Other financing sources (uses):				
Transfers in	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total other financing sources (uses)	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net change in fund balances	(53,800)	(53,800)	(12,677)	41,123
Fund balance:				
Beginning of year	<u>55,100</u>	<u>55,100</u>	<u>52,524</u>	<u>(2,576)</u>
End of year	<u>\$ 1,300</u>	<u>\$ 1,300</u>	<u>\$ 39,847</u>	<u>\$ 38,547</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 3,300	\$ 3,300	\$ 3,405	\$ 105
Investment earnings	200	200	245	45
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>3,650</u>	<u>150</u>
Expenditures:				
Materials and services	100	100	-	100
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>400</u>	<u>9,600</u>
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>400</u>	<u>9,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,600)</u>	<u>(6,600)</u>	<u>3,250</u>	<u>9,850</u>
Other financing sources (uses):				
Net change in fund balances	(6,600)	(6,600)	3,250	9,850
Fund balance:				
Beginning of year	<u>38,100</u>	<u>38,100</u>	<u>38,120</u>	<u>20</u>
End of year	<u>\$ 31,500</u>	<u>\$ 31,500</u>	<u>\$ 41,370</u>	<u>\$ 9,870</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,000	\$ 1,000	\$ 2,233	\$ 1,233
System development charges	<u>57,500</u>	<u>57,500</u>	<u>82,784</u>	<u>25,284</u>
Total revenues	<u>58,500</u>	<u>58,500</u>	<u>85,017</u>	<u>26,517</u>
Expenditures:				
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,500</u>	<u>28,500</u>	<u>85,017</u>	<u>56,517</u>
Other financing sources (uses):				
Net change in fund balances	28,500	28,500	85,017	56,517
Fund balance:				
Beginning of year	<u>273,300</u>	<u>273,300</u>	<u>295,232</u>	<u>21,932</u>
End of year	<u>\$ 301,800</u>	<u>\$ 301,800</u>	<u>\$ 380,249</u>	<u>\$ 78,449</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 337	\$ 237
Total revenues	<u>100</u>	<u>100</u>	<u>337</u>	<u>237</u>
Expenditures:				
Materials and services	10,000	10,000	7,631	2,369
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>3,401</u>	<u>599</u>
Total expenditures	<u>14,000</u>	<u>14,000</u>	<u>11,032</u>	<u>2,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,900)</u>	<u>(13,900)</u>	<u>(10,695)</u>	<u>3,205</u>
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	(3,900)	(3,900)	(695)	3,205
Fund balance:				
Beginning of year	<u>80,100</u>	<u>80,100</u>	<u>53,187</u>	<u>(26,913)</u>
End of year	<u>\$ 76,200</u>	<u>\$ 76,200</u>	<u>\$ 52,492</u>	<u>\$ (23,708)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 294,000	\$ 294,000	\$ -	\$ (294,000)
Investment earnings	100	100	332	232
Other	<u>-</u>	<u>-</u>	<u>17,250</u>	<u>17,250</u>
Total revenues	<u>294,100</u>	<u>294,100</u>	<u>17,582</u>	<u>(276,518)</u>
Expenditures:				
Capital outlay	<u>444,000</u>	<u>444,000</u>	<u>136,130</u>	<u>307,870</u>
Total expenditures	<u>444,000</u>	<u>444,000</u>	<u>136,130</u>	<u>307,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,900)</u>	<u>(149,900)</u>	<u>(118,548)</u>	<u>31,352</u>
Other financing sources (uses):				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	50,100	50,100	81,452	31,352
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 50,100</u>	<u>\$ 50,100</u>	<u>\$ 81,452</u>	<u>\$ 31,352</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 330	\$ 130
Total revenues	<u>200</u>	<u>200</u>	<u>330</u>	<u>130</u>
Expenditures:				
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>4,982</u>	<u>10,018</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>4,982</u>	<u>10,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,800)</u>	<u>(14,800)</u>	<u>(4,652)</u>	<u>10,148</u>
Other financing sources (uses):				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	5,200	5,200	15,348	10,148
Fund balance:				
Beginning of year	<u>44,600</u>	<u>44,600</u>	<u>44,811</u>	<u>211</u>
End of year	<u>\$ 49,800</u>	<u>\$ 49,800</u>	<u>\$ 60,159</u>	<u>\$ 10,359</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 434	\$ 334
Total revenues	<u>100</u>	<u>100</u>	<u>434</u>	<u>334</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>100</u>	<u>100</u>	<u>434</u>	<u>334</u>
Other financing sources (uses):				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	5,100	5,100	5,434	334
Fund balance:				
Beginning of year	<u>70,100</u>	<u>70,100</u>	<u>70,220</u>	<u>120</u>
End of year	<u>\$ 75,200</u>	<u>\$ 75,200</u>	<u>\$ 75,654</u>	<u>\$ 454</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 5,000	\$ 5,000	\$ 6,003	\$ 1,003
System development charges	<u>20,000</u>	<u>20,000</u>	<u>72,094</u>	<u>52,094</u>
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>78,097</u>	<u>53,097</u>
Expenditures:				
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,000</u>	<u>20,000</u>	<u>78,097</u>	<u>58,097</u>
Net change in fund balances	20,000	20,000	78,097	58,097
Fund balance:				
Beginning of year	<u>901,200</u>	<u>901,200</u>	<u>923,816</u>	<u>22,616</u>
End of year	<u>\$ 921,200</u>	<u>\$ 921,200</u>	<u>\$ 1,001,913</u>	<u>\$ 80,713</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 800	\$ 800	\$ 550	\$ (250)
Total revenues	<u>800</u>	<u>800</u>	<u>550</u>	<u>(250)</u>
Expenditures:				
Materials and services	15,000	15,000	3,411	11,589
Capital outlay	<u>73,500</u>	<u>73,500</u>	<u>33,363</u>	<u>40,137</u>
Total expenditures	<u>88,500</u>	<u>88,500</u>	<u>36,774</u>	<u>51,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,700)</u>	<u>(87,700)</u>	<u>(36,224)</u>	<u>51,476</u>
Other financing sources (uses):				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	(82,700)	(82,700)	(31,224)	51,476
Fund balance:				
Beginning of year	<u>121,900</u>	<u>121,900</u>	<u>103,681</u>	<u>(18,219)</u>
End of year	<u>\$ 39,200</u>	<u>\$ 39,200</u>	<u>\$ 72,457</u>	<u>\$ 33,257</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 54,900	\$ 54,900	\$ 42,668	\$ (12,232)
Investment earnings	500	500	595	95
Total revenues	<u>55,400</u>	<u>55,400</u>	<u>43,263</u>	<u>(12,137)</u>
Expenditures:				
Materials and services	15,000	15,000	-	15,000
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>11,210</u>	<u>18,790</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>11,210</u>	<u>33,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,400</u>	<u>10,400</u>	<u>32,053</u>	<u>21,653</u>
Other financing sources (uses):				
Transfers out	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
Net change in fund balances	(21,600)	(21,600)	53	21,653
Fund balance:				
Beginning of year	<u>102,100</u>	<u>102,100</u>	<u>100,079</u>	<u>(2,021)</u>
End of year	<u>\$ 80,500</u>	<u>\$ 80,500</u>	<u>\$ 100,132</u>	<u>\$ 19,632</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, 2016

	<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>
ASSETS					
Cash and cash equivalents	\$ 353,674	\$ 58,336	\$ 13,551	\$ 58,033	\$ 483,594
Total assets	<u>\$ 353,674</u>	<u>\$ 58,336</u>	<u>\$ 13,551</u>	<u>\$ 58,033</u>	<u>\$ 483,594</u>
Net Position:					
Restricted	\$ -	\$ -	\$ 13,551	\$ -	\$ 13,551
Unrestricted	<u>353,674</u>	<u>58,336</u>	<u>-</u>	<u>58,033</u>	<u>470,043</u>
Total net position	<u>353,674</u>	<u>58,336</u>	<u>13,551</u>	<u>58,033</u>	<u>483,594</u>
Total liabilities and net position	<u>\$ 353,674</u>	<u>\$ 58,336</u>	<u>\$ 13,551</u>	<u>\$ 58,033</u>	<u>\$ 483,594</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, 2016

	<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	\$ 968,116	\$ 15,424	\$ -	\$ 7,900	\$ 991,440
Miscellaneous	<u>12,752</u>	<u>412</u>	<u>-</u>	<u>-</u>	<u>13,164</u>
Total operating revenues	<u>980,868</u>	<u>15,836</u>	<u>-</u>	<u>7,900</u>	<u>1,004,604</u>
Operating expenses:					
Personal services	420,983	-	-	-	420,983
Materials and services	<u>331,142</u>	<u>20,292</u>	<u>-</u>	<u>7,049</u>	<u>358,483</u>
Total operating expenses	<u>752,125</u>	<u>20,292</u>	<u>-</u>	<u>7,049</u>	<u>779,466</u>
Operating income (loss)	<u>228,743</u>	<u>(4,456)</u>	<u>-</u>	<u>851</u>	<u>225,138</u>
Nonoperating revenues (expenses):					
Investment earnings	2,096	273	205	355	2,929
Capital outlay	<u>-</u>	<u>(16,789)</u>	<u>(52,190)</u>	<u>(250,587)</u>	<u>(319,566)</u>
Total nonoperating revenues (expenses)	<u>2,096</u>	<u>(16,516)</u>	<u>(51,985)</u>	<u>(250,232)</u>	<u>(316,637)</u>
Income (loss) before capital contributions and transfers	230,839	(20,972)	(51,985)	(249,381)	(91,499)
Capital contributions:					
System development charges	<u>-</u>	<u>-</u>	<u>30,342</u>	<u>-</u>	<u>30,342</u>
Transfers in	-	25,000	-	325,000	350,000
Transfers out	<u>(140,000)</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(230,000)</u>
Total transfers	<u>(140,000)</u>	<u>25,000</u>	<u>-</u>	<u>235,000</u>	<u>120,000</u>
Change in net position	90,839	4,028	(21,643)	(14,381)	58,843
Total net position- beginning	<u>262,835</u>	<u>54,308</u>	<u>35,194</u>	<u>72,414</u>	<u>424,751</u>
Total net position- ending	<u>\$ 353,674</u>	<u>\$ 58,336</u>	<u>\$ 13,551</u>	<u>\$ 58,033</u>	<u>\$ 483,594</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Water Enterprise Funds

For the Year Ended June 30, 2016

	<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>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 980,868	\$ 15,836	\$ -	\$ 7,900	\$ 1,004,604
Payments to suppliers	(331,142)	(20,292)	-	(7,049)	(358,483)
Payments to employees	(420,983)	-	-	-	(420,983)
Net cash provided (used) by operating activities	<u>228,743</u>	<u>(4,456)</u>	<u>-</u>	<u>851</u>	<u>225,138</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	25,000	-	325,000	350,000
Transfers out	(140,000)	-	-	(90,000)	(230,000)
Net cash provided (used) by noncapital financing activities	<u>(140,000)</u>	<u>25,000</u>	<u>-</u>	<u>235,000</u>	<u>120,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	(16,789)	(52,190)	(250,587)	(319,566)
System development charges	-	-	30,342	-	30,342
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(16,789)</u>	<u>(21,848)</u>	<u>(250,587)</u>	<u>(289,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>2,096</u>	<u>273</u>	<u>205</u>	<u>355</u>	<u>2,929</u>
Net change in cash and cash equivalents	90,839	4,028	(21,643)	(14,381)	58,843
Cash and cash equivalents - beginning	<u>262,835</u>	<u>54,308</u>	<u>35,194</u>	<u>72,414</u>	<u>424,751</u>
Cash and cash equivalents - ending	<u>\$ 353,674</u>	<u>\$ 58,336</u>	<u>\$ 13,551</u>	<u>\$ 58,033</u>	<u>\$ 483,594</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 955,000	\$ 993,200	\$ 968,116	\$ (25,084)
Investment earnings	700	700	2,096	1,396
Other	<u>3,500</u>	<u>8,500</u>	<u>12,752</u>	<u>4,252</u>
Total revenues	<u>959,200</u>	<u>1,002,400</u>	<u>982,964</u>	<u>(19,436)</u>
Expenses:				
Personal services	468,900	468,900	420,983	47,917
Materials and services	334,600	392,800	331,142	61,658
Contingency	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>818,500</u>	<u>861,700</u>	<u>752,125</u>	<u>109,575</u>
Excess (deficiency) of revenues over (under) expenses	<u>140,700</u>	<u>140,700</u>	<u>230,839</u>	<u>90,139</u>
Other financing sources (uses):				
Transfers out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Net change in net position	700	700	90,839	90,139
Net Position:				
Beginning of year	<u>212,100</u>	<u>212,100</u>	<u>262,835</u>	<u>50,735</u>
End of year	<u>\$ 212,800</u>	<u>\$ 212,800</u>	<u>\$ 353,674</u>	<u>\$ 140,874</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 15,424	\$ (4,576)
Investment earnings	200	200	273	73
Other	<u>-</u>	<u>-</u>	<u>412</u>	<u>412</u>
Total revenues	<u>20,200</u>	<u>20,200</u>	<u>16,109</u>	<u>(4,091)</u>
Expenses:				
Materials and services	47,000	47,000	20,292	26,708
Capital outlay	<u>17,000</u>	<u>17,000</u>	<u>16,789</u>	<u>211</u>
Total expenses	<u>64,000</u>	<u>64,000</u>	<u>37,081</u>	<u>26,919</u>
Excess (deficiency) of revenues over (under) expenses	<u>(43,800)</u>	<u>(43,800)</u>	<u>(20,972)</u>	<u>22,828</u>
Other financing sources (uses):				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in net position	(18,800)	(18,800)	4,028	22,828
Net position:				
Beginning of year	<u>44,500</u>	<u>44,500</u>	<u>54,308</u>	<u>9,808</u>
End of year	<u>\$ 25,700</u>	<u>\$ 25,700</u>	<u>\$ 58,336</u>	<u>\$ 32,636</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 205	\$ (295)
System development charges	<u>18,000</u>	<u>18,000</u>	<u>30,342</u>	<u>12,342</u>
Total revenues	<u>18,500</u>	<u>18,500</u>	<u>30,547</u>	<u>12,047</u>
Expenses:				
Capital outlay	<u>140,000</u>	<u>140,000</u>	<u>52,190</u>	<u>87,810</u>
Total expenses	<u>140,000</u>	<u>140,000</u>	<u>52,190</u>	<u>87,810</u>
Excess (deficiency) of revenues over (under) expenses	<u>(121,500)</u>	<u>(121,500)</u>	<u>(21,643)</u>	<u>99,857</u>
 Net change in net position	 (121,500)	 (121,500)	 (21,643)	 99,857
Net position:				
Beginning of year	<u>127,400</u>	<u>127,400</u>	<u>35,194</u>	<u>(92,206)</u>
End of year	<u>\$ 5,900</u>	<u>\$ 5,900</u>	<u>\$ 13,551</u>	<u>\$ 7,651</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, 2016

	<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	\$ 7,900	\$ (600)
Investment earnings	<u>1,100</u>	<u>1,100</u>	<u>355</u>	<u>(745)</u>
Total revenues	<u>9,600</u>	<u>9,600</u>	<u>8,255</u>	<u>(1,345)</u>
Expenses:				
Materials and services	7,500	7,500	7,049	451
Capital outlay	<u>219,000</u>	<u>434,000</u>	<u>250,587</u>	<u>183,413</u>
Total expenses	<u>226,500</u>	<u>441,500</u>	<u>257,636</u>	<u>183,864</u>
Excess (deficiency) of revenues over (under) expenses	<u>(216,900)</u>	<u>(431,900)</u>	<u>(249,381)</u>	<u>182,519</u>
Other financing sources (uses):				
Transfers in	110,000	325,000	325,000	-
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>235,000</u>	<u>235,000</u>	<u>-</u>
Net change in net position	(196,900)	(196,900)	(14,381)	182,519
Net position:				
Beginning of year	<u>202,800</u>	<u>202,800</u>	<u>72,414</u>	<u>(130,386)</u>
End of year	<u>\$ 5,900</u>	<u>\$ 5,900</u>	<u>\$ 58,033</u>	<u>\$ 52,133</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Net Position - Modified Cash Basis

Sewer Enterprise Funds

June 30, 2016

	<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>
ASSETS						
Cash and cash equivalents	<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>
Total assets	<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:						
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 1,922,050	\$ 1,922,050
Unrestricted	<u>393,356</u>	<u>52,523</u>	<u>1,194,901</u>	<u>43,507</u>	<u>-</u>	<u>1,684,287</u>
Total net position	<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>
Total liabilities and net position	<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>

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, 2016

	<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	\$ 1,424,102	\$ -	\$ -	\$ -	\$ -	\$ 1,424,102
Miscellaneous	<u>6,929</u>	<u>-</u>	<u>2,177</u>	<u>-</u>	<u>-</u>	<u>9,106</u>
Total operating revenues	<u>1,431,031</u>	<u>-</u>	<u>2,177</u>	<u>-</u>	<u>-</u>	<u>1,433,208</u>
Operating expenses:						
Personal services	430,001	-	-	-	-	430,001
Materials and services	<u>393,373</u>	<u>12,831</u>	<u>250,203</u>	<u>-</u>	<u>-</u>	<u>656,407</u>
Total operating expenses	<u>823,374</u>	<u>12,831</u>	<u>250,203</u>	<u>-</u>	<u>-</u>	<u>1,086,408</u>
Operating income (loss)	<u>607,657</u>	<u>(12,831)</u>	<u>(248,026)</u>	<u>-</u>	<u>-</u>	<u>346,800</u>
Nonoperating revenues (expenses):						
Investment earnings	2,865	227	6,054	273	11,303	20,722
Capital outlay	<u>-</u>	<u>-</u>	<u>(2,694)</u>	<u>(34,686)</u>	<u>(12,663)</u>	<u>(50,043)</u>
Total nonoperating revenues (expenses)	<u>2,865</u>	<u>227</u>	<u>3,360</u>	<u>(34,413)</u>	<u>(1,360)</u>	<u>(29,321)</u>
Income (loss) before capital contributions and transfers	610,522	(12,604)	(244,666)	(34,413)	(1,360)	317,479
Capital contributions:						
System development charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,887</u>	<u>427,887</u>
Transfers in	-	30,000	570,000	45,000	-	645,000
Transfers out	<u>(560,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(560,000)</u>
Total transfers	<u>(560,000)</u>	<u>30,000</u>	<u>570,000</u>	<u>45,000</u>	<u>-</u>	<u>85,000</u>
Change in net position	50,522	17,396	325,334	10,587	426,527	830,366
Total net position- beginning	<u>342,834</u>	<u>35,127</u>	<u>869,567</u>	<u>32,920</u>	<u>1,495,523</u>	<u>2,775,971</u>
Total net position- ending	<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>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Sewer Enterprise Funds

For the Year Ended June 30, 2016

	<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>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 1,431,031	\$ -	\$ 2,177	\$ -	\$ -	\$ 1,433,208
Payments to suppliers	(393,373)	(12,831)	(250,203)	-	-	(656,407)
Payments to employees	(430,001)	-	-	-	-	(430,001)
Net cash provided (used) by operating activities	<u>607,657</u>	<u>(12,831)</u>	<u>(248,026)</u>	<u>-</u>	<u>-</u>	<u>346,800</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	30,000	570,000	45,000	-	645,000
Transfers out	(560,000)	-	-	-	-	(560,000)
Net cash provided (used) by noncapital financing activities	<u>(560,000)</u>	<u>30,000</u>	<u>570,000</u>	<u>45,000</u>	<u>-</u>	<u>85,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	(2,694)	(34,686)	(12,663)	(50,043)
System development charges	-	-	-	-	427,887	427,887
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,694)</u>	<u>(34,686)</u>	<u>415,224</u>	<u>377,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	<u>2,865</u>	<u>227</u>	<u>6,054</u>	<u>273</u>	<u>11,303</u>	<u>20,722</u>
Net change in cash and cash equivalents	50,522	17,396	325,334	10,587	426,527	830,366
Cash and cash equivalents - beginning	<u>342,834</u>	<u>35,127</u>	<u>869,567</u>	<u>32,920</u>	<u>1,495,523</u>	<u>2,775,971</u>
Cash and cash equivalents - ending	<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>

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 1,446,500	\$ 1,451,500	\$ 1,424,102	\$ (27,398)
Investment earnings	2,000	2,000	2,865	865
Other	<u>7,000</u>	<u>7,000</u>	<u>6,929</u>	<u>(71)</u>
Total revenues	<u>1,455,500</u>	<u>1,460,500</u>	<u>1,433,896</u>	<u>(26,604)</u>
Expenses:				
Personal services	482,400	482,400	430,001	52,399
Materials and services	406,500	441,500	393,373	48,127
Capital outlay	200	200	-	200
Contingency	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>919,100</u>	<u>924,100</u>	<u>823,374</u>	<u>100,726</u>
Excess (deficiency) of revenues over (under) expenses	<u>536,400</u>	<u>536,400</u>	<u>610,522</u>	<u>74,122</u>
Other financing sources (uses):				
Transfers out	<u>(560,000)</u>	<u>(560,000)</u>	<u>(560,000)</u>	<u>-</u>
Net change in net position	(23,600)	(23,600)	50,522	74,122
Net position:				
Beginning of year	<u>372,000</u>	<u>372,000</u>	<u>342,834</u>	<u>(29,166)</u>
End of year	<u>\$ 348,400</u>	<u>\$ 348,400</u>	<u>\$ 393,356</u>	<u>\$ 44,956</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 227	\$ 127
Total revenues	<u>100</u>	<u>100</u>	<u>227</u>	<u>127</u>
Expenses:				
Materials and services	<u>30,000</u>	<u>30,000</u>	<u>12,831</u>	<u>17,169</u>
Total expenses	<u>30,000</u>	<u>30,000</u>	<u>12,831</u>	<u>17,169</u>
Excess (deficiency) of revenues over (under) expenses	<u>(29,900)</u>	<u>(29,900)</u>	<u>(12,604)</u>	<u>17,296</u>
Other financing sources (uses):				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in net position	100	100	17,396	17,296
Net position:				
Beginning of year	<u>33,400</u>	<u>33,400</u>	<u>35,127</u>	<u>1,727</u>
End of year	<u>\$ 33,500</u>	<u>\$ 33,500</u>	<u>\$ 52,523</u>	<u>\$ 19,023</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 2,500	\$ 2,500	\$ 6,054	\$ 3,554
Other	<u>2,100</u>	<u>2,100</u>	<u>2,177</u>	<u>77</u>
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>8,231</u>	<u>3,631</u>
Expenses:				
Materials and services	275,000	275,000	250,203	24,797
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>2,694</u>	<u>306</u>
Total expenses	<u>278,000</u>	<u>278,000</u>	<u>252,897</u>	<u>25,103</u>
Excess (deficiency) of revenues over (under) expenses	<u>(273,400)</u>	<u>(273,400)</u>	<u>(244,666)</u>	<u>28,734</u>
Other financing sources (uses):				
Transfers in	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>	<u>-</u>
Net change in net position	296,600	296,600	325,334	28,734
Net position:				
Beginning of year	<u>30,500</u>	<u>30,500</u>	<u>869,567</u>	<u>839,067</u>
End of year	<u>\$ 327,100</u>	<u>\$ 327,100</u>	<u>\$ 1,194,901</u>	<u>\$ 867,801</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 273	\$ 73
Total revenues	<u>200</u>	<u>200</u>	<u>273</u>	<u>73</u>
Expenses:				
Capital outlay	<u>45,500</u>	<u>45,500</u>	<u>34,686</u>	<u>10,814</u>
Total expenses	<u>45,500</u>	<u>45,500</u>	<u>34,686</u>	<u>10,814</u>
Excess (deficiency) of revenues over (under) expenses	<u>(45,300)</u>	<u>(45,300)</u>	<u>(34,413)</u>	<u>10,887</u>
Other financing sources (uses):				
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in net position	(300)	(300)	10,587	10,887
Net position:				
Beginning of year	<u>42,700</u>	<u>42,700</u>	<u>32,920</u>	<u>(9,780)</u>
End of year	<u>\$ 42,400</u>	<u>\$ 42,400</u>	<u>\$ 43,507</u>	<u>\$ 1,107</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 9,500	\$ 9,500	\$ 11,303	\$ 1,803
System development charges	<u>138,000</u>	<u>138,000</u>	<u>427,887</u>	<u>289,887</u>
Total revenues	<u>147,500</u>	<u>147,500</u>	<u>439,190</u>	<u>291,690</u>
Expenses:				
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>12,663</u>	<u>37,337</u>
Total expenses	<u>50,000</u>	<u>50,000</u>	<u>12,663</u>	<u>37,337</u>
Excess (deficiency) of revenues over (under) expenses	<u>97,500</u>	<u>97,500</u>	<u>426,527</u>	<u>329,027</u>
Net change in net position	97,500	97,500	426,527	329,027
Net Position:				
Beginning of year	<u>1,137,100</u>	<u>1,137,100</u>	<u>1,495,523</u>	<u>358,423</u>
End of year	<u>\$ 1,234,600</u>	<u>\$ 1,234,600</u>	<u>\$ 1,922,050</u>	<u>\$ 687,450</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Net Position - Modified Cash Basis

Sanitation Enterprise Funds

June 30, 2016

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	<u>\$ 258,560</u>	<u>\$ 272,993</u>	<u>\$ 58,169</u>	<u>\$ 589,722</u>
Total assets	<u>\$ 258,560</u>	<u>\$ 272,993</u>	<u>\$ 58,169</u>	<u>\$ 589,722</u>
Net Position:				
Unrestricted	<u>\$ 258,560</u>	<u>\$ 272,993</u>	<u>\$ 58,169</u>	<u>\$ 589,722</u>
Total net position	<u>258,560</u>	<u>272,993</u>	<u>58,169</u>	<u>589,722</u>
Total liabilities and net position	<u>\$ 258,560</u>	<u>\$ 272,993</u>	<u>\$ 58,169</u>	<u>\$ 589,722</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, 2016

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 837,344	\$ -	\$ -	\$ 837,344
Miscellaneous	<u>18,362</u>	<u>162</u>	<u>-</u>	<u>18,524</u>
Total operating revenues	<u>855,706</u>	<u>162</u>	<u>-</u>	<u>855,868</u>
Operating expenses:				
Personal services	345,019	-	-	345,019
Materials and services	<u>410,384</u>	<u>-</u>	<u>656</u>	<u>411,040</u>
Total operating expenses	<u>755,403</u>	<u>-</u>	<u>656</u>	<u>756,059</u>
Operating income (loss)	<u>100,303</u>	<u>162</u>	<u>(656)</u>	<u>99,809</u>
Nonoperating revenues (expenses):				
Investment earnings	1,614	1,373	310	3,297
Capital outlay	<u>-</u>	<u>(9,940)</u>	<u>(26,318)</u>	<u>(36,258)</u>
Total nonoperating revenues (expenses)	<u>1,614</u>	<u>(8,567)</u>	<u>(26,008)</u>	<u>(32,961)</u>
Income (loss) before transfers	<u>101,917</u>	<u>(8,405)</u>	<u>(26,664)</u>	<u>66,848</u>
Transfers in	-	119,000	65,000	184,000
Transfers out	<u>(189,500)</u>	<u>-</u>	<u>-</u>	<u>(189,500)</u>
Total transfers	<u>(189,500)</u>	<u>119,000</u>	<u>65,000</u>	<u>(5,500)</u>
Change in net position	(87,583)	110,595	38,336	61,348
Total net position- beginning	<u>346,143</u>	<u>162,398</u>	<u>19,833</u>	<u>528,374</u>
Total net position- ending	<u>\$ 258,560</u>	<u>\$ 272,993</u>	<u>\$ 58,169</u>	<u>\$ 589,722</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Sanitation Enterprise Funds

For the Year Ended June 30, 2016

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 855,706	\$ 162	\$ -	\$ 855,868
Payments to suppliers	(410,384)	-	(656)	(411,040)
Payments to employees	<u>(345,019)</u>	<u>-</u>	<u>-</u>	<u>(345,019)</u>
Net cash provided (used) by operating activities	<u>100,303</u>	<u>162</u>	<u>(656)</u>	<u>99,809</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	119,000	65,000	184,000
Transfers out	<u>(189,500)</u>	<u>-</u>	<u>-</u>	<u>(189,500)</u>
Net cash provided (used) by noncapital financing activities	<u>(189,500)</u>	<u>119,000</u>	<u>65,000</u>	<u>(5,500)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	<u>-</u>	<u>(9,940)</u>	<u>(26,318)</u>	<u>(36,258)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(9,940)</u>	<u>(26,318)</u>	<u>(36,258)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>1,614</u>	<u>1,373</u>	<u>310</u>	<u>3,297</u>
Net change in cash and cash equivalents	(87,583)	110,595	38,336	61,348
Cash and cash equivalents - beginning	<u>346,143</u>	<u>162,398</u>	<u>19,833</u>	<u>528,374</u>
Cash and cash equivalents - ending	<u>\$ 258,560</u>	<u>\$ 272,993</u>	<u>\$ 58,169</u>	<u>\$ 589,722</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 800,000	\$ 826,300	\$ 837,344	\$ 11,044
Investment earnings	1,500	1,500	1,614	114
Other	<u>23,000</u>	<u>25,200</u>	<u>18,362</u>	<u>(6,838)</u>
Total revenues	<u>824,500</u>	<u>853,000</u>	<u>857,320</u>	<u>4,320</u>
Expenses:				
Personal services	367,300	372,300	345,019	27,281
Materials and services	383,900	447,400	410,384	37,016
Capital outlay	200	200	-	200
Contingency	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>766,400</u>	<u>819,900</u>	<u>755,403</u>	<u>64,497</u>
Excess (deficiency) of revenues over (under) expenses	<u>58,100</u>	<u>33,100</u>	<u>101,917</u>	<u>68,817</u>
Other financing sources (uses):				
Transfers out	<u>(214,500)</u>	<u>(189,500)</u>	<u>(189,500)</u>	<u>-</u>
Net change in net position	(156,400)	(156,400)	(87,583)	68,817
Net position:				
Beginning of year	<u>367,800</u>	<u>367,800</u>	<u>346,143</u>	<u>(21,657)</u>
End of year	<u>\$ 211,400</u>	<u>\$ 211,400</u>	<u>\$ 258,560</u>	<u>\$ 47,160</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,000	\$ 1,000	\$ 1,373	\$ 373
Other	-	-	162	162
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,535</u>	<u>535</u>
Expenses:				
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>9,940</u>	<u>60</u>
Total expenses	<u>10,000</u>	<u>10,000</u>	<u>9,940</u>	<u>60</u>
Excess (deficiency) of revenues over (under) expenses	<u>(9,000)</u>	<u>(9,000)</u>	<u>(8,405)</u>	<u>595</u>
Other financing sources (uses):				
Transfers in	<u>144,000</u>	<u>144,000</u>	<u>119,000</u>	<u>(25,000)</u>
Net change in net position	135,000	135,000	110,595	(24,405)
Net position:				
Beginning of year	<u>161,100</u>	<u>161,100</u>	<u>162,398</u>	<u>1,298</u>
End of year	<u>\$ 296,100</u>	<u>\$ 296,100</u>	<u>\$ 272,993</u>	<u>\$ (23,107)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 310	\$ 210
Total revenues	<u>100</u>	<u>100</u>	<u>310</u>	<u>210</u>
Expenses:				
Materials and services	1,000	1,000	656	344
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>26,318</u>	<u>3,682</u>
Total expenses	<u>31,000</u>	<u>31,000</u>	<u>26,974</u>	<u>4,026</u>
Excess (deficiency) of revenues over (under) expenses	<u>(30,900)</u>	<u>(30,900)</u>	<u>(26,664)</u>	<u>4,236</u>
Other financing sources (uses):				
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Net change in net position	34,100	34,100	38,336	4,236
Net position:				
Beginning of year	<u>14,200</u>	<u>14,200</u>	<u>19,833</u>	<u>5,633</u>
End of year	<u>\$ 48,300</u>	<u>\$ 48,300</u>	<u>\$ 58,169</u>	<u>\$ 9,869</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 425,500	\$ 425,500	\$ 391,526	\$ (33,974)
Investment earnings	200	200	157	(43)
Other	-	-	676	676
	<u>425,700</u>	<u>425,700</u>	<u>392,359</u>	<u>(33,341)</u>
Total revenues				
Expense:				
Personal services	185,600	185,600	177,559	8,041
Materials and services	239,800	239,800	216,254	23,546
Contingency	10,000	10,000	-	10,000
	<u>435,400</u>	<u>435,400</u>	<u>393,813</u>	<u>41,587</u>
Total expenses				
Excess (deficiency) of revenues over (under) expenses	<u>(9,700)</u>	<u>(9,700)</u>	<u>(1,454)</u>	<u>8,246</u>
Net change in net position	(9,700)	(9,700)	(1,454)	8,246
Net position:				
Beginning of year	<u>34,900</u>	<u>34,900</u>	<u>20,065</u>	<u>(14,835)</u>
End of year	<u>\$ 25,200</u>	<u>\$ 25,200</u>	<u>\$ 18,611</u>	<u>\$ (6,589)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions:				
Intergovernmental	\$ 61,700	\$ 61,700	\$ 48,841	\$ (12,859)
Investment earnings	100	100	256	156
Donations and special events	<u>9,400</u>	<u>9,400</u>	<u>4,804</u>	<u>(4,596)</u>
Total additions	<u>71,200</u>	<u>71,200</u>	<u>53,901</u>	<u>(17,299)</u>
Deductions:				
Personal services	79,300	79,300	69,893	9,407
Materials and services	<u>22,300</u>	<u>22,300</u>	<u>6,270</u>	<u>16,030</u>
Total deductions	<u>101,600</u>	<u>101,600</u>	<u>76,163</u>	<u>25,437</u>
Excess (deficiency) of additions over (under) deductions	<u>(30,400)</u>	<u>(30,400)</u>	<u>(22,262)</u>	<u>8,138</u>
Other financing sources (uses):				
Transfers in	<u>24,800</u>	<u>24,800</u>	<u>24,800</u>	<u>-</u>
Total other financing sources (uses)	<u>24,800</u>	<u>24,800</u>	<u>24,800</u>	<u>-</u>
Net change in net position	(5,600)	(5,600)	2,538	8,138
Net position:				
Beginning of year	<u>15,000</u>	<u>15,000</u>	<u>11,869</u>	<u>(3,131)</u>
End of year	<u>\$ 9,400</u>	<u>\$ 9,400</u>	<u>\$ 14,407</u>	<u>\$ 5,007</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, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
ASSETS				
Cash and cash equivalents	<u>\$ 14,960</u>	<u>\$ 209,230</u>	<u>\$ (204,418)</u>	<u>\$ 19,772</u>
LIABILITIES AND NET POSITION				
Fines and bails	<u>\$ 14,960</u>	<u>\$ 209,230</u>	<u>\$ (204,418)</u>	<u>\$ 19,772</u>

TREND INFORMATION

CITY OF JUNCTION CITY, OREGON

Net Position by Component

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
Governmental activities					
Restricted	\$ 2,724,610	\$ 2,792,423	\$ 2,670,868	\$ 2,432,554	\$ 2,622,944
Unrestricted	<u>3,069,067</u>	<u>2,902,421</u>	<u>2,635,101</u>	<u>2,584,492</u>	<u>2,480,819</u>
Total governmental activities net position	<u>\$ 5,793,677</u>	<u>\$ 5,694,844</u>	<u>\$ 5,305,969</u>	<u>\$ 5,017,046</u>	<u>\$ 5,103,763</u>
Business-type activities					
Restricted	\$ 1,935,601	\$ 1,530,717	\$ 2,832,661	\$ 2,531,562	\$ 2,116,921
Unrestricted	<u>2,744,052</u>	<u>2,198,379</u>	<u>1,631,163</u>	<u>4,276,769</u>	<u>5,054,210</u>
Total business-type activities net position	<u>\$ 4,679,653</u>	<u>\$ 3,729,096</u>	<u>\$ 4,463,824</u>	<u>\$ 6,808,331</u>	<u>\$ 7,171,131</u>
Primary government					
Restricted	\$ 4,660,211	\$ 4,323,140	\$ 5,503,529	\$ 4,964,116	\$ 4,739,865
Unrestricted	<u>5,813,119</u>	<u>5,100,800</u>	<u>4,266,264</u>	<u>6,861,261</u>	<u>7,535,029</u>
Total net position	<u>\$ 10,473,330</u>	<u>\$ 9,423,940</u>	<u>\$ 9,769,793</u>	<u>\$ 11,825,377</u>	<u>\$ 12,274,894</u>

CITY OF JUNCTION CITY, OREGON

Changes in Net Position

Last Five Fiscal Years

(Modified Cash Basis)

Expenses	Fiscal Year Ended June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities					
General Government	\$ 1,288,046	\$ 1,026,117	\$ 1,207,777	\$ 1,320,285	\$ 5,027,653
Public Safety	2,010,384	1,725,207	1,874,793	1,796,822	1,792,498
Highways and streets	371,864	320,764	289,004	281,717	469,102
Economic development	185	3,146	21,756	5,810	18,637
Culture and recreation	660,900	588,416	553,649	776,554	770,168
Total governmental activities	<u>4,331,379</u>	<u>3,663,650</u>	<u>3,946,979</u>	<u>4,181,188</u>	<u>8,078,058</u>
Business-type activities					
Water	1,099,032	1,149,899	1,223,828	1,157,378	1,217,276
Sewer	1,136,451	2,536,708	3,648,023	2,178,043	1,881,155
Sanitation	792,317	678,178	650,207	822,304	720,426
Total business-type activities	<u>3,027,800</u>	<u>4,364,785</u>	<u>5,522,058</u>	<u>4,157,725</u>	<u>3,818,857</u>
Total expenses	<u>\$ 7,359,179</u>	<u>\$ 8,028,435</u>	<u>\$ 9,469,037</u>	<u>\$ 8,338,913</u>	<u>\$ 11,896,915</u>

CITY OF JUNCTION CITY, OREGON

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
Program revenues					
Governmental activities					
Charges for services					
General Government	\$ 959,166	\$ 589,779	\$ 714,183	\$ 614,028	\$ 539,383
Public Safety	-	378	22	9,883	42
Highways and streets	19,177	7,505	2,306	4,191	4,178
Economic development	79,654	45,728	44,385	37,509	45,235
Culture and recreation	-	950	650	680	5,650
Operating grants and contributions	390,186	315,830	315,814	397,109	318,400
Capital grants and contributions	<u>72,094</u>	<u>94,043</u>	<u>76,063</u>	<u>245,596</u>	<u>1,027,712</u>
Total governmental activities	<u>1,520,277</u>	<u>1,054,213</u>	<u>1,153,423</u>	<u>1,308,996</u>	<u>1,940,600</u>
Business-type activities					
Charges for services					
Water	1,034,946	1,146,663	990,784	999,790	743,567
Sewer	1,861,095	1,688,124	1,597,888	1,712,062	1,464,164
Sanitation	855,868	797,573	763,618	747,442	721,176
Capital grants and contributions	-	-	-	300,000	-
Total business-type activities	<u>3,751,909</u>	<u>3,632,360</u>	<u>3,352,290</u>	<u>3,759,294</u>	<u>2,928,907</u>
Total program revenues	<u>\$ 5,272,186</u>	<u>\$ 4,686,573</u>	<u>\$ 4,505,713</u>	<u>\$ 5,068,290</u>	<u>\$ 4,869,507</u>
Net (expense)/revenue					
Governmental activities	\$ (2,811,102)	\$ (2,609,437)	\$ (2,793,556)	\$ (2,872,192)	\$ (6,137,458)
Business-type activities	<u>724,109</u>	<u>(732,425)</u>	<u>(2,169,768)</u>	<u>(398,431)</u>	<u>(889,950)</u>
Total net (expense) revenue	<u>\$ (2,086,993)</u>	<u>\$ (3,341,862)</u>	<u>\$ (4,963,324)</u>	<u>\$ (3,270,623)</u>	<u>\$ (7,027,408)</u>

CITY OF JUNCTION CITY, OREGON

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
General revenues and transfers					
Governmental activities					
Property taxes	\$ 2,286,146	\$ 2,187,950	\$ 2,084,931	\$ 2,029,597	\$ 1,952,801
Franchise taxes	415,651	399,692	391,305	365,198	376,285
Other taxes and receipts	395,931	385,437	376,219	356,116	350,074
Investment earnings	36,507	27,233	27,924	28,764	38,324
Transfer to fiduciary fund	(24,800)	(22,500)	-	-	-
Transfers in (out)	<u>(199,500)</u>	<u>20,500</u>	<u>202,100</u>	<u>5,800</u>	<u>(1,939,500)</u>
Total governmental activities	<u>2,909,935</u>	<u>2,998,312</u>	<u>3,082,479</u>	<u>2,785,475</u>	<u>777,984</u>
Business-type activities					
Investment earnings	26,948	18,197	27,361	41,431	33,192
Transfers in (out)	<u>199,500</u>	<u>(20,500)</u>	<u>(202,100)</u>	<u>(5,800)</u>	<u>1,939,500</u>
Total business-type activities	<u>226,448</u>	<u>(2,303)</u>	<u>(174,739)</u>	<u>35,631</u>	<u>1,972,692</u>
Total primary government	<u>\$ 3,136,383</u>	<u>\$ 2,996,009</u>	<u>\$ 2,907,740</u>	<u>\$ 2,821,106</u>	<u>\$ 2,750,676</u>
Change in net position					
Governmental activities	\$ 98,833	\$ 388,875	\$ 288,923	\$ (86,717)	\$ (5,359,474)
Business-type activities	<u>950,557</u>	<u>(734,728)</u>	<u>(2,344,507)</u>	<u>(362,800)</u>	<u>1,082,742</u>
Total change in net position	<u>\$ 1,049,390</u>	<u>\$ (345,853)</u>	<u>\$ (2,055,584)</u>	<u>\$ (449,517)</u>	<u>\$ (4,276,732)</u>

CITY OF JUNCTION CITY, OREGON

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

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
General Fund					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 1,685
Committed	103,641	78,626	59,562	77,164	89,302
Unassigned	<u>2,209,751</u>	<u>2,141,334</u>	<u>2,015,995</u>	<u>1,984,014</u>	<u>1,935,110</u>
Total general fund	<u>2,313,392</u>	<u>2,219,960</u>	<u>2,075,557</u>	<u>2,061,178</u>	<u>2,026,097</u>
All other governmental funds					
Restricted	\$ 2,724,610	\$ 2,792,423	\$ 2,670,868	\$ 2,432,554	\$ 2,381,259
Committed	<u>737,064</u>	<u>662,396</u>	<u>557,975</u>	<u>523,314</u>	<u>696,407</u>
Total all other governmental funds	<u>3,461,674</u>	<u>3,454,819</u>	<u>3,228,843</u>	<u>2,955,868</u>	<u>3,077,666</u>
Total governmental funds	<u>\$ 5,775,066</u>	<u>\$ 5,674,779</u>	<u>\$ 5,304,400</u>	<u>\$ 5,017,046</u>	<u>\$ 5,103,763</u>

CITY OF JUNCTION CITY, OREGON

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

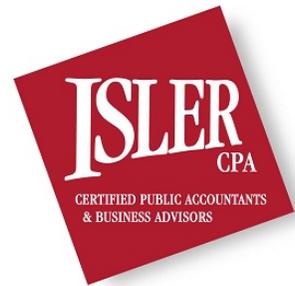
	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
REVENUES					
Taxes:					
Property	\$ 2,286,146	\$ 2,187,950	\$ 2,084,931	\$ 2,029,597	\$ 1,952,801
Franchise	415,651	399,692	391,305	365,198	376,285
Other	12,085	14,370	10,121	10,698	9,686
Licenses and permits	179,437	235,574	339,190	271,857	122,096
Intergovernmental	622,746	615,762	605,739	621,206	1,572,963
Charges for services	569,369	140,029	75,318	88,920	113,638
System development charges	185,544	137,504	124,163	340,818	88,693
Fines and forfeitures	154,289	147,330	239,058	193,021	232,158
Investment earnings	36,350	27,068	27,838	28,764	38,322
Principal received - program loans	78,047	40,154	36,989	29,693	33,793
Interest received - program loans	1,607	5,574	7,296	7,816	11,292
Contributions and donations	36,884	27,675	28,072	26,099	24,845
Other revenue	75,523	75,678	63,695	74,984	81,512
Total revenues	<u>4,653,678</u>	<u>4,054,360</u>	<u>4,033,715</u>	<u>4,088,671</u>	<u>4,658,084</u>
EXPENDITURES					
Current:					
General government	1,285,758	1,044,448	1,015,759	1,320,285	4,904,097
Public Safety	2,010,384	1,725,207	1,874,793	1,796,822	1,981,933
Highway and streets	371,864	320,764	289,004	281,717	469,102
Economic Development	185	3,146	21,756	5,810	18,637
Culture and recreation	660,900	588,416	553,649	776,554	704,289
Total expenditures	<u>4,329,091</u>	<u>3,681,981</u>	<u>3,754,961</u>	<u>4,181,188</u>	<u>8,078,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 324,587</u>	<u>\$ 372,379</u>	<u>\$ 278,754</u>	<u>\$ (92,517)</u>	<u>\$ (3,419,974)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	468,500	513,300	300,100	246,532	653,758
Transfers out	<u>(692,800)</u>	<u>(515,300)</u>	<u>(291,500)</u>	<u>(240,732)</u>	<u>(2,593,258)</u>
Total other financing sources (uses)	<u>(224,300)</u>	<u>(2,000)</u>	<u>8,600</u>	<u>5,800</u>	<u>(1,939,500)</u>
Net change in fund balances	<u>\$ 100,287</u>	<u>\$ 370,379</u>	<u>\$ 287,354</u>	<u>\$ (86,717)</u>	<u>\$ (5,359,474)</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
2016	\$ -	\$ -	\$ -	\$ -
2015	-	-	-	-
2014	-	-	-	-
2013	-	33,756	-	-
2012	-	65,084	20,754	-

COMPLIANCE SECTION



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, 2016, and have issued our report thereon dated November 4, 2016. 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).

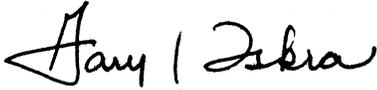
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except Note 1, H.

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 initial "A".

For Isler CPA
Eugene, Oregon
November 4, 2016