



**CITY OF JUNCTION CITY, OREGON**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

WITH

INDEPENDENT AUDITOR'S REPORT



**CITY OF JUNCTION CITY, OREGON**  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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Prepared by:  
Finance Department



**CITY OF JUNCTION CITY, OREGON**  
 Annual Financial Report  
 For the fiscal year ended June 30, 2015  
 Table of Contents

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i - ix
GFOA Award for Small Government Cash Basis Reports	x
Organizational Chart	xi
List of Elected Officials	xii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1 - 2
<b>Basic Financial Statements:</b>	
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 - 26
<b>Supplementary and Other Information Accompanying the Basic Financial Statements:</b>	
<b>General Fund Programs:</b>	
Combining Balance Sheet - General Fund Programs (Modified Cash Basis)	27
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund Programs (Modified Cash Basis)	28
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Programs (Modified Cash Basis):	
Viking Sal Senior Center Fund	29
Health Insurance Fund	30
Community Center Fund	31

**CITY OF JUNCTION CITY, OREGON**  
 Annual Financial Report  
 For the fiscal year ended June 30, 2015  
 Table of Contents

	<u>Page</u>
<b>FINANCIAL SECTION, CONTINUED</b>	
<b>Supplementary and Other Information Accompanying the Basic Financial Statements, continued</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet - Nonmajor Governmental Funds (Modified Cash Basis)	32
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds (Modified Cash Basis)	33
<b>Nonmajor Capital Project Funds</b>	
Combining Balance Sheet - Nonmajor Capital Projects Funds (Modified Cash Basis)	34 - 36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds (Modified Cash Basis)	37 - 39
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Project Funds (Modified Cash Basis):	
PW Building/Yard Reserve Fund	40
Police Vehicle & Equip Reserve Fund	41
Prairie Road Street Improvement Reserve Fund	42
Library Equip. & Build. Reserve Fund	43
Administration Vehicle Reserve	44
Park and Pool Equipment Reserve Fund	45
Bike Path Reserve Fund	46
Park System Development Fund	47
Computer Equipment Reserve Fund	48
DOC-IGA Infrastructure Capital Project	49
Street Equipment Reserve Fund	50
Building Replacement Reserve	51
<b>Major Capital Projects Funds</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Capital Projects Funds (Modified Cash Basis):	
Street System Development Fund	52
Building Reserve Fund	53
<b>Nonmajor Special Revenue Funds</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Funds (Modified Cash Basis):	
State Revenue Sharing Fund	54

**CITY OF JUNCTION CITY, OREGON**  
 Annual Financial Report  
 For the fiscal year ended June 30, 2015  
 Table of Contents

	<u>Page</u>
<b>FINANCIAL SECTION, CONTINUED</b>	
<b>Supplementary and Other Information Accompanying the Basic Financial Statements, continued</b>	
<b>Enterprise Funds</b>	
Combining Schedule of Net Position - Water Enterprise Funds (Modified Cash Basis)	55
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Water Enterprise Funds (Modified Cash Basis)	56
Combining Schedule of Cash Flows - Water Enterprise Funds (Modified Cash Basis)	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Funds (Modified Cash Basis):	
Water Fund	58
Water Equipment Reserve Fund	59
Water System Development Fund	60
Water System Improvement Fund	61
Combining Schedule of Net Position - Sewer Enterprise Funds (Modified Cash Basis)	62
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Sewer Enterprise Funds (Modified Cash Basis)	63
Combining Schedule of Cash Flows - Sewer Enterprise Funds (Modified Cash Basis)	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Funds (Modified Cash Basis):	
Sewer Fund	65
Sewer Ratepayer Assistance Fund	66
Sewer System Improvement Fund	67
Sewer Equipment Reserve Fund	68
Sewer System Development Fund	69
Combining Schedule of Net Position - Sanitation Enterprise Funds (Modified Cash Basis)	70
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Sanitation Enterprise Funds (Modified Cash Basis)	71
Combining Schedule of Cash Flows - Sanitation Enterprise Fund (Modified Cash Basis)	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sanitation Funds (Modified Cash Basis):	
Sanitation Fund	73
Sanitation Equipment Reserve Fund	74
Sanitation System Improvement Fund	75

**CITY OF JUNCTION CITY, OREGON**  
 Annual Financial Report  
 For the fiscal year ended June 30, 2015  
 Table of Contents

	<u>Page</u>
<b>FINANCIAL SECTION, CONTINUED</b>	
<b>Supplementary and Other Information Accompanying the Basic Financial Statements, continued</b>	
<b>Internal Service Fund</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Internal Service Fund (Budgetary Basis)	76
<b>Private-Purpose Trust Fund</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Private-Purpose Trust Fund (Budgetary Basis) - Special Police Programs Fund	77
<b>Agency Fund</b>	
Statement of Changes in Assets and Liabilities - Agency Fund - Municipal Court	78
<b>Schedule of Property tax transactions</b>	79
<b>TREND INFORMATION</b>	
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
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report Required by Oregon State Regulations	87 - 88

**INTRODUCTORY SECTION**



# CITY OF JUNCTION CITY

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

November 9, 2015

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, 2015. 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, 2015. 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 5,670.



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

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

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

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

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

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

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

## **Local Economy**

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

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

The City has recently completed important projects including the expansion of the urban growth boundary, installation of the waterline to connect a new elevated storage tank, upgrade and or expansion of a number of pump stations, installation of a bypass pumping system for all sewer pump stations, the completion of the City's skate park, construction of a new neighborhood park and enhancements to financial systems with the adoption of the City's broad range fiscal policies. For the year ended June 30, 2014, the City was the recipient of the Governmental Finance Officers Association's Small Government Cash Basis Reporting Award.

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 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 two 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's

recruiting process over the last two years. Unemployment rates for the County are currently at 6.4% as of September 2015, 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 220 in 2014. For calendar year 2015, total permits are at 196 through the 3<sup>rd</sup> 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, 2014 was 5,620, which represents a 3.5% increase since 2010 compared to a 1.9% increase for Lane County. 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	
	2015	2014	2015	2014	2015	2014
Total assets	\$ 5,719,156	\$ 5,327,762	\$ 3,729,096	\$ 4,463,849	\$ 9,448,252	\$ 9,791,611
Total liabilities	24,312	21,793	-	25	24,312	21,818
Net position:						
Restricted	2,792,423	2,670,868	1,530,717	2,832,661	4,323,140	5,503,529
Unrestricted	2,902,421	2,635,101	2,198,379	1,631,163	5,100,800	4,266,264
Total net position	\$ 5,694,844	\$ 5,305,969	\$ 3,729,096	\$ 4,463,824	\$ 9,423,940	\$ 9,769,793

For the year ended June 30, 2015, the overall modified cash basis net position of the City decreased by \$345,853. Of the total decrease, the governmental activities' net position increased by \$388,875 mostly due to the excess of revenues over expenditures.

The business-type activities overall modified cash basis net position decreased by \$734,728. The Sewer Funds had several large capital projects which accounted for \$1,570,981 in expenses, contributing to the decrease in net position overall.

## Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 644,340	\$ 761,546	\$ 3,632,360	\$ 3,352,290	\$ 4,276,700	\$ 4,113,836
Operating grants and contribu	315,830	315,814	-	-	315,830	315,814
Capital grants and contributio	94,043	76,063	-	-	94,043	76,063
General revenues:						
Property taxes	2,187,950	2,084,931	-	-	2,187,950	2,084,931
Franchise taxes	399,692	391,305	-	-	399,692	391,305
Other taxes	385,437	376,219	-	-	385,437	376,219
Investment income	27,233	27,924	18,197	27,361	45,430	55,285
Total revenues	4,054,525	4,033,802	3,650,557	3,379,651	7,705,082	7,413,453
<b>Expenses</b>						
General government	1,026,117	1,207,777	-	-	1,026,117	1,207,777
Public safety	1,725,207	1,874,793	-	-	1,725,207	1,874,793
Highways and streets	320,764	289,004	-	-	320,764	289,004
Economic development	3,146	21,756	-	-	3,146	21,756
Culture and recreation	588,416	553,649	-	-	588,416	553,649
Water	-	-	1,149,899	1,223,828	1,149,899	1,223,828
Sewer	-	-	2,536,708	3,648,023	2,536,708	3,648,023
Sanitation	-	-	678,178	650,207	678,178	650,207
Total expenses	3,663,650	3,946,979	4,364,785	5,522,058	8,028,435	9,469,037
Excess before special item and transfers	390,875	86,823	(714,228)	(2,142,407)	(323,353)	(2,055,584)
Transfers - fiduciary fund	(22,500)	-	-	-	(22,500)	-
Transfers - internal activity	20,500	202,100	(20,500)	(202,100)	-	-
Increase in net assets	388,875	288,923	(734,728)	(2,344,507)	(345,853)	(2,055,584)
Net position, beginning of year	5,305,969	5,017,046	4,463,824	6,808,331	9,769,793	11,825,377
Net position, end of year	\$ 5,694,844	\$ 5,305,969	\$ 3,729,096	\$ 4,463,824	\$ 9,423,940	\$ 9,769,793

## Governmental Funds

For the fiscal year ended June 30, 2015, the governmental funds reported a combined fund balance of \$5,674,779. The General Fund balance increased by \$125,339 and total revenues decreased by a combined amount of \$9,829 which included an increase to property taxes of \$103,019, reduction in licenses and permits of \$103,526, charges for services increased by \$63,787 and fines from Court operations decreased by \$91,728. The excess of revenues over expenditures, before transfers, in the General Fund was \$406,639 for fiscal year ended June 30, 2015. The Street Fund expended \$305,928 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 \$52,434 during the fiscal year. The Street System Development Fund end balance increased due to system development charges of \$56,191 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.

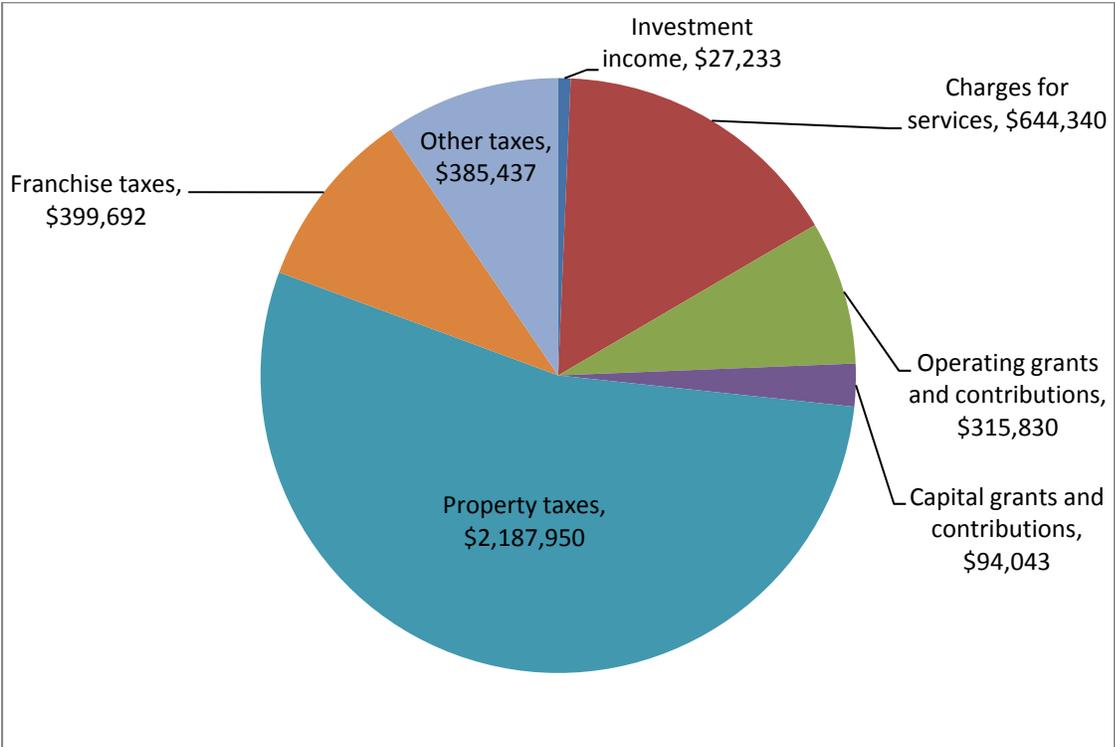
- On April 14, 2015 Council adopted resolution 1117 to fund an increase to the City Planner position from a half time position to full time. The resolution transferred contingency appropriations in the amount of \$9,600.

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

<u>Revenue Source</u>	<u>Budgeted revenue</u>	<u>Actual revenue</u>	<u>Difference</u>
Franchise Fees	372,400	399,692	27,292
Muni Court Fines	248,000	147,330	(100,670)
Licenses & Permits	316,000	234,044	(81,956)

Franchise revenue for Pacific Power franchise fees received were \$24,756 over the estimates for budget while other estimates for franchise fees were close to budgeted amounts. Actual Muni Court Fines decreased over the prior year due to decreased court activity. Licenses and Building Permits received were under the adjusted budget by \$81,956. Other Receipts included a reimbursement from the Oregon Department of Corrections for Administrative Expenditures in the amount of \$47,608.

### Governmental Activities Funding



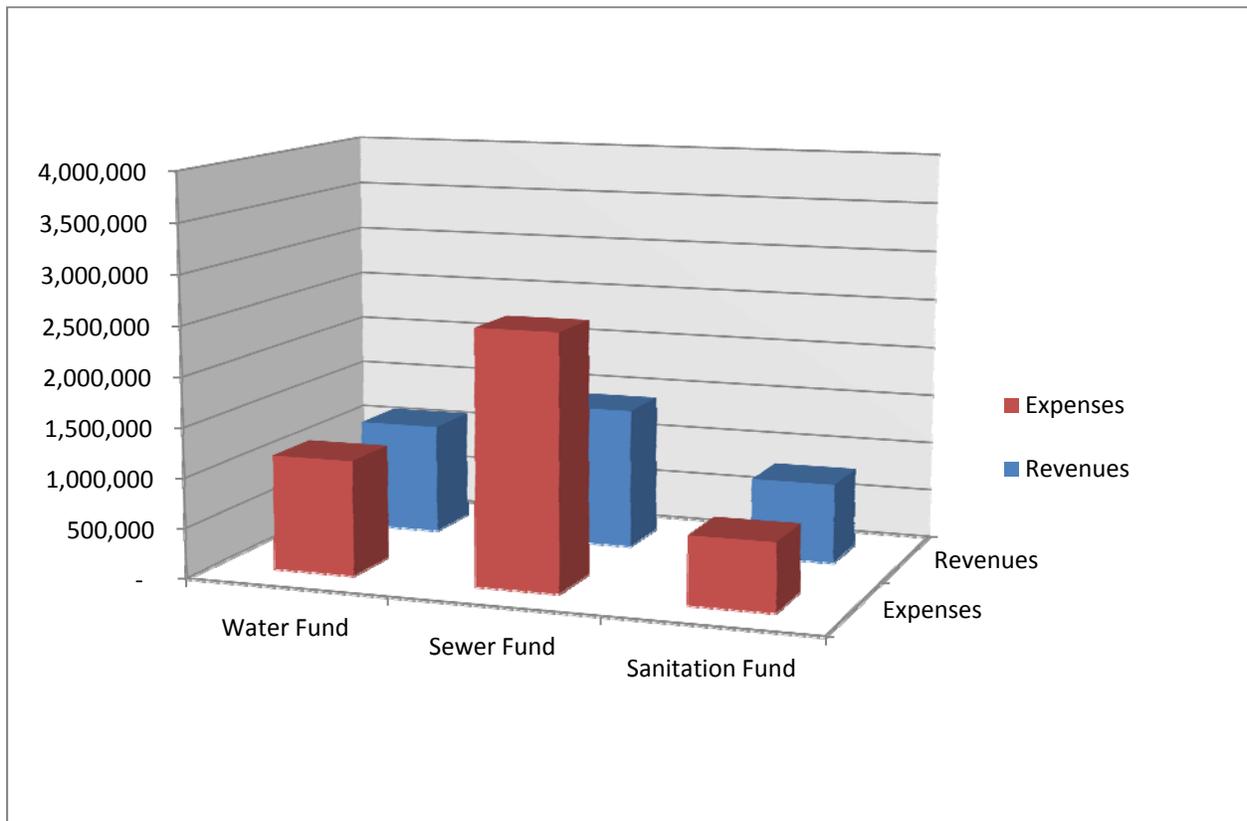
### Other Governmental Funds

The Business Development Loan Fund continued to receive loan principal payments from business loans made in prior years. The ending fund balance increased by \$57,274 over the prior year. The Street System Development Fund ending fund balance increased by \$60,533 over the prior year mostly due to system development charges paid to the City as development has continued within the City. The Building Reserve Fund balance decreased by \$51,798 due to several building related projects completed during the year.

## Proprietary Funds

For the fiscal year ended June 30, 2015 the enterprise funds reported a modified cash basis net position of \$3,729,096. This is a decrease of \$734,728 for the proprietary funds. Projects in the Water and Sewer funds contributed to the decrease. The capital expenditures in the Water Funds were \$333,650 and in the Sewer Funds the capital expenditures were \$1,570,981.

### Proprietary Funds Revenue and Expenses



## 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,

A handwritten signature in black ink, appearing to read 'Jason Knope', with a stylized, overlapping loop structure.

Jason Knope  
City Administrator

A handwritten signature in black ink, appearing to read 'Mike Crocker', with a cursive style and a long, sweeping tail.

Mike Crocker  
Finance Director



Government Finance Officers Association

# Award for Small Government Cash Basis Reports

Presented to

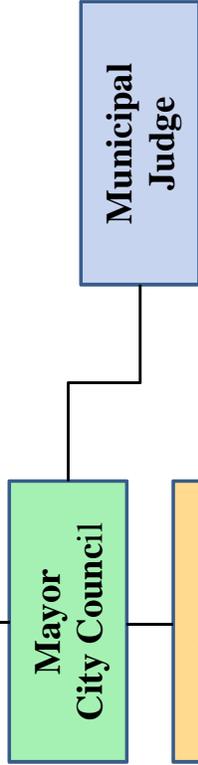
**City of Junction City  
Oregon**

For its Annual Financial Report  
for the Fiscal Year Ended

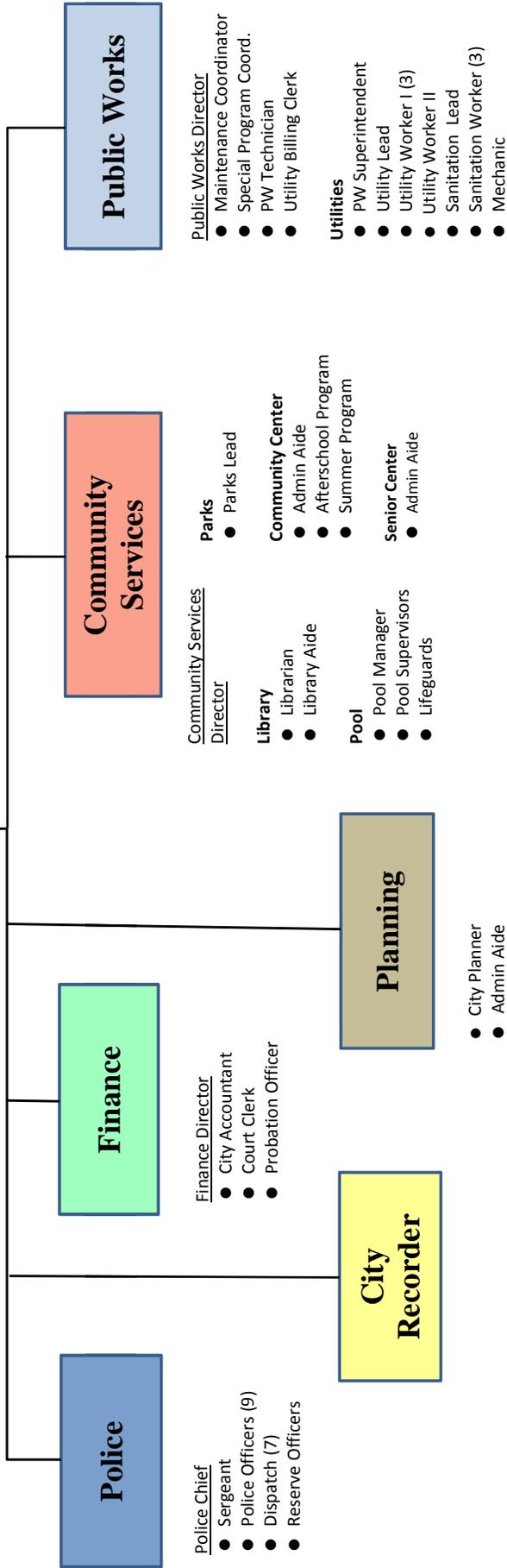
**June 30, 2014**

Executive Director/CEO

**City of Junction City  
Personnel Organization Chart  
FY2014/15**



- City Hall Receptionist



- Police Chief
- Sergeant
  - Police Officers (9)
  - Dispatch (7)
  - Reserve Officers

- Finance Director
- City Accountant
  - Court Clerk
  - Probation Officer

- City Planner
- Admin Aide

- Community Services Director
- Library**
- Librarian
  - Library Aide
- Pool**
- Pool Manager
  - Pool Supervisors
  - Lifeguards

- Parks**
- Parks Lead
- Community Center**
- Admin Aide
  - Afterschool Program
  - Summer Program
- Senior Center**
- Admin Aide

- Public Works Director
- Maintenance Coordinator
  - Special Program Coord.
  - PW Technician
  - Utility Billing Clerk
- Utilities**
- PW Superintendent
  - Utility Lead
  - Utility Worker I (3)
  - Utility Worker II
  - Sanitation Lead
  - Sanitation Worker (3)
  - Mechanic

**CITY OF JUNCTION CITY, OREGON**

List of Elected Officials

June 30, 2015

<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**



### **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, 2015, 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, and the aggregate remaining fund information of the City as of June 30, 2015, 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.

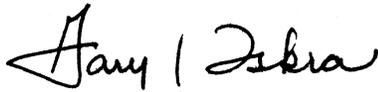
The combining and individual nonmajor fund financial statements, budgetary comparisons and other financial schedules on pages are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information 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 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 9, 2015 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 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 9, 2015

**BASIC FINANCIAL STATEMENTS**



**CITY OF JUNCTION CITY, OREGON**

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,710,853	\$ 3,729,096	\$ 9,439,949
Developer advances	<u>8,303</u>	<u>-</u>	<u>8,303</u>
Total assets	<u>\$ 5,719,156</u>	<u>\$ 3,729,096</u>	<u>\$ 9,448,252</u>
<b>LIABILITIES</b>			
Due to others	<u>\$ 24,312</u>	<u>\$ -</u>	<u>\$ 24,312</u>
Total liabilities	<u>24,312</u>	<u>-</u>	<u>24,312</u>
<b>NET POSITION</b>			
Restricted for:			
Streets and bicycle paths	1,237,795	-	1,237,795
Business development	1,159,317	-	1,159,317
System development	295,232	1,530,717	1,825,949
State revenue sharing	100,079	-	100,079
Unrestricted	<u>2,902,421</u>	<u>2,198,379</u>	<u>5,100,800</u>
Total net position	<u>5,694,844</u>	<u>3,729,096</u>	<u>9,423,940</u>
Total liabilities and net position	<u>\$ 5,719,156</u>	<u>\$ 3,729,096</u>	<u>\$ 9,448,252</u>

**CITY OF JUNCTION CITY, OREGON**

Government-wide Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2015

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 1,026,117	\$ 589,779	\$ 247,314	\$ 37,852	\$ (151,172)	\$ -	\$ (151,172)
Public Safety	1,725,207	378	-	-	(1,724,829)	-	(1,724,829)
Highways and Streets	320,764	7,505	-	56,191	(257,068)	-	(257,068)
Economic Development	3,146	45,728	9,205	-	51,787	-	51,787
Culture and Recreation	588,416	950	59,311	-	(528,155)	-	(528,155)
<b>Total governmental activities</b>	<b>3,663,650</b>	<b>644,340</b>	<b>315,830</b>	<b>94,043</b>	<b>(2,609,437)</b>	<b>-</b>	<b>(2,609,437)</b>
<b>Business-type Activities:</b>							
Water	1,149,899	1,146,663	-	-	-	(3,236)	(3,236)
Sewer	2,536,708	1,688,124	-	-	-	(848,584)	(848,584)
Sanitation	678,178	797,573	-	-	-	119,395	119,395
<b>Total business - type activities</b>	<b>4,364,785</b>	<b>3,632,360</b>	<b>-</b>	<b>-</b>	<b>(2,609,437)</b>	<b>(732,425)</b>	<b>(3,341,862)</b>
<b>Total government</b>	<b>\$ 8,028,435</b>	<b>\$ 4,276,700</b>	<b>\$ 315,830</b>	<b>\$ 94,043</b>	<b>(2,609,437)</b>	<b>(732,425)</b>	<b>(3,341,862)</b>
<b>General revenues:</b>							
Property taxes					2,187,950	-	2,187,950
Franchise taxes					399,692	-	399,692
Other taxes and receipts					385,437	-	385,437
Unrestricted investment earnings					27,233	18,197	45,430
Transfer to fiduciary fund					(22,500)	-	(22,500)
Transfers - internal activity					20,500	(20,500)	-
<b>Total general revenues and transfers</b>					<b>2,998,312</b>	<b>(2,303)</b>	<b>2,996,009</b>
Change in net position					388,875	(734,728)	(345,853)
Net position- beginning					5,305,969	4,463,824	9,769,793
Net position- ending					\$ 5,694,844	\$ 3,729,096	\$ 9,423,940

**CITY OF JUNCTION CITY, OREGON**

Balance Sheet - Modified Cash Basis  
Governmental Funds  
June 30, 2015

	General Fund Programs	Street Fund	Business Development Loan Fund	Street System Development Fund	Building Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,235,969	\$ 275,859	\$ 1,159,317	\$ 923,816	\$ 103,681	\$ 992,146	\$ 5,690,788
Developer advances	8,303	-	-	-	-	-	8,303
Total assets	<u>\$ 2,244,272</u>	<u>\$ 275,859</u>	<u>\$ 1,159,317</u>	<u>\$ 923,816</u>	<u>\$ 103,681</u>	<u>\$ 992,146</u>	<u>\$ 5,699,091</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to others	\$ 24,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,312
Total liabilities	<u>24,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,312</u>
Fund balances:							
Restricted:							
Streets and bicycle paths	-	275,859	-	923,816	-	38,120	1,237,795
Business development	-	-	1,159,317	-	-	-	1,159,317
System development	-	-	-	-	-	295,232	295,232
State revenue sharing	-	-	-	-	-	100,079	100,079
Committed:							
Viking Sal Senior Center	27,452	-	-	-	-	-	27,452
Health insurance	49,847	-	-	-	-	-	49,847
Community services	1,327	-	-	-	-	-	1,327
Building/equipment reserves	-	-	-	-	103,681	558,715	662,396
Unassigned	<u>2,141,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,141,334</u>
Total fund balances	<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>	<u>5,674,779</u>
Total liabilities and fund balances	<u>\$ 2,244,272</u>	<u>\$ 275,859</u>	<u>\$ 1,159,317</u>	<u>\$ 923,816</u>	<u>\$ 103,681</u>	<u>\$ 992,146</u>	<u>\$ 5,699,091</u>

Reconciliation to the Statement of Net Position:

The Internal Service fund is a proprietary fund and not reported with governmental funds. However, because the Internal Service fund primarily benefits governmental activities, its assets, liabilities, and net position are reported along with governmental activities in the Statement of Net Position.

Net position of governmental activities

20,065  
\$ 5,694,844

**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, 2015

	General Fund Programs	Street Fund	Business Development Loan Fund	Street System Development Fund	Building Reserve	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 2,187,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,187,950
Franchise	399,692	-	-	-	-	-	399,692
Other	14,370	-	-	-	-	-	14,370
Licenses and permits	234,044	1,530	-	-	-	-	235,574
Intergovernmental	197,637	314,426	9,205	-	-	94,494	615,762
Charges for services	140,029	-	-	-	-	-	140,029
System development charges	22,002	-	-	56,191	-	59,311	137,504
Fines and penalties	147,330	-	-	-	-	-	147,330
Interest	10,924	1,368	5,487	4,342	636	4,311	27,068
Principal received - loan program	-	-	40,154	-	-	-	40,154
Interest received - loan program	-	-	5,574	-	-	-	5,574
Donations and special events	27,675	-	-	-	-	-	27,675
Other	61,852	5,975	-	-	-	7,851	75,678
<b>Total Revenues</b>	<b>3,443,505</b>	<b>323,299</b>	<b>60,420</b>	<b>60,533</b>	<b>636</b>	<b>165,967</b>	<b>4,054,360</b>
<b>EXPENDITURES</b>							
Current:							
General Government	864,757	-	-	-	52,434	127,257	1,044,448
Public Safety	1,725,207	-	-	-	-	-	1,725,207
Highways and Streets	-	305,928	-	-	-	14,836	320,764
Economic Development	-	-	3,146	-	-	-	3,146
Culture and Recreation	564,638	-	-	-	-	23,778	588,416
<b>Total expenditures</b>	<b>3,154,602</b>	<b>305,928</b>	<b>3,146</b>	<b>-</b>	<b>52,434</b>	<b>165,871</b>	<b>3,681,981</b>
Excess (deficiency) of revenues over (under) expenditures	288,903	17,371	57,274	60,533	(51,798)	96	372,379
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	232,800	-	-	-	-	280,500	513,300
Transfers out	(377,300)	(22,000)	-	-	-	(116,000)	(515,300)
<b>Total other financing source (uses)</b>	<b>(144,500)</b>	<b>(22,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,500</b>	<b>(2,000)</b>
Net change in fund balances	144,403	(4,629)	57,274	60,533	(51,798)	164,596	370,379
Fund balances - beginning	2,075,557	280,488	1,102,043	863,283	155,479	827,549	4,444,699
Fund balances - ending	2,219,960	275,859	1,159,317	923,816	103,681	992,145	4,814,678

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

Change in net position of governmental activities

See accompanying notes to financial statements

**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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Property	\$ 2,194,000	\$ 2,194,000	\$ 2,187,950	\$ (6,050)
Franchise	372,400	372,400	399,692	27,292
Other	12,700	12,700	14,370	1,670
Licenses and permits	316,000	316,000	234,044	(81,956)
Intergovernmental	181,000	181,000	181,377	377
Charges for services	75,600	75,600	135,633	60,033
Fines and penalties	248,000	248,000	147,330	(100,670)
Investment earnings	12,400	12,400	10,482	(1,918)
Donations and special events	200	200	-	(200)
Other	19,900	19,900	15,811	(4,089)
System development charges	8,000	8,000	22,002	14,002
Total revenues	<u>3,440,200</u>	<u>3,440,200</u>	<u>3,348,691</u>	<u>(91,509)</u>
Expenditures:				
Personal services	2,409,300	2,418,900	2,165,029	253,871
Materials and services	873,700	873,700	777,023	96,677
Contingency	65,800	56,200	-	56,200
Total expenditures	<u>3,348,800</u>	<u>3,348,800</u>	<u>2,942,052</u>	<u>406,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,400</u>	<u>91,400</u>	<u>406,639</u>	<u>315,239</u>
Other financing sources (uses):				
Transfers in	96,000	96,000	96,000	-
Transfers out	<u>(377,300)</u>	<u>(377,300)</u>	<u>(377,300)</u>	<u>-</u>
Total other financing sources (uses)	<u>(281,300)</u>	<u>(281,300)</u>	<u>(281,300)</u>	<u>-</u>
Net change in fund balances	(189,900)	(189,900)	125,339	315,239
Fund balance:				
Beginning of year	<u>2,042,600</u>	<u>2,042,600</u>	<u>2,015,995</u>	<u>(26,605)</u>
End of year	<u>\$ 1,852,700</u>	<u>\$ 1,852,700</u>	\$ 2,141,334	<u>\$ 288,634</u>
Other funds included in General Fund Programs:				
Viking Sal Senior Center Fund			27,452	
Health Insurance Fund			49,847	
Community Center Fund			<u>1,327</u>	
Total General Fund Programs			<u>\$ 2,219,960</u>	

CITY OF JUNCTION CITY, OREGON

STREET FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget	Adjustment	Modified Cash Basis
Revenues:						
Licenses and permits	\$ 1,000	\$ 1,000	\$ 1,530	\$ 530	\$ -	\$ 1,530
Intergovernmental	314,500	314,500	314,426	(74)	-	314,426
Investment earnings	1,100	1,100	1,368	268	-	1,368
Other	201,200	201,200	5,975	(195,225)	-	5,975
Total revenues	517,800	517,800	323,299	(194,501)	-	323,299
Expenditures:						
Personal services	89,500	89,500	79,093	10,407	14,200	93,293
Materials and services	130,300	170,300	140,909	29,391	-	140,909
Capital outlay	235,000	235,000	71,726	163,274	-	71,726
Contingency	120,000	80,000	-	80,000	-	-
Total expenditures	574,800	574,800	291,728	283,072	14,200	305,928
Excess (deficiency) of revenues over (under) expenditures	(57,000)	(57,000)	31,571	88,571	(14,200)	17,371
Other financing sources (uses):						
Transfers out	(36,200)	(36,200)	(36,200)	-	14,200	(22,000)
Total other financing sources (uses)	(36,200)	(36,200)	(36,200)	-	14,200	(22,000)
Net change in fund balances	(93,200)	(93,200)	(4,629)	88,571	-	(4,629)
Fund balance:						
Beginning of year	310,900	310,900	280,488	(30,412)	-	280,488
End of year	\$ 217,700	\$ 217,700	\$ 275,859	\$ 58,159	\$ -	\$ 275,859

**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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 8,800	\$ 8,800	\$ 9,205	\$ 405
Investment earnings	<u>50,300</u>	<u>50,300</u>	<u>51,215</u>	<u>915</u>
Total revenues	<u>59,100</u>	<u>59,100</u>	<u>60,420</u>	<u>1,320</u>
Expenditures:				
Materials and services	<u>866,800</u>	<u>866,800</u>	<u>3,146</u>	<u>863,654</u>
Total expenditures	<u>866,800</u>	<u>866,800</u>	<u>3,146</u>	<u>863,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(807,700)</u>	<u>(807,700)</u>	<u>57,274</u>	<u>864,974</u>
Other financing sources (uses):				
Net change in fund balances	(807,700)	(807,700)	57,274	864,974
Fund balance:				
Beginning of year	<u>1,103,200</u>	<u>1,103,200</u>	<u>1,102,043</u>	<u>(1,157)</u>
End of year	<u>\$ 295,500</u>	<u>\$ 295,500</u>	<u>\$ 1,159,317</u>	<u>\$ 863,817</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Net Position - Modified Cash Basis

Proprietary Funds

June 30, 2015

	Business-Type Activities				Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 424,751	\$ 2,775,971	\$ 528,374	\$ 3,729,096	\$ 20,065
Total assets	<u>\$ 424,751</u>	<u>\$ 2,775,971</u>	<u>\$ 528,374</u>	<u>\$ 3,729,096</u>	<u>\$ 20,065</u>
<b>LIABILITIES</b>					
Current liabilities:					
<b>NET POSITION</b>					
Restricted for system development	35,194	1,495,523	-	1,530,717	-
Unrestricted	<u>389,557</u>	<u>1,280,448</u>	<u>528,374</u>	<u>2,198,379</u>	<u>20,065</u>
Total net position	<u>424,751</u>	<u>2,775,971</u>	<u>528,374</u>	<u>3,729,096</u>	<u>20,065</u>
Total liabilities and net position	<u>\$ 424,751</u>	<u>\$ 2,775,971</u>	<u>\$ 528,374</u>	<u>\$ 3,729,096</u>	<u>\$ 20,065</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, 2015

	Business-Type Activities			Total	Governmental
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
Operating revenues:					
Charges for services	\$ 1,035,227	\$ 1,387,526	\$ 789,477	\$ 3,212,230	\$ 392,561
Miscellaneous	10,691	14,314	8,096	33,101	-
DOC Reimbursements	64,000	-	-	64,000	-
Total operating revenues	<u>1,109,918</u>	<u>1,401,840</u>	<u>797,573</u>	<u>3,309,331</u>	<u>392,561</u>
Operating expenses:					
Personal services	544,363	586,662	367,730	1,498,755	175,258
Materials and services	271,886	379,065	291,359	942,310	198,972
Total operating expenses	<u>816,249</u>	<u>965,727</u>	<u>659,089</u>	<u>2,441,065</u>	<u>374,230</u>
Operating income (loss)	<u>293,669</u>	<u>436,113</u>	<u>138,484</u>	<u>868,266</u>	<u>18,331</u>
Nonoperating revenues (expenses):					
Investment earnings	2,502	13,416	2,279	18,197	165
Capital outlay	(333,650)	(1,570,981)	(19,089)	(1,923,720)	-
Total nonoperating revenues (expenses)	<u>(331,148)</u>	<u>(1,557,565)</u>	<u>(16,810)</u>	<u>(1,905,523)</u>	<u>165</u>
Income (loss) before capital contributions and transfers	(37,479)	(1,121,452)	121,674	(1,037,257)	18,496
Capital contributions:					
System development charges	<u>36,745</u>	<u>286,284</u>	<u>-</u>	<u>323,029</u>	<u>-</u>
Transfers in	105,000	600,000	102,000	807,000	-
Transfers out	(200,000)	(520,000)	(107,500)	(827,500)	-
Total transfers	<u>(95,000)</u>	<u>80,000</u>	<u>(5,500)</u>	<u>(20,500)</u>	<u>-</u>
Change in net position	(95,734)	(755,168)	116,174	(734,728)	18,496
Total net position- beginning	<u>520,485</u>	<u>3,531,139</u>	<u>412,200</u>	<u>4,463,824</u>	<u>1,569</u>
Total net position- ending	<u>\$ 424,751</u>	<u>\$ 2,775,971</u>	<u>\$ 528,374</u>	<u>\$ 3,729,096</u>	<u>\$ 20,065</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Cash Flows - Modified Cash Basis

Proprietary Funds

For the Year Ended June 30, 2015

	Business - Type Activities			Total Enterprise Funds	Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,109,918	\$ 1,401,840	\$ 797,573	\$ 3,309,331	\$ -
Receipts from interfund services provided	-	-	-	-	392,561
Payments to suppliers	(271,911)	(379,065)	(291,359)	(942,335)	(198,972)
Payments to employees	<u>(544,363)</u>	<u>(586,662)</u>	<u>(367,730)</u>	<u>(1,498,755)</u>	<u>(175,258)</u>
Net cash provided (used) by operating activities	<u>293,644</u>	<u>436,113</u>	<u>138,484</u>	<u>868,241</u>	<u>18,331</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	105,000	600,000	102,000	807,000	-
Transfers out	<u>(200,000)</u>	<u>(520,000)</u>	<u>(107,500)</u>	<u>(827,500)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(95,000)</u>	<u>80,000</u>	<u>(5,500)</u>	<u>(20,500)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(333,650)	(1,570,981)	(19,089)	(1,923,720)	-
System development charges	<u>36,745</u>	<u>286,284</u>	<u>-</u>	<u>323,029</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(296,905)</u>	<u>(1,284,697)</u>	<u>(19,089)</u>	<u>(1,600,691)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>2,502</u>	<u>13,416</u>	<u>2,279</u>	<u>18,197</u>	<u>165</u>
Net change in cash and cash equivalents	(95,759)	(755,168)	116,174	(734,753)	18,496
Cash and cash equivalents - beginning	<u>520,510</u>	<u>3,531,139</u>	<u>412,200</u>	<u>4,463,849</u>	<u>1,569</u>
Cash and cash equivalents - ending	<u>\$ 424,751</u>	<u>\$ 2,775,971</u>	<u>\$ 528,374</u>	<u>\$ 3,729,096</u>	<u>\$ 20,065</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

June 30, 2015

	Private Purpose Trust Fund - Special Police Programs Fund	Municipal Court Agency Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$          11,869	\$          14,960
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>		
Fines and bails	\$                  -	\$          14,960
	<u>                    </u>	<u>                    </u>
<b>NET POSITION</b>		
Held in trust	<u>          11,869</u>	<u>                  -</u>
Total liabilities and net position	<u>\$          11,869</u>	<u>\$          14,960</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Changes in Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

For the Year Ended June 30, 2015

	<u>Private Purpose Trust Fund - Special Police Programs Fund</u>
<b>ADDITIONS</b>	
Intergovernmental	\$ 15,000
Investment earnings	93
Donations and special events	4,530
Transfers	<u>22,500</u>
Total additions	<u>42,123</u>
<b>DEDUCTIONS</b>	
Benefits	<u>42,363</u>
Change in net position	(240)
Net position - beginning	<u>12,109</u>
Net position - ending	<u>\$ 11,869</u>

**NOTES TO THE FINANCIAL STATEMENTS**



## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2015

#### **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, 2015

**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. Balances between the funds included in governmental activities, i.e., the governmental funds are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds involving cash or cash equivalents. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2015

**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, 2015.

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, 2015

**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 #1119 decrease transfers to Sewer System Improvement fund by \$25,000 in Sewer fund. However, the transfers in to Sewer System Improvement fund by \$25,000 from Sewer 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, 2015

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

**A. Deposits and investments**

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

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

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

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

Cash on hand	\$	1,450		
Cash in banks		315,003		
LGIP		<u>9,150,325</u>		
Total	\$	<u>9,466,778</u>		
		<u>Government-</u>	<u>Fiduciary Funds</u>	<u>Total</u>
		<u>wide Statements</u>		
Cash and cash equivalents	\$	<u>9,439,949</u>	\$ <u>26,829</u>	\$ <u>9,466,778</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, 2015, 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, 2015

**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, 2015, 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>\$ 123,226</u>	<u>\$ -</u>	<u>\$ 40,154</u>	<u>\$ 83,072</u>

**C. Interfund transfers**

	<u>Transfers in to:</u>						
	<u>General fund programs</u>	<u>Nonmajor governmental funds</u>	<u>Fiduciary fund</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total</u>
<b><u>Transfers out of:</u></b>							
General fund programs	\$ 116,800	\$ 238,000	\$ 22,500	\$ -	\$ -	\$ -	\$ 377,300
Street fund	-	22,000	-	-	-	-	22,000
Nonmajor governmental funds	116,000						116,000
Water fund	-	5,000	-	105,000	90,000	-	200,000
Sewer fund	-	10,000	-	-	510,000	-	520,000
Sanitation fund	-	5,500	-	-	-	102,000	107,500
Total	<u>\$ 232,800</u>	<u>\$ 280,500</u>	<u>\$ 22,500</u>	<u>\$ 105,000</u>	<u>\$ 600,000</u>	<u>\$ 102,000</u>	<u>\$ 1,342,800</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 DOC - IGA infrastructure capital projects fund, (a nonmajor governmental fund) transferred \$96,000 to the General fund. In the prior year, the General fund transferred this same amount to the DOC - IGA fund.

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

The nonmajor governmental fund transferred \$20,000 to the General fund programs for supporting the summer program scholarships.

General fund transferred \$22,500 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, 2015

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2015

**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, 2015

**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, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015, 2014, and 2013 were \$308,214, \$302,622, and \$295,061, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 15.02 percent for Tier One/Tier Two General Services, 15.02 percentage for Tier One/Tier Two Police, 9.95 percent for OPSRP Pension Program General Services, 12.68 percent for OPSRP Pension Program Police Members, and 6 percent for OPSRP Individual Account Program.

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the City of Junction City's proportionate share of the net pension asset is \$804,044. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City of Junction City's proportion of the net pension asset 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, 2014, the City of Junction City's proportion was 0.0355 percent, which was unchanged from its proportion measured as of June 30, 2013.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2015

**Note III - Other information, continued**

**A. Pension plans, continued**

**Actuarial assumptions**

The employer contribution rates effective July 1, 2013, through June 30, 2015, 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, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries: PF-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 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 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2015

**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.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
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 %

**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)	\$ 1,702,674	\$ (804,044)	\$ (2,924,139)

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2015

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

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

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

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

###### **Changes in Plan Provisions Subsequent to Measurement Date**

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 is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

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

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

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

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

Funding Policy - Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.59% of annual covered payroll for Tier1/Tier 2, and 0.49% 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, 2015, 2014, and 2013 was \$12,983, \$12,562, and \$12,451 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. New Accounting pronouncement - GASB Statement No. 68 and 71**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The guidance in these statements have been implemented to the extent they apply to the modified cash basis of accounting.

##### **F. Contingencies**

The City is a defendant in two lawsuits and tendered its defense to its insurance company. City County Insurance Services is currently providing legal counsel on these issues. The City cannot presently determine what effect the ultimate disposition of these matters 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, 2015

	General Fund	Viking Sal Senior Center Fund	Health Insurance Fund	Community Center Fund	Total General Fund Programs
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,157,343	\$ 27,452	\$ 49,847	\$ 1,327	\$ 2,235,969
Developer advances	<u>8,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,303</u>
Total assets	<u>\$ 2,165,646</u>	<u>\$ 27,452</u>	<u>\$ 49,847</u>	<u>\$ 1,327</u>	<u>\$ 2,244,272</u>
 <b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Due to others	<u>\$ 24,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,312</u>
 Fund balances:					
Committed	<u>-</u>	<u>27,452</u>	<u>49,847</u>	<u>1,327</u>	<u>78,626</u>
Unassigned	<u>2,141,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,141,334</u>
Total fund balances	<u>2,141,334</u>	<u>27,452</u>	<u>49,847</u>	<u>1,327</u>	<u>2,219,960</u>
Total liabilities and fund balances	<u>\$ 2,165,646</u>	<u>\$ 27,452</u>	<u>\$ 49,847</u>	<u>\$ 1,327</u>	<u>\$ 2,244,272</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, 2015

	General Fund	Viking Sal Senior Center Fund	Health Insurance Fund	Community Center Fund	Total General Fund Programs
<b>REVENUES</b>					
Taxes	\$ 2,602,012	\$ -	\$ -	\$ -	\$ 2,602,012
Licenses and permits	234,044	-	-	-	234,044
Intergovernmental	181,377	15,660	-	600	197,637
Charges for services	135,633	4,396	-	-	140,029
System development charges	22,002	-	-	-	22,002
Fines and penalties	147,330	-	-	-	147,330
Investment earnings	10,482	166	241	35	10,924
Donations and special events	-	22,986	-	4,689	27,675
Other	15,811	19,949	-	26,092	61,852
Total revenues	<u>3,348,691</u>	<u>63,157</u>	<u>241</u>	<u>31,416</u>	<u>3,443,505</u>
<b>EXPENDITURES</b>					
Current					
General Government	780,223	-	-	84,534	864,757
Public Safety	1,725,207	-	-	-	1,725,207
Culture and Recreation	436,622	128,016	-	-	564,638
Total expenditures	<u>2,942,052</u>	<u>128,016</u>	<u>-</u>	<u>84,534</u>	<u>3,154,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>406,639</u>	<u>(64,859)</u>	<u>241</u>	<u>(53,118)</u>	<u>288,903</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	96,000	86,300	-	50,500	232,800
Transfers out	(377,300)	-	-	-	(377,300)
Total other financing sources (uses)	<u>(281,300)</u>	<u>86,300</u>	<u>-</u>	<u>50,500</u>	<u>(144,500)</u>
Net change in fund balances	125,339	21,441	241	(2,618)	144,403
Fund balances - beginning	<u>2,015,995</u>	<u>6,011</u>	<u>49,606</u>	<u>3,945</u>	<u>2,075,557</u>
Fund balances - ending	<u>\$ 2,141,334</u>	<u>\$ 27,452</u>	<u>\$ 49,847</u>	<u>\$ 1,327</u>	<u>\$ 2,219,960</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 15,500	\$ 15,500	\$ 15,660	\$ 160
Charges for services	4,400	4,400	4,396	(4)
Investment earnings	100	100	166	66
Donations and special events	23,000	23,000	22,986	(14)
Other	<u>14,900</u>	<u>14,900</u>	<u>19,949</u>	<u>5,049</u>
Total revenues	<u>57,900</u>	<u>57,900</u>	<u>63,157</u>	<u>5,257</u>
Expenditures:				
Personal services	104,000	104,000	93,488	10,512
Materials and services	36,400	36,400	34,528	1,872
Contingency	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>141,400</u>	<u>141,400</u>	<u>128,016</u>	<u>13,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(83,500)</u>	<u>(83,500)</u>	<u>(64,859)</u>	<u>18,641</u>
Other financing sources (uses):				
Transfers in	<u>86,300</u>	<u>86,300</u>	<u>86,300</u>	<u>-</u>
Total other financing sources (uses)	<u>86,300</u>	<u>86,300</u>	<u>86,300</u>	<u>-</u>
Net change in fund balances	2,800	2,800	21,441	18,641
Fund balance:				
Beginning of year	<u>6,500</u>	<u>6,500</u>	<u>6,011</u>	<u>(489)</u>
End of year	<u>\$ 9,300</u>	<u>\$ 9,300</u>	<u>\$ 27,452</u>	<u>\$ 18,152</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 241	\$ (59)
Total revenues	<u>300</u>	<u>300</u>	<u>241</u>	<u>(59)</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>300</u>	<u>300</u>	<u>241</u>	<u>(59)</u>
Net change in fund balances	300	300	241	(59)
Fund balance:				
Beginning of year	<u>49,600</u>	<u>49,600</u>	<u>49,606</u>	<u>6</u>
End of year	<u>\$ 49,900</u>	<u>\$ 49,900</u>	<u>\$ 49,847</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 3,500	\$ 3,500	\$ 600	\$ (2,900)
Investment earnings	100	100	35	(65)
Donations and special events	11,500	11,500	4,689	(6,811)
Other	<u>33,500</u>	<u>33,500</u>	<u>26,092</u>	<u>(7,408)</u>
Total revenues	<u>48,600</u>	<u>48,600</u>	<u>31,416</u>	<u>(17,184)</u>
Expenditures:				
Personal services	60,700	60,700	55,940	4,760
Materials and services	31,600	31,600	28,594	3,006
Contingency	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>92,300</u>	<u>102,300</u>	<u>84,534</u>	<u>17,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,700)</u>	<u>(53,700)</u>	<u>(53,118)</u>	<u>582</u>
Other financing sources (uses):				
Transfers in	<u>40,500</u>	<u>50,500</u>	<u>50,500</u>	<u>-</u>
Total other financing sources (uses)	<u>40,500</u>	<u>50,500</u>	<u>50,500</u>	<u>-</u>
Net change in fund balances	(3,200)	(3,200)	(2,618)	582
Fund balance:				
Beginning of year	<u>5,300</u>	<u>5,300</u>	<u>3,945</u>	<u>(1,355)</u>
End of year	<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ 1,327</u>	<u>\$ (773)</u>



**Nonmajor Governmental Funds**  
**Combining Statements**



**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

June 30, 2015

	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Special Revenue Fund -State Revenue Sharing Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 892,067	\$ 100,079	\$ 992,146
<b>FUND BALANCES</b>			
Restricted	333,352	100,079	433,431
Committed	<u>558,715</u>	<u>-</u>	<u>558,715</u>
Total fund balances	<u>\$ 892,067</u>	<u>\$ 100,079</u>	<u>\$ 992,146</u>

**CITY OF JUNCTION CITY, OREGON**

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Fund -State Revenue Sharing Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Intergovernmental	\$ 41,028	\$ 53,466	\$ 94,494
System development charges	59,311	-	59,311
Investment earnings	3,837	474	4,311
Other	<u>7,851</u>	<u>-</u>	<u>7,851</u>
Total revenues	<u>112,027</u>	<u>53,940</u>	<u>165,967</u>
<b>EXPENDITURES</b>			
Current			
General Government	107,554	19,703	127,257
Highways and Streets	14,836	-	14,836
Culture and Recreation	<u>23,778</u>	<u>-</u>	<u>23,778</u>
Total expenditures	<u>146,168</u>	<u>19,703</u>	<u>165,871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,141)</u>	<u>34,237</u>	<u>96</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	280,500	-	280,500
Transfers out	<u>(96,000)</u>	<u>(20,000)</u>	<u>(116,000)</u>
Total other financing sources (uses)	<u>184,500</u>	<u>(20,000)</u>	<u>164,500</u>
Net change in fund balances	150,359	14,237	164,596
 Fund balances - beginning	 <u>741,708</u>	 <u>85,842</u>	 <u>827,550</u>
Fund balances - ending	<u>\$ 892,067</u>	<u>\$ 100,079</u>	<u>\$ 992,146</u>

**Capital Projects Funds**



**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2015

	<u>PW Building/Yard Reserve Fund</u>	<u>Police Vehicle &amp; Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. &amp; Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 31,235</u>	<u>\$ 41,962</u>	<u>\$ 245,503</u>	<u>\$ 6,590</u>	<u>\$ 12,683</u>
 <b>FUND BALANCES</b>					
Restricted	-	-	-	-	-
Committed	<u>31,235</u>	<u>41,962</u>	<u>245,503</u>	<u>6,590</u>	<u>12,683</u>
Total fund balances	<u>\$ 31,235</u>	<u>\$ 41,962</u>	<u>\$ 245,503</u>	<u>\$ 6,590</u>	<u>\$ 12,683</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2015

	<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 Equipment Reserve Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 52,524</u>	<u>\$ 38,120</u>	<u>\$ 295,232</u>	<u>\$ 53,187</u>	<u>\$ 44,811</u>
 <b>FUND BALANCES</b>					
Restricted	-	38,120	295,232	-	-
Committed	<u>52,524</u>	<u>-</u>	<u>-</u>	<u>53,187</u>	<u>44,811</u>
Total fund balances	<u>\$ 52,524</u>	<u>\$ 38,120</u>	<u>\$ 295,232</u>	<u>\$ 53,187</u>	<u>\$ 44,811</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2015

	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 70,220</u>	<u>\$ 892,067</u>
<b>FUND BALANCES</b>		
Restricted	-	333,352
Committed	<u>70,220</u>	<u>558,715</u>
Total fund balances	<u>\$ 70,220</u>	<u>\$ 892,067</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, 2015

	<u>PW Building/Yard Reserve Fund</u>	<u>Police Vehicle &amp; Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. &amp; Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
System development charges	-	-	-	-	-
Investment earnings	124	150	1,186	29	62
Other	-	378	-	-	6,523
Total revenues	<u>124</u>	<u>528</u>	<u>1,186</u>	<u>29</u>	<u>6,585</u>
<b>EXPENDITURES</b>					
Current:					
General Government	9,550	-	-	-	1,021
Highways and Streets	-	-	-	-	-
Culture and Recreation	-	-	-	5,628	-
Total expenditures	<u>9,550</u>	<u>-</u>	<u>-</u>	<u>5,628</u>	<u>1,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,426)</u>	<u>528</u>	<u>1,186</u>	<u>(5,599)</u>	<u>5,564</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	15,500	18,500	-	8,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>15,500</u>	<u>18,500</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Net change in fund balances	6,074	19,028	1,186	2,401	5,564
Fund balances - beginning	<u>25,161</u>	<u>22,934</u>	<u>244,317</u>	<u>4,189</u>	<u>7,119</u>
Fund balances - ending	<u>\$ 31,235</u>	<u>\$ 41,962</u>	<u>\$ 245,503</u>	<u>\$ 6,590</u>	<u>\$ 12,683</u>

Continued

**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, 2015

	<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>DOC-IGA Infrastructure Capital Project</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 3,176	\$ -	\$ -	\$ 37,852
System development charges	-	-	59,311	-	-
Investment earnings	198	177	1,281	187	-
Other	950	-	-	-	-
Total revenues	<u>1,148</u>	<u>3,353</u>	<u>60,592</u>	<u>187</u>	<u>37,852</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	69,983	27,000
Highways and Streets	-	-	-	-	-
Culture and Recreation	15,293	-	2,857	-	-
Total expenditures	<u>15,293</u>	<u>-</u>	<u>2,857</u>	<u>69,983</u>	<u>27,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,145)</u>	<u>3,353</u>	<u>57,735</u>	<u>(69,796)</u>	<u>10,852</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	25,000	-	-	108,300	18,200
Transfers out	-	-	-	-	(96,000)
Total other financing sources (uses)	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>108,300</u>	<u>(77,800)</u>
Net change in fund balances	10,855	3,353	57,735	38,504	(66,948)
Fund balances - beginning	<u>41,669</u>	<u>34,767</u>	<u>237,497</u>	<u>14,683</u>	<u>66,948</u>
Fund balances - ending	<u>\$ 52,524</u>	<u>\$ 38,120</u>	<u>\$ 295,232</u>	<u>\$ 53,187</u>	<u>\$ -</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, 2015

	<u>Street Equipment Reserve Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ 41,028
System development charges	-	-	59,311
Investment earnings	223	220	3,837
Other	-	-	<u>7,851</u>
Total revenues	<u>223</u>	<u>220</u>	<u>112,027</u>
<b>EXPENDITURES</b>			
Current			
General Government	-	-	107,554
Highways and Streets	14,836	-	14,836
Culture and Recreation	-	-	<u>23,778</u>
Total expenditures	<u>14,836</u>	<u>-</u>	<u>146,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,613)</u>	<u>220</u>	<u>(34,141)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	17,000	70,000	280,500
Transfers out	-	-	<u>(96,000)</u>
Total other financing sources (uses)	<u>17,000</u>	<u>70,000</u>	<u>184,500</u>
Net change in fund balances	2,387	70,220	150,359
Fund balances - beginning	<u>42,424</u>	<u>-</u>	<u>741,708</u>
Fund balances - ending	<u>\$ 44,811</u>	<u>\$ 70,220</u>	<u>\$ 892,067</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 124	\$ 24
Total revenues	<u>100</u>	<u>100</u>	<u>124</u>	<u>24</u>
Expenditures:				
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>9,550</u>	<u>450</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,550</u>	<u>450</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,900)</u>	<u>(9,900)</u>	<u>(9,426)</u>	<u>474</u>
Other financing sources (uses):				
Transfers in	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>	<u>-</u>
Total other financing sources (uses)	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>	<u>-</u>
Net change in fund balances	5,600	5,600	6,074	474
Fund balance:				
Beginning of year	<u>31,200</u>	<u>31,200</u>	<u>25,161</u>	<u>(6,039)</u>
End of year	<u>\$ 36,800</u>	<u>\$ 36,800</u>	<u>\$ 31,235</u>	<u>\$ (5,565)</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 150	\$ (50)
Other	-	-	378	378
Total revenues	<u>200</u>	<u>200</u>	<u>528</u>	<u>328</u>
Expenditures:				
Capital outlay	<u>13,000</u>	<u>13,000</u>	-	<u>13,000</u>
Total expenditures	<u>13,000</u>	<u>13,000</u>	-	<u>13,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,800)</u>	<u>(12,800)</u>	528	<u>13,328</u>
Other financing sources (uses):				
Transfers in	<u>18,500</u>	<u>18,500</u>	<u>18,500</u>	-
Total other financing sources (uses)	<u>18,500</u>	<u>18,500</u>	<u>18,500</u>	-
Net change in fund balances	5,700	5,700	19,028	13,328
Fund balance:				
Beginning of year	<u>22,100</u>	<u>22,100</u>	<u>22,934</u>	<u>834</u>
End of year	<u>\$ 27,800</u>	<u>\$ 27,800</u>	<u>\$ 41,962</u>	<u>\$ 14,162</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,100	\$ 1,100	\$ 1,186	\$ 86
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>1,186</u>	<u>86</u>
Expenditures:				
Capital outlay	<u>218,000</u>	<u>218,000</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>(216,900)</u>	<u>(216,900)</u>	<u>1,186</u>	<u>218,086</u>
Other financing sources (uses):				
Net change in fund balances	(216,900)	(216,900)	1,186	218,086
Fund balance:				
Beginning of year	<u>244,100</u>	<u>244,100</u>	<u>244,317</u>	<u>217</u>
End of year	<u>\$ 27,200</u>	<u>\$ 27,200</u>	<u>\$ 245,503</u>	<u>\$ 218,303</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 29	\$ (71)
Total revenues	<u>100</u>	<u>100</u>	<u>29</u>	<u>(71)</u>
Expenditures:				
Capital outlay	<u>6,500</u>	<u>6,500</u>	<u>5,628</u>	<u>872</u>
Total expenditures	<u>6,500</u>	<u>6,500</u>	<u>5,628</u>	<u>872</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,400)</u>	<u>(6,400)</u>	<u>(5,599)</u>	<u>801</u>
Other financing sources (uses):				
Transfers in	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net change in fund balances	1,600	1,600	2,401	801
Fund balance:				
Beginning of year	<u>4,200</u>	<u>4,200</u>	<u>4,189</u>	<u>(11)</u>
End of year	<u>\$ 5,800</u>	<u>\$ 5,800</u>	<u>\$ 6,590</u>	<u>\$ 790</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 62	\$ (38)
Other	<u>3,000</u>	<u>3,000</u>	<u>6,523</u>	<u>3,523</u>
Total revenues	<u>3,100</u>	<u>3,100</u>	<u>6,585</u>	<u>3,485</u>
Expenditures:				
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>1,021</u>	<u>979</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,021</u>	<u>979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,100</u>	<u>1,100</u>	<u>5,564</u>	<u>4,464</u>
Other financing sources (uses):				
Net change in fund balances	1,100	1,100	5,564	4,464
Fund balance:				
Beginning of year	<u>7,100</u>	<u>7,100</u>	<u>7,119</u>	<u>19</u>
End of year	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$ 12,683</u>	<u>\$ 4,483</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 198	\$ (2)
Other	<u>1,000</u>	<u>1,000</u>	<u>950</u>	<u>(50)</u>
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,148</u>	<u>(52)</u>
Expenditures:				
Materials and services	1,000	1,000	-	1,000
Capital outlay	<u>17,000</u>	<u>17,000</u>	<u>15,293</u>	<u>1,707</u>
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>15,293</u>	<u>2,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,800)</u>	<u>(16,800)</u>	<u>(14,145)</u>	<u>2,655</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 fund balances	8,200	8,200	10,855	2,655
Fund balance:				
Beginning of year	<u>41,500</u>	<u>41,500</u>	<u>41,669</u>	<u>169</u>
End of year	<u>\$ 49,700</u>	<u>\$ 49,700</u>	<u>\$ 52,524</u>	<u>\$ 2,824</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 3,200	\$ 3,200	\$ 3,176	\$ (24)
Investment earnings	<u>200</u>	<u>200</u>	<u>177</u>	<u>(23)</u>
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>3,353</u>	<u>(47)</u>
Expenditures:				
Materials and services	100	100	-	100
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>-</u>	<u>10,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,700)</u>	<u>(6,700)</u>	<u>3,353</u>	<u>10,053</u>
Other financing sources (uses):				
Net change in fund balances	(6,700)	(6,700)	3,353	10,053
Fund balance:				
Beginning of year	<u>34,800</u>	<u>34,800</u>	<u>34,767</u>	<u>(33)</u>
End of year	<u>\$ 28,100</u>	<u>\$ 28,100</u>	<u>\$ 38,120</u>	<u>\$ 10,020</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 900	\$ 900	\$ 1,281	\$ 381
System development charges	<u>40,000</u>	<u>40,000</u>	<u>59,311</u>	<u>19,311</u>
Total revenues	<u>40,900</u>	<u>40,900</u>	<u>60,592</u>	<u>19,692</u>
Expenditures:				
Materials and services	5,000	5,000	-	5,000
Capital outlay	<u>160,000</u>	<u>160,000</u>	<u>2,857</u>	<u>157,143</u>
Total expenditures	<u>165,000</u>	<u>165,000</u>	<u>2,857</u>	<u>162,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(124,100)</u>	<u>(124,100)</u>	<u>57,735</u>	<u>181,835</u>
Other financing sources (uses):				
Net change in fund balances	(124,100)	(124,100)	57,735	181,835
Fund balance:				
Beginning of year	<u>213,700</u>	<u>213,700</u>	<u>237,497</u>	<u>23,797</u>
End of year	<u>\$ 89,600</u>	<u>\$ 89,600</u>	<u>\$ 295,232</u>	<u>\$ 205,632</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 187	\$ 87
Total revenues	<u>100</u>	<u>100</u>	<u>187</u>	<u>87</u>
Expenditures:				
Materials and services	19,000	19,000	17,215	1,785
Capital outlay	<u>79,000</u>	<u>79,000</u>	<u>52,768</u>	<u>26,232</u>
Total expenditures	<u>98,000</u>	<u>98,000</u>	<u>69,983</u>	<u>28,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,900)</u>	<u>(97,900)</u>	<u>(69,796)</u>	<u>28,104</u>
Other financing sources (uses):				
Transfers in	<u>108,300</u>	<u>108,300</u>	<u>108,300</u>	<u>-</u>
Total other financing sources (uses)	<u>108,300</u>	<u>108,300</u>	<u>108,300</u>	<u>-</u>
Net change in fund balances	10,400	10,400	38,504	28,104
Fund balance:				
Beginning of year	<u>9,600</u>	<u>9,600</u>	<u>14,683</u>	<u>5,083</u>
End of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 53,187</u>	<u>\$ 33,187</u>

**CITY OF JUNCTION CITY, OREGON**

DOC-IGA INFRASTRUCTURE CAPITAL PROJECT

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 96,000	\$ 96,000	\$ 37,852	\$ (58,148)
Total revenues	<u>96,000</u>	<u>96,000</u>	<u>37,852</u>	<u>(58,148)</u>
Expenditures:				
Capital outlay	<u>78,700</u>	<u>78,700</u>	<u>27,000</u>	<u>51,700</u>
Total expenditures	<u>78,700</u>	<u>78,700</u>	<u>27,000</u>	<u>51,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,300</u>	<u>17,300</u>	<u>10,852</u>	<u>(6,448)</u>
Other financing sources (uses):				
Transfers in	18,200	18,200	18,200	-
Transfers out	<u>(96,000)</u>	<u>(96,000)</u>	<u>(96,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(77,800)</u>	<u>(77,800)</u>	<u>(77,800)</u>	<u>-</u>
Net change in fund balances	(60,500)	(60,500)	(66,948)	(6,448)
Fund balance:				
Beginning of year	<u>60,500</u>	<u>60,500</u>	<u>66,948</u>	<u>6,448</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 223	\$ 23
Total revenues	<u>200</u>	<u>200</u>	<u>223</u>	<u>23</u>
Expenditures:				
Capital outlay	<u>16,000</u>	<u>16,000</u>	<u>14,836</u>	<u>1,164</u>
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>14,836</u>	<u>1,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,800)</u>	<u>(15,800)</u>	<u>(14,613)</u>	<u>1,187</u>
Other financing sources (uses):				
Transfers in	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Total other financing sources (uses)	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Net change in fund balances	1,200	1,200	2,387	1,187
Fund balance:				
Beginning of year	<u>41,900</u>	<u>41,900</u>	<u>42,424</u>	<u>524</u>
End of year	<u>\$ 43,100</u>	<u>\$ 43,100</u>	<u>\$ 44,811</u>	<u>\$ 1,711</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 220	\$ 220
Total revenues	<u>-</u>	<u>-</u>	<u>220</u>	<u>220</u>
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>220</u>	<u>220</u>
Other financing sources (uses):				
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total other financing sources (uses)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net change in fund balances	70,000	70,000	70,220	220
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 70,220</u>	<u>\$ 220</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 3,700	\$ 3,700	\$ 4,342	\$ 642
System development charges	<u>20,000</u>	<u>20,000</u>	<u>56,191</u>	<u>36,191</u>
Total revenues	<u>23,700</u>	<u>23,700</u>	<u>60,533</u>	<u>36,833</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>18,700</u>	<u>18,700</u>	<u>60,533</u>	<u>41,833</u>
Other financing sources (uses):				
Net change in fund balances	18,700	18,700	60,533	41,833
Fund balance:				
Beginning of year	<u>845,800</u>	<u>845,800</u>	<u>863,283</u>	<u>17,483</u>
End of year	<u>\$ 864,500</u>	<u>\$ 864,500</u>	<u>\$ 923,816</u>	<u>\$ 59,316</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 800	\$ 800	\$ 636	\$ (164)
Total revenues	<u>800</u>	<u>800</u>	<u>636</u>	<u>(164)</u>
Expenditures:				
Materials and services	25,000	25,000	12,434	12,566
Capital outlay	<u>108,500</u>	<u>108,500</u>	<u>40,000</u>	<u>68,500</u>
Total expenditures	<u>133,500</u>	<u>133,500</u>	<u>52,434</u>	<u>81,066</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132,700)</u>	<u>(132,700)</u>	<u>(51,798)</u>	<u>80,902</u>
Other financing sources (uses):				
Net change in fund balances	(132,700)	(132,700)	(51,798)	80,902
Fund balance:				
Beginning of year	<u>158,600</u>	<u>158,600</u>	<u>155,479</u>	<u>(3,121)</u>
End of year	<u>\$ 25,900</u>	<u>\$ 25,900</u>	<u>\$ 103,681</u>	<u>\$ 77,781</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 49,000	\$ 49,000	\$ 53,466	\$ 4,466
Investment earnings	<u>300</u>	<u>300</u>	<u>474</u>	<u>174</u>
Total revenues	<u>49,300</u>	<u>49,300</u>	<u>53,940</u>	<u>4,640</u>
Expenditures:				
Materials and services	10,000	10,000	2,000	8,000
Capital outlay	<u>40,000</u>	<u>30,000</u>	<u>17,703</u>	<u>12,297</u>
Total expenditures	<u>50,000</u>	<u>40,000</u>	<u>19,703</u>	<u>20,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(700)</u>	<u>9,300</u>	<u>34,237</u>	<u>24,937</u>
Other financing sources (uses):				
Transfers out	<u>(10,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	(10,700)	(10,700)	14,237	24,937
Fund balance:				
Beginning of year	<u>45,600</u>	<u>45,600</u>	<u>85,842</u>	<u>40,242</u>
End of year	<u>\$ 34,900</u>	<u>\$ 34,900</u>	<u>\$ 100,079</u>	<u>\$ 65,179</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, 2015

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water System Improvement Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 262,835	\$ 54,308	\$ 35,194	\$ 72,414	\$ 424,751
Total assets	<u>\$ 262,835</u>	<u>\$ 54,308</u>	<u>\$ 35,194</u>	<u>\$ 72,414</u>	<u>\$ 424,751</u>
<b>LIABILITIES AND NET POSITION:</b>					
Liabilities:					
Net Position:					
Restricted	-	-	35,194	-	35,194
Unrestricted	<u>262,835</u>	<u>54,308</u>	<u>-</u>	<u>72,414</u>	<u>389,557</u>
Total net position	<u>262,835</u>	<u>54,308</u>	<u>35,194</u>	<u>72,414</u>	<u>424,751</u>
Total liabilities and net position	<u>\$ 262,835</u>	<u>\$ 54,308</u>	<u>\$ 35,194</u>	<u>\$ 72,414</u>	<u>\$ 424,751</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, 2015

	<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	\$ 999,265	\$ 28,642	\$ -	\$ 7,320	\$ 1,035,227
Miscellaneous	10,691	-	-	-	10,691
DOC reimbursements	-	-	-	64,000	64,000
Total operating revenues	<u>1,009,956</u>	<u>28,642</u>	<u>-</u>	<u>71,320</u>	<u>1,109,918</u>
Operating expenses:					
Personal services	544,363	-	-	-	544,363
Materials and services	<u>231,811</u>	<u>15,368</u>	<u>-</u>	<u>24,707</u>	<u>271,886</u>
Total operating expenses	<u>776,174</u>	<u>15,368</u>	<u>-</u>	<u>24,707</u>	<u>816,249</u>
Operating income (loss)	<u>233,782</u>	<u>13,274</u>	<u>-</u>	<u>46,613</u>	<u>293,669</u>
Nonoperating revenues (expenses):					
Investment earnings	1,114	204	517	667	2,502
Capital outlay	<u>-</u>	<u>(13,863)</u>	<u>(107,000)</u>	<u>(212,787)</u>	<u>(333,650)</u>
Total nonoperating revenues (expenses)	<u>1,114</u>	<u>(13,659)</u>	<u>(106,483)</u>	<u>(212,120)</u>	<u>(331,148)</u>
Income (loss) before capital contributions and transfers	234,896	(385)	(106,483)	(165,507)	(37,479)
Capital contributions:					
System development charges	<u>-</u>	<u>-</u>	<u>36,745</u>	<u>-</u>	<u>36,745</u>
Transfers in	-	12,000	-	93,000	105,000
Transfers out	<u>(110,000)</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(200,000)</u>
Total transfers	<u>(110,000)</u>	<u>12,000</u>	<u>-</u>	<u>3,000</u>	<u>(95,000)</u>
Change in net assets	124,896	11,615	(69,738)	(162,507)	(95,734)
Total net position- beginning	<u>137,939</u>	<u>42,693</u>	<u>104,932</u>	<u>234,921</u>	<u>520,485</u>
Total net position- ending	<u>\$ 262,835</u>	<u>\$ 54,308</u>	<u>\$ 35,194</u>	<u>\$ 72,414</u>	<u>\$ 424,751</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Water Enterprise Funds

For the Year Ended June 30, 2015

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water System Improvement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,009,956	\$ 28,642	\$ -	\$ 71,320	\$ 1,109,918
Payments to suppliers	(231,836)	(15,368)	-	(24,707)	(271,911)
Payments to employees	<u>(544,363)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(544,363)</u>
Net cash provided (used) by operating activities	<u>233,757</u>	<u>13,274</u>	<u>-</u>	<u>46,613</u>	<u>293,644</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	12,000	-	93,000	105,000
Transfers out	<u>(110,000)</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(200,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(110,000)</u>	<u>12,000</u>	<u>-</u>	<u>3,000</u>	<u>(95,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	-	(13,863)	(107,000)	(212,787)	(333,650)
System development charges	<u>-</u>	<u>-</u>	<u>36,745</u>	<u>-</u>	<u>36,745</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(13,863)</u>	<u>(70,255)</u>	<u>(212,787)</u>	<u>(296,905)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>1,114</u>	<u>204</u>	<u>517</u>	<u>667</u>	<u>2,502</u>
Net change in cash and cash equivalents	124,871	11,615	(69,738)	(162,507)	(95,759)
Cash and cash equivalents - beginning	<u>137,964</u>	<u>42,693</u>	<u>104,932</u>	<u>234,921</u>	<u>520,510</u>
Cash and cash equivalents - ending	<u>\$ 262,835</u>	<u>\$ 54,308</u>	<u>\$ 35,194</u>	<u>\$ 72,414</u>	<u>\$ 424,751</u>

**CITY OF JUNCTION CITY, OREGON**

Water Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget	Adjustment	Modified Cash Basis
Revenues:						
Charges for services	\$ 924,000	\$ 974,000	\$ 999,265	\$ 25,265	\$ -	\$ 999,265
Investment earnings	700	700	1,114	414	-	1,114
Other	3,500	3,500	10,691	7,191	-	10,691
<b>Total revenues</b>	<b>928,200</b>	<b>978,200</b>	<b>1,011,070</b>	<b>32,870</b>	<b>-</b>	<b>1,011,070</b>
Expenditures:						
Personal services	481,900	481,900	459,263	22,637	85,100	544,363
Materials and services	194,700	259,700	231,811	27,889	-	231,811
Capital outlay	600	600	-	600	-	-
Contingency	15,000	-	-	-	-	-
<b>Total expenditures</b>	<b>692,200</b>	<b>742,200</b>	<b>691,074</b>	<b>51,126</b>	<b>85,100</b>	<b>776,174</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>236,000</b>	<b>236,000</b>	<b>319,996</b>	<b>83,996</b>	<b>(85,100)</b>	<b>234,896</b>
Other financing sources (uses):						
Transfers out	(195,100)	(195,100)	(195,100)	-	85,100	(110,000)
<b>Total other financing sources (uses)</b>	<b>(195,100)</b>	<b>(195,100)</b>	<b>(195,100)</b>	<b>-</b>	<b>85,100</b>	<b>(110,000)</b>
<b>Net change in fund balances</b>	<b>40,900</b>	<b>40,900</b>	<b>124,896</b>	<b>83,996</b>	<b>-</b>	<b>124,896</b>
Fund balance:						
Beginning of year	111,200	111,200	137,939	26,739	-	137,939
<b>End of year</b>	<b>\$ 152,100</b>	<b>\$ 152,100</b>	<b>\$ 262,835</b>	<b>\$ 110,735</b>	<b>\$ -</b>	<b>\$ 262,835</b>

**CITY OF JUNCTION CITY, OREGON**

Water Equipment Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 16,000	\$ 16,000	\$ 28,642	\$ 12,642
Investment earnings	<u>100</u>	<u>100</u>	<u>204</u>	<u>104</u>
Total revenues	<u>16,100</u>	<u>16,100</u>	<u>28,846</u>	<u>12,746</u>
Expenditures:				
Materials and services	16,000	16,000	15,368	632
Capital outlay	<u>15,500</u>	<u>15,500</u>	<u>13,863</u>	<u>1,637</u>
Total expenditures	<u>31,500</u>	<u>31,500</u>	<u>29,231</u>	<u>2,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,400)</u>	<u>(15,400)</u>	<u>(385)</u>	<u>15,015</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	(3,400)	(3,400)	11,615	15,015
Fund balance:				
Beginning of year	<u>28,100</u>	<u>28,100</u>	<u>42,693</u>	<u>14,593</u>
End of year	<u>\$ 24,700</u>	<u>\$ 24,700</u>	<u>\$ 54,308</u>	<u>\$ 29,608</u>

**CITY OF JUNCTION CITY, OREGON**

Water System Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 400	\$ 400	\$ 517	\$ 117
System development charges	<u>18,000</u>	<u>18,000</u>	<u>36,745</u>	<u>18,745</u>
Total revenues	<u>18,400</u>	<u>18,400</u>	<u>37,262</u>	<u>18,862</u>
Expenditures:				
Capital outlay	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>	<u>-</u>
Total expenditures	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,600)</u>	<u>(88,600)</u>	<u>(69,738)</u>	<u>18,862</u>
Net change in fund balances	(88,600)	(88,600)	(69,738)	18,862
Fund balance:				
Beginning of year	<u>92,900</u>	<u>92,900</u>	<u>104,932</u>	<u>12,032</u>
End of year	<u>\$ 4,300</u>	<u>\$ 4,300</u>	<u>\$ 35,194</u>	<u>\$ 30,894</u>

**CITY OF JUNCTION CITY, OREGON**

Water System Improvement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 64,000	\$ 64,000
Charges for services	8,000	8,000	7,320	(680)
Investment earnings	<u>100</u>	<u>100</u>	<u>667</u>	<u>567</u>
Total revenues	<u>8,100</u>	<u>8,100</u>	<u>71,987</u>	<u>63,887</u>
Expenditures:				
Materials and services	25,000	25,000	24,707	293
Capital outlay	<u>219,000</u>	<u>219,000</u>	<u>212,787</u>	<u>6,213</u>
Total expenditures	<u>244,000</u>	<u>244,000</u>	<u>237,494</u>	<u>6,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(235,900)</u>	<u>(235,900)</u>	<u>(165,507)</u>	<u>70,393</u>
Other financing sources (uses):				
Transfers in	93,000	93,000	93,000	-
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balances	(232,900)	(232,900)	(162,507)	70,393
Fund balance:				
Beginning of year	<u>243,700</u>	<u>243,700</u>	<u>234,921</u>	<u>(8,779)</u>
End of year	<u>\$ 10,800</u>	<u>\$ 10,800</u>	<u>\$ 72,414</u>	<u>\$ 61,614</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Sewer Enterprise Funds

June 30, 2015

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer System Improvement Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 342,834	\$ 35,127	\$ 869,567	\$ 32,920	\$ 1,495,523	\$ 2,775,971
Total assets	<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>
<b>LIABILITIES AND NET POSITION:</b>						
Liabilities:						
Net Position:						
Restricted	-	-	-	-	1,495,523	1,495,523
Unrestricted	<u>342,834</u>	<u>35,127</u>	<u>869,567</u>	<u>32,920</u>	<u>-</u>	<u>1,280,448</u>
Total net position	<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 liabilities and net position	<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>

**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, 2015

	<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	\$ 1,387,526	\$ -	\$ -	\$ -	\$ -	\$ 1,387,526
Miscellaneous	<u>4,374</u>	<u>-</u>	<u>2,015</u>	<u>-</u>	<u>7,925</u>	<u>14,314</u>
Total operating revenues	<u>1,391,900</u>	<u>-</u>	<u>2,015</u>	<u>-</u>	<u>7,925</u>	<u>1,401,840</u>
Operating expenses:						
Personal services	586,662	-	-	-	-	586,662
Materials and services	<u>258,605</u>	<u>18,348</u>	<u>102,112</u>	<u>-</u>	<u>-</u>	<u>379,065</u>
Total operating expenses	<u>845,267</u>	<u>18,348</u>	<u>102,112</u>	<u>-</u>	<u>-</u>	<u>965,727</u>
Operating income (loss)	<u>546,633</u>	<u>(18,348)</u>	<u>(100,097)</u>	<u>-</u>	<u>7,925</u>	<u>436,113</u>
Nonoperating revenues (expenses):						
Investment earnings	1,847	165	2,858	180	8,366	13,416
Capital outlay	<u>-</u>	<u>-</u>	<u>(1,920)</u>	<u>(34,280)</u>	<u>(1,534,781)</u>	<u>(1,570,981)</u>
Total nonoperating revenues (expenses)	<u>1,847</u>	<u>165</u>	<u>938</u>	<u>(34,100)</u>	<u>(1,526,415)</u>	<u>(1,557,565)</u>
Income (loss) before capital contributions and transfers	548,480	(18,183)	(99,159)	(34,100)	(1,518,490)	(1,121,452)
Capital contributions:						
System development charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,284</u>	<u>286,284</u>
Transfers in	-	30,000	545,000	25,000	-	600,000
Transfers out	<u>(520,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,000)</u>
Total transfers	<u>(520,000)</u>	<u>30,000</u>	<u>545,000</u>	<u>25,000</u>	<u>-</u>	<u>80,000</u>
Change in net assets	28,480	11,817	445,841	(9,100)	(1,232,206)	(755,168)
Total net position- beginning	<u>314,354</u>	<u>23,310</u>	<u>423,726</u>	<u>42,020</u>	<u>2,727,729</u>	<u>3,531,139</u>
Total net position- ending	<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>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Sewer Enterprise Funds

For the Year Ended June 30, 2015

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer System Improvement Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 1,391,900	\$ -	\$ 2,015	\$ -	\$ 7,925	\$ 1,401,840
Payments to suppliers	(258,605)	(18,348)	(102,112)	-	-	(379,065)
Payments to employees	<u>(586,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(586,662)</u>
Net cash provided (used) by operating activities	<u>546,633</u>	<u>(18,348)</u>	<u>(100,097)</u>	<u>-</u>	<u>7,925</u>	<u>436,113</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	-	30,000	545,000	25,000	-	600,000
Transfers out	<u>(520,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(520,000)</u>	<u>30,000</u>	<u>545,000</u>	<u>25,000</u>	<u>-</u>	<u>80,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of capital assets	-	-	(1,920)	(34,280)	(1,534,781)	(1,570,981)
System development charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,284</u>	<u>286,284</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,920)</u>	<u>(34,280)</u>	<u>(1,248,497)</u>	<u>(1,284,697)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	<u>1,847</u>	<u>165</u>	<u>2,858</u>	<u>180</u>	<u>8,366</u>	<u>13,416</u>
Net change in cash and cash equivalents	28,480	11,817	445,841	(9,100)	(1,232,206)	(755,168)
Cash and cash equivalents - beginning	<u>314,354</u>	<u>23,310</u>	<u>423,726</u>	<u>42,020</u>	<u>2,727,729</u>	<u>3,531,139</u>
Cash and cash equivalents - ending	<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>

CITY OF JUNCTION CITY, OREGON

Sewer Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget	Adjustment	Modified Cash Basis
Revenues:						
Charges for services	\$ 1,393,500	\$ 1,428,500	\$ 1,387,526	\$ (40,974)	\$ -	\$ 1,387,526
Investment earnings	1,800	1,800	1,847	47	-	1,847
Other	2,000	2,000	4,374	2,374	-	4,374
Total revenues	1,397,300	1,432,300	1,393,747	(38,553)	-	1,393,747
Expenditures:						
Personal services	526,100	526,100	499,462	26,638	87,200	586,662
Materials and services	187,300	274,800	258,605	16,195	-	258,605
Capital outlay	600	600	-	600	-	-
Contingency	27,500	-	-	-	-	-
Total expenditures	741,500	801,500	758,067	43,433	87,200	845,267
Excess (deficiency) of revenues over (under) expenditures	655,800	630,800	635,680	4,880	(87,200)	548,480
Other financing sources (uses):						
Transfers out	(632,200)	(607,200)	(607,200)	-	87,200	(520,000)
Total other financing sources (uses)	(632,200)	(607,200)	(607,200)	-	87,200	(520,000)
Net change in fund balances	23,600	23,600	28,480	4,880	-	28,480
Fund balance:						
Beginning of year	367,000	367,000	314,354	(52,646)	-	314,354
End of year	\$ 390,600	\$ 390,600	\$ 342,834	\$ (47,766)	\$ -	\$ 342,834

**CITY OF JUNCTION CITY, OREGON**

Sewer Ratepayer Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 165	\$ 65
Total revenues	<u>100</u>	<u>100</u>	<u>165</u>	<u>65</u>
Expenditures:				
Materials and services	<u>30,000</u>	<u>30,000</u>	<u>18,348</u>	<u>11,652</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>18,348</u>	<u>11,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,900)</u>	<u>(29,900)</u>	<u>(18,183)</u>	<u>11,717</u>
Other financing sources (uses):				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balances	100	100	11,817	11,717
Fund balance:				
Beginning of year	<u>10,900</u>	<u>10,900</u>	<u>23,310</u>	<u>12,410</u>
End of year	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 35,127</u>	<u>\$ 24,127</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer System Improvement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 2,858	\$ 2,358
Other	<u>2,000</u>	<u>2,000</u>	<u>2,015</u>	<u>15</u>
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>4,873</u>	<u>2,373</u>
Expenditures:				
Materials and services	305,000	305,000	102,112	202,888
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>1,920</u>	<u>1,080</u>
Total expenditures	<u>308,000</u>	<u>308,000</u>	<u>104,032</u>	<u>203,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(305,500)</u>	<u>(305,500)</u>	<u>(99,159)</u>	<u>206,341</u>
Other financing sources (uses):				
Transfers in	<u>580,000</u>	<u>580,000</u>	<u>545,000</u>	<u>(35,000)</u>
Total other financing sources (uses)	<u>580,000</u>	<u>580,000</u>	<u>545,000</u>	<u>(35,000)</u>
Net change in fund balances	274,500	274,500	445,841	171,341
Fund balance:				
Beginning of year	<u>128,600</u>	<u>128,600</u>	<u>423,726</u>	<u>295,126</u>
End of year	<u>\$ 403,100</u>	<u>\$ 403,100</u>	<u>\$ 869,567</u>	<u>\$ 466,467</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Equipment Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 180	\$ (20)
Total revenues	<u>200</u>	<u>200</u>	<u>180</u>	<u>(20)</u>
Expenditures:				
Capital outlay	<u>42,000</u>	<u>42,000</u>	<u>34,280</u>	<u>7,720</u>
Total expenditures	<u>42,000</u>	<u>42,000</u>	<u>34,280</u>	<u>7,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,800)</u>	<u>(41,800)</u>	<u>(34,100)</u>	<u>7,700</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 fund balances	(16,800)	(16,800)	(9,100)	7,700
Fund balance:				
Beginning of year	<u>42,000</u>	<u>42,000</u>	<u>42,020</u>	<u>20</u>
End of year	<u>\$ 25,200</u>	<u>\$ 25,200</u>	<u>\$ 32,920</u>	<u>\$ 7,720</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer System Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 11,100	\$ 11,100	\$ 8,366	\$ (2,734)
Other	-	-	7,925	7,925
System development charges	<u>138,000</u>	<u>138,000</u>	<u>286,284</u>	<u>148,284</u>
Total revenues	<u>149,100</u>	<u>149,100</u>	<u>302,575</u>	<u>153,475</u>
Expenditures:				
Capital outlay	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,534,781</u>	<u>215,219</u>
Total expenditures	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,534,781</u>	<u>215,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,600,900)</u>	<u>(1,600,900)</u>	<u>(1,232,206)</u>	<u>368,694</u>
Other financing sources (uses):				
Net change in fund balances	(1,600,900)	(1,600,900)	(1,232,206)	368,694
Fund balance:				
Beginning of year	<u>2,106,000</u>	<u>2,106,000</u>	<u>2,727,729</u>	<u>621,729</u>
End of year	<u>\$ 505,100</u>	<u>\$ 505,100</u>	<u>\$ 1,495,523</u>	<u>\$ 990,423</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Sanitation Enterprise Funds

June 30, 2015

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 346,143	\$ 162,398	\$ 19,833	\$ 528,374
Total assets	<u>\$ 346,143</u>	<u>\$ 162,398</u>	<u>\$ 19,833</u>	<u>\$ 528,374</u>
 <b>LIABILITIES AND NET POSITION:</b>				
Liabilities:				
Net Position:				
Unrestricted	<u>346,143</u>	<u>162,398</u>	<u>19,833</u>	<u>528,374</u>
Total net position	<u>346,143</u>	<u>162,398</u>	<u>19,833</u>	<u>528,374</u>
Total liabilities and net position	<u>\$ 346,143</u>	<u>\$ 162,398</u>	<u>\$ 19,833</u>	<u>\$ 528,374</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, 2015

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 789,477	\$ -	\$ -	\$ 789,477
Miscellaneous	<u>8,096</u>	<u>-</u>	<u>-</u>	<u>8,096</u>
Total operating revenues	<u>797,573</u>	<u>-</u>	<u>-</u>	<u>797,573</u>
Operating expenses:				
Personal services	367,730	-	-	367,730
Materials and services	<u>291,359</u>	<u>-</u>	<u>-</u>	<u>291,359</u>
Total operating expenses	<u>659,089</u>	<u>-</u>	<u>-</u>	<u>659,089</u>
Operating income (loss)	<u>138,484</u>	<u>-</u>	<u>-</u>	<u>138,484</u>
Nonoperating revenues (expenses):				
Investment earnings	1,540	653	86	2,279
Capital outlay	<u>-</u>	<u>(4,736)</u>	<u>(14,353)</u>	<u>(19,089)</u>
Total nonoperating revenues (expenses)	<u>1,540</u>	<u>(4,083)</u>	<u>(14,267)</u>	<u>(16,810)</u>
Income (loss) before transfers	<u>140,024</u>	<u>(4,083)</u>	<u>(14,267)</u>	<u>121,674</u>
Transfers in	-	82,000	20,000	102,000
Transfers out	<u>(107,500)</u>	<u>-</u>	<u>-</u>	<u>(107,500)</u>
Total transfers	<u>(107,500)</u>	<u>82,000</u>	<u>20,000</u>	<u>(5,500)</u>
Change in net assets	32,524	77,917	5,733	116,174
Total net position- beginning	<u>313,619</u>	<u>84,481</u>	<u>14,100</u>	<u>412,200</u>
Total net position- ending	<u>\$ 346,143</u>	<u>\$ 162,398</u>	<u>\$ 19,833</u>	<u>\$ 528,374</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Sanitation Enterprise Funds

For the Year Ended June 30, 2015

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation System Improvement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 797,573	\$ -	\$ -	\$ 797,573
Payments to suppliers	(291,359)	-	-	(291,359)
Payments to employees	<u>(367,730)</u>	<u>-</u>	<u>-</u>	<u>(367,730)</u>
Net cash provided (used) by operating activities	<u>138,484</u>	<u>-</u>	<u>-</u>	<u>138,484</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	82,000	20,000	102,000
Transfers out	<u>(107,500)</u>	<u>-</u>	<u>-</u>	<u>(107,500)</u>
Net cash provided (used) by noncapital financing activities	<u>(107,500)</u>	<u>82,000</u>	<u>20,000</u>	<u>(5,500)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	<u>-</u>	<u>(4,736)</u>	<u>(14,353)</u>	<u>(19,089)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(4,736)</u>	<u>(14,353)</u>	<u>(19,089)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>1,540</u>	<u>653</u>	<u>86</u>	<u>2,279</u>
Net change in cash and cash equivalents	32,524	77,917	5,733	116,174
Cash and cash equivalents - beginning	<u>313,619</u>	<u>84,481</u>	<u>14,100</u>	<u>412,200</u>
Cash and cash equivalents - ending	<u>\$ 346,143</u>	<u>\$ 162,398</u>	<u>\$ 19,833</u>	<u>\$ 528,374</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget	Adjustment	Modified Cash Basis
Revenues:						
Charges for services	\$ 758,100	\$ 788,100	\$ 789,477	\$ 1,377	\$ -	\$ 789,477
Investment earnings	1,300	1,300	1,540	240	-	1,540
Other	25,100	25,100	8,096	(17,004)	-	8,096
<b>Total revenues</b>	<b>784,500</b>	<b>814,500</b>	<b>799,113</b>	<b>(15,387)</b>	<b>-</b>	<b>799,113</b>
Expenditures:						
Personal services	374,900	374,900	360,730	14,170	7,000	367,730
Materials and services	266,700	311,700	291,359	20,341	-	291,359
Capital outlay	200	200	-	200	-	-
Contingency	15,000	-	-	-	-	-
<b>Total expenditures</b>	<b>656,800</b>	<b>686,800</b>	<b>652,089</b>	<b>34,711</b>	<b>7,000</b>	<b>659,089</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>127,700</b>	<b>127,700</b>	<b>147,024</b>	<b>19,324</b>	<b>(7,000)</b>	<b>140,024</b>
Other financing sources (uses):						
Transfers out	(114,500)	(114,500)	(114,500)	-	7,000	(107,500)
<b>Total other financing sources (uses)</b>	<b>(114,500)</b>	<b>(114,500)</b>	<b>(114,500)</b>	<b>-</b>	<b>7,000</b>	<b>(107,500)</b>
<b>Net change in fund balances</b>	<b>13,200</b>	<b>13,200</b>	<b>32,524</b>	<b>19,324</b>	<b>-</b>	<b>32,524</b>
Fund balance:						
Beginning of year	331,500	331,500	313,619	(17,881)	-	313,619
<b>End of year</b>	<b>\$ 344,700</b>	<b>\$ 344,700</b>	<b>\$ 346,143</b>	<b>\$ 1,443</b>	<b>\$ -</b>	<b>\$ 346,143</b>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Equipment Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 653	\$ 353
Total revenues	<u>300</u>	<u>300</u>	<u>653</u>	<u>353</u>
Expenditures:				
Capital outlay	<u>6,000</u>	<u>6,000</u>	<u>4,736</u>	<u>1,264</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,736</u>	<u>1,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,700)</u>	<u>(5,700)</u>	<u>(4,083)</u>	<u>1,617</u>
Other financing sources (uses):				
Transfers in	<u>82,000</u>	<u>82,000</u>	<u>82,000</u>	<u>-</u>
Total other financing sources (uses)	<u>82,000</u>	<u>82,000</u>	<u>82,000</u>	<u>-</u>
Net change in fund balances	76,300	76,300	77,917	1,617
Fund balance:				
Beginning of year	<u>85,700</u>	<u>85,700</u>	<u>84,481</u>	<u>(1,219)</u>
End of year	<u>\$ 162,000</u>	<u>\$ 162,000</u>	<u>\$ 162,398</u>	<u>\$ 398</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation System Improvement Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 86	\$ (114)
Total revenues	<u>200</u>	<u>200</u>	<u>86</u>	<u>(114)</u>
Expenditures:				
Materials and services	1,000	1,000	-	1,000
Capital outlay	<u>19,000</u>	<u>19,000</u>	<u>14,353</u>	<u>4,647</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>14,353</u>	<u>5,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,800)</u>	<u>(19,800)</u>	<u>(14,267)</u>	<u>5,533</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	200	200	5,733	5,533
Fund balance:				
Beginning of year	<u>14,900</u>	<u>14,900</u>	<u>14,100</u>	<u>(800)</u>
End of year	<u>\$ 15,100</u>	<u>\$ 15,100</u>	<u>\$ 19,833</u>	<u>\$ 4,733</u>



## **Internal Service Fund**

- Internal Service Fund



**CITY OF JUNCTION CITY, OREGON**

Internal Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Adjustment</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ 206,600	\$ 206,600	\$ 199,061	\$ (7,539)	\$ 193,500	\$ 392,561
Investment earnings	200	200	165	(35)	-	165
<b>Total revenues</b>	<b>206,800</b>	<b>206,800</b>	<b>199,226</b>	<b>(7,574)</b>	<b>193,500</b>	<b>392,726</b>
Expenditures:						
Personal services	185,000	185,000	175,258	9,742	-	175,258
Materials and services	206,600	206,600	198,972	7,628	-	198,972
Contingency	10,000	10,000	-	10,000	-	-
<b>Total expenditures</b>	<b>401,600</b>	<b>401,600</b>	<b>374,230</b>	<b>27,370</b>	<b>-</b>	<b>374,230</b>
Excess (deficiency) of revenues over (under) expenditures	(194,800)	(194,800)	(175,004)	19,796	193,500	18,496
Other financing sources (uses):						
Transfers in	193,500	193,500	193,500	-	(193,500)	-
<b>Total other financing sources (uses)</b>	<b>193,500</b>	<b>193,500</b>	<b>193,500</b>	<b>-</b>	<b>(193,500)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>18,496</b>	<b>19,796</b>	<b>-</b>	<b>18,496</b>
Fund balance:						
Beginning of year	20,100	20,100	1,569	(18,531)	-	1,569
<b>End of year</b>	<b>\$ 18,800</b>	<b>\$ 18,800</b>	<b>\$ 20,065</b>	<b>\$ 1,265</b>	<b>\$ -</b>	<b>\$ 20,065</b>



**Private-Purpose Trust Fund**

- Special Police Programs Fund



**CITY OF JUNCTION CITY, OREGON**

Private-Purpose Trust Fund - Special Police Programs Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 15,000	\$ (5,000)
Investment earnings	100	100	93	(7)
Donations and special events	5,200	5,200	4,530	(670)
Grants and contracts	<u>41,700</u>	<u>41,700</u>	<u>-</u>	<u>(41,700)</u>
Total revenues	<u>67,000</u>	<u>67,000</u>	<u>19,623</u>	<u>(47,377)</u>
Expenditures:				
Personal services	76,700	76,700	37,500	39,200
Materials and services	<u>24,900</u>	<u>24,900</u>	<u>4,863</u>	<u>20,037</u>
Total expenditures	<u>101,600</u>	<u>101,600</u>	<u>42,363</u>	<u>59,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,600)</u>	<u>(34,600)</u>	<u>(22,740)</u>	<u>11,860</u>
Other financing sources (uses):				
Transfers in	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>-</u>
Total other financing sources (uses)	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>-</u>
Net change in fund balances	(12,100)	(12,100)	(240)	11,860
Fund balance:				
Beginning of year	<u>13,200</u>	<u>13,200</u>	<u>12,109</u>	<u>(1,091)</u>
End of year	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 11,869</u>	<u>\$ 10,769</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, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 32,316</u>	<u>\$ 189,298</u>	<u>\$ (206,654)</u>	<u>\$ 14,960</u>
<b>LIABILITIES AND NET POSITION</b>				
Fines and bails	<u>\$ 32,316</u>	<u>\$ 189,298</u>	<u>\$ (206,654)</u>	<u>\$ 14,960</u>

**CITY OF JUNCTION CITY, OREGON**

Schedule of Property Tax Transactions

For the Year Ended June 30, 2015

Fiscal Year	Uncollected Balance June 30, 2014	Add Current Levy 2014-2015	Less Collections	Discounts and Adjustments	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 2,262,860	\$ (2,132,666)	\$ (68,343)	\$ 61,851
2013-2014	63,546	-	(24,104)	(4,594)	34,848
2012-2013	34,905	-	(8,454)	(3,455)	22,996
2011-2012	24,119	-	(8,762)	(376)	14,981
2010-2011	15,436	-	(4,426)	(289)	10,721
2009-2010	10,295	-	(576)	(258)	9,461
2008-2009	1,687	-	(365)	(174)	1,148
Prior years	12,660	-	(287)	(148)	12,225
	<u>\$ 162,648</u>	<u>\$ 2,262,860</u>	<u>\$ (2,179,640)</u>	<u>\$ (77,637)</u>	<u>\$ 168,231</u>

**TREND INFORMATION**



**CITY OF JUNCTION CITY, OREGON**

Net Position by Component  
Last Five Fiscal Years  
(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2015	2014	2013	2012	2011
<b>Governmental activities</b>					
Restricted	\$ 2,792,423	\$ 2,670,868	\$ 2,432,554	\$ 2,622,944	\$ 6,302,631
Unrestricted	<u>2,902,421</u>	<u>2,635,101</u>	<u>2,584,492</u>	<u>2,480,819</u>	<u>4,160,606</u>
Total governmental activities net position	\$ <u>5,694,844</u>	\$ <u>5,305,969</u>	\$ <u>5,017,046</u>	\$ <u>5,103,763</u>	\$ <u>10,463,237</u>
<b>Business-type activities</b>					
Restricted	\$ 1,530,717	\$ 2,832,661	\$ 2,531,562	\$ 2,116,921	\$ 2,099,648
Unrestricted	<u>2,198,379</u>	<u>1,631,163</u>	<u>4,276,769</u>	<u>5,054,210</u>	<u>3,988,741</u>
Total business-type activities net position	\$ <u>3,729,096</u>	\$ <u>4,463,824</u>	\$ <u>6,808,331</u>	\$ <u>7,171,131</u>	\$ <u>6,088,389</u>
<b>Primary government</b>					
Restricted	\$ 4,323,140	\$ 5,503,529	\$ 4,964,116	\$ 4,739,865	\$ 8,402,279
Unrestricted	<u>5,100,800</u>	<u>4,266,264</u>	<u>6,861,261</u>	<u>7,535,029</u>	<u>8,149,347</u>
Total net position	\$ <u>9,423,940</u>	\$ <u>9,769,793</u>	\$ <u>11,825,377</u>	\$ <u>12,274,894</u>	\$ <u>16,551,626</u>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position  
Last Five Fiscal Years  
(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2015	2014	2013	2012	2011
<b>Expenses</b>					
Governmental Activities					
General Government	\$ 1,026,117	\$ 1,207,777	\$ 1,320,285	\$ 5,027,653	\$ 11,401,934
Public Safety	1,725,207	1,874,793	1,796,822	1,792,498	1,736,725
Highways and streets	320,764	289,004	281,717	469,102	251,439
Economic development	3,146	21,756	5,810	18,637	157,180
Culture and recreation	588,416	553,649	776,554	770,168	630,901
<b>Total governmental activities</b>	<b>3,663,650</b>	<b>3,946,979</b>	<b>4,181,188</b>	<b>8,078,058</b>	<b>14,178,179</b>
Business-type activities					
Water	1,149,899	1,223,828	1,157,378	1,217,276	1,331,066
Sewer	2,536,708	3,648,023	2,178,043	1,881,155	836,397
Sanitation	678,178	650,207	822,304	720,426	668,271
<b>Total business-type activities</b>	<b>4,364,785</b>	<b>5,522,058</b>	<b>4,157,725</b>	<b>3,818,857</b>	<b>2,835,734</b>
<b>Total expenses</b>	<b>\$ 8,028,435</b>	<b>\$ 9,469,037</b>	<b>\$ 8,338,913</b>	<b>\$ 11,896,915</b>	<b>\$ 17,013,913</b>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position (continued)  
Last Five Fiscal Years  
(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2015	2014	2013	2012	2011
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General Government	\$ 589,779	\$ 714,183	\$ 614,028	\$ 539,383	\$ 538,387
Public Safety	378	22	9,883	42	246
Highways and streets	7,505	2,306	4,191	4,178	1,921
Economic development	45,728	44,385	37,509	45,235	28,604
Culture and recreation	950	650	680	5,650	-
Operating grants and contributions	315,830	315,814	397,109	318,400	304,804
Capital grants and contributions	94,043	76,063	245,596	1,027,712	16,572,605
<b>Total governmental activities</b>	<b>1,054,213</b>	<b>1,153,423</b>	<b>1,308,996</b>	<b>1,940,600</b>	<b>17,446,567</b>
Business-type activities					
Charges for services					
Water	1,146,663	990,784	999,790	743,567	856,535
Sewer	1,688,124	1,597,888	1,712,062	1,464,164	1,448,120
Sanitation	797,573	763,618	747,442	721,176	715,038
Capital grants and contributions	-	-	300,000	-	-
<b>Total business-type activities</b>	<b>3,632,360</b>	<b>3,352,290</b>	<b>3,759,294</b>	<b>2,928,907</b>	<b>3,019,693</b>
<b>Total program revenues</b>	<b>\$ 4,686,573</b>	<b>\$ 4,505,713</b>	<b>\$ 5,068,290</b>	<b>\$ 4,869,507</b>	<b>\$ 20,466,260</b>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (2,609,437)	\$ (2,793,556)	\$ (2,872,192)	\$ (6,137,458)	\$ 3,268,388
Business-type activities	(732,425)	(2,169,768)	(398,431)	(889,950)	183,959
<b>Total net (expense) revenue</b>	<b>\$ (3,341,862)</b>	<b>\$ (4,963,324)</b>	<b>\$ (3,270,623)</b>	<b>\$ (7,027,408)</b>	<b>\$ 3,452,347</b>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position (continued)  
Last Five Fiscal Years  
(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2015	2014	2013	2012	2011
<b>General revenues and transfers</b>					
Governmental activities					
Property taxes	\$ 2,187,950	\$ 2,084,931	\$ 2,029,597	\$ 1,952,801	\$ 1,896,883
Franchise taxes	399,692	391,305	365,198	376,285	314,161
Other taxes and receipts	385,437	376,219	356,116	350,074	314,784
Investment earnings	27,233	27,924	28,764	38,324	52,902
Transfer to fiduciary fund	(22,500)	-	-	-	-
Transfers in (out)	20,500	202,100	5,800	(1,939,500)	(543,000)
<b>Total governmental activities</b>	<b>2,998,312</b>	<b>3,082,479</b>	<b>2,785,475</b>	<b>777,984</b>	<b>2,035,730</b>
Business-type activities					
Investment earnings	18,197	27,361	41,431	33,192	28,943
Transfers in (out)	(20,500)	(202,100)	(5,800)	1,939,500	543,000
<b>Total business-type activities</b>	<b>(2,303)</b>	<b>(174,739)</b>	<b>35,631</b>	<b>1,972,692</b>	<b>571,943</b>
<b>Total primary government</b>	<b>\$ 2,996,009</b>	<b>\$ 2,907,740</b>	<b>\$ 2,821,106</b>	<b>\$ 2,750,676</b>	<b>\$ 2,607,673</b>
Change in net position					
Governmental activities	\$ 388,875	\$ 288,923	\$ (86,717)	\$ (5,359,474)	\$ 5,304,118
Business-type activities	(734,728)	(2,344,507)	(362,800)	1,082,742	755,902
<b>Total change in net position</b>	<b>\$ (345,853)</b>	<b>\$ (2,055,584)</b>	<b>\$ (449,517)</b>	<b>\$ (4,276,732)</b>	<b>\$ 6,060,020</b>

**CITY OF JUNCTION CITY, OREGON**

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

	Fiscal Year Ended June 30,				
	2015	2014	2013	2012	2011
General Fund					
Restricted	\$ -	\$ -	\$ -	\$ 1,685	\$ 1,685
Committed	78,626	59,562	77,164	89,302	126,222
Unassigned	2,141,334	2,015,995	1,984,014	1,935,110	1,914,203
Total general fund	<u>2,219,960</u>	<u>2,075,557</u>	<u>2,061,178</u>	<u>2,026,097</u>	<u>2,042,110</u>
All other governmental funds					
Restricted	\$ 2,792,423	\$ 2,670,868	\$ 2,432,554	\$ 2,381,259	\$ 6,651,323
Committed	662,396	557,975	523,314	696,407	1,769,804
Total all other governmental funds	<u>3,454,819</u>	<u>3,228,843</u>	<u>2,955,868</u>	<u>3,077,666</u>	<u>8,421,127</u>
Total governmental funds	<u>\$ 5,674,779</u>	<u>\$ 5,304,400</u>	<u>\$ 5,017,046</u>	<u>\$ 5,103,763</u>	<u>\$ 10,463,237</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,				
	2015	2014	2013	2012	2011
<b>REVENUES</b>					
Taxes:					
Property	\$ 2,187,950	\$ 2,084,931	\$ 2,029,597	\$ 1,952,801	\$ 1,896,883
Franchise	399,692	391,305	365,198	376,285	314,161
Other	14,370	10,121	10,698	9,686	11,447
Licenses and permits	235,574	339,190	271,857	122,096	110,440
Intergovernmental	615,762	605,739	621,206	1,572,963	17,088,820
Charges for services	140,029	75,318	88,920	113,638	112,295
System development charges	137,504	124,163	340,818	88,693	65,705
Fines and forfeitures	147,330	239,058	193,021	232,158	225,376
Investment earnings	27,068	27,838	28,764	38,322	52,901
Principal received - program loans	40,154	36,989	29,693	33,793	20,647
Interest received - program loans	5,574	7,296	7,816	11,292	7,857
Contributions and donations	27,675	28,072	26,099	24,845	38,766
Other revenue	75,678	63,695	74,984	81,512	79,998
<b>Total revenues</b>	<b>4,054,360</b>	<b>4,033,715</b>	<b>4,088,671</b>	<b>4,658,084</b>	<b>20,025,296</b>
<b>EXPENDITURES</b>					
Current:					
General government	1,044,448	1,015,759	1,320,285	4,904,097	11,274,911
Public Safety	1,725,207	1,874,793	1,796,822	1,981,933	1,914,540
Highway and streets	320,764	289,004	281,717	469,102	251,439
Economic Development	3,146	21,756	5,810	18,637	157,180
Culture and recreation	588,416	553,649	776,554	704,289	580,108
<b>Total expenditures</b>	<b>3,681,981</b>	<b>3,754,961</b>	<b>4,181,188</b>	<b>8,078,058</b>	<b>14,178,178</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 372,379	\$ 278,754	\$ (92,517)	\$ (3,419,974)	\$ 5,847,118
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	513,300	300,100	246,532	653,758	190,503
Transfers out	(515,300)	(291,500)	(240,732)	(2,593,258)	(733,503)
<b>Total other financing sources (uses)</b>	<b>(2,000)</b>	<b>8,600</b>	<b>5,800</b>	<b>(1,939,500)</b>	<b>(543,000)</b>
<b>Net change in fund balances</b>	<b>\$ 370,379</b>	<b>\$ 287,354</b>	<b>\$ (86,717)</b>	<b>\$ (5,359,474)</b>	<b>\$ 5,304,118</b>

**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 Leases	Notes Payable
2015	\$ -	\$ -	\$ -	\$ -
2014	-	-	-	-
2013	-	33,756	-	-
2012	-	65,084	20,754	-
2011	-	94,158	40,310	26,590



**COMPLIANCE SECTION**





An Independently Owned Member  
**McGLADREY ALLIANCE**



## 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, 2015, and have issued our report thereon dated November 9, 2015. 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).

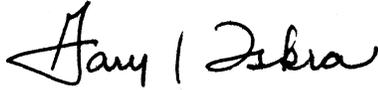
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320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

For Isler CPA  
Eugene, Oregon  
November 9, 2015