

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010
WITH INDEPENDENT AUDITORS' REPORT

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Year ended June 30, 2010

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LANE COUNTY, OREGON

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INTRODUCTORY SECTION

CITY OF JUNCTION CITY

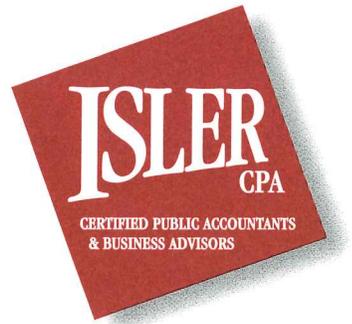
LANE COUNTY, OREGON

List of Elected Officials

June 30, 2010

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Dwight Coon 1612 Unity Court Junction City, OR 97448	Mayor	January 31, 2011
Dave Brunscheon 420 Timothy Street Junction City, OR 97448	Councilor	January 31, 2011
Randy Nelson 1389 United Drive Junction City, OR 97448	Councilor	January 31, 2013
Bill DiMarco P.O. Box 702 Junction City, OR 97448	Councilor	January 31, 2013
Lance Stoddard 1223 Nyssa Street Junction City, OR 97448	Councilor (Resigned August 24, 2010)	January 31, 2011
Marti Templeton 1267 Rose Junction City, OR 97448	Councilor	January 31, 2011
Randy Lindsey 1311 Vine Court Junction City, OR 97448	Councilor (Appointed August 11, 2009)	January 31, 2011

FINANCIAL SECTION



Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Junction City, Oregon, ("City") as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

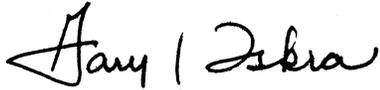
As discussed in Note I. C., the City prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, - modified cash basis, thereof and the respective budgetary comparisons for the General Fund, DOC-IGA Infrastructure Capital Project Fund and each major special revenue fund for the year then ended in conformity with the basis of accounting described in Note I. C.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required to accompany those financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparisons, and other financial schedules 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note I. C. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Isler CPA

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

By: Gary Iskra, CPA, a member of the firm
Eugene, Oregon
January 18, 2011

CITY OF JUNCTION CITY LANE COUNTY, OREGON

Management's Discussion and Analysis

Our management discussion and analysis (MDA) of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2010 within the limitations of the City's modified cash basis of accounting. The MDA is intended to be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The City's total revenues exceeded total expenses, on the modified cash basis of accounting, by \$6,735,027 for the year, resulting in an increase in total net assets of 20.5% from the previous year. Much of the increase is attributed to funds advanced by the Department of Corrections for projects in progress.

The City's Governmental Funds (defined below) saw an overall increase of \$23,132 to the combined ending balance of \$5,159,119. This represents a less than 1% increase to the combined fund balance. The largest changes were in the general fund, which decreased by \$116,560 (6.3%), and the street fund which decreased by 52,947 (12%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements of the City are comprised of three components. They are: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. Other supplementary information in addition to the basic financial statements is also contained in this report.

Government-wide Financial Statements: The Statement of Net Assets and the Statement of Activities (page 12 and 13) provide information about the activities of the City as a whole, and present a broad overview of the City's finances.

Fund Financial Statements: Fund financial statements (*starting on page 14*) focus on the individual parts of the City government. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant ("major") funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. For proprietary activities, these statements offer short-term and long-term financial information about the business-like activities the City operates, such as the water, sewer, and sanitation services.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to the financial statements can be found on pages 27 to 39 of this report.

The remainder of the City's Annual Financial Report consists of Supplementary Information. This information is not a part of the Basic Financial Statements described above, however it serves to provide users of this report with additional specific data that supplements the government-wide statements, fund financial statements, and notes. Examples of this additional financial information include combining statements for non-major funds (which are added together and shown in the fund financial statements in a single column), such as the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances and individual budgetary comparison statements for nonmajor funds.

BASIS OF ACCOUNTING

The City has elected to present its financial statements on a modified cash basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the City's modified cash basis of accounting, revenues, expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities and in the fund financial statements for proprietary fund activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

REPORTING THE CITY AS A WHOLE

The City's Reporting Entity Presentation

This annual report includes all activities for which the City Council of Junction City is fiscally responsible. These activities, defined as the City's reporting entity, are operated within a single legal entity that serves as the structure of the primary government.

The Government-wide Statement of Net Assets and the Statement of Activities

The government-wide financial statements are presented on pages 12 and 13. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all of the City's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the City's net assets and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as the condition of the City's property, infrastructure and equipment, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities. Most of the City's basic services are reported in this category. These services include the police, municipal court, streets, parks, library, senior center, planning services and general administration. Property taxes, franchise fees, fines, and state taxes are the key resources that finance these activities.

Business-type activities. The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer, and sanitation operations are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

The Fund Financial Statements

Our description of the City's major funds begins on page 28. The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in subsequent years. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader to determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements. The City considers the General Fund, DOC-IGA Infrastructure Capital Project Fund, Street Fund, Building Replacement Reserve Fund and the Business Development Loan Fund to be its significant or major governmental funds. All other governmental funds are aggregated in a single column entitled Other Governmental Funds.

Proprietary funds—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability. In fact, the City's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements but the fund statements provide more detail and additional information, such as cash flows. The City has three enterprise funds — Water Fund, Sewer Fund, and Sanitation Fund.

Fiduciary funds — The City currently has two fiduciary funds. Fiduciary funds are used to account for resources that are held for the benefit of parties outside the government. The resources of these funds are not available to support the City's own programs; therefore, fiduciary funds are not reflected in the government-wide statements.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets—Modified Cash Basis

The City's combined net assets, resulting from modified cash basis transactions, increased from \$32,909,826 to \$39,644,853 during the fiscal year ending June 30, 2010.

City of Junction City's Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 10,912,117	\$ 5,378,526	\$ 5,332,512	\$ 4,253,980	\$ 16,244,629	\$ 9,632,506
Capital assets	14,999,320	9,086,383	14,276,424	14,368,365	29,275,744	23,454,748
Total assets	<u>25,911,437</u>	<u>14,464,909</u>	<u>19,608,936</u>	<u>18,622,345</u>	<u>45,520,373</u>	<u>33,087,254</u>
Current liabilities	31,820	23,255	25	25	31,845	23,280
Deferred Revenue	5,611,194	-	-	-	5,611,194	-
Long - term debt outstanding	121,143	-	111,338	154,148	232,481	154,148
Total liabilities	<u>5,764,157</u>	<u>23,255</u>	<u>111,363</u>	<u>154,173</u>	<u>5,875,520</u>	<u>177,428</u>
Net assets:						
Invested in capital assets, net of related debt	14,878,177	9,086,383	14,165,086	14,214,217	29,043,263	23,300,600
Restricted for:						
Systems development	849,802	689,057	593,395	1,523,073	1,443,197	2,212,130
Streets	386,417	439,364	-	-	386,417	439,364
Unrestricted	<u>4,032,884</u>	<u>4,226,850</u>	<u>4,739,092</u>	<u>2,730,882</u>	<u>8,771,976</u>	<u>6,957,732</u>
Total net assets	<u><u>\$ 20,147,280</u></u>	<u><u>\$ 14,441,654</u></u>	<u><u>\$ 19,497,573</u></u>	<u><u>\$ 18,468,172</u></u>	<u><u>\$ 39,644,853</u></u>	<u><u>\$ 32,909,826</u></u>

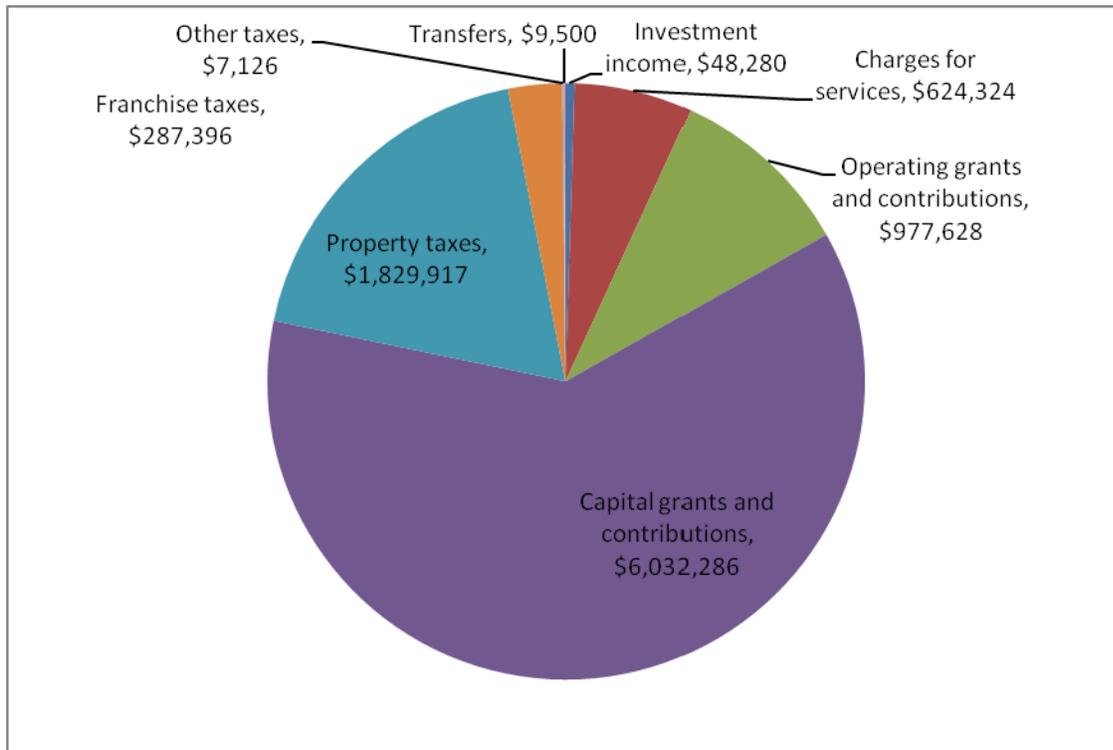
Net assets of the City's governmental activities increased 39.5% to \$20,147,280. However, \$14,878,177 of those net assets is invested in capital assets (buildings, roads, bridges, and so on) and \$849,802 was restricted for systems development and \$386,417 was restricted for streets. Consequently, unrestricted net assets were \$4,032,884 at the end of this year.

Changes in Net Assets—Modified Cash Basis For the years ended June 30, 2010 and 2009, net assets of the government (resulting from modified cash basis transactions) changed as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 624,324	\$ 413,346	\$ 2,838,418	\$ 2,693,356	\$ 3,462,742	\$ 3,106,702
Operating grants and contributions	977,628	648,669	-	9,378	977,628	658,047
Capital grants and contributions	6,032,286	2,439,177	593,395	227,403	6,625,681	2,666,580
General revenues:						
Property taxes	1,829,917	1,731,374	-	-	1,829,917	1,731,374
Franchise taxes	287,396	320,242	-	-	287,396	320,242
Other taxes	7,126	11,945	-	-	7,126	11,945
Investment income	48,280	149,142	33,695	106,636	81,975	255,778
Loss on disposal of assets	-	-	-	(35,736)	-	(35,736)
Total revenues	<u>9,806,957</u>	<u>5,713,895</u>	<u>3,465,508</u>	<u>3,001,037</u>	<u>13,272,465</u>	<u>8,714,932</u>
Expenses						
General government	1,243,569	742,682	-	-	1,243,569	742,682
Public safety	1,713,697	1,607,471	-	-	1,713,697	1,607,471
Highways and streets	439,594	491,540	-	-	439,594	491,540
Economic development	100,840	30,130	-	-	100,840	30,130
Culture and recreation	613,131	580,626	-	-	613,131	580,626
Water	-	-	801,589	725,333	801,589	725,333
Sewer	-	-	1,033,798	858,353	1,033,798	858,353
Sanitation	-	-	591,220	721,713	591,220	721,713
Total expenses	<u>4,110,831</u>	<u>3,452,449</u>	<u>2,426,607</u>	<u>2,305,399</u>	<u>6,537,438</u>	<u>5,757,848</u>
Excess before special item and transfers	5,696,126	2,261,446	1,038,901	695,638	6,735,027	2,957,084
Transfers - internal activity	9,500	(198,208)	(9,500)	198,208	-	-
Increase in net assets	5,705,626	2,063,238	1,029,401	893,846	6,735,027	2,957,084
Net assets, beginning of year	14,441,654	12,378,416	18,468,172	17,574,326	32,909,826	29,952,742
Net assets, end of year	<u>\$ 20,147,280</u>	<u>\$ 14,441,654</u>	<u>\$ 19,497,573</u>	<u>\$ 18,468,172</u>	<u>\$ 39,644,853</u>	<u>\$ 32,909,826</u>

Governmental Activities

For the year ended June 30, 2010, the City's governmental activities were funded as follows:

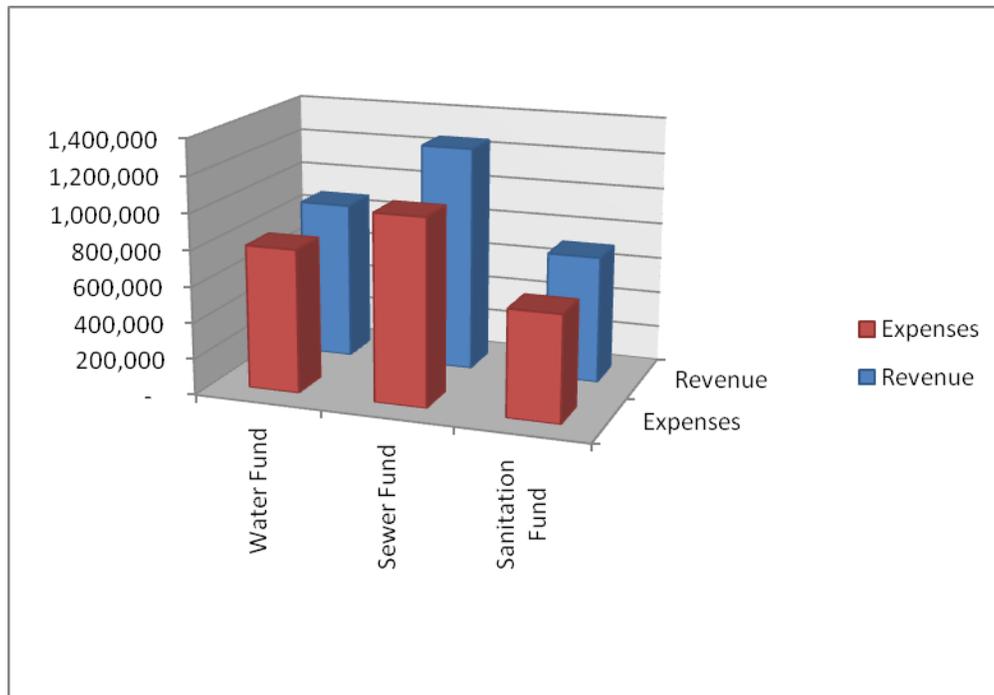


For the year ended June 30, 2010, total expenditures for governmental activities, resulting from modified cash basis transactions, amounted to \$4,110,831. Revenues included: taxes and investment earnings of \$2,172,719; charges for services of \$624,324; operating grants and contributions totaling \$977,628; capital grants and contributions \$6,032,286; and net transfers from other funds of \$9,500. As a result, governmental net assets increased \$5,705,626.

BUSINESS-TYPE ACTIVITIES

A review of the business-type activities' net (expense)/revenue resulting from modified cash basis transactions indicates that water, sewer and sanitation activities ended in a positive position for the fiscal year. The water, sewer and sanitation service activities reported net operating income of \$82,173, \$220,869, and \$115,166 respectively. Additional information on enterprise funds can be found on pages 22- 24.

OPERATING REVENUE AND EXPENSES



A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Certain additional funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The DOC-IGA Infrastructure Capital Project shows \$5,806,958 in capital expenditures due to the Department of Corrections project in process during the fiscal year. Deferred revenues were recognized for \$5,611,194 which reflects deposits received from the DOC in advance.
- The Building Replacement Reserve Fund decreased \$32,699 or 7% due to projects budgeted and completed.
- The Business Development Loan Fund ending fund balance increased by \$51,990 or 5% due to the repayment on existing loans of principal and interest, and investment earnings. The ending fund balance for the year leaves an amount of \$1,093,693 for future loans and investments.
- Systems Development Charge (SDC) revenues from new connections for the non-major governmental funds, Street System and Park System, grew at a higher rate than the previous year resulting respectively in ending fund balances of \$554,149 (18% increase, 9% prior year) and \$295,653 (36% increase, 15% prior year).
- SDC revenues from the enterprise funds, Water System Development and Sewer System Development, increased from the new connections to the systems resulting respectively in ending fund balances of \$193,747 (20% increase) and \$1,743,015 (43% increase).
- The Water System and Sewer System Improvement Funds also continued to receive charges for services resulting in ending fund balances respectively of \$368,668 and \$1,676,653. The Water System Improvement Fund was also the recipient of a transfer of \$120,000 from the Water operating Fund. Capital expenditures of \$346,422 reduced the ending balance of the Sewer System Improvement Fund.
- The Sanitation Equipment Reserve Fund grew by \$14,664 to an ending fund balance of \$64,194.

General Fund Budgetary Highlights

The City's General Fund ended the year with a fund balance of \$1,723,910, a decrease of \$116,560 from the beginning of year balance. The decrease represents an overall decrease in the General Fund ending balance of 6.3%. This is less than the planned operating decrease of (\$534,024) at the adoption of the budget.

Revenue in the general fund was enhanced by property taxes collected above the budgeted amount by \$65,915 and licenses and permits collected over budgeted amounts by \$142,963. Total actual expenditures in the general fund were \$351,792 below the budgeted amount for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets—Modified Cash Basis

At June 30, 2010, the City had more than \$29.0 million invested in capital assets, net of depreciation, including land and buildings, police and public works equipment, park facilities, infrastructure, and water and sewer lines and system components (See table below). This represents a net increase of just over \$5.8 million from last year. The increase is largely due to the Department of Correction's related construction in progress.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,744,444	\$ 2,485,036	\$ 1,247,165	\$ 1,247,165	\$ 3,991,609	\$ 3,732,201
Construction in progress	6,693,359	1,551,973	292,526	-	6,985,885	1,551,973
Other improvements	1,068,732	1,051,957	-	-	1,068,732	1,051,957
Machinery and equipment	982,006	459,543	603,118	653,383	1,585,124	1,112,926
Infrastructure	3,510,779	3,537,874	103,692	111,099	3,614,471	3,648,973
Utility property	-	-	12,029,923	12,356,718	12,029,923	12,356,718
Total	<u>\$ 14,999,320</u>	<u>\$ 9,086,383</u>	<u>\$ 14,276,424</u>	<u>\$ 14,368,365</u>	<u>\$ 29,275,744</u>	<u>\$ 23,454,748</u>

This year's capital asset additions were:

Equipment	\$ 653,482
Infrastructure, Land & Other Improvements	473,630
System Improvements	
Utility	141,692
Construction in Progress	5,438,711

For additional information on capital assets, see notes II.D on pages 34-35.

Long-term Debt—Modified Cash Basis

The City's long-term debt consists of a loan through the State's Economic Development Department. The original loan amount of \$250,000 requires annual payments of \$22,026 amortized over 20 years at 6.13% interest. The principal balance on the loan at June 30, 2010 was \$58,736. For more information on long-term debt, see Note II. F. on page 37.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the current fiscal year ending June 30, 2011, the budgeted appropriations for all funds other than the Department of Corrections fund, is \$10,618,040 as compared to the prior year appropriations of \$10,164,173.

The City will complete work during fiscal year ending June 30, 2011 on infrastructure work related to the opening of the hospital and prison facilities. Such work, as currently envisioned, includes both extensive piping projects for water and wastewater, construction of one elevated water storage tank and the beginning of work on a second, completion of a centralized water pump station, upgrades to the Third and Maple Sewer Pump Station and the beginning of work on a ground water storage tank.

Although the City has experienced the loss of several employers during the current economic downturn, new housing starts exceeded expectations during the year ending June 30, 2010. The continuation of these trends is uncertain for future years. The City has seen an increase in small business activity during the current year, with several new start ups in the downtown area.

The continuing unknowns at this time are the impacts of the National economic condition on the State and local economy which has a direct impact on the City's budget. On the positive side Country Coach has recently announced a restart of the business in a much reduced size and our housing starts continue to exceed our expectations. Local community groups continue their efforts to improve the overall business starts and community development. The future of the City is positive, however on many fronts it is largely unknown.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Director, at 680 Greenwood St., Junction City, Oregon 97448 or telephone at (541) 998-2153.

BASIC FINANCIAL STATEMENTS

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
Statement of Net Assets - Modified Cash Basis
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Actitivites</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 10,791,058	\$ 5,332,512	\$ 16,123,570
Loans receivable	109,984	-	109,984
Developer advances	11,075	-	11,075
Capital assets not being depreciated:			
Land	2,744,444	1,247,165	3,991,609
Construction in progress	6,693,359	292,526	6,985,885
Capital assets net of depreciation:			
Utility property and improvements	1,068,732	12,736,733	13,805,465
Infrastructure	3,510,779	-	3,510,779
Machinery and equipment	982,006	-	982,006
Total assets	<u>\$ 25,911,437</u>	<u>\$ 19,608,936</u>	<u>\$ 45,520,373</u>
LIABILITIES			
Deposits and withholdings payable	\$ 31,820	\$ 25	\$ 31,845
Deferred revenue	5,611,194	-	5,611,194
Noncurrent liabilities:			
Due within one year	26,984	44,438	71,422
Due in more than one year	94,159	66,900	161,059
Total liabilities	<u>5,764,157</u>	<u>111,363</u>	<u>5,875,520</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,878,177	14,165,086	29,043,263
Restricted for street improvements	386,417	-	386,417
Restricted for system development	849,802	593,395	1,443,197
Unrestricted	4,032,884	4,739,092	8,771,976
Total net assets	<u>20,147,280</u>	<u>19,497,573</u>	<u>39,644,853</u>
Total liabilities and net assets	<u>\$ 25,911,437</u>	<u>\$ 19,608,936</u>	<u>\$ 45,520,373</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions / Programs							
Governmental activities:							
General government	\$ 1,243,569	\$ 346,689	\$ 727,864	\$ 5,875,255	\$ 5,706,239	\$ -	\$ 5,706,239
Public safety	1,713,697	197,420	-	-	(1,516,277)	-	(1,516,277)
Highways and streets	439,594	6,428	222,880	79,441	(130,845)	-	(130,845)
Economic development	100,840	20,531	8,600	-	(71,709)	-	(71,709)
Culture and recreation	613,131	53,256	18,284	77,590	(464,001)	-	(464,001)
Total governmental activities	<u>4,110,831</u>	<u>624,324</u>	<u>977,628</u>	<u>6,032,286</u>	<u>3,523,407</u>	<u>-</u>	<u>3,523,407</u>
Business-type Activities:							
Water	801,589	879,097	-	75,286	-	152,794	152,794
Sewer	1,033,798	1,254,667	-	518,109	-	738,978	738,978
Sanitation	591,220	704,654	-	-	-	113,434	113,434
Total business - type activities	<u>2,426,607</u>	<u>2,838,418</u>	<u>-</u>	<u>593,395</u>	<u>3,523,407</u>	<u>1,005,206</u>	<u>4,528,613</u>
Total government	<u>\$ 6,537,438</u>	<u>\$ 3,462,742</u>	<u>\$ 977,628</u>	<u>\$ 6,625,681</u>	<u>3,523,407</u>	<u>1,005,206</u>	<u>4,528,613</u>
General revenues:							
Property taxes					1,829,917	-	1,829,917
Franchise taxes					287,396	-	287,396
Other taxes and receipts					7,126	-	7,126
Investment earnings					48,280	33,695	81,975
Transfers - internal activity					9,500	(9,500)	-
Total general revenues and transfers					<u>2,182,219</u>	<u>24,195</u>	<u>2,206,414</u>
Change in net assets					5,705,626	1,029,401	6,735,027
Net assets - beginning					<u>14,441,654</u>	<u>18,468,172</u>	<u>32,909,826</u>
Net assets - ending					<u>\$ 20,147,280</u>	<u>\$ 19,497,573</u>	<u>\$ 39,644,853</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
Balance Sheet - Modified Cash Basis
Governmental Funds
June 30, 2010

	General Fund	DOC-IGA Infrastructure Capital Project	Street Fund	Building Replacement Reserve Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,738,155	\$ 5,611,194	\$ 392,917	\$ 433,085	\$ 1,093,693	\$ 1,522,014	\$ 10,791,058
Developer advances	11,075	-	-	-	-	-	11,075
Note Receivable	-	-	-	-	109,984	-	109,984
Total assets	<u>\$ 1,749,230</u>	<u>\$ 5,611,194</u>	<u>\$ 392,917</u>	<u>\$ 433,085</u>	<u>\$ 1,203,677</u>	<u>\$ 1,522,014</u>	<u>\$ 10,912,117</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Deposit and withholdings payable	\$ 25,320	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ 31,820
Deferred revenue	-	5,611,194	-	-	109,984	-	5,721,178
Total liabilities	<u>25,320</u>	<u>5,611,194</u>	<u>6,500</u>	<u>-</u>	<u>109,984</u>	<u>-</u>	<u>5,752,998</u>
Fund balances:							
Reserved for system development	-	-	-	-	-	849,802	849,802
Unreserved, reported in General fund	1,723,910	-	-	-	-	-	1,723,910
Special revenue fund	-	-	386,417	433,085	1,093,693	672,212	2,585,407
Total fund balances	<u>1,723,910</u>	<u>-</u>	<u>386,417</u>	<u>433,085</u>	<u>1,093,693</u>	<u>1,522,014</u>	<u>5,159,119</u>
Total liabilities and fund balances	<u>\$ 1,749,230</u>	<u>\$ 5,611,194</u>	<u>\$ 392,917</u>	<u>\$ 433,085</u>	<u>\$ 1,203,677</u>	<u>\$ 1,522,014</u>	

RECONCILIATION TO STATEMENT OF NET ASSETS:

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

Capital assets used in the governmental activities of \$18,031,311 net of accumulated depreciation of \$3,031,991 are not financial resources and, therefore, are not reported in the funds.	14,999,320
The balance of the business loan program receivable is offset by deferred revenue in the governmental funds because the receivable is not a current financial resource available to fund current expenditures. The amount is not deferred in the statement activities because the receivable represents an asset under the economic resources measurement focus.	109,984
Capital lease is reported in the Statement of Net Assets. However, if they are not due in the current period, it is not recorded in governmental funds.	<u>(121,143)</u>
Net assets of governmental activities	<u>\$ 20,147,280</u>

The notes to the financial statements are an integral part of this statement

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

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

Governmental Funds

For the Year Ended June 30, 2010

	<u>General Fund</u>	DOC-IGA Infrastructure Capital Project	<u>Street Fund</u>	Building Replacement Reserve Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property taxes	\$ 1,829,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,829,917
Franchise taxes	287,396	-	-	-	-	-	287,396
Other	7,126	-	-	-	-	-	7,126
Licenses and permits	248,436	-	-	-	-	-	248,436
Intergovernmental revenues	686,412	5,837,943	220,651	-	8,600	54,341	6,807,947
Charges for services	71,830	-	-	-	-	6,671	78,501
System development charges	37,312	-	-	-	-	157,031	194,343
Fines and penalties	197,420	-	-	-	-	-	197,420
Investment earnings	37,942	-	2,701	3,136	7,481	10,102	61,362
Principal received - loan program	-	-	-	-	13,083	-	13,083
Interest received - loan program	-	-	-	-	7,448	-	7,448
Contributions and donations	-	-	-	-	-	7,624	7,624
Other revenue	26,423	-	6,428	-	-	46,585	79,436
Total Revenues	<u>3,430,214</u>	<u>5,837,943</u>	<u>229,780</u>	<u>3,136</u>	<u>36,612</u>	<u>282,354</u>	<u>9,820,039</u>
EXPENDITURES							
Current :							
General government	1,178,974	5,806,958	-	40,835	-	37,740	7,064,507
Public safety	1,684,036	-	-	-	-	66,034	1,750,070
Highway and streets	-	-	377,727	-	-	8,991	386,718
Economic development	-	-	-	-	4,622	-	4,622
Culture and recreation	513,764	-	-	-	-	86,726	600,490
Total expenditures	<u>3,376,774</u>	<u>5,806,958</u>	<u>377,727</u>	<u>40,835</u>	<u>4,622</u>	<u>199,491</u>	<u>9,806,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,440</u>	<u>30,985</u>	<u>(147,947)</u>	<u>(37,699)</u>	<u>31,990</u>	<u>82,863</u>	<u>13,632</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	100,000	5,000	20,000	80,500	205,500
Transfers out	<u>(170,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(21,000)</u>	<u>(196,000)</u>
Total other financing source (uses)	<u>(170,000)</u>	<u>-</u>	<u>95,000</u>	<u>5,000</u>	<u>20,000</u>	<u>59,500</u>	<u>9,500</u>
Net change in fund balances	(116,560)	30,985	(52,947)	(32,699)	51,990	142,363	23,132
Fund balances - beginning	<u>1,840,470</u>	<u>(30,985)</u>	<u>439,364</u>	<u>465,784</u>	<u>1,041,703</u>	<u>1,379,651</u>	<u>5,135,987</u>
Fund balances - ending	<u>\$ 1,723,910</u>	<u>\$ -</u>	<u>\$ 386,417</u>	<u>\$ 433,085</u>	<u>\$ 1,093,693</u>	<u>\$ 1,522,014</u>	<u>\$ 5,159,119</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds - Modified Cash Basis
To the Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$	23,132
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$6,099,763) exceed depreciation (\$307,969) in the current period.</p>		
		5,791,794
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Change in deferred revenues		<u>(109,300)</u>
Change in net assets of governmental activities	\$	<u>5,705,626</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
GENERAL FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 1,764,002	\$ 1,764,002	\$ 1,829,917	\$ 65,915
Franchise taxes	331,500	331,500	287,396	(44,104)
Other taxes	8,900	8,900	7,126	(1,774)
Licenses and permits	105,473	105,473	248,436	142,963
Intergovernmental revenues	642,476	879,476	686,412	(193,064)
Charges for services	30,900	30,900	71,830	40,930
Fines and penalties	181,900	181,900	197,420	15,520
Investment earnings	28,000	28,000	37,942	9,942
System development charges	12,186	12,186	37,312	25,126
Other revenue	<u>22,205</u>	<u>22,205</u>	<u>26,423</u>	<u>4,218</u>
Total revenues	<u>3,127,542</u>	<u>3,364,542</u>	<u>3,430,214</u>	<u>65,672</u>
Expenditures:				
Personal services	2,259,516	2,260,516	2,083,946	176,570
Materials and services	1,181,950	1,417,950	1,292,828	125,122
Capital outlay	100	100	-	100
Contingency	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>3,491,566</u>	<u>3,728,566</u>	<u>3,376,774</u>	<u>351,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(364,024)</u>	<u>(364,024)</u>	<u>53,440</u>	<u>417,464</u>
Other financing sources (uses):				
Transfers out	<u>(170,000)</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>-</u>
Net change in fund balances	<u>(534,024)</u>	<u>(534,024)</u>	<u>(116,560)</u>	<u>417,464</u>
Fund balance:				
Beginning of year	<u>1,514,156</u>	<u>1,514,156</u>	<u>1,840,470</u>	<u>326,314</u>
End of year	<u>\$ 980,132</u>	<u>\$ 980,132</u>	<u>\$ 1,723,910</u>	<u>\$ 743,778</u>

The notes to the financial statements are an integral part of this statement

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
DOC-IGA INFRASTRUCTURE CAPITAL PROJECT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 48,500,000	\$ 48,500,000	\$ 5,837,943	\$ (42,662,057)
Investment earnings (loss)	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	<u>48,502,000</u>	<u>48,502,000</u>	<u>5,837,943</u>	<u>(42,664,057)</u>
Expenditures:				
Materials and services	1,585,000	1,585,000	280,500	1,304,500
Capital outlay	<u>47,024,974</u>	<u>47,024,974</u>	<u>5,526,458</u>	<u>41,498,516</u>
Total expenditures	<u>48,609,974</u>	<u>48,609,974</u>	<u>5,806,958</u>	<u>42,803,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,974)</u>	<u>(107,974)</u>	<u>30,985</u>	<u>138,959</u>
Net change in fund balances	(107,974)	(107,974)	30,985	138,959
Fund balance:				
Beginning of year	<u>373,379</u>	<u>373,379</u>	<u>(30,985)</u>	<u>(404,364)</u>
End of year	<u>\$ 265,405</u>	<u>\$ 265,405</u>	<u>\$ -</u>	<u>\$ (265,405)</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
STREET FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 390,270	\$ 390,270	\$ 220,651	\$ (169,619)
Investment earnings	8,000	8,000	2,701	(5,299)
Other revenue	<u>2,300</u>	<u>2,300</u>	<u>6,428</u>	<u>4,128</u>
Total revenues	<u>400,570</u>	<u>400,570</u>	<u>229,780</u>	<u>(170,790)</u>
Expenditures:				
Personal services	95,773	95,773	90,910	4,863
Materials and services	99,840	134,840	116,620	18,220
Capital outlay	270,050	270,050	170,197	99,853
Contingency	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>500,663</u>	<u>500,663</u>	<u>377,727</u>	<u>122,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,093)</u>	<u>(100,093)</u>	<u>(147,947)</u>	<u>(47,854)</u>
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	-
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Net change in fund balances	(5,093)	(5,093)	(52,947)	(47,854)
Fund balance:				
Beginning of year	<u>376,056</u>	<u>376,056</u>	<u>439,364</u>	<u>63,308</u>
End of year	<u>\$ 370,963</u>	<u>\$ 370,963</u>	<u>\$ 386,417</u>	<u>\$ 15,454</u>

The notes to the financial statements are an integral part of this statement

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
BUILDING REPLACEMENT RESERVE FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 7,000	\$ 7,000	\$ 3,136	\$ (3,864)
Expenditures:				
Materials and services	10,275	10,275	1,609	8,666
Capital outlay	<u>55,000</u>	<u>55,000</u>	<u>39,226</u>	<u>15,774</u>
Total expenditures	<u>65,275</u>	<u>65,275</u>	<u>40,835</u>	<u>24,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,275)</u>	<u>(58,275)</u>	<u>(37,699)</u>	<u>20,576</u>
Other financing sources (uses):				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	(53,275)	(53,275)	(32,699)	20,576
Fund balance:				
Beginning of year	<u>496,427</u>	<u>496,427</u>	<u>465,784</u>	<u>(30,643)</u>
End of year	<u>\$ 443,152</u>	<u>\$ 443,152</u>	<u>\$ 433,085</u>	<u>\$ (10,067)</u>

The notes to the financial statements are an integral part of this statement

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
BUSINESS DEVELOPMENT LOAN FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 8,000	\$ 8,000	\$ 8,600	\$ 600
Investment earnings	15,000	15,000	7,481	(7,519)
Principal received - loan program	15,942	15,942	13,083	(2,859)
Interest received - loan program	10,962	10,962	7,448	(3,514)
Other revenue	<u>600</u>	<u>600</u>	<u>-</u>	<u>(600)</u>
Total revenues	<u>50,504</u>	<u>50,504</u>	<u>36,612</u>	<u>(13,892)</u>
Expenditures:				
Materials and services	<u>944,150</u>	<u>944,150</u>	<u>4,622</u>	<u>939,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(893,646)</u>	<u>(893,646)</u>	<u>31,990</u>	<u>925,636</u>
Other financing sources (uses):				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	<u>(873,646)</u>	<u>(873,646)</u>	<u>51,990</u>	<u>925,636</u>
Fund balance:				
Beginning of year	<u>960,936</u>	<u>960,936</u>	<u>1,041,703</u>	<u>80,767</u>
End of year	<u>\$ 87,290</u>	<u>\$ 87,290</u>	<u>\$ 1,093,693</u>	<u>\$ 1,006,403</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Statement of Net Assets - Modified Cash Basis
Enterprise Funds
June 30, 2010

	Business-Type Activities			Total
	Water Funds	Sewer Funds	Sanitation Funds	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,068,622	\$ 3,925,623	\$ 338,267	\$ 5,332,512
Total current assets	<u>1,068,622</u>	<u>3,925,623</u>	<u>338,267</u>	<u>5,332,512</u>
Noncurrent assets:				
Land	264,520	906,144	76,501	1,247,165
Construction in progress	-	292,526	-	292,526
Other capital assets, net of accumulated depreciation	<u>3,098,964</u>	<u>9,289,412</u>	<u>348,357</u>	<u>12,736,733</u>
Total noncurrent assets	<u>3,363,484</u>	<u>10,488,082</u>	<u>424,858</u>	<u>14,276,424</u>
Total assets	<u>\$ 4,432,106</u>	<u>\$ 14,413,705</u>	<u>\$ 763,125</u>	<u>\$ 19,608,936</u>
LIABILITIES				
Current liabilities:				
Deposits and withholdings payable	\$ 25	\$ -	\$ -	\$ 25
Capital lease payable - current portion	-	-	26,012	26,012
Note payable - current portion	<u>18,426</u>	<u>-</u>	<u>-</u>	<u>18,426</u>
Total current liabilities	<u>18,451</u>	<u>-</u>	<u>26,012</u>	<u>44,463</u>
Noncurrent liabilities:				
Capital lease payable	-	-	26,590	26,590
Notes payable	<u>40,310</u>	<u>-</u>	<u>-</u>	<u>40,310</u>
Total liabilities	<u>58,761</u>	<u>-</u>	<u>52,602</u>	<u>111,363</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,304,748	10,488,082	372,256	14,165,086
Restricted for systems development	75,286	518,109	-	593,395
Unrestricted	<u>993,311</u>	<u>3,407,514</u>	<u>338,267</u>	<u>4,739,092</u>
Total net assets	<u>4,373,345</u>	<u>14,413,705</u>	<u>710,523</u>	<u>19,497,573</u>
Total liabilities and net assets	<u>\$ 4,432,106</u>	<u>\$ 14,413,705</u>	<u>\$ 763,125</u>	<u>\$ 19,608,936</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

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

Enterprise Funds

For the Year Ended June 30, 2010

	Business-Type Activities			Total
	Water Funds	Sewer Funds	Sanitation Funds	
Operating revenues:				
Charges for services	\$ 877,172	\$ 1,251,622	\$ 692,200	\$ 2,820,994
Miscellaneous	1,925	3,045	12,454	17,424
Total operating revenues	<u>879,097</u>	<u>1,254,667</u>	<u>704,654</u>	<u>2,838,418</u>
Operating expenses:				
Personal services	367,026	388,728	316,811	1,072,565
Materials and services	310,051	255,773	208,070	773,894
Depreciation	119,847	389,297	64,607	573,751
Total operating expenses	<u>796,924</u>	<u>1,033,798</u>	<u>589,488</u>	<u>2,420,210</u>
Operating income (loss)	<u>82,173</u>	<u>220,869</u>	<u>115,166</u>	<u>418,208</u>
Nonoperating revenues (expenses):				
Investment earnings	6,951	24,820	1,924	33,695
Interest expense	(4,665)	-	(1,732)	(6,397)
Total nonoperating revenues (expenses)	<u>2,286</u>	<u>24,820</u>	<u>192</u>	<u>27,298</u>
Income (loss) before capital contributions and transfers	84,459	245,689	115,358	445,506
Capital contributions:				
System development charges	<u>75,286</u>	<u>518,109</u>	<u>-</u>	<u>593,395</u>
Transfers in	154,000	791,000	85,000	1,030,000
Transfers out	<u>(158,000)</u>	<u>(795,000)</u>	<u>(86,500)</u>	<u>(1,039,500)</u>
Total transfers	<u>(4,000)</u>	<u>(4,000)</u>	<u>(1,500)</u>	<u>(9,500)</u>
Change in net assets	155,745	759,798	113,858	1,029,401
Total net assets - beginning	<u>4,217,600</u>	<u>13,653,907</u>	<u>596,665</u>	<u>18,468,172</u>
Total net assets - ending	<u>\$ 4,373,345</u>	<u>\$ 14,413,705</u>	<u>\$ 710,523</u>	<u>\$ 19,497,573</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Statement of Cash Flows - Modified Cash Basis
Enterprise Funds
For the Year Ended June 30, 2010

	Business - Type Activities - Enterprise Funds			
	Water Funds	Sewer Funds	Sanitation Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 879,097	\$ 1,254,667	\$ 706,362	\$ 2,840,126
Payments to suppliers	(310,051)	(255,773)	(208,070)	(773,894)
Payments to employees	(367,026)	(388,728)	(316,811)	(1,072,565)
Net cash provided (used) by operating activities	<u>202,020</u>	<u>610,166</u>	<u>181,481</u>	<u>993,667</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	154,000	791,000	85,000	1,030,000
Transfers out	(158,000)	(795,000)	(86,500)	(1,039,500)
Net cash provided (used) by noncapital financing activities	<u>(4,000)</u>	<u>(4,000)</u>	<u>(1,500)</u>	<u>(9,500)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(120,973)	(326,165)	(34,672)	(481,810)
System development charges	75,286	518,109	-	593,395
Interest paid on long-term debt	(4,665)	-	(1,732)	(6,397)
Principal paid on long-term debt	(17,362)	-	(25,448)	(42,810)
Net cash provided (used) by capital and related financing activities	<u>(67,714)</u>	<u>191,944</u>	<u>(61,852)</u>	<u>62,378</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	6,951	24,820	1,924	33,695
Net change in cash and cash equivalents	137,257	822,930	120,053	1,080,240
Cash and cash equivalents - beginning	931,365	3,102,693	218,214	4,252,272
Cash and cash equivalents - ending	<u>\$ 1,068,622</u>	<u>\$ 3,925,623</u>	<u>\$ 338,267</u>	<u>\$ 5,332,512</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 82,173	\$ 220,869	\$ 115,166	\$ 418,208
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	119,847	389,297	64,607	573,751
Decrease in receivables	-	-	1,708	1,708
Net cash provided by operating activities	<u>\$ 202,020</u>	<u>\$ 610,166</u>	<u>\$ 181,481</u>	<u>\$ 993,667</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Statement of Fiduciary Net Assets - Modified Cash Basis

Fiduciary Funds

June 30, 2010

	Private-purpose Trust Fund	
	Shop with a Cop Trust Fund	Municipal Court Agency Fund
ASSETS		
Cash and cash equivalents	\$ 2,408	\$ 36,913
LIABILITIES AND NET ASSETS		
Liabilities		
Fines and bails	\$ -	\$ 36,913
Net Assets		
Held in trust	2,408	-
Total liabilities and net assets	\$ 2,408	\$ 36,913

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Statement of Changes in Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
For the Year Ended June 30, 2010

	<u>Shop with a Cop Trust Fund</u>
ADDITIONS	
Interest income	<u>\$ 18</u>
DEDUCTIONS	
Benefits	<u>248</u>
Change in net assets	(230)
Net assets - beginning	<u>2,638</u>
Net assets - ending	<u>\$ 2,408</u>

The notes to the financial statements are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note I - Summary of significant accounting policies

As discussed further in Note I.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

The City has implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

A. Reporting entity

The City of Junction City ("City") was incorporated in 1872. 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.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly classified as program revenues are reported as *general revenues*.

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are classified and summarized as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column with each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note I - Summary of significant accounting policies, continued

B. Government-wide and 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.

DOC-IGA Infrastructure Capital Project Fund - accounts for revenues received from the State of Oregon to design and construct system improvements using a combination of the City staff and contracted services as defined by the agreement.

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.

Building Replacement Reserve Fund - accounts for the accumulation of cash reserves to make needed building improvements and acquisitions.

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

The City reports each of its three proprietary 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. The City reports the following proprietary funds:

Water Fund

Water Operating Fund

Water System Improvement Fund

Water Equipment Reserve Fund

Water System Development Fund

Sewer Fund

Sewer Operating Fund

Sewer Ratepayer Assistance Fund

Sewer Equipment Reserve Fund

Sewer System Development Fund

Sewer System Improvement Fund

Sanitation Fund

Sanitation Operating Fund

Sanitation Equipment Reserve

Sanitation System Improvement Fund

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note I - Summary of significant accounting policies, continued

B. Government-wide and fund financial statements, continued

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:

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

Shop With A Cop Trust Fund - accounts for donations received for the specific purpose of providing Christmas shopping excursions for children with members of the police department.

C. Measurement focus, basis of accounting, and financial statement presentation

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the *economic resources measurement focus* within the limitations of the *modified cash basis of accounting*. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities associated with their activities are reported.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included in governmental fund balance sheets. Governmental fund operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as the measure of available spendable financial resources at the end of the period.

In the government-wide Statement of Net Assets and Statement of Activities and in the fund financial statements, governmental, and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The City has elected not to apply FASB guidance issued subsequent to November 30, 1989 to the government-wide statement of net assets and the statement of activities and to business-type activities, unless specifically adopted by the GASB.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges for services and miscellaneous revenue. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital contributions consist of contributed capital assets and system development charges that are legally restricted by state law to capacity-enhancing projects for the sewer systems, water systems, street systems, and parks facilities.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, and net assets or equity

1. Deposits 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"). State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The LGIP is reported at cost which approximates fair value.

2. Loans receivable /deferred revenue

The loans receivable balance is stated at the amount management expects to collect from borrowers. Management evaluates the credit risk of specific customers, historical trends, collateral, and other information relating to the notes receivable portfolio. At June 30, 2010, management believes uncollectible amounts are immaterial; accordingly, no allowance for doubtful accounts has been provided. The loans are offset by deferred revenue in the governmental funds as the loans do not represent a current financial resource.

3. 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.

4. Capital assets

The City's modified cash basis of accounting reports capital assets resulting from cash transactions and from the capital lease; and reports depreciation where appropriate. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as tangible or intangible assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 40
Infrastructure	10 - 40
Building improvements	10 - 40
Vehicles	2 - 10
Office equipment	3 - 10
Computer equipment	3 - 10

GASB Statement 34 includes provisions to minimize the burden of retroactively applying the capitalization requirement for general infrastructure assets. Infrastructure assets acquired prior to the implementation of GASB 34 need not be capitalized. The City is applying these provisions and has capitalized only those infrastructure assets acquired after June 30, 2003.

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, and net assets or equity, continued

5. Junction City Police Department lost/found funds

In 2009, the City set up a bank account to deposit money that was held in the Junction City Police Department Evidence Room. The purpose of this account is to handle evidential money and found money turned into the Police Department. Evidential money is held until either a court order is received to release the money or until the State's process for forfeitures is completed. Unclaimed found money, if requested, can be given to the finder after 90 days have passed and after complying with Oregon law including, but not limited to, publishing notices in the local paper. The account balance at year end was \$7,855. This amount, reported as "Deposits and withholdings payable" in the general fund financial statements, represents the unclaimed and non-forfeited money at year end that might be claimed, ordered returned, or released in the future.

6. Long-term obligations

All long-term debt arising from cash basis transactions is reported as liabilities in the government-wide statements and the proprietary (enterprise) funds.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, while the payment of principal and interest is reported as expenditures.

7. Fund equity

In the fund financial statements, governmental funds report reserved fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

E. 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.

F. Excess of expenditures over appropriations

The following funds had expenditures in excess of related budgetary appropriations:

<u>Fund</u>	<u>Appropriation Level</u>	<u>Over Expenditure Amount</u>
Viking Sal Capital Reserve Fund	Capital Outlay	\$ 205

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

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 investments are booked at fair value which approximates cost. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund Board. The Oregon Short-term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

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

Cash on hand	\$ 1,441
Cash in banks	199,031
LGIP	<u>15,962,419</u>
Total	<u>\$ 16,162,891</u>

	<u>Government- wide Statements</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 16,123,570</u>	<u>\$ 39,321</u>	<u>\$ 16,162,891</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. The City's cash is covered by federal depository insurance or by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral with a value of at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2010, the City has deposits of \$199,031 insured by federal depository insurance. 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 LGIP's portfolio concentration of credit risk at June 30, 2010 included: Corporate notes (26.6%), U.S. Agency Bonds (21.0%), Commercial Paper (20.9%), U.S. Agency Discount Notes (19.2%), Government Guaranteed Corporate Securities (9.5%), U.S. Treasury Bill (2.3%), and Certificates of Deposits (0.5%). The credit risk associated with the investments was: AAA rating (48.7%), AA rating (15.0%), A rating (34.9%), BBB rating (0.5%), ratings withdrawn (0.4%), and not rated (0.5%).

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note II - Detailed notes on all funds, continued

A. Deposits and investments, continued

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. The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested using the prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2010, the fair value of the City's deposits with the LGIP approximates cost. The OSTF financial statements are available at <http://www.ost.state.or.us/>.

B. Loan 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, 2010, activity in the Business Development Loan Fund was as follows:

	<u>Balance at beginning of year</u>	<u>New loans</u>	<u>Principal received</u>	<u>Default loan</u>	<u>Balance at end of year</u>
Business development loan receivables	\$ 219,284	\$ -	\$ 13,082	\$ 96,218	\$ 109,984

C. Interfund transfers

<u>Transfers out of:</u>	<u>Transfers in to:</u>				
	<u>Nonmajor Governmental funds</u>	<u>Street Fund</u>	<u>Building Replacement Reserve Fund</u>	<u>Business Development Loan Fund</u>	<u>Total</u>
General fund	\$ 50,000	\$ 100,000	\$ 5,000	\$ 20,000	\$ 175,000
Street fund	5,000				5,000
Water fund	4,000	-	-	-	4,000
Sewer fund	4,000	-	-	-	4,000
Sanitation fund	1,500	-	-	-	1,500
Nonmajor governmental funds	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,000</u>
Total	<u>\$ 85,500</u>	<u>\$ 100,000</u>	<u>\$ 5,000</u>	<u>\$ 20,000</u>	<u>\$ 210,500</u>

During the year, transfers were made to move unrestricted revenues in the General fund, Water fund, Sewer fund, and Sanitation fund to various reserve funds. Transfers were also made to the street fund for street projects.

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note II - Detailed notes on all funds, continued

D. Capital assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,485,036	\$ 259,408	\$ -	\$ 2,744,444
Construction in progress	<u>1,551,973</u>	<u>5,146,185</u>	<u>(4,799)</u>	<u>6,693,359</u>
Total capital assets, not being depreciated	<u>4,037,009</u>	<u>5,405,593</u>	<u>(4,799)</u>	<u>9,437,803</u>
Capital assets, being depreciated:				
Other improvements	2,788,539	39,226	-	2,827,765
Machinery and equipment	1,002,014	605,890	-	1,607,904
Infrastructure	<u>3,982,843</u>	<u>174,996</u>	<u>-</u>	<u>4,157,839</u>
Total capital assets being depreciated	<u>7,773,396</u>	<u>820,112</u>	<u>-</u>	<u>8,593,508</u>
Less accumulated depreciation for:				
Other improvements	1,736,582	22,451	-	1,759,033
Machinery and equipment	542,471	83,427	-	625,898
Infrastructure	<u>444,969</u>	<u>202,091</u>	<u>-</u>	<u>647,060</u>
Total accumulated depreciation	<u>2,724,022</u>	<u>307,969</u>	<u>-</u>	<u>3,031,991</u>
Total capital assets, being depreciated, net	<u>5,049,374</u>	<u>512,143</u>	<u>-</u>	<u>5,561,517</u>
Governmental activities capital assets, net	<u>\$ 9,086,383</u>	<u>\$ 5,917,736</u>	<u>\$ (4,799)</u>	<u>\$ 14,999,320</u>

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note II - Detailed notes on all funds, continued

D. Capital assets, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,247,165	\$ -	\$ -	\$ 1,247,165
Construction in progress	<u>-</u>	<u>292,526</u>	<u>-</u>	<u>292,526</u>
Total capital assets, not being depreciated	<u>1,247,165</u>	<u>292,526</u>	<u>-</u>	<u>1,539,691</u>
Capital assets, being depreciated:				
Machinery and equipment	1,430,346	47,592	-	1,477,938
Utility property and improvements	19,563,316	141,692	-	19,705,008
Infrastructure	<u>148,129</u>	<u>-</u>	<u>-</u>	<u>148,129</u>
Total capital assets being depreciated	<u>21,141,791</u>	<u>189,284</u>	<u>-</u>	<u>21,331,075</u>
Less accumulated depreciation for:				
Machinery and equipment	776,963	97,857	-	874,820
Utility property and improvements	7,206,598	468,487	-	7,675,085
Infrastructure	<u>37,030</u>	<u>7,407</u>	<u>-</u>	<u>44,437</u>
Total accumulated depreciation	<u>8,020,591</u>	<u>573,751</u>	<u>-</u>	<u>8,594,342</u>
Total capital assets, being depreciated, net	<u>13,121,200</u>	<u>(384,467)</u>	<u>-</u>	<u>12,736,733</u>
Business-type activities capital assets, net	<u>\$ 14,368,365</u>	<u>\$ (91,941)</u>	<u>\$ -</u>	<u>\$ 14,276,424</u>

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

Governmental activities:	
General government	\$ 72,255
Highways and streets	223,073
Culture and recreation	<u>12,641</u>
Total depreciation expense - governmental activities	<u>\$ 307,969</u>
Business-type activities:	
Water	\$ 119,847
Sewer	389,297
Sanitation	<u>64,607</u>
Total depreciation expense - business-type activities	<u>\$ 573,751</u>

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note II - Detailed notes on all funds, continued

E. Leases

Operating Leases

The City entered into a non-cancelable operating lease for the utility billing system on October 2001 with Old National Bank, formerly Public Capital Corporation. The total rental expenses were \$53,494 for the year ended June 30, 2010. The future minimum lease payment for this lease is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2011	\$ 53,494
2012	53,494
Total	<u>\$ 106,988</u>

Capital Leases

(1) On January 15, 2008, the City entered into a lease agreement with Otto Equipment Finance, LLC. as lessee for the acquisition of approximately 3,100 containers for garbage and recycling services. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

(2) On November 9, 2009, the City entered into a lease agreement with Auto Leasing Specialistes, LLC as lessee for the acquisition of three 2009 Chevy Tahoes vehicles. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Equipment	\$ 157,516	\$ 130,125
Less: accumulated depreciation	<u>(18,177)</u>	<u>(26,025)</u>
Total	<u>\$ 139,339</u>	<u>\$ 104,100</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2011	\$ 36,373	\$ 27,180
2012	36,373	27,180
2013	36,373	-
2014	<u>36,373</u>	<u>-</u>
Total minimum lease payments	145,492	54,360
Less: amount representing interest	<u>(24,349)</u>	<u>(1,758)</u>
Total	<u>\$ 121,143</u>	<u>\$ 52,602</u>

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note II - Detailed notes on all funds, continued

F. Long-term debt

The State of Oregon - Water

On July 14, 1993, the City entered into a special Public Works Fund Financial Assistance Award Contract with the State of Oregon through the State's Economic Development Department. The original loan amount of \$250,000 requires annual payments of \$22,027 amortized over 20 years at 6.13% interest. The loan is reported in the Water Enterprise Fund. The schedule of future loan payments is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 18,426	\$ 3,601
2012	19,556	2,471
2013	20,754	1,272
	<u>\$ 58,736</u>	<u>\$ 7,344</u>

Long-term liability activity for the year ended June 30, 2010 was as follows:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Capital lease	\$ -	\$ 157,516	\$ (36,373)	\$ 121,143	\$ 26,984
<u>Business-type activities</u>					
State of Oregon Loan - Water	\$ 76,098	\$ -	\$ (17,362)	\$ 58,736	\$ 18,426
Capital lease obligation	78,050	-	(25,448)	52,602	26,012
Total business-type activities	<u>\$ 154,148</u>	<u>\$ -</u>	<u>\$ (42,810)</u>	<u>\$ 111,338</u>	<u>\$ 44,438</u>

Interest expense for State of Oregon Loan was \$4,665 - all reported in the Water Enterprise Fund. Interest expense for Capital lease of garbage containers was \$1,732 - all reported in the Sanitation Enterprise Fund.

Note III - Other information

A. Employee retirement system and pension plan

Plan Description/Funding Policies - The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), which provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges, and school districts. OPERS is administered under Oregon Revised Statutes Chapter 238, and Internal Revenue Code Section 401(a) by the Oregon Public Employees Retirement Board (OPERB).

Cities, counties, and special districts that participate in OPERS may choose to join the State and Local Government Rate Pool (SLGRP). State agencies, community colleges, and public institutions of higher education are required by law to be part of the pool. All Oregon school districts are required by law to be part of a separate school district pool. Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants. The City has elected to join the SLGRP. For members of the SLGRP, OPERS is a cost-sharing, multiple-employer plan.

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note III - Other information, continued

A. Employee retirement system and pension plan, continued

OPERS, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>

City employees participate in one or more OPERS retirement plans that provide pension, death, disability, and post-employment healthcare benefits to members and their beneficiaries:

- PERS (Public Employee Retirement System) is a defined benefit pension plan provided to members or their beneficiaries who were hired prior to August 29, 2003. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current annual required contribution rate of 10.45% was based on a December 31, 2007 actuarial evaluation. The most recent actuarial valuation was prepared as of December 31, 2009. Effective July 2011, the the rate will be 14.88%.
- OPSRP (Oregon Public Service Retirement Plan) is a hybrid retirement plan with two components: a defined benefit pension plan and a defined contribution pension plan.

The defined benefit pension plan is provided to members or their beneficiaries who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current required contribution rates for the OPSRP defined benefit pension plan are 8.18% for general service employees and 10.89% for police and fire employees. Effective July 2011, the rate will be 10.41% for general service employees and 13.12% for police and fire employees.

The defined contribution pension plan (called the Individual Account Program, or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. The City has elected to contribute the 6% "pick-up" for the year ended June 30, 2010. Plan members of PERS retain their existing PERS accounts, but member contributions beginning in 2004 are deposited in the member's IAP, not into the member's PERS account.

Annual Pension Cost - All participating employers are required by law to submit the contributions as adopted by the OPERB. The City's contributions, exclusive of the 6% "pick-up" for the years ending June 30, 2010, 2009 and 2008, were \$330,331, \$356,642, and \$315,123 respectively, equal to the required contributions for each year.

B. 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.

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2010

Note III - Other information, continued

C. Recently issued accounting guidance

Management is determining the effect on its financial statements of the following recently issued accounting standards.

GASB Statement 54, *Fund balance Reporting and Governmental Fund Type Definitions*, is effective for periods beginning after June 15, 2010. Early implementation is encouraged. The Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Governments are required to disclose information about the processes through which constraints are imposed. Governmental fund type definitions are modified and clarified which may affect the activities governments choose to report in governmental funds

D. Construction commitment.

The City is extending water and sewer services to the site of the new State Mental Health Facility (Hospital) and Corrections complex (Prison). The City has been working with the Department of Corrections to improve City infrastructure (primarily water and sewer) in preparation for the new facilities. Currently, the State is providing the City \$34,000,000 to do necessary planning and advance construction. The City has nearly \$20 million in construction contracts now in effect and expects to award more contracts in the next several months. Under the current contracts, work is being done to extend pipelines, build two new water towers, build a ground storage water reservoir, build a new pump station, make improvements to a sewer pump station and construct sewer force mains. Yet to be contracted for with the State is water and sewer treatment systems. Expenditures for these construction projects are reported in the DOC-IGA Infrastructure Capital Projects Fund and are included in capital outlay expenditures. Following is a summary of the construction projects and remaining commitment by bid package as of June 30, 2010:

<u>Bid Package</u>	<u>Contractor</u>	<u>Contract Value, as amended</u>	<u>Expended</u>	<u>Remaining</u>
1	Emery & Sons	\$ 6,006,496	\$ (2,148,089)	\$ 3,858,407
2	Eugene Sand and Gravel	1,767,806	(1,400,751)	367,055
3	Phoenix Fabricators	6,623,023	-	6,623,023
4	2G Construction	1,819,449	(334,257)	1,485,192
5a	Hanson Drilling	170,866	(140,796)	30,070
5b	Alpine Construction	439,631	(378,500)	61,131
5c	The Automation Group	299,655	-	299,655
6	Marion Construction	2,299,500	-	2,299,500
Total		\$ 19,426,426	\$ (4,402,393)	\$ 15,024,033

SUPPLEMENTARY INFORMATION

FUND FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special Revenue Funds

- PW Building/Yard Reserve Fund
- Viking Sal Capital Reserve Fund
- Viking Sal Senior Center Fund
- Health Insurance Fund
- State Revenue Sharing Fund
- Police Vehicle and Equipment Reserve Fund
- Cumulative Law Enforcement Reserve Fund
- Prairie Road Street Improvement Reserve Fund
- Library Equipment and Building Improvement Reserve Fund
- Administration Vehicle and Equipment Reserve Fund
- Park and Pool Equipment Reserve Fund
- Bike Path Reserve Fund
- Park System Development Fund
- Computer Equipment Reserve Fund
- Street System Development Fund
- Street Equipment Reserve Fund
- Police Defibrillator Fund

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

June 30, 2010

	PW Building/Yard Reserve Fund	Viking Sal Capital Reserve Fund	Viking Sal Senior Center Fund	Health Insurance Fund
ASSETS				
Cash and cash equivalents	\$ 19,355	\$ 1,735	\$ 5,735	\$ 139,503
FUND BALANCES				
Reserved for systems development	-	-	-	-
Unreserved	19,355	1,735	5,735	139,503
Total fund balances	\$ 19,355	\$ 1,735	\$ 5,735	\$ 139,503

Continued on next page

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
June 30, 2010

	State Revenue Sharing Fund	Police Vehicle and Equipment Reserve Fund	Cumulative Law Enforcement Reserve Fund	Prairie Road Street Improvement Reserve Fund	Library Equipment and Building Reserve Fund
ASSETS					
Cash and cash equivalents	\$ 53,585	\$ 25,667	\$ 1,685	\$ 239,208	\$ 19,837
FUND BALANCES					
Reserved for systems development	-	-	-	-	-
Unreserved	53,585	25,667	1,685	239,208	19,837
Total fund balances	\$ 53,585	\$ 25,667	\$ 1,685	\$ 239,208	\$ 19,837

Continued on next page

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
June 30, 2010

	Administration Vehicle and Equipment Reserve Fund	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund
ASSETS				
Cash and cash equivalents	\$ 17,340	\$ 31,913	\$ 22,437	\$ 295,653
FUND BALANCES				
Reserved for systems development	-	-	-	295,653
Unreserved	17,340	31,913	22,437	-
Total fund balances	\$ 17,340	\$ 31,913	\$ 22,437	\$ 295,653

Continued on next page

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
June 30, 2010

	Computer Equipment Reserve Fund	Street System Development Fund	Street Equipment Reserve Fund	Police Defibrillator Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 29,861	\$ 554,149	\$ 63,755	\$ 596	\$ 1,522,014
FUND BALANCES					
Reserved for systems development	-	554,149	-	-	849,802
Unreserved	29,861	-	63,755	596	672,212
Total fund balances	\$ 29,861	\$ 554,149	\$ 63,755	\$ 596	\$ 1,522,014

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	<u>PW Building/Yard Reserve Fund</u>	<u>Viking Sal Capital Reserve Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 9,660	\$ -
Charges for services	-	-	6,671	-
System development charges	-	-	-	-
Investment earnings	149	17	42	979
Contributions and donations	-	-	7,624	-
Other revenue	-	-	46,585	-
Total revenues	<u>149</u>	<u>17</u>	<u>70,582</u>	<u>979</u>
EXPENDITURES				
Current				
General government	6,482	-	-	1,305
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	4,005	70,576	-
Total expenditures	<u>6,482</u>	<u>4,005</u>	<u>70,576</u>	<u>1,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,333)</u>	<u>(3,988)</u>	<u>6</u>	<u>(326)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,000	1,000	-	-
Transfers out	-	-	(1,000)	-
Total other financing sources (uses)	<u>8,000</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balances	1,667	(2,988)	(994)	(326)
Fund balances - beginning	<u>17,688</u>	<u>4,723</u>	<u>6,729</u>	<u>139,829</u>
Fund balances - ending	<u>\$ 19,355</u>	<u>\$ 1,735</u>	<u>\$ 5,735</u>	<u>\$ 139,503</u>

Continued on next page

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	<u>State Revenue Sharing Fund</u>	<u>Police Vehicle and Equipment Reserve Fund</u>	<u>Cumulative Law Enforcement Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equipment and Building Reserve Fund</u>
REVENUES					
Intergovernmental revenues	\$ 41,452	\$ -	\$ -	\$ -	\$ 1,000
Charges for services	-	-	-	-	-
System development charges	-	-	-	-	-
Investment earnings	297	242	-	1,668	144
Contributions and donations	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>41,749</u>	<u>242</u>	<u>-</u>	<u>1,668</u>	<u>1,144</u>
EXPENDITURES					
Current					
General government	6,472	-	-	-	-
Public safety	-	66,034	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	4,666
Total expenditures	<u>6,472</u>	<u>66,034</u>	<u>-</u>	<u>-</u>	<u>4,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,277</u>	<u>(65,792)</u>	<u>-</u>	<u>1,668</u>	<u>(3,522)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	35,000	-	-	-
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,277	(30,792)	-	1,668	(3,522)
Fund balances - beginning	<u>38,308</u>	<u>56,459</u>	<u>1,685</u>	<u>237,540</u>	<u>23,359</u>
Fund balances - ending	<u>\$ 53,585</u>	<u>\$ 25,667</u>	<u>\$ 1,685</u>	<u>\$ 239,208</u>	<u>\$ 19,837</u>

Continued on next page

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Administration Vehicle and Equipment Reserve Fund	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 2,229	\$ -
Charges for services	-	-	-	-
System development charges	-	-	-	77,590
Investment earnings	132	242	148	1,772
Contributions and donations	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>132</u>	<u>242</u>	<u>2,377</u>	<u>79,362</u>
EXPENDITURES				
Current				
General government	3,338	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	5,863	-	1,616
Total expenditures	<u>3,338</u>	<u>5,863</u>	<u>-</u>	<u>1,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,206)</u>	<u>(5,621)</u>	<u>2,377</u>	<u>77,746</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	10,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>5,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,794	4,379	2,377	77,746
Fund balances - beginning	<u>15,546</u>	<u>27,534</u>	<u>20,060</u>	<u>217,907</u>
Fund balances - ending	<u>\$ 17,340</u>	<u>\$ 31,913</u>	<u>\$ 22,437</u>	<u>\$ 295,653</u>

Continued on next page

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	<u>Computer Equipment Reserve Fund</u>	<u>Street System Development Fund</u>	<u>Street Equipment Reserve Fund</u>	<u>Police Defibrillator Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 54,341
Charges for services	-	-	-	-	6,671
System development charges	-	79,441	-	-	157,031
Investment earnings	231	3,558	477	4	10,102
Contributions and donations	-	-	-	-	7,624
Other revenue	-	-	-	-	46,585
Total revenues	<u>231</u>	<u>82,999</u>	<u>477</u>	<u>4</u>	<u>282,354</u>
EXPENDITURES					
Current					
General government	20,143	-	-	-	37,740
Public safety	-	-	-	-	66,034
Highways and streets	-	-	8,991	-	8,991
Culture and recreation	-	-	-	-	86,726
Total expenditures	<u>20,143</u>	<u>-</u>	<u>8,991</u>	<u>-</u>	<u>199,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,912)</u>	<u>82,999</u>	<u>(8,514)</u>	<u>4</u>	<u>82,863</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	17,500	-	4,000	-	80,500
Transfers out	-	-	-	-	(21,000)
Total other financing sources (uses)	<u>17,500</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>59,500</u>
Net change in fund balances	(2,412)	82,999	(4,514)	4	142,363
Fund balances - beginning	<u>32,273</u>	<u>471,150</u>	<u>68,269</u>	<u>592</u>	<u>1,379,651</u>
Fund balances - ending	<u>\$ 29,861</u>	<u>\$ 554,149</u>	<u>\$ 63,755</u>	<u>\$ 596</u>	<u>\$ 1,522,014</u>

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Special Revenue Funds

- PW Building/Yard Reserve Fund
- Viking Sal Capital Reserve Fund
- Viking Sal Senior Center Fund
- Health Insurance Fund
- State Revenue Sharing Fund
- Police Vehicle and Equipment Reserve Fund
- Cumulative Law Enforcement Reserve Fund
- Prairie Road Street Improvement Reserve Fund
- Library Equipment and Building Improvement Reserve Fund
- Administration Vehicle and Equipment Reserve Fund
- Park and Pool Equipment Reserve Fund
- Bike Path Reserve Fund
- Park System Development Fund
- Computer Equipment Reserve Fund
- Street System Development Fund
- Street Equipment Reserve Fund
- Police Defibrillator Fund

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
PW BUILDING/YARD RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 125	\$ 125	\$ 149	\$ 24
Expenditures:				
Capital outlay	7,500	7,500	6,482	1,018
Excess (deficiency) of revenues over (under) expenditures	(7,375)	(7,375)	(6,333)	1,042
Other financing sources (uses):				
Transfers in	8,000	8,000	8,000	-
Net change in fund balances	625	625	1,667	1,042
Fund balance:				
Beginning of year	12,347	12,347	17,688	5,341
End of year	<u>\$ 12,972</u>	<u>\$ 12,972</u>	<u>\$ 19,355</u>	<u>\$ 6,383</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
VIKING SAL CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 15	\$ 15	\$ 17	\$ 2
Expenditures:				
Materials and services	3,600	5,200	3,800	1,400
Capital outlay	<u>1,600</u>	<u>-</u>	<u>205</u>	<u>(205)</u>
Total expenditures	<u>5,200</u>	<u>5,200</u>	<u>4,005</u>	<u>1,195</u>
Excess (deficiency) of revenues over (under) expenditures	(5,185)	(5,185)	(3,988)	1,197
Other financing sources (uses):				
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balances	(4,185)	(4,185)	(2,988)	1,197
Fund balance:				
Beginning of year	<u>4,500</u>	<u>4,500</u>	<u>4,723</u>	<u>223</u>
End of year	<u>\$ 315</u>	<u>\$ 315</u>	<u>\$ 1,735</u>	<u>\$ 1,420</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
VIKING SAL SENIOR CENTER FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 12,500	\$ 12,500	\$ 9,660	\$ (2,840)
Charges for services	12,000	12,000	6,671	(5,329)
Investment earnings	75	75	42	(33)
Support	8,500	8,500	7,624	(876)
Other revenue	<u>50,650</u>	<u>50,650</u>	<u>46,585</u>	<u>(4,065)</u>
Total revenues	<u>83,725</u>	<u>83,725</u>	<u>70,582</u>	<u>(13,143)</u>
Expenditures:				
Personal services	6,564	6,564	6,171	393
Materials and services	65,595	75,595	64,165	11,430
Capital outlay	1,000	1,000	240	760
Contingency	<u>11,566</u>	<u>1,566</u>	<u>-</u>	<u>1,566</u>
Total expenditures	<u>84,725</u>	<u>84,725</u>	<u>70,576</u>	<u>14,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>6</u>	<u>1,006</u>
Other financing sources (uses):				
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	(2,000)	(2,000)	(994)	1,006
Fund balance:				
Beginning of year	<u>5,000</u>	<u>5,000</u>	<u>6,729</u>	<u>1,729</u>
End of year	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 5,735</u>	<u>\$ 2,735</u>

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
HEALTH INSURANCE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 979	\$ (521)
Expenditures:				
Material services	<u>120,000</u>	<u>120,000</u>	<u>1,305</u>	<u>118,695</u>
Net change in fund balance	(118,500)	(118,500)	(326)	118,174
Fund balance:				
Beginning of year	<u>140,110</u>	<u>140,110</u>	<u>139,829</u>	<u>(281)</u>
End of year	<u>\$ 21,610</u>	<u>\$ 21,610</u>	<u>\$ 139,503</u>	<u>\$ 117,893</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
STATE REVENUE SHARING FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 36,000	\$ 36,000	\$ 41,452	\$ 5,452
Investment earnings	400	400	297	(103)
Total revenues	<u>36,400</u>	<u>36,400</u>	<u>41,749</u>	<u>5,349</u>
Expenditures:				
Materials and services	<u>33,000</u>	<u>33,000</u>	<u>6,472</u>	<u>26,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,400</u>	<u>3,400</u>	<u>35,277</u>	<u>31,877</u>
Other financing sources (uses):				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	(16,600)	(16,600)	15,277	31,877
Fund balance:				
Beginning of year	<u>25,255</u>	<u>25,255</u>	<u>38,308</u>	<u>13,053</u>
End of year	<u>\$ 8,655</u>	<u>\$ 8,655</u>	<u>\$ 53,585</u>	<u>\$ 44,930</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
POLICE VEHICLE AND EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 242	\$ 192
Expenditures:				
Capital outlay	32,500	78,145	66,034	12,111
Excess (deficiency) of revenues over (under) expenditures	(32,450)	(78,095)	(65,792)	12,303
Other financing sources (uses):				
Transfers in	35,000	35,000	35,000	-
Net change in fund balance	2,550	(43,095)	(30,792)	12,303
Fund balance:				
Beginning of year	2,612	48,257	56,459	8,202
End of year	<u>\$ 5,162</u>	<u>\$ 5,162</u>	<u>\$ 25,667</u>	<u>\$ 20,505</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
CUMULATIVE LAW ENFORCEMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Materials and services	25	25	-	25
Capital outlay	<u>400</u>	<u>400</u>	<u>-</u>	<u>400</u>
Total expenditures	<u>425</u>	<u>425</u>	<u>-</u>	<u>425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(425)</u>	<u>(425)</u>	<u>-</u>	<u>425</u>
Net change in fund balance	(425)	(425)	-	425
Fund balance:				
Beginning of year	<u>1,410</u>	<u>1,410</u>	<u>1,685</u>	<u>275</u>
End of year	<u>\$ 985</u>	<u>\$ 985</u>	<u>\$ 1,685</u>	<u>\$ 700</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
PRAIRIE ROAD STREET IMPROVEMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 4,500	\$ 4,500	\$ 1,668	\$ (2,832)
Expenditures:				
Capital outlay	218,000	218,000	-	218,000
Net change in fund balance	(213,500)	(213,500)	1,668	215,168
Fund balance:				
Beginning of year	237,776	237,776	237,540	(236)
End of year	<u>\$ 24,276</u>	<u>\$ 24,276</u>	<u>\$ 239,208</u>	<u>\$ 214,932</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
LIBRARY EQUIPMENT AND BUILDING IMPROVEMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Investment earnings	-	-	144	144
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,144</u>	<u>144</u>
Expenditures:				
Materials and services	100	1,100	816	284
Capital outlay	<u>7,000</u>	<u>6,000</u>	<u>3,850</u>	<u>2,150</u>
Total expenditures	<u>7,100</u>	<u>7,100</u>	<u>4,666</u>	<u>2,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,100)</u>	<u>(6,100)</u>	<u>(3,522)</u>	<u>2,578</u>
Net change in fund balances	(6,100)	(6,100)	(3,522)	2,578
Fund balance:				
Beginning of year	<u>21,416</u>	<u>21,416</u>	<u>23,359</u>	<u>1,943</u>
End of year	<u>\$ 15,316</u>	<u>\$ 15,316</u>	<u>\$ 19,837</u>	<u>\$ 4,521</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
ADMINISTRATION VEHICLE AND EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 150	\$ 150	\$ 132	\$ (18)
Expenditures:				
Materials and services	1,000	1,000	-	1,000
Capital outlay	<u>17,200</u>	<u>17,200</u>	<u>3,338</u>	<u>13,862</u>
Total expenditures	18,200	18,200	3,338	14,862
Excess (deficiency) of revenues over (under) expenditures	<u>(18,050)</u>	<u>(18,050)</u>	<u>(3,206)</u>	<u>14,844</u>
Other financing sources (uses):				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	(13,050)	(13,050)	1,794	14,844
Fund balance:				
Beginning of year	<u>15,618</u>	<u>15,618</u>	<u>15,546</u>	<u>(72)</u>
End of year	<u>\$ 2,568</u>	<u>\$ 2,568</u>	<u>\$ 17,340</u>	<u>\$ 14,772</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
PARK AND POOL EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment earnings	209	209	242	33
Support	50,000	50,000	-	(50,000)
Other revenue	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Total revenues	<u>100,259</u>	<u>100,259</u>	<u>242</u>	<u>(100,017)</u>
Expenditures:				
Materials and services	1,000	1,000	40	960
Capital outlay	<u>121,000</u>	<u>121,000</u>	<u>5,823</u>	<u>115,177</u>
Total expenditures	<u>122,000</u>	<u>122,000</u>	<u>5,863</u>	<u>116,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,741)</u>	<u>(21,741)</u>	<u>(5,621)</u>	<u>16,120</u>
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(11,741)	(11,741)	4,379	16,120
Fund balance:				
Beginning of year	<u>33,586</u>	<u>33,586</u>	<u>27,534</u>	<u>(6,052)</u>
End of year	<u>\$ 21,845</u>	<u>\$ 21,845</u>	<u>\$ 31,913</u>	<u>\$ 10,068</u>

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
BIKE PATH RESERVE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 2,225	\$ 2,225	\$ 2,229	\$ 4
Investment earnings	300	300	148	(152)
Total revenues	2,525	2,525	2,377	(148)
Expenditures:				
Capital outlay	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Excess (deficiency) of revenues over (under) expenditures	(7,475)	(7,475)	2,377	9,852
Net change in fund balance	(7,475)	(7,475)	2,377	9,852
Fund balance:				
Beginning of year	32,832	32,832	20,060	(12,772)
End of year	\$ 25,357	\$ 25,357	\$ 22,437	\$ (2,920)

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
PARK SYSTEM DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
System development charges	\$ 26,160	\$ 26,160	\$ 77,590	\$ 51,430
Investment earnings	2,000	2,000	1,772	(228)
Total revenues	<u>28,160</u>	<u>28,160</u>	<u>79,362</u>	<u>51,202</u>
Expenditures:				
Materials and services	5,000	5,000	1,616	3,384
Capital outlay	<u>65,500</u>	<u>65,500</u>	-	<u>65,500</u>
Total expenditures	70,500	70,500	1,616	68,884
Excess (deficiency) of revenues over (under) expenditures	<u>(42,340)</u>	<u>(42,340)</u>	<u>77,746</u>	<u>120,086</u>
Net change in fund balances	(42,340)	(42,340)	77,746	120,086
Fund balance:				
Beginning of year	<u>172,510</u>	<u>172,510</u>	<u>217,907</u>	<u>45,397</u>
End of year	<u>\$ 130,170</u>	<u>\$ 130,170</u>	<u>\$ 295,653</u>	<u>\$ 165,483</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
COMPUTER EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 231	\$ (269)
Expenditures:				
Materials and services	14,000	14,000	627	13,373
Capital outlay	<u>23,500</u>	<u>23,500</u>	<u>19,516</u>	<u>3,984</u>
Total expenditures	<u>37,500</u>	<u>37,500</u>	<u>20,143</u>	<u>17,357</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,000)</u>	<u>(37,000)</u>	<u>(19,912)</u>	<u>17,088</u>
Other financing sources (uses):				
Transfers in	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Net change in fund balance	(19,500)	(19,500)	(2,412)	17,088
Fund balance:				
Beginning of year	<u>27,393</u>	<u>27,393</u>	<u>32,273</u>	<u>4,880</u>
End of year	<u>\$ 7,893</u>	<u>\$ 7,893</u>	<u>\$ 29,861</u>	<u>\$ 21,968</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
STREET SYSTEM DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
System development charges	\$ 26,784	\$ 26,784	\$ 79,441	\$ 52,657
Investment earnings	7,800	7,800	3,558	(4,242)
Total revenues	<u>34,584</u>	<u>34,584</u>	<u>82,999</u>	<u>48,415</u>
Expenditures:				
Capital outlay	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,416)</u>	<u>(15,416)</u>	<u>82,999</u>	<u>98,415</u>
Net change in fund balances	(15,416)	(15,416)	82,999	98,415
Fund balance:				
Beginning of year	<u>437,693</u>	<u>437,693</u>	<u>471,150</u>	<u>33,457</u>
End of year	<u>\$ 422,277</u>	<u>\$ 422,277</u>	<u>\$ 554,149</u>	<u>\$ 131,872</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
STREET EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 900	\$ 900	\$ 477	\$ (423)
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>1,900</u>	<u>1,900</u>	<u>477</u>	<u>(1,423)</u>
Expenditures:				
Capital outlay	<u>12,500</u>	<u>12,500</u>	<u>8,991</u>	<u>3,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,600)</u>	<u>(10,600)</u>	<u>(8,514)</u>	<u>2,086</u>
Other financing sources (uses):				
Transfers in	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance	<u>(6,600)</u>	<u>(6,600)</u>	<u>(4,514)</u>	<u>2,086</u>
Fund balance:				
Beginning of year	<u>67,688</u>	<u>67,688</u>	<u>68,269</u>	<u>581</u>
End of year	<u>\$ 61,088</u>	<u>\$ 61,088</u>	<u>\$ 63,755</u>	<u>\$ 2,667</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
POLICE DEFIBRILLATOR FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 10	\$ 10	\$ 4	\$ (6)
Expenditures:				
Materials and services	125	125	-	125
Capital outlay	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>
Total expenditures	<u>325</u>	<u>325</u>	<u>-</u>	<u>325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(315)</u>	<u>(315)</u>	<u>4</u>	<u>319</u>
Net change in fund balances	(315)	(315)	4	319
Fund balance:				
Beginning of year	<u>589</u>	<u>589</u>	<u>592</u>	<u>3</u>
End of year	<u>\$ 274</u>	<u>\$ 274</u>	<u>\$ 596</u>	<u>\$ 322</u>

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

Enterprise Funds

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

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
WATER OPERATING FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ 823,784	\$ 823,784	\$ 866,229	\$ 42,445	\$ -	\$ 866,229
Investment earnings	3,000	3,000	2,757	(243)	-	2,757
Other revenue	2,100	2,100	1,925	(175)	-	1,925
Total revenues	<u>828,884</u>	<u>828,884</u>	<u>870,911</u>	<u>42,027</u>	<u>-</u>	<u>870,911</u>
Expenditures:						
Personal services	380,851	380,851	367,026	13,825	-	367,026
Materials and services	258,725	291,725	281,510	10,215	-	281,510
Capital outlay	500	500	-	500	-	-
Depreciation	-	-	-	-	119,847	119,847
Contingency	33,000	-	-	-	-	-
Total expenditures	<u>673,076</u>	<u>673,076</u>	<u>648,536</u>	<u>24,540</u>	<u>119,847</u>	<u>768,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155,808</u>	<u>155,808</u>	<u>222,375</u>	<u>66,567</u>	<u>(119,847)</u>	<u>102,528</u>
Other financing sources (uses):						
Transfers out	<u>(158,000)</u>	<u>(158,000)</u>	<u>(158,000)</u>	<u>-</u>	<u>-</u>	<u>(158,000)</u>
Net change in fund balance	(2,192)	(2,192)	64,375	66,567	(119,847)	(55,472)
Fund balance:						
Beginning of year	<u>244,679</u>	<u>244,679</u>	<u>361,198</u>	<u>116,519</u>	<u>3,010,886</u>	<u>3,372,084</u>
End of year	<u>\$ 242,487</u>	<u>\$ 242,487</u>	<u>\$ 425,573</u>	<u>\$ 183,086</u>	<u>\$ 2,891,039</u>	<u>\$ 3,316,612</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
WATER SYSTEM IMPROVEMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ 11,500	\$ 11,500	\$ 10,943	\$ (557)	\$ -	\$ 10,943
Investment earnings	5,328	5,328	2,221	(3,107)	-	2,221
Total revenues	<u>16,828</u>	<u>16,828</u>	<u>13,164</u>	<u>(3,664)</u>	<u>-</u>	<u>13,164</u>
Expenditures:						
Materials and services	2,400	2,400	388	2,012	1,838	2,226
Capital outlay	80,000	80,000	78,999	1,001	(78,999)	-
Debt service	<u>22,027</u>	<u>22,027</u>	<u>22,027</u>	<u>-</u>	<u>(17,362)</u>	<u>4,665</u>
Total expenditures	<u>104,427</u>	<u>104,427</u>	<u>101,414</u>	<u>3,013</u>	<u>(94,523)</u>	<u>6,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,599)</u>	<u>(87,599)</u>	<u>(88,250)</u>	<u>(651)</u>	<u>94,523</u>	<u>6,273</u>
Other financing sources (uses):						
Transfers in	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
Net change in fund balance	32,401	32,401	31,750	(651)	94,523	126,273
Fund balance:						
Beginning of year	<u>264,315</u>	<u>264,315</u>	<u>336,918</u>	<u>72,603</u>	<u>48,970</u>	<u>385,888</u>
End of year	<u>\$ 296,716</u>	<u>\$ 296,716</u>	<u>\$ 368,668</u>	<u>\$ 71,952</u>	<u>\$ 143,493</u>	<u>\$ 512,161</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
WATER EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 800	\$ 800	\$ 611	\$ (189)	\$ -	\$ 611
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,800</u>	<u>10,800</u>	<u>611</u>	<u>(10,189)</u>	<u>-</u>	<u>611</u>
Expenditures:						
Materials and services	17,500	17,500	14,190	3,310	12,125	26,315
Capital outlay	<u>13,500</u>	<u>13,500</u>	<u>12,125</u>	<u>1,375</u>	<u>(12,125)</u>	<u>-</u>
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>26,315</u>	<u>4,685</u>	<u>-</u>	<u>26,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,200)</u>	<u>(20,200)</u>	<u>(25,704)</u>	<u>(5,504)</u>	<u>-</u>	<u>(25,704)</u>
Other financing sources (uses):						
Transfers in	<u>34,000</u>	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>34,000</u>
Net change in fund balance	13,800	13,800	8,296	(5,504)	-	8,296
Fund balance:						
Beginning of year	<u>75,917</u>	<u>75,917</u>	<u>72,313</u>	<u>(3,604)</u>	<u>126,447</u>	<u>198,760</u>
End of year	<u>\$ 89,717</u>	<u>\$ 89,717</u>	<u>\$ 80,609</u>	<u>\$ (9,108)</u>	<u>\$ 126,447</u>	<u>\$ 207,056</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
WATER SYSTEM DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
System development charges	\$ 26,400	\$ 26,400	\$ 75,286	\$ 48,886	\$ -	\$ 75,286
Investment earnings	<u>1,800</u>	<u>1,800</u>	<u>1,362</u>	<u>(438)</u>	<u>-</u>	<u>1,362</u>
Total revenues	<u>28,200</u>	<u>28,200</u>	<u>76,648</u>	<u>48,448</u>	<u>-</u>	<u>76,648</u>
Expenditures:						
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>43,812</u>	<u>6,188</u>	<u>(43,812)</u>	<u>-</u>
Net change in fund balance	(21,800)	(21,800)	32,836	54,636	43,812	76,648
Fund balance:						
Beginning of year	<u>132,177</u>	<u>132,177</u>	<u>160,911</u>	<u>28,734</u>	<u>99,957</u>	<u>260,868</u>
End of year	<u>\$ 110,377</u>	<u>\$ 110,377</u>	<u>\$ 193,747</u>	<u>\$ 83,370</u>	<u>\$ 143,769</u>	<u>\$ 337,516</u>

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SEWER OPERATING FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$1,402,670	\$1,402,670	\$1,248,512	\$ (154,158)	\$ -	\$ 1,248,512
Investment earnings	4,433	4,433	2,196	(2,237)	-	2,196
Other revenue	8,200	8,200	1,030	(7,170)	-	1,030
Total revenues	<u>1,415,303</u>	<u>1,415,303</u>	<u>1,251,738</u>	<u>(163,565)</u>	<u>-</u>	<u>1,251,738</u>
Expenditures:						
Personal services	402,802	402,802	388,728	14,074	-	388,728
Materials and services	181,505	216,505	205,304	11,201	-	205,304
Capital outlay	500	500	-	500	-	-
Depreciation	-	-	-	-	389,297	389,297
Contingency	35,000	-	-	-	-	-
Total expenditures	<u>619,807</u>	<u>619,807</u>	<u>594,032</u>	<u>25,775</u>	<u>389,297</u>	<u>983,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>795,496</u>	<u>795,496</u>	<u>657,706</u>	<u>(137,790)</u>	<u>(389,297)</u>	<u>268,409</u>
Other financing sources (uses):						
Transfers out	<u>(795,000)</u>	<u>(795,000)</u>	<u>(795,000)</u>	<u>-</u>	<u>-</u>	<u>(795,000)</u>
Net change in fund balance	496	496	(137,294)	(137,790)	(389,297)	(526,591)
Fund balance:						
Beginning of year	<u>463,023</u>	<u>463,023</u>	<u>540,658</u>	<u>77,635</u>	<u>6,571,425</u>	<u>7,112,083</u>
End of year	<u>\$ 463,519</u>	<u>\$ 463,519</u>	<u>\$ 403,364</u>	<u>\$ (60,155)</u>	<u>\$ 6,182,128</u>	<u>\$ 6,585,492</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SEWER RATEPAYER ASSISTANCE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 500	\$ 500	\$ 272	\$ (228)	\$ -	\$ 272
Expenditures:						
Materials and services	30,500	30,500	16,322	14,178	-	16,322
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	(16,050)	13,950	-	(16,050)
Net change in fund balances	(30,000)	(30,000)	(16,050)	13,950	-	(16,050)
Fund balance:						
Beginning of year	33,669	33,669	41,866	8,197	-	41,866
End of year	<u>\$ 3,669</u>	<u>\$ 3,669</u>	<u>\$ 25,816</u>	<u>\$ 22,147</u>	<u>\$ -</u>	<u>\$ 25,816</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SEWER EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 800	\$ 800	\$ 495	\$ (305)	\$ -	\$ 495
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,800</u>	<u>10,800</u>	<u>495</u>	<u>(10,305)</u>	<u>-</u>	<u>495</u>
Expenditures:						
Materials and services	-	-	-	-	11,890	11,890
Capital outlay	<u>13,500</u>	<u>13,500</u>	<u>11,890</u>	<u>1,610</u>	<u>(11,890)</u>	<u>-</u>
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>11,890</u>	<u>1,610</u>	<u>-</u>	<u>11,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,700)</u>	<u>(2,700)</u>	<u>(11,395)</u>	<u>(8,695)</u>	<u>-</u>	<u>(11,395)</u>
Other financing sources (uses):						
Transfers in	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>31,000</u>
Net change in fund balance	28,300	28,300	19,605	(8,695)	-	19,605
Fund balance:						
Beginning of year	<u>59,886</u>	<u>59,886</u>	<u>57,170</u>	<u>(2,716)</u>	<u>90,553</u>	<u>147,723</u>
End of year	<u>\$ 88,186</u>	<u>\$ 88,186</u>	<u>\$ 76,775</u>	<u>\$ (11,411)</u>	<u>\$ 90,553</u>	<u>\$ 167,328</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SEWER SYSTEM DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
System development charges	\$ 164,376	\$ 164,376	\$ 518,109	\$ 353,733	\$ -	\$ 518,109
Investment earnings	20,000	20,000	10,119	(9,881)	-	10,119
Total revenues	<u>184,376</u>	<u>184,376</u>	<u>528,228</u>	<u>343,852</u>	<u>-</u>	<u>528,228</u>
Expenditures:						
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>134,376</u>	<u>134,376</u>	<u>528,228</u>	<u>393,852</u>	<u>-</u>	<u>528,228</u>
Net change in fund balances	134,376	134,376	528,228	393,852	-	528,228
Fund balance:						
Beginning of year	<u>1,124,118</u>	<u>1,124,118</u>	<u>1,214,787</u>	<u>90,669</u>	<u>47,418</u>	<u>1,262,205</u>
End of year	<u>\$ 1,258,494</u>	<u>\$ 1,258,494</u>	<u>\$ 1,743,015</u>	<u>\$ 484,521</u>	<u>\$ 47,418</u>	<u>\$ 1,790,433</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SEWER SYSTEM IMPROVEMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ -	\$ -	\$ 3,110	\$ 3,110	\$ -	\$ 3,110
Investment earnings	25,000	25,000	11,738	(13,262)	-	11,738
Other revenue	<u>2,000</u>	<u>2,000</u>	<u>2,015</u>	<u>15</u>	-	<u>2,015</u>
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>16,863</u>	<u>(10,137)</u>	<u>-</u>	<u>16,863</u>
Expenditures:						
Materials and services	2,000	2,000	2,000	-	20,257	22,257
Capital outlay	<u>850,000</u>	<u>850,000</u>	<u>346,422</u>	<u>503,578</u>	<u>(346,422)</u>	<u>-</u>
Total expenditures	<u>852,000</u>	<u>852,000</u>	<u>348,422</u>	<u>503,578</u>	<u>(326,165)</u>	<u>22,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(825,000)</u>	<u>(825,000)</u>	<u>(331,559)</u>	<u>493,441</u>	<u>326,165</u>	<u>(5,394)</u>
Other financing sources (uses):						
Transfers in	<u>760,000</u>	<u>760,000</u>	<u>760,000</u>	<u>-</u>	<u>-</u>	<u>760,000</u>
Net change in fund balances	(65,000)	(65,000)	428,441	493,441	326,165	754,606
Fund balance:						
Beginning of year	<u>1,311,901</u>	<u>1,311,901</u>	<u>1,248,212</u>	<u>(63,689)</u>	<u>3,841,818</u>	<u>5,090,030</u>
End of year	<u>\$ 1,246,901</u>	<u>\$ 1,246,901</u>	<u>\$ 1,676,653</u>	<u>\$ 429,752</u>	<u>\$ 4,167,983</u>	<u>\$ 5,844,636</u>

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON**

SANITATION OPERATING FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ 672,887	\$ 672,887	\$ 692,200	\$ 19,313	\$ -	\$ 692,200
Investment earnings	2,000	2,000	1,309	(691)	-	1,309
Other revenue	<u>20,500</u>	<u>20,500</u>	<u>12,454</u>	<u>(8,046)</u>	<u>-</u>	<u>12,454</u>
Total revenues	<u>695,387</u>	<u>695,387</u>	<u>705,963</u>	<u>10,576</u>	<u>-</u>	<u>705,963</u>
Expenditures:						
Personal services	345,039	345,039	316,811	28,228	-	316,811
Materials and services	236,845	236,845	204,195	32,650	-	204,195
Capital outlay	100	100	-	100	-	-
Depreciation	-	-	-	-	64,607	64,607
Contingency	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>596,984</u>	<u>596,984</u>	<u>521,006</u>	<u>75,978</u>	<u>64,607</u>	<u>585,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>98,403</u>	<u>98,403</u>	<u>184,957</u>	<u>86,554</u>	<u>(64,607)</u>	<u>120,350</u>
Other financing sources (uses):						
Transfers out	<u>(86,500)</u>	<u>(86,500)</u>	<u>(86,500)</u>	<u>-</u>	<u>-</u>	<u>(86,500)</u>
Net change in fund balance	11,903	11,903	98,457	86,554	(64,607)	33,850
Fund balance:						
Beginning of year	<u>151,411</u>	<u>151,411</u>	<u>162,988</u>	<u>11,577</u>	<u>9,409</u>	<u>172,397</u>
End of year	<u>\$ 163,314</u>	<u>\$ 163,314</u>	<u>\$ 261,445</u>	<u>\$ 98,131</u>	<u>\$ (55,198)</u>	<u>\$ 206,247</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SANITATION EQUIPMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
Revenues:						
Investment earnings	\$ 600	\$ 600	\$ 419	\$ (181)	\$ -	\$ 419
Other revenue	1,500	1,500	-	(1,500)	-	-
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>419</u>	<u>(1,681)</u>	<u>-</u>	<u>419</u>
Expenditures:						
Materials and services	-	-	-	-	755	755
Capital outlay	4,000	4,000	755	3,245	(755)	-
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>755</u>	<u>3,245</u>	<u>-</u>	<u>755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,900)</u>	<u>(1,900)</u>	<u>(336)</u>	<u>1,564</u>	<u>-</u>	<u>(336)</u>
Other financing sources (uses):						
Transfers in	15,000	15,000	15,000	-	-	15,000
Net change in fund balance	13,100	13,100	14,664	1,564	-	14,664
Fund balance:						
Beginning of year	48,540	48,540	49,530	990	342,440	391,970
End of year	<u>\$ 61,640</u>	<u>\$ 61,640</u>	<u>\$ 64,194</u>	<u>\$ 2,554</u>	<u>\$ 342,440</u>	<u>\$ 406,634</u>

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SANITATION SYSTEM IMPROVEMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 75	\$ 75	\$ 196	\$ 121	\$ -	\$ 196
Expenditures:						
Materials and services	2,000	2,000	-	2,000	3,120	3,120
Capital outlay	40,000	40,000	37,792	2,208	(37,792)	-
Debt service	<u>27,200</u>	<u>27,200</u>	<u>27,180</u>	<u>20</u>	<u>(25,448)</u>	<u>1,732</u>
Total expenditures	<u>69,200</u>	<u>69,200</u>	<u>64,972</u>	<u>4,228</u>	<u>(60,120)</u>	<u>4,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,125)</u>	<u>(69,125)</u>	<u>(64,776)</u>	<u>4,349</u>	<u>60,120</u>	<u>(4,656)</u>
Other financing sources (uses):						
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Net change in fund balances	875	875	5,224	4,349	60,120	65,344
Fund balance:						
Beginning of year	<u>6,962</u>	<u>6,962</u>	<u>7,403</u>	<u>441</u>	<u>24,895</u>	<u>32,298</u>
End of year	<u>\$ 7,837</u>	<u>\$ 7,837</u>	<u>\$ 12,627</u>	<u>\$ 4,790</u>	<u>\$ 85,015</u>	<u>\$ 97,642</u>

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Private-Purpose Trust Fund

- Shop With A Cop Trust Fund

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
SHOP WITH A COP TRUST FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 25	\$ 25	\$ 18	\$ (7)
Support	<u>1,050</u>	<u>1,050</u>	<u>-</u>	<u>(1,050)</u>
Total revenues	<u>1,075</u>	<u>1,075</u>	<u>18</u>	<u>(1,057)</u>
Expenditures:				
Materials and services	<u>3,050</u>	<u>3,050</u>	<u>248</u>	<u>2,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,975)</u>	<u>(1,975)</u>	<u>(230)</u>	<u>1,745</u>
Net change in fund balance	(1,975)	(1,975)	(230)	1,745
Fund balance:				
Beginning of year	<u>2,200</u>	<u>2,200</u>	<u>2,638</u>	<u>438</u>
End of year	<u>\$ 225</u>	<u>\$ 225</u>	<u>\$ 2,408</u>	<u>\$ 2,183</u>

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

Agency Fund

- Municipal Court Fund

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
MUNICIPAL COURT**

Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2010

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>
Assets:				
Fines and bails	<u>\$ 19,016</u>	<u>\$ 246,465</u>	<u>\$ 228,568</u>	<u>\$ 36,913</u>
Liabilities:				
Fines and bails	<u>\$ 19,016</u>	<u>\$ 246,465</u>	<u>\$ 228,568</u>	<u>\$ 36,913</u>

OTHER FINANCIAL SCHEDULES

CITY OF JUNCTION CITY
LANE COUNTY, OREGON
Schedule of Property Tax Transactions
For the Year Ended June 30, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Add Current Levy 2008-09	Less Collections	Discounts and Adjustments	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 1,901,712	\$ (1,781,599)	\$ (56,708)	\$ 63,405
2008-2009	57,011	-	(28,035)	(2,631)	26,345
2007-2008	21,662	-	(9,129)	(855)	11,678
2006-2007	9,563	-	(5,169)	(431)	3,963
2005-2006	3,696	-	(1,962)	(291)	1,443
2004-2005	1,515	-	(110)	(226)	1,179
2003-2004	1,196	-	(7)	(171)	1,018
Prior years	12,591	-	(181)	(1,753)	10,657
	<u>\$ 107,234</u>	<u>\$ 1,901,712</u>	<u>\$ (1,826,192)</u>	<u>\$ (63,066)</u>	<u>\$ 119,688</u>

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
GENERAL FUND**

Schedule of Expenditures by Departments
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

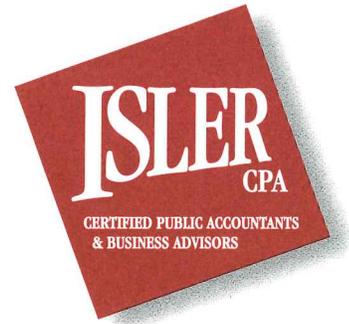
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Government:				
Finance:				
Personal services	\$ 64,628	\$ 64,628	\$ 59,870	\$ 4,758
Materials and services	<u>21,070</u>	<u>21,070</u>	<u>15,672</u>	<u>5,398</u>
Total Finance	<u>85,698</u>	<u>85,698</u>	<u>75,542</u>	<u>10,156</u>
Administration:				
Personal services	76,303	76,303	74,056	2,247
Materials and services	<u>21,395</u>	<u>21,395</u>	<u>16,294</u>	<u>5,101</u>
Total Administration	<u>97,698</u>	<u>97,698</u>	<u>90,350</u>	<u>7,348</u>
Miscellaneous:				
Materials and services	<u>321,680</u>	<u>321,680</u>	<u>398,340</u>	<u>(76,660)</u>
Building/Planning:				
Personal services	146,193	146,193	138,548	7,645
Materials and services	<u>392,245</u>	<u>629,245</u>	<u>476,194</u>	<u>153,051</u>
Total Building/Planning	<u>538,438</u>	<u>775,438</u>	<u>614,742</u>	<u>160,696</u>
Total General Government	<u>1,043,514</u>	<u>1,280,514</u>	<u>1,178,974</u>	<u>101,540</u>
Police:				
Personal services	1,481,820	1,481,820	1,331,180	150,640
Materials and services	<u>195,540</u>	<u>195,540</u>	<u>185,935</u>	<u>9,605</u>
Total Police	<u>1,677,360</u>	<u>1,677,360</u>	<u>1,517,115</u>	<u>160,245</u>
Culture and Recreation:				
Senior Service:				
Personal services	<u>54,986</u>	<u>54,986</u>	<u>55,387</u>	<u>(401)</u>
Community Service:				
Personal services	65,848	65,848	59,926	5,922
Materials and services	<u>15,000</u>	<u>15,000</u>	<u>7,615</u>	<u>7,385</u>
Total Community Service	<u>80,848</u>	<u>80,848</u>	<u>67,541</u>	<u>13,307</u>
Library:				
Personal services	117,687	118,687	109,720	8,967
Materials and services	<u>37,446</u>	<u>36,446</u>	<u>35,775</u>	<u>671</u>
Total Library	<u>155,133</u>	<u>155,133</u>	<u>145,495</u>	<u>9,638</u>
Swimming Pool:				
Personal services	58,371	58,371	60,088	(1,717)
Materials and services	<u>32,737</u>	<u>32,737</u>	<u>21,589</u>	<u>11,148</u>
Total Swimming Pool	<u>91,108</u>	<u>91,108</u>	<u>81,677</u>	<u>9,431</u>
Parks Maintenance:				
Personal services	119,071	119,071	121,693	(2,622)
Materials and services	<u>47,585</u>	<u>47,585</u>	<u>41,971</u>	<u>5,614</u>
Total Parks Maintenance	<u>166,656</u>	<u>166,656</u>	<u>163,664</u>	<u>2,992</u>
Total Culture and Recreation	<u>548,731</u>	<u>548,731</u>	<u>513,764</u>	<u>34,967</u>

**CITY OF JUNCTION CITY
LANE COUNTY, OREGON
GENERAL FUND**

Schedule of Expenditures by Departments
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal services	74,609	74,609	73,480	1,129
Materials and services	<u>97,252</u>	<u>97,252</u>	<u>93,441</u>	<u>3,811</u>
Total Municipal Court	<u>171,861</u>	<u>171,861</u>	<u>166,921</u>	<u>4,940</u>
Contingency	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Capital Outlay	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>\$ 3,491,566</u>	<u>\$ 3,728,566</u>	<u>\$ 3,376,774</u>	<u>\$ 351,792</u>

COMPLIANCE SECTION



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH OREGON MINIMUM STANDARDS FOR
AUDITS OF OREGON MUNICIPAL CORPORATIONS

Honorable Mayor and City Council
City of Junction City

We have audited the financial statements of the City of Junction City, Oregon ("City") as of and for the year ended June 30, 2010, and have issued our report thereon dated January 18, 2011. 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 of material misstatement.

COMPLIANCE

As part of obtaining reasonable assurance about whether the City's basic 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 162-010-0000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2010 and 2011.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests indicate that with respect to the items tested, the City complied, in all material respects, with the provisions referred to above except for the following:

1. Over-expended appropriations as noted in footnote I F. of the City's financial statements.
2. Notice day was less than 5 days for the budget hearing. The notice day was on June 18, 2010 and the budget hearing was on June 22, 2010.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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.

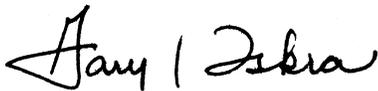
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

There are no elected officials who are collecting or receiving money in the City.

This report is intended solely for the information of the City Council, and the Secretary of State, Audits Division, of the State of Oregon 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 "Gary Iskra". The signature is written in a cursive style with a large, stylized initial "G".

By: Gary Iskra, CPA, a member of the firm
Eugene, Oregon
January 18, 2011