

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2009  
WITH INDEPENDENT AUDITORS' REPORT

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Year ended June 30, 2009

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**LANE COUNTY, OREGON**

Year ended June 30, 2009

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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, 2009

<b><u>NAME</u></b>	<b><u>POSITION</u></b>	<b><u>TERM EXPIRES</u></b>
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
Scott Mehlbrech 1795 W. 12th Junction City, OR 97448	Councilor (Resigned March 24, 2009)	March 24, 2009
Ethan Nelson 733 Maple Street Junction City, OR	Councilor (Resigned June 9, 2009)	June 9, 2009
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	January 31, 2011
Marti Templeton 1267 Rose Junction City, OR 97448	Councilor (Appointed April 28, 2009)	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

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, 2009, 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.

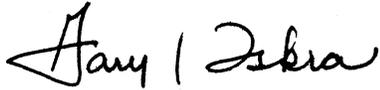
As discussed in Note I. C., the City prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2009, 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  
December 19, 2009

# CITY OF JUNCTION CITY LANE COUNTY, OREGON

## Management's Discussion and Analysis (MD&A)

Our management discussion and analysis (MD&A) of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2009 within the limitations of the City's modified cash basis of accounting. The MD&A 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 \$2,957,084 for the year, resulting in an increase in total net assets of just over 9.9% from the previous year. Much of the increase is attributed to Capital Grants and Contributions.

The City's Governmental Funds (defined below) saw an overall decrease of \$718,284 to the combined ending balance of \$5,135,987. This represents a 12.3% decrease in combined fund balance. The largest single part of this decrease (\$470,077) is attributable to the DOC-IGA Infrastructure Capital Project Fund timing problems. Expenditures were completed in FY2008-09, but reimbursements were not fully received and recognized until the current FY2009-10. The Building Replacement Reserve Fund accounted for the next largest segment of the decrease (\$83,042) due to planned expenditures for various City facility improvements and repairs.

### **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 non-major 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 you 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 \$29,952,742 to \$32,909,826 during the fiscal year ending June 30, 2009.

City of Junction City's Net Assets:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 5,378,526	\$ 6,097,602	\$ 4,253,980	\$ 5,788,585	\$ 9,632,506	\$ 11,886,187
Capital assets	9,086,383	6,318,562	14,368,365	11,981,168	23,454,748	18,299,730
Total assets	<u>14,464,909</u>	<u>12,416,164</u>	<u>18,622,345</u>	<u>17,769,753</u>	<u>33,087,254</u>	<u>30,185,917</u>
Current liabilities	23,255	37,748	25	25	23,280	37,773
Long - term debt outstanding	-	-	154,148	195,402	154,148	195,402
Total liabilities	<u>23,255</u>	<u>37,748</u>	<u>154,173</u>	<u>195,427</u>	<u>177,428</u>	<u>233,175</u>
Net assets:						
Invested in capital assets, net of related debt	9,086,383	6,318,562	14,214,217	11,785,766	23,300,600	18,104,328
Restricted for:						
systems development	689,057	621,122	1,523,073	1,269,348	2,212,130	1,890,470
DOC-IGA	-	439,092	-	-	-	439,092
streets	439,364	501,520	-	-	439,364	501,520
Unrestricted	<u>4,226,850</u>	<u>4,498,120</u>	<u>2,730,882</u>	<u>4,519,212</u>	<u>6,957,732</u>	<u>9,017,332</u>
Total net assets	<u>\$ 14,441,654</u>	<u>\$ 12,378,416</u>	<u>\$ 18,468,172</u>	<u>\$ 17,574,326</u>	<u>\$ 32,909,826</u>	<u>\$ 29,952,742</u>

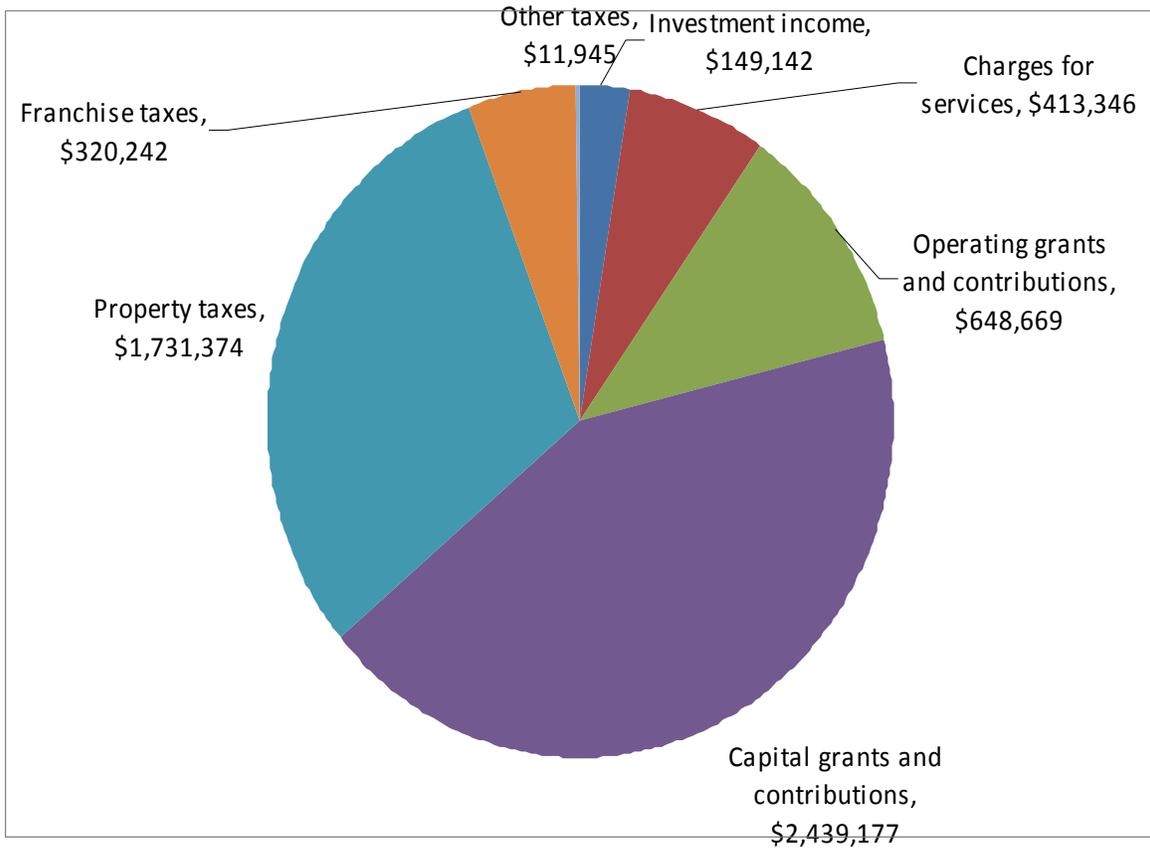
Net assets of the City's governmental activities increased 16% to \$14,441,654. However, \$9,086,383 of those net assets is invested in capital assets (buildings, roads, bridges, and so on) and \$689,057 was restricted for systems development and \$439,364 was restricted for streets. Consequently, unrestricted net assets were \$4,226,850 at the end of this year.

**Changes in Net Assets—Modified Cash Basis For the years ended June 30, 2009 and 2008, net assets of the government (resulting from modified cash basis transactions) changed as follows:**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 413,346	\$ 608,008	\$ 2,693,356	\$ 2,699,145	\$ 3,106,702	\$ 3,307,153
Operating grants and contribution	648,669	477,930	9,378	67,990	658,047	545,920
Capital grants and contributions	2,439,177	2,379,021	227,403	2,238,970	2,666,580	4,617,991
General revenues:						
Property taxes	1,731,374	1,521,392	-	-	1,731,374	1,521,392
Franchise taxes	320,242	389,550	-	-	320,242	389,550
Other taxes	11,945	11,470	-	-	11,945	11,470
Investment income	149,142	344,777	106,636	225,316	255,778	570,093
Loss on disposal of assets		(2,000)	(35,736)	-	(35,736)	(2,000)
Total revenues	<u>5,713,895</u>	<u>5,730,148</u>	<u>3,001,037</u>	<u>5,231,421</u>	<u>8,714,932</u>	<u>10,961,569</u>
<b>Expenses</b>						
General government	742,682	737,310	-	-	742,682	737,310
Public safety	1,607,471	1,441,502	-	-	1,607,471	1,441,502
Highways and streets	491,540	581,009	-	-	491,540	581,009
Economic development	30,130	114,307	-	-	30,130	114,307
Culture and recreation	580,626	539,669	-	-	580,626	539,669
Water	-	-	725,333	681,368	725,333	681,368
Sewer	-	-	858,353	807,230	858,353	807,230
Sanitation	-	-	721,713	678,318	721,713	678,318
Total expenses	<u>3,452,449</u>	<u>3,413,797</u>	<u>2,305,399</u>	<u>2,166,916</u>	<u>5,757,848</u>	<u>5,580,713</u>
Excess before special item and transfers	2,261,446	2,316,351	695,638	3,064,505	2,957,084	5,380,856
Gain on insurance recovery	-	-	-	-	-	-
Transfers to fiduciary funds	-	-	-	-	-	-
Transfers - internal activity	(198,208)	31,500	198,208	(31,500)	-	-
Increase in net assets	<u>2,063,238</u>	<u>2,347,851</u>	<u>893,846</u>	<u>3,033,005</u>	<u>2,957,084</u>	<u>5,380,856</u>
Net assets, beginning of year	<u>12,378,416</u>	<u>10,030,565</u>	<u>17,574,326</u>	<u>14,541,321</u>	<u>29,952,742</u>	<u>24,571,886</u>
Net assets, end of year	<u>\$ 14,441,654</u>	<u>\$ 12,378,416</u>	<u>\$ 18,468,172</u>	<u>\$ 17,574,326</u>	<u>\$ 32,909,826</u>	<u>\$ 29,952,742</u>

## Governmental Activities

For the year ended June 30, 2009, the City's governmental activities were funded as follows:

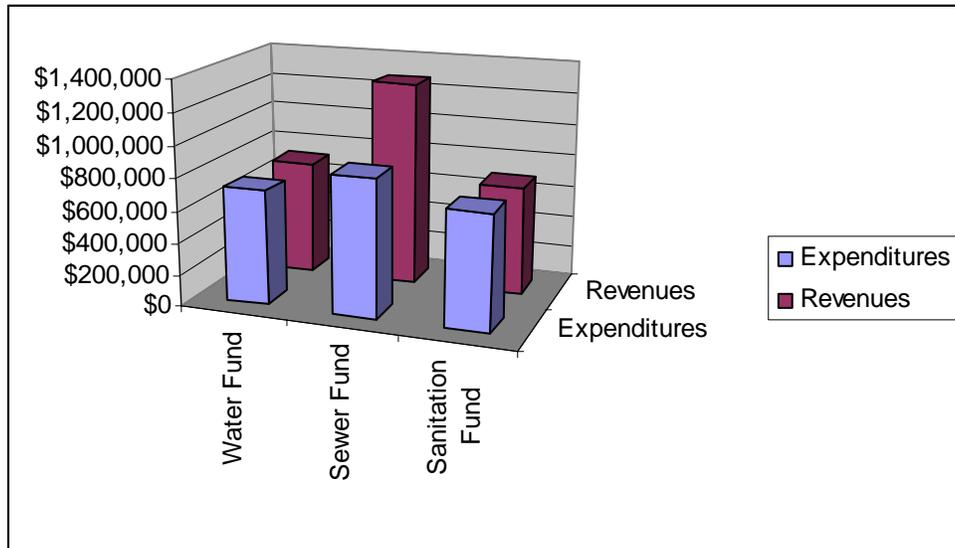


For the year ended June 30, 2009, total expenditures for governmental activities, resulting from modified cash basis transactions, amounted to \$3,452,449. Revenues included: taxes and investment earnings of \$2,212,703; charges for services of \$413,346; operating grants and contributions totaling \$648,669; capital grants and contributions \$2,439,177; and net transfers from other funds of (\$198,208). As a result, governmental net assets increased \$2,063,238.

### **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 revenues of \$1,137, \$423,302, and (\$28,529) 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 Street Fund continues a sharp decline. The Fund finished with an ending balance of \$439,364 or a decrease of \$62,156. As stated in last year's MD&A, this 12.4% decline in ending balance is not sustainable without either a significant increase in revenues and/or decrease in expenditures.
- The Business Development Loan Fund ending fund balance increased by \$15,704 or 1.5% due to the repayment on existing loans of principal and interest, and investment earnings increased the value of the fund by \$22,405. Ending fund balance for the year leaves a healthy amount of \$1,041,703 for future loans and investments.
- The first year of the DOC-IGA Infrastructure Capital Project Fund resulted in a significant deficit due to timing issues described in the Financial Highlights section. Expenditures of \$1,366,973 occurred during the year, but reimbursements only totaled \$896,896 before the fiscal year closed. This \$470,077 difference was mostly absorbed by the beginning fund balance of \$439,092. The (\$30,985) remaining will be carried forward into the current year and is noted elsewhere in the audit report.
- Systems Development Charge (SDC) revenues from new connections for the non-major governmental funds, Street System and Park System, grew at a slower pace than the previous year resulting respectively in ending fund balances of \$471,150 and \$217,907.
- 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 \$160,911 and \$1,214,787.
- The Water System and Sewer System Improvement Funds also continued to receive charges for services resulting in ending fund balances respectively of \$336,918 and \$1,248,212. The Water System Improvement Fund was also the recipient of a transfer of \$205,208 from the Fire Sprinkler Maintenance Fund. Expenditures of \$2,934,500 on two new wastewater pump stations and related capital outlay effectively reduced the ending balance of the Sewer System Improvement Fund by \$2,250,241.
- The Sanitation Equipment Reserve Fund grew by \$20,048 to an ending fund balance of \$49,530.

## General Fund Budgetary Highlights

The City's General Fund ended the year with a fund balance of \$1,840,470, a small decrease of \$19,935 from the beginning of year balance. The decrease represents an overall decrease in General Fund ending balance of 1.1%. This is in sharp contrast with the planned operating deficit of (\$326,298) at the adoption of the budget representing a positive swing of \$306,363 from expectations. Going into the current year, the General Fund balance represents approximately 66.6% of actual expenditures, well above the 17–25% recommended as a best practice by the Governmental Finance Officers Association.

Coming in significantly above expectations (\$86,286 or 5.5% over budget) was property tax collections for the year. In other areas, while franchise fees were up somewhat over expectations, investment earnings and fines led the revenues in underperformance (no doubt largely due to the recession). On the expenditure side, actual expenditures of \$720,769 below the budgeted amounts worked to keep the City's fund balance from decreasing further.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets—Modified Cash Basis

At June 30, 2009, the City had more than \$23.4 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 million from last year. The large increase is due to contributed property, the refurbishment of two sewer pump stations, and Department of Correction's related construction in progress.

	Governmental Activities		Business-Type Activites		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 2,485,036	\$ 1,010,778	\$ 1,247,165	\$ 1,247,165	\$ 3,732,201	\$ 2,257,943
Construction in progress	1,551,973	106,716	-	182,242	1,551,973	288,958
Other improvements	-	-	-	-	-	-
Machinery and equipment	459,543	405,115	653,383	729,884	1,112,926	1,134,999
Infrastructure	3,537,874	3,737,016	111,099	118,505	3,648,973	3,855,521
Utility property	1,051,957	1,058,937	12,356,718	9,703,372	13,408,675	10,762,309
Total	<u>\$ 9,086,383</u>	<u>\$ 6,318,562</u>	<u>\$ 14,368,365</u>	<u>\$ 11,981,168</u>	<u>\$ 23,454,748</u>	<u>\$ 18,299,730</u>

This year's capital asset additions were:

Equipment	\$	143,099
Contributed capital - Land		1,474,258
System Improvements:		
Sewer		3,093,571
Construction in Progress		1,481,973

### Long-term Debt—Modified Cash Basis

At July 1, 2004, the City had \$9,782,929 in long-term debt committed to funding the improvement of the City's wastewater treatment system. In August of 2004 the City entered into an agreement with the OECD to prepay this loan. Please see page 37 for further explanation of this transaction. The City's remaining 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, 2009 was \$76,098. For more information on long-term debt, see Note III. F. on page 37.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

For the upcoming fiscal year ending June 30, 2010, the City's budget is fairly consistent with this year. During the fiscal year ending June 30, 2010, the City will have implemented revised utility rates for all of its proprietary funds and implement rate increases as necessary to cover operating and capital costs. Annual increases for the Water and Sewer funds have been moved to January of each year to minimize impacts on rate payers at the peak usage periods.

Utilizing engineering consultants largely financed through an intergovernmental agreement with the Oregon Department of Corrections, the City has begun the process of updating its plans for the wastewater treatment system improvements mandated by the Oregon Department of Environmental Quality and completed an updated Water Master Plan. The City will complete work during fiscal year ending June 30, 2010 on infrastructure work related to opening of the prison and hospital 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, construction 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.

The major unknowns at this time are the continuing impacts of the National economic collapse on the State and local budgeting process; plus the unknown outcome of State Measures 66 and 67. The City has also experienced the shutdown of Country Coach, whose impact is yet to be fully measured. On the positive side, new housing starts have well exceeded expectations, largely it is believed due to the new hospital and prison construction. The City has also planned to undertake the first steps in the possible creation of an urban renewal district, been included in the State's Main Street program and is seeing a snowball of activity from community groups such as Energizing Junction City surrounding City community development projects. As ever, the future remains 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 Shauna Hartz, 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, 2009

	<u>Governmental Activities</u>	<u>Business-type Actitivites</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,070,772	\$ 4,252,272	\$ 9,323,044
Accounts receivable, net	-	1,708	1,708
Prepaid insurance	69,513	-	69,513
Prepaid worker's comp	11,564	-	11,564
Loans receivable	219,284	-	219,284
Developer advances	7,393	-	7,393
Capital assets not being depreciated:			
Land	2,485,036	1,247,165	3,732,201
Construction in progress	1,551,973	-	1,551,973
Capital assets net of depreciation:			
Utility property and improvements	1,051,957	12,356,718	13,408,675
Infrastructure	3,537,874	111,099	3,648,973
Machinery and equipment	459,543	653,383	1,112,926
Total assets	<u>\$ 14,464,909</u>	<u>\$ 18,622,345</u>	<u>\$ 33,087,254</u>
<b>LIABILITIES</b>			
Deposits and withholdings payable	\$ 23,255	\$ 25	\$ 23,280
Noncurrent liabilities:			
Due within one year	-	42,810	42,810
Due in more than one year	-	111,338	111,338
Total liabilities	<u>23,255</u>	<u>154,173</u>	<u>177,428</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,086,383	14,214,217	23,300,600
Restricted for street improvements	439,364	-	439,364
Restricted for system development	689,057	1,523,073	2,212,130
Unrestricted	4,226,850	2,730,882	6,957,732
Total net assets	<u>14,441,654</u>	<u>18,468,172</u>	<u>32,909,826</u>
Total liabilities and net assets	<u>\$ 14,464,909</u>	<u>\$ 18,622,345</u>	<u>\$ 33,087,254</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, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions / Programs</b>						
Governmental activities:						
General government	\$ 742,682	\$ 372,009	\$ 2,384,559	\$ 2,378,742	\$ -	\$ 2,378,742
Public safety	1,607,471	38,000	-	(1,569,471)	-	(1,569,471)
Highways and streets	491,540	208,252	29,465	(251,925)	-	(251,925)
Economic development	30,130	-	-	(29,830)	-	(29,830)
Culture and recreation	580,626	30,408	25,153	(478,773)	-	(478,773)
Total governmental activities	<u>3,452,449</u>	<u>648,669</u>	<u>2,439,177</u>	<u>48,743</u>	<u>-</u>	<u>48,743</u>
Business-type Activities:						
Water	725,333	4,689	25,825	-	25,983	25,983
Sewer	858,353	4,689	201,578	-	629,569	629,569
Sanitation	721,713	-	-	-	(30,814)	(30,814)
Total business - type activities	<u>2,305,399</u>	<u>9,378</u>	<u>227,403</u>	<u>48,743</u>	<u>624,738</u>	<u>673,481</u>
<b>Total government</b>	<b>\$ 5,757,848</b>	<b>\$ 658,047</b>	<b>\$ 2,666,580</b>	<b>\$ 48,743</b>	<b>\$ 624,738</b>	<b>\$ 673,481</b>
General revenues:						
Property taxes				1,731,374	-	1,731,374
Franchise taxes				320,242	-	320,242
Other taxes and receipts				11,945	-	11,945
Investment earnings				149,142	106,636	255,778
Loss on disposal of capital assets				-	(35,736)	(35,736)
Transfers - internal activity				(198,208)	198,208	-
Total general revenues and transfers				<u>2,014,495</u>	<u>269,108</u>	<u>2,283,603</u>
Change in net assets				2,063,238	893,846	2,957,084
Net assets - beginning				<u>12,378,416</u>	<u>17,574,326</u>	<u>29,952,742</u>
Net assets - ending				<u>\$ 14,441,654</u>	<u>\$ 18,468,172</u>	<u>\$ 32,909,826</u>

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

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Balance Sheet - Modified Cash Basis  
Governmental Funds  
June 30, 2009

	General Fund	DOC-IGA Infrastructure Capital Project	Street Fund	Building Replacement Reserve Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,737,770	\$ -	\$ 445,864	\$ 465,784	\$ 1,041,703	\$ 1,379,651	\$ 5,070,772
Due from DOC-IGA	30,985	-	-	-	-	-	30,985
Developer advances	7,393	-	-	-	-	-	7,393
Prepaid insurance	69,513	-	-	-	-	-	69,513
Prepaid worker's comp	11,564	-	-	-	-	-	11,564
Note Receivable	-	-	-	-	219,284	-	219,284
Total assets	\$ 1,857,225	\$ -	\$ 445,864	\$ 465,784	\$ 1,260,987	\$ 1,379,651	\$ 5,409,511
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to General Fund	\$ -	\$ 30,985	\$ -	\$ -	\$ -	\$ -	\$ 30,985
Deposit and withholdings payable	16,755	-	6,500	-	-	-	23,255
Deferred revenue	-	-	-	-	219,284	-	219,284
Total liabilities	16,755	30,985	6,500	-	219,284	-	273,524
Fund balances:							
Reserved for system development	-	-	-	-	-	689,057	689,057
Reserved for prepaids	81,077	-	-	-	-	-	81,077
Unreserved, reported in							
General fund	1,759,393	-	-	-	-	-	1,759,393
Capital project fund	-	(30,985)	-	-	-	-	(30,985)
Special revenue fund	-	-	439,364	465,784	1,041,703	690,594	2,637,445
Total fund balances	1,840,470	(30,985)	439,364	465,784	1,041,703	1,379,651	5,135,987
Total liabilities and fund balances	\$ 1,857,225	\$ -	\$ 445,864	\$ 465,784	\$ 1,260,987	\$ 1,379,651	

**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 \$11,810,405 net of accumulated depreciation of \$2,724,022 are not financial resources and, therefore, are not reported in the funds.

9,086,383

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.

219,284

Net assets of governmental activities

\$ 14,441,654

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, 2009

	<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
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 1,731,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,731,374
Franchise taxes	320,242	-	-	-	-	-	320,242
Other	11,945	-	-	-	-	-	11,945
Licenses and permits	124,158	-	-	-	-	-	124,158
Intergovernmental revenues	333,049	896,896	208,252	-	-	90,601	1,528,798
Charges for services	44,128	-	-	-	-	10,321	54,449
System development charges	13,405	-	-	-	-	54,618	68,023
Fines and penalties	175,033	-	-	-	-	-	175,033
Investment earnings	41,167	-	9,916	11,490	22,405	27,334	112,312
Principal received - loan program	-	-	-	-	11,979	-	11,979
Interest received - loan program	-	-	-	-	11,150	-	11,150
Contributions and donations	-	-	-	-	-	16,767	16,767
Other revenue	21,537	-	1,898	-	300	35,971	59,706
Total Revenues	<u>2,816,038</u>	<u>896,896</u>	<u>220,066</u>	<u>11,490</u>	<u>45,834</u>	<u>235,612</u>	<u>4,225,936</u>
<b>EXPENDITURES</b>							
Current :							
General government	778,182	1,366,973	-	66,532	-	47,718	2,259,405
Public safety	1,535,194	-	-	-	-	72,277	1,607,471
Highway and streets	-	-	272,222	-	-	8,800	281,022
Economic development	-	-	-	-	30,130	-	30,130
Culture and recreation	451,952	-	-	-	-	116,032	567,984
Total expenditures	<u>2,765,328</u>	<u>1,366,973</u>	<u>272,222</u>	<u>66,532</u>	<u>30,130</u>	<u>244,827</u>	<u>4,746,012</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,710</u>	<u>(470,077)</u>	<u>(52,156)</u>	<u>(55,042)</u>	<u>15,704</u>	<u>(9,215)</u>	<u>(520,076)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	131,947	131,947
Transfers out	<u>(70,645)</u>	<u>-</u>	<u>(10,000)</u>	<u>(28,000)</u>	<u>-</u>	<u>(221,510)</u>	<u>(330,155)</u>
Total other financing source (uses)	<u>(70,645)</u>	<u>-</u>	<u>(10,000)</u>	<u>(28,000)</u>	<u>-</u>	<u>(89,563)</u>	<u>(198,208)</u>
Net change in fund balances	(19,935)	(470,077)	(62,156)	(83,042)	15,704	(98,778)	(718,284)
Fund balances - beginning	<u>1,860,405</u>	<u>439,092</u>	<u>501,520</u>	<u>548,826</u>	<u>1,025,999</u>	<u>1,478,429</u>	<u>5,854,271</u>
Fund balances - ending	<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>

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, 2009

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

Net change in fund balances - total governmental funds	\$	(718,284)
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 (\$1,567,926) exceed depreciation (\$274,363) in the current period.		1,293,563
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Donated capital assets		1,474,258
Change in deferred revenues		<u>13,701</u>
Change in net assets of governmental activities	\$	<u>2,063,238</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, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 1,645,088	\$ 1,645,088	\$ 1,731,374	\$ 86,286
Franchise taxes	309,605	309,605	320,242	10,637
Other taxes	8,500	8,500	11,945	3,445
Licenses and permits	143,870	143,870	124,158	(19,712)
Intergovernmental revenues	495,821	795,821	333,049	(462,772)
Charges for services	44,167	44,167	44,128	(39)
Fines and penalties	188,335	188,335	175,033	(13,302)
Investment earnings	61,100	61,100	41,167	(19,933)
System development charges	15,233	15,233	13,405	(1,828)
Other revenue	18,725	18,725	21,537	2,812
Total revenues	2,930,444	3,230,444	2,816,038	(414,406)
Expenditures:				
Personal services	2,237,820	2,192,175	1,885,791	306,384
Materials and services	933,822	1,233,822	879,537	354,285
Capital outlay	100	100	-	100
Contingency	60,000	60,000	-	60,000
Total expenditures	3,231,742	3,486,097	2,765,328	720,769
Excess (deficiency) of revenues over (under) expenditures	(301,298)	(255,653)	50,710	306,363
Other financing sources (uses):				
Transfers out	(25,000)	(70,645)	(70,645)	-
Net change in fund balances	(326,298)	(326,298)	(19,935)	306,363
Fund balance:				
Beginning of year	1,789,875	1,789,875	1,860,405	70,530
End of year	\$ 1,463,577	\$ 1,463,577	\$ 1,840,470	\$ 376,893

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 3,147,500	\$ 3,147,500	\$ 896,896	\$ (2,250,604)
Investment earnings (loss)	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
Total revenues	<u>3,155,000</u>	<u>3,155,000</u>	<u>896,896</u>	<u>(2,258,104)</u>
Expenditures:				
Materials and services	2,655,000	2,655,000	1,325,063	1,329,937
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>41,910</u>	<u>958,090</u>
Total expenditures	<u>3,655,000</u>	<u>3,655,000</u>	<u>1,366,973</u>	<u>2,288,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(470,077)</u>	<u>29,923</u>
Net change in fund balances	(500,000)	(500,000)	(470,077)	29,923
Fund balance:				
Beginning of year	<u>500,000</u>	<u>500,000</u>	<u>439,092</u>	<u>(60,908)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,985)</u>	<u>\$ (30,985)</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, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 235,409	\$ 235,409	\$ 208,252	\$ (27,157)
Investment earnings	18,137	18,137	9,916	(8,221)
Other revenue	<u>2,500</u>	<u>2,500</u>	<u>1,898</u>	<u>(602)</u>
Total revenues	<u>256,046</u>	<u>256,046</u>	<u>220,066</u>	<u>(35,980)</u>
Expenditures:				
Personal services	149,427	164,427	141,004	23,423
Materials and services	109,746	139,746	131,218	8,528
Capital outlay	50	50	-	50
Contingency	<u>70,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>329,223</u>	<u>329,223</u>	<u>272,222</u>	<u>57,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,177)</u>	<u>(73,177)</u>	<u>(52,156)</u>	<u>21,021</u>
Other financing sources (uses):				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balances	(83,177)	(83,177)	(62,156)	21,021
Fund balance:				
Beginning of year	<u>493,767</u>	<u>493,767</u>	<u>501,520</u>	<u>7,753</u>
End of year	<u>\$ 410,590</u>	<u>\$ 410,590</u>	<u>\$ 439,364</u>	<u>\$ 28,774</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 15,664	\$ 15,664	\$ 11,490	\$ (4,174)
Expenditures:				
Materials and services	20,210	20,210	2,660	17,550
Capital outlay	<u>83,000</u>	<u>83,000</u>	<u>63,872</u>	<u>19,128</u>
Total expenditures	<u>103,210</u>	<u>103,210</u>	<u>66,532</u>	<u>36,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,546)</u>	<u>(87,546)</u>	<u>(55,042)</u>	<u>32,504</u>
Other financing sources (uses):				
Transfers out	<u>(28,000)</u>	<u>(28,000)</u>	<u>(28,000)</u>	<u>-</u>
Net change in fund balances	(115,546)	(115,546)	(83,042)	32,504
Fund balance:				
Beginning of year	<u>495,000</u>	<u>495,000</u>	<u>548,826</u>	<u>53,826</u>
End of year	<u>\$ 379,454</u>	<u>\$ 379,454</u>	<u>\$ 465,784</u>	<u>\$ 86,330</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment earnings	\$ 26,170	\$ 26,170	\$ 22,405	\$ (3,765)
Principal received - loan program	18,706	18,706	11,979	(6,727)
Interest received - loan program	12,455	12,455	11,150	(1,305)
Other revenue	<u>200</u>	<u>200</u>	<u>300</u>	<u>100</u>
Total revenues	<u>57,531</u>	<u>57,531</u>	<u>45,834</u>	<u>(11,697)</u>
Expenditures:				
Materials and services	<u>895,965</u>	<u>895,965</u>	<u>30,130</u>	<u>865,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(838,434)</u>	<u>(838,434)</u>	<u>15,704</u>	<u>854,138</u>
Net change in fund balances	(838,434)	(838,434)	15,704	854,138
Fund balance:				
Beginning of year	<u>966,000</u>	<u>966,000</u>	<u>1,025,999</u>	<u>59,999</u>
End of year	<u>\$ 127,566</u>	<u>\$ 127,566</u>	<u>\$ 1,041,703</u>	<u>\$ 914,137</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, 2009

	Business-Type Activities			Total
	Water Funds	Sewer Funds	Sanitation Funds	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 931,365	\$ 3,102,693	\$ 218,214	\$ 4,252,272
Accounts receivable, net	-	-	1,708	1,708
Total current assets	<u>931,365</u>	<u>3,102,693</u>	<u>219,922</u>	<u>4,253,980</u>
Noncurrent assets:				
Land	264,520	906,144	76,501	1,247,165
Other capital assets, net of accumulated depreciation	3,097,838	9,645,070	378,292	13,121,200
Total noncurrent assets	<u>3,362,358</u>	<u>10,551,214</u>	<u>454,793</u>	<u>14,368,365</u>
Total assets	<u>\$ 4,293,723</u>	<u>\$ 13,653,907</u>	<u>\$ 674,715</u>	<u>\$ 18,622,345</u>
<b>LIABILITIES</b>				
Current liabilities:				
Deposits and withholdings payable	\$ 25	\$ -	\$ -	\$ 25
Capital lease payable - current portion	-	-	25,448	25,448
Note payable - current portion	17,362	-	-	17,362
Total current liabilities	<u>17,387</u>	<u>-</u>	<u>25,448</u>	<u>42,835</u>
Noncurrent liabilities:				
Capital lease payable	-	-	52,602	52,602
Notes payable	58,736	-	-	58,736
Total liabilities	<u>76,123</u>	<u>-</u>	<u>78,050</u>	<u>154,173</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,286,260	10,551,214	376,743	14,214,217
Restricted for systems development	260,868	1,262,205	-	1,523,073
Unrestricted	670,472	1,840,488	219,922	2,730,882
Total net assets	<u>4,217,600</u>	<u>13,653,907</u>	<u>596,665</u>	<u>18,468,172</u>
Total liabilities and net assets	<u>\$ 4,293,723</u>	<u>\$ 13,653,907</u>	<u>\$ 674,715</u>	<u>\$ 18,622,345</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, 2009

	Business-Type Activities			
	Water Funds	Sewer Funds	Sanitation Funds	Total
Operating revenues:				
Charges for services	\$ 717,880	\$ 1,270,289	\$ 669,089	\$ 2,657,258
Miscellaneous	2,922	11,366	21,810	36,098
Total operating revenues	<u>720,802</u>	<u>1,281,655</u>	<u>690,899</u>	<u>2,693,356</u>
Operating expenses:				
Personal services	308,358	308,731	350,996	968,085
Materials and services	291,390	223,593	305,552	820,535
Depreciation	119,917	326,029	62,880	508,826
Total operating expenses	<u>719,665</u>	<u>858,353</u>	<u>719,428</u>	<u>2,297,446</u>
Operating income (loss)	<u>1,137</u>	<u>423,302</u>	<u>(28,529)</u>	<u>395,910</u>
Nonoperating revenues (expenses):				
Intergovernmental	4,689	4,689	-	9,378
Investment earnings	18,823	83,135	4,678	106,636
Interest expense	(5,668)	-	(2,285)	(7,953)
Loss on disposal of fixed assets	-	(35,736)	-	(35,736)
Total nonoperating revenues (expenses)	<u>17,844</u>	<u>52,088</u>	<u>2,393</u>	<u>72,325</u>
Income (loss) before capital contributions and transfers	<u>18,981</u>	<u>475,390</u>	<u>(26,136)</u>	<u>468,235</u>
Capital contributions:				
System development charges	<u>25,825</u>	<u>201,578</u>	<u>-</u>	<u>227,403</u>
Transfers in	205,208	-	-	205,208
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(3,000)</u>	<u>(7,000)</u>
Total transfers	<u>203,208</u>	<u>(2,000)</u>	<u>(3,000)</u>	<u>198,208</u>
Change in net assets	248,014	674,968	(29,136)	893,846
Total net assets - beginning	<u>3,969,586</u>	<u>12,978,939</u>	<u>625,801</u>	<u>17,574,326</u>
Total net assets - ending	<u>\$ 4,217,600</u>	<u>\$ 13,653,907</u>	<u>\$ 596,665</u>	<u>\$ 18,468,172</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, 2009

	Business - Type Activities - Enterprise Funds			
	Water Funds	Sewer Funds	Sanitation Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 720,802	\$ 1,281,655	\$ 689,191	\$ 2,691,648
Payments to suppliers	(291,390)	(223,593)	(305,552)	(820,535)
Payments to employees	(308,358)	(308,731)	(350,996)	(968,085)
Net cash provided (used) by operating activities	<u>121,054</u>	<u>749,331</u>	<u>32,643</u>	<u>903,028</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	205,208	16,000	-	221,208
Transfers out	(2,000)	(18,000)	(3,000)	(23,000)
Net cash provided (used) by noncapital financing activities	<u>203,208</u>	<u>(2,000)</u>	<u>(3,000)</u>	<u>198,208</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(6,615)	(2,925,144)	-	(2,931,759)
System development charges	25,825	201,578	-	227,403
Intergovernmental	4,689	4,689	-	9,378
Interest paid on long-term debt	(5,668)	-	(2,285)	(7,953)
Principal paid on long-term debt	(16,359)	-	(24,895)	(41,254)
Net cash provided (used) by capital and related financing activities	<u>1,872</u>	<u>(2,718,877)</u>	<u>(27,180)</u>	<u>(2,744,185)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	18,823	83,135	4,678	106,636
Net change in cash and cash equivalents	344,957	(1,888,411)	7,141	(1,536,313)
Cash and cash equivalents - beginning	586,408	4,991,104	211,073	5,788,585
Cash and cash equivalents - ending	<u>\$ 931,365</u>	<u>\$ 3,102,693</u>	<u>\$ 218,214</u>	<u>\$ 4,252,272</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 1,137	\$ 423,302	\$ (28,529)	\$ 395,910
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	119,917	326,029	62,880	508,826
Increase in receivables			(1,708)	(1,708)
Net cash provided by operating activities	<u>\$ 121,054</u>	<u>\$ 749,331</u>	<u>\$ 32,643</u>	<u>\$ 903,028</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, 2009

	Private-purpose Trust Fund	
	Shop with a Cop Trust Fund	Municipal Court Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,638	\$ 19,016
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Fines and bails	\$ -	\$ 19,016
Net Assets		
Held in trust	2,638	-
Total liabilities and net assets	\$ 2,638	\$ 19,016

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, 2009

	<u>Shop with a Cop Trust Fund</u>
<b>ADDITIONS</b>	
Interest income	<u>\$ 59</u>
<b>DEDUCTIONS</b>	
Benefits	<u>185</u>
Change in net assets	(126)
Net assets - beginning	<u>2,764</u>
Net assets - ending	<u>\$ 2,638</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, 2009

#### **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.

#### **A. Reporting entity**

The City of Junction City ("City") was incorporated in 1872. The City has a population of approximately 5,135, 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, 2009

**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, 2009

#### **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 business-type activities and to enterprise funds, 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, 2009

**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, 2009, 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. Due to/from other funds**

Activity between funds that is representative of informal short-term lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds."

**5. 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 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.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

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

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

**5. Capital assets, continued**

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.

**6. Junction City Police Department lost/found funds**

During the current fiscal year, 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.

**7. 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.

**8. 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.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

**Note II - Stewardship, compliance, and accountability**

**A. 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.

**B. Excess of expenditures over appropriations**

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

Sanitation Operating Fund	
Materials and services	\$46,928

**C. DOC - IGA deficit fund equity/Due to General fund**

The City's DOC-IGA Infrastructure Capital Project Fund had a negative fund balance of \$30,985 as of June 30, 2009. This fund accounts for revenue received from the State of Oregon; however, the City receives grant funding only after spending the money on capital projects defined by the agreement. Consequently, as a result of the use of modified cash basis of accounting, the City had a negative fund balance at year-end. The deficit was funded by the General fund via "due to General fund."

**Note III - 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.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

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

**A. Deposits and investments, continued**

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

Cash on hand	\$ 1,191
Cash in banks	67,856
LGIP	<u>9,275,651</u>
Total	<u>\$ 9,344,698</u>

	<u>Government- wide Statements</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 9,323,044</u>	<u>\$ 21,654</u>	<u>\$ 9,344,698</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, 2009, the City has deposits of \$67,856 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. As of June 30, 2009 the weighted maturity for the LGIP was as follows: up to 93 days (75%); 94 days to one year (12%); and, 1 - 3 years (13%).

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, of which the 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 standard, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council. Investments that drop below the required minimum credit quality rankings can be retained in LGIP at the discretion of the Senior Investment Officer. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

**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, 2009, 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>Balance at end of year</u>
Business development loan receivables	<u>\$ 205,583</u>	<u>\$ 25,680</u>	<u>\$ 11,979</u>	<u>\$ 219,284</u>

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

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

**C. Interfund transfers**

<b><u>Transfers out of:</u></b>	<b><u>Transfers in to:</u></b>		
	Nonmajor Governmental funds	Water Fund	Total
General fund	\$ 70,645	\$ -	\$ 70,645
Street fund	10,000	-	10,000
Water fund	2,000	-	2,000
Sewer fund	2,000	-	2,000
Sanitation fund	3,000	-	3,000
Nonmajor governmental funds	16,302	205,208	221,510
Building Replacement Reserve Fund	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Total	<u>\$ 131,947</u>	<u>\$ 205,208</u>	<u>\$ 337,155</u>

During the year, transfers were made to move unrestricted revenues in the General fund, Street fund, Water fund, Sewer fund, Sanitation fund, and Building Replacement Reserve Fund to various reserve funds. Transfers were also made to the Water Fund to close a nonmajor governmental fund at year-end.

**D. Capital assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,010,778	\$ 1,474,258	\$ -	\$ 2,485,036
Construction in progress	<u>106,716</u>	<u>1,481,973</u>	<u>(36,716)</u>	<u>1,551,973</u>
Total capital assets, not being depreciated	<u>1,117,494</u>	<u>2,956,231</u>	<u>(36,716)</u>	<u>4,037,009</u>
Capital assets, being depreciated:				
Other improvements	2,788,539	-	-	2,788,539
Machinery and equipment	879,345	122,669	-	1,002,014
Infrastructure	<u>3,982,843</u>	<u>-</u>	<u>-</u>	<u>3,982,843</u>
Total capital assets being depreciated	<u>7,650,727</u>	<u>122,669</u>	<u>-</u>	<u>7,773,396</u>
Less accumulated depreciation for:				
Other improvements	1,729,602	6,980	-	1,736,582
Machinery and equipment	474,230	68,241	-	542,471
Infrastructure	<u>245,827</u>	<u>199,142</u>	<u>-</u>	<u>444,969</u>
Total accumulated depreciation	<u>2,449,659</u>	<u>274,363</u>	<u>-</u>	<u>2,724,022</u>
Total capital assets, being depreciated, net	<u>5,201,068</u>	<u>(151,694)</u>	<u>-</u>	<u>5,049,374</u>
Governmental activities capital assets, net	<u>\$ 6,318,562</u>	<u>\$ 2,804,537</u>	<u>\$ (36,716)</u>	<u>\$ 9,086,383</u>

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

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

**D. Capital assets, continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,247,165	\$ -	\$ -	\$ 1,247,165
Construction in progress	<u>182,242</u>	<u>-</u>	<u>(182,242)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,429,407</u>	<u>-</u>	<u>(182,242)</u>	<u>1,247,165</u>
Capital assets, being depreciated:				
Machinery and equipment	1,409,916	20,430	-	1,430,346
Utility property and improvements	16,733,439	3,093,571	(263,694)	19,563,316
Infrastructure	<u>148,129</u>	<u>-</u>	<u>-</u>	<u>148,129</u>
Total capital assets being depreciated	<u>18,291,484</u>	<u>3,114,001</u>	<u>(263,694)</u>	<u>21,141,791</u>
Less accumulated depreciation for:				
Machinery and equipment	680,032	96,931	-	776,963
Utility property and improvements	7,030,067	404,489	(227,958)	7,206,598
Infrastructure	<u>29,624</u>	<u>7,406</u>	<u>-</u>	<u>37,030</u>
Total accumulated depreciation	<u>7,739,723</u>	<u>508,826</u>	<u>(227,958)</u>	<u>8,020,591</u>
Total capital assets, being depreciated, net	<u>10,551,761</u>	<u>2,605,175</u>	<u>(35,736)</u>	<u>13,121,200</u>
Business-type activities capital assets, net	<u>\$ 11,981,168</u>	<u>\$ 2,605,175</u>	<u>\$ (217,978)</u>	<u>\$ 14,368,365</u>

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

Governmental activities:	
General government	\$ 39,789
Highways and streets	221,932
Culture and recreation	<u>12,642</u>
Total depreciation expense - governmental activities	<u>\$ 274,363</u>
Business-type activities:	
Water	\$ 119,917
Sewer	326,029
Sanitation	<u>62,880</u>
Total depreciation expense - business-type activities	<u>\$ 508,826</u>

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

**Note III - 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, 2009. The future minimum lease payment for this lease is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2010	\$ 53,494
2011	53,494
2012	<u>53,494</u>
Total	<u>\$ 160,482</u>

Capital Leases

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.

The assets acquired through capital leases are as follows:

	<u>Business-type Activities</u>
Asset:	
Equipment	\$ 130,125
Less: accumulated depreciation	<u>(26,025)</u>
Total	<u>\$ 104,100</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

<u>Year ending June 30,</u>	<u>Business-type Activities</u>
2010	\$ 27,180
2011	27,180
2012	<u>27,180</u>
Total minimum lease payments	81,540
Less: amount representing interest	<u>(3,490)</u>
Total	<u>\$ 78,050</u>

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2009

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

**F. Long-term debt**

The State of Oregon - Sewer

The City borrowed \$10,463,000 from the Oregon Economic and Community Development Department ("OECD") under a loan agreement dated October 11, 2000 to finance improvements to its wastewater system. The system improvements were necessary, in large part, as a result of plans by the State of Oregon to locate a prison in or near the City. Shortly thereafter, the State delayed construction of the prison indefinitely. The loan proceeds were not spent.

On August 12, 2004, the City entered into an agreement with the OECD to prepay the loan. As required by the loan agreement, the City established an escrow fund with U.S. Bank to provide sufficient moneys to make all payments of principal and interest on the loan. This amount also allowed for any applicable prepayment premiums.

U.S. Bank is responsible for making the required annually scheduled debt service payments through and including December 1, 2008. On December 1, 2008, the first optional prepayment date, the bank prepaid the outstanding loan at the prepayment price equal to 102% of the par for the portion of the outstanding loan principal (\$7,600,000) allocable to the 2000B Oregon Bond Bank Bonds, and 100% of par for the portion of the outstanding loan principal (\$806,122) allocable to the 1999B Lottery Revenue Bonds. As a result of the escrow arrangement, the debt is effectively defeased and no longer recognized as a liability of the City. The debt was paid off by U.S. Bank on December 1, 2008.

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>
2010	\$ 17,362	\$ 4,665
2011	18,426	3,601
2012	19,556	2,471
2013	20,754	1,272
	<u>\$ 76,098</u>	<u>\$ 12,009</u>

Long-term liability activity for the year ended June 30, 2009 was as follows:

<u>Business-type activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
State of Oregon Loan - Water	\$ 92,457	\$ -	\$ 16,359	\$ 76,098	\$ 17,362
Capital lease obligation	102,945	-	24,895	78,050	25,448
Total	<u>\$ 195,402</u>	<u>\$ -</u>	<u>\$ 41,254</u>	<u>\$ 154,148</u>	<u>\$ 42,810</u>

Interest expense for State of Oregon Loan was \$5,668 - all reported in the Water Enterprise Fund. Interest expense for Capital lease was \$2,285 - all reported in the Sanitation Enterprise Fund.

## CITY OF JUNCTION CITY

### LANE COUNTY, OREGON

#### Notes to the Financial Statements

June 30, 2009

#### **Note IV - Other information**

##### **A. Subsequent event**

On September 11, 2009, the City has filed a Complaint in Lane County Circuit Court, seeking damages in the amount of \$861,440 against BNSF Railway Company, a Delaware corporation, and Portland & Western Railroad, Inc. The Complaint seeks damages for unjust enrichment for use of and damage of a City street for a railroad line, without payment to the City of a franchise fee or other compensation. Management expects the matter to be resolved through settlement or, if not, to prevail at trial for the full amount.

##### **B. 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.

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 13.16% was based on a December 31, 2006 actuarial evaluation. Up through December 31, 2006, covered employees were also required by state statute to contribute 6% of their annual salary to the PERS plan.

## CITY OF JUNCTION CITY

### LANE COUNTY, OREGON

#### Notes to the Financial Statements

June 30, 2009

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

##### **B. Employee retirement system and pension plan, continued**

- 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 12.59% for general service employees and 15.86% 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, 2009. 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, 2009 and 2008, were \$356,642 and \$315,123, respectively, equal to the required contributions for each year.

##### **C. 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.

##### **D. Recently issued accounting guidance**

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

The Governmental Accounting Standards Board (GASB) Statement 51, *Accounting and Financial Reporting for Intangible Assets*, is effective for periods beginning after June 15, 2009. The Statement establishes accounting and financial reporting requirements for intangible assets. It defines intangible assets as capital assets and provides guidance for capitalization and amortization. Existing authoritative guidance relating to capital assets (such as GASB 42 relating to impairment) should be applied to these assets.

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

**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
- Viking Sal Memorial 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
- Fire Sprinkler Maintenance 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, 2009

	PW Building/Yard Reserve Fund	Viking Sal Capital Reserve Fund	Viking Sal Senior Center Fund	Health Insurance Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,688	\$ 4,723	\$ 6,729	\$ 139,829
<b>FUND BALANCES</b>				
Reserved for systems development	-	-	-	-
Unreserved	17,688	4,723	6,729	139,829
Total fund balances	\$ 17,688	\$ 4,723	\$ 6,729	\$ 139,829

Continued on next page

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

Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
June 30, 2009

	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
<b>ASSETS</b>					
Cash and cash equivalents	\$ 38,308	\$ 56,459	\$ 1,685	\$ 237,540	\$ 23,359
<b>FUND BALANCES</b>					
Reserved for systems development	-	-	-	-	-
Unreserved	38,308	56,459	1,685	237,540	23,359
Total fund balances	\$ 38,308	\$ 56,459	\$ 1,685	\$ 237,540	\$ 23,359

Continued on next page

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

Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
June 30, 2009

	Administration Vehicle and Equipment Reserve Fund	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,546	\$ 27,534	\$ 20,060	\$ 217,907
<b>FUND BALANCES</b>				
Reserved for systems development	-	-	-	217,907
Unreserved	15,546	27,534	20,060	-
Total fund balances	\$ 15,546	\$ 27,534	\$ 20,060	\$ 217,907

Continued on next page

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

Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
June 30, 2009

	<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>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 32,273</u>	<u>\$ 471,150</u>	<u>\$ 68,269</u>	<u>\$ 592</u>	<u>\$ 1,379,651</u>
 <b>FUND BALANCES</b>					
Reserved for systems development	-	471,150	-	-	689,057
Unreserved	<u>32,273</u>	<u>-</u>	<u>68,269</u>	<u>592</u>	<u>690,594</u>
Total fund balances	<u>\$ 32,273</u>	<u>\$ 471,150</u>	<u>\$ 68,269</u>	<u>\$ 592</u>	<u>\$ 1,379,651</u>

**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, 2009

	<u>PW Building/Yard Reserve Fund</u>	<u>Viking Sal Capital Reserve Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Viking Sal Memorial Fund</u>	<u>Health Insurance Fund</u>
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ 11,626	\$ -	\$ -
Charges for services	-	-	10,321	-	-
System development charges	-	-	-	-	-
Investment earnings	351	160	201	-	2,970
Contributions and donations	-	-	16,767	-	-
Other revenue	-	-	33,591	-	-
Total revenues	<u>351</u>	<u>160</u>	<u>72,506</u>	<u>-</u>	<u>2,970</u>
<b>EXPENDITURES</b>					
Current					
General government	5,625	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	8,830	76,037	-	-
Total expenditures	<u>5,625</u>	<u>8,830</u>	<u>76,037</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,274)</u>	<u>(8,670)</u>	<u>(3,531)</u>	<u>-</u>	<u>2,970</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	4,500	1,000	302	-	-
Transfers out	-	-	(1,000)	(302)	-
Total other financing sources (uses)	<u>4,500</u>	<u>1,000</u>	<u>(698)</u>	<u>(302)</u>	<u>-</u>
Net change in fund balances	(774)	(7,670)	(4,229)	(302)	2,970
Fund balances - beginning	<u>18,462</u>	<u>12,393</u>	<u>10,958</u>	<u>302</u>	<u>136,859</u>
Fund balances - ending	<u>\$ 17,688</u>	<u>\$ 4,723</u>	<u>\$ 6,729</u>	<u>\$ -</u>	<u>\$ 139,829</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, 2009

	<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>
<b>REVENUES</b>					
Intergovernmental revenues	\$ 38,960	\$ 38,000	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
System development charges	-	-	-	-	-
Investment earnings	748	111	-	5,046	421
Contributions and donations	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>39,708</u>	<u>38,111</u>	<u>-</u>	<u>5,046</u>	<u>421</u>
<b>EXPENDITURES</b>					
Current					
General government	27,623	-	-	-	-
Public safety	-	72,032	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>27,623</u>	<u>72,032</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,085</u>	<u>(33,921)</u>	<u>-</u>	<u>5,046</u>	<u>421</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	70,645	-	-	5,000
Transfers out	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(15,000)</u>	<u>70,645</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Net change in fund balances	(2,915)	36,724	-	5,046	5,421
Fund balances - beginning	<u>41,223</u>	<u>19,735</u>	<u>1,685</u>	<u>232,494</u>	<u>17,938</u>
Fund balances - ending	<u>\$ 38,308</u>	<u>\$ 56,459</u>	<u>\$ 1,685</u>	<u>\$ 237,540</u>	<u>\$ 23,359</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, 2009

	Administration Vehicle and Equipment Reserve Fund	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 2,015	\$ -
Charges for services	-	-	-	-
System development charges	-	-	-	25,153
Investment earnings	334	407	446	4,309
Contributions and donations	-	-	-	-
Other revenue	-	2,380	-	-
Total revenues	<u>334</u>	<u>2,787</u>	<u>2,461</u>	<u>29,462</u>
<b>EXPENDITURES</b>				
Current				
General government	3,012	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	10,631	20,000	534
Total expenditures	<u>3,012</u>	<u>10,631</u>	<u>20,000</u>	<u>534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,678)</u>	<u>(7,844)</u>	<u>(17,539)</u>	<u>28,928</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,000	28,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>5,000</u>	<u>28,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,322	20,156	(17,539)	28,928
Fund balances - beginning	<u>13,224</u>	<u>7,378</u>	<u>37,599</u>	<u>188,979</u>
Fund balances - ending	<u>\$ 15,546</u>	<u>\$ 27,534</u>	<u>\$ 20,060</u>	<u>\$ 217,907</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, 2009

	Fire Sprinkler Maintenance Fund	Computer Equipment Reserve Fund	Street System Development Fund	Street Equipment Reserve Fund	Police Defibrillator Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,601
Charges for services	-	-	-	-	-	10,321
System development charges	-	-	29,465	-	-	54,618
Investment earnings	-	812	9,542	1,462	14	27,334
Contributions and donations	-	-	-	-	-	16,767
Other revenue	-	-	-	-	-	35,971
Total revenues	<u>-</u>	<u>812</u>	<u>39,007</u>	<u>1,462</u>	<u>14</u>	<u>235,612</u>
<b>EXPENDITURES</b>						
Current						
General government	-	11,458	-	-	-	47,718
Public safety	-	-	-	-	245	72,277
Highways and streets	-	-	-	8,800	-	8,800
Culture and recreation	-	-	-	-	-	116,032
Total expenditures	<u>-</u>	<u>11,458</u>	<u>-</u>	<u>8,800</u>	<u>245</u>	<u>244,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(10,646)</u>	<u>39,007</u>	<u>(7,338)</u>	<u>(231)</u>	<u>(9,215)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	7,500	-	10,000	-	131,947
Transfers out	<u>(205,208)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(221,510)</u>
Total other financing sources (uses)	<u>(205,208)</u>	<u>7,500</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(89,563)</u>
Net change in fund balances	(205,208)	(3,146)	39,007	2,662	(231)	(98,778)
Fund balances - beginning	<u>205,208</u>	<u>35,419</u>	<u>432,143</u>	<u>65,607</u>	<u>823</u>	<u>1,478,429</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 32,273</u>	<u>\$ 471,150</u>	<u>\$ 68,269</u>	<u>\$ 592</u>	<u>\$ 1,379,651</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
- Viking Sal Memorial 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
- Fire Sprinkler Maintenance 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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 195	\$ 195	\$ 351	\$ 156
Expenditures:				
Capital outlay	18,000	18,000	5,625	12,375
Excess (deficiency) of revenues over (under) expenditures	<u>(17,805)</u>	<u>(17,805)</u>	<u>(5,274)</u>	<u>12,531</u>
Other financing sources (uses):				
Transfers in	4,500	4,500	4,500	-
Net change in fund balances	(13,305)	(13,305)	(774)	12,531
Fund balance:				
Beginning of year	18,750	18,750	18,462	(288)
End of year	<u>\$ 5,445</u>	<u>\$ 5,445</u>	<u>\$ 17,688</u>	<u>\$ 12,243</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 7,000	\$ 7,000	\$ -	\$ (7,000)
Investment earnings	97	97	160	63
Other revenue	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Total revenues	<u>7,147</u>	<u>7,147</u>	<u>160</u>	<u>(6,987)</u>
<b>Expenditures:</b>				
Materials and services	2,400	2,400	1,000	1,400
Capital outlay	<u>16,600</u>	<u>16,600</u>	<u>7,830</u>	<u>8,770</u>
Total expenditures	<u>19,000</u>	<u>19,000</u>	<u>8,830</u>	<u>10,170</u>
Excess (deficiency) of revenues over (under) expenditures	(11,853)	(11,853)	(8,670)	3,183
<b>Other financing sources (uses):</b>				
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balances	(10,853)	(10,853)	(7,670)	3,183
<b>Fund balance:</b>				
Beginning of year	<u>11,150</u>	<u>11,150</u>	<u>12,393</u>	<u>1,243</u>
End of year	<u>\$ 297</u>	<u>\$ 297</u>	<u>\$ 4,723</u>	<u>\$ 4,426</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 10,000	\$ 11,600	\$ 11,626	\$ 26
Charges for services	13,500	13,500	10,321	(3,179)
Investment earnings	687	687	201	(486)
Support	5,000	13,300	16,767	3,467
Other revenue	<u>34,050</u>	<u>37,513</u>	<u>33,591</u>	<u>(3,922)</u>
<b>Total revenues</b>	<u>63,237</u>	<u>76,600</u>	<u>72,506</u>	<u>(4,094)</u>
<b>Expenditures:</b>				
Personal services	5,527	5,527	5,023	504
Materials and services	49,049	71,049	71,014	35
Contingency	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>57,576</u>	<u>76,576</u>	<u>76,037</u>	<u>539</u>
<b>Excess (deficiency) of revenues over     (under) expenditures</b>	<u>5,661</u>	<u>24</u>	<u>(3,531)</u>	<u>(3,555)</u>
<b>Other financing sources (uses):</b>				
Transfers in	206	302	302	-
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	4,867	(674)	(4,229)	(3,555)
<b>Fund balance:</b>				
Beginning of year	<u>5,320</u>	<u>10,957</u>	<u>10,958</u>	<u>1</u>
End of year	<u>\$ 10,187</u>	<u>\$ 10,283</u>	<u>\$ 6,729</u>	<u>\$ (3,554)</u>

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

VIKING SAL MEMORIAL FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Other financing sources (uses):				
Transfers	(206)	(302)	(302)	-
Net change in fund balance	(206)	(302)	(302)	-
Fund balance:				
Beginning of year	206	302	302	-
End of year	\$ -	\$ -	\$ -	\$ -

**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, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment earnings	\$ 3,261	\$ 3,261	\$ 2,970	\$ (291)
Expenditures:				
Personal services	110,000	110,000	-	110,000
Net change in fund balance	(106,739)	(106,739)	2,970	109,709
Fund balance:				
Beginning of year	129,882	129,882	136,859	6,977
End of year	<u>\$ 23,143</u>	<u>\$ 23,143</u>	<u>\$ 139,829</u>	<u>\$ 116,686</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 32,923	\$ 32,923	\$ 38,960	\$ 6,037
Investment earnings	986	986	748	(238)
<b>Total revenues</b>	<b><u>33,909</u></b>	<b><u>33,909</u></b>	<b><u>39,708</u></b>	<b><u>5,799</u></b>
<b>Expenditures:</b>				
Materials and services	43,500	43,500	27,623	15,877
Capital outlay	<u>3,000</u>	<u>3,000</u>	-	<u>3,000</u>
<b>Total expenditures</b>	<b><u>46,500</u></b>	<b><u>46,500</u></b>	<b><u>27,623</u></b>	<b><u>18,877</u></b>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,591)</u>	<u>(12,591)</u>	<u>12,085</u>	<u>24,676</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	-
<b>Net change in fund balance</b>	<b><u>(27,591)</u></b>	<b><u>(27,591)</u></b>	<b><u>(2,915)</u></b>	<b><u>24,676</u></b>
<b>Fund balance:</b>				
Beginning of year	<u>30,000</u>	<u>30,000</u>	<u>41,223</u>	<u>11,223</u>
<b>End of year</b>	<b><u>\$ 2,409</u></b>	<b><u>\$ 2,409</u></b>	<b><u>\$ 38,308</u></b>	<b><u>\$ 35,899</u></b>

**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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 38,000	\$ 38,000	\$ 38,000	\$ -
Investment earnings	138	138	111	(27)
<b>Total revenues</b>	<b><u>38,138</u></b>	<b><u>38,138</u></b>	<b><u>38,111</u></b>	<b><u>(27)</u></b>
<b>Expenditures:</b>				
Capital outlay	<u>101,000</u>	<u>146,645</u>	<u>72,032</u>	<u>74,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,862)</u>	<u>(108,507)</u>	<u>(33,921)</u>	<u>74,586</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>25,000</u>	<u>70,645</u>	<u>70,645</u>	<u>-</u>
<b>Net change in fund balance</b>	<b><u>(37,862)</u></b>	<b><u>(37,862)</u></b>	<b><u>36,724</u></b>	<b><u>74,586</u></b>
<b>Fund balance:</b>				
Beginning of year	<u>41,235</u>	<u>41,235</u>	<u>19,735</u>	<u>(21,500)</u>
End of year	<b><u>\$ 3,373</u></b>	<b><u>\$ 3,373</u></b>	<b><u>\$ 56,459</u></b>	<b><u>\$ 53,086</u></b>

**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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 1	\$ 1	\$ -	\$ (1)
Expenditures:				
Materials and services	50	50	-	50
Capital outlay	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(549)</u>	<u>(549)</u>	<u>-</u>	<u>549</u>
Net change in fund balance	(549)	(549)	-	549
Fund balance:				
Beginning of year	<u>1,000</u>	<u>1,000</u>	<u>1,685</u>	<u>685</u>
End of year	<u>\$ 451</u>	<u>\$ 451</u>	<u>\$ 1,685</u>	<u>\$ 1,234</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 3,913	\$ 3,913	\$ 5,046	\$ 1,133
Expenditures:				
Capital outlay	218,000	218,000	-	218,000
Net change in fund balance	(214,087)	(214,087)	5,046	219,133
Fund balance:				
Beginning of year	229,547	229,547	232,494	2,947
End of year	<u>\$ 15,460</u>	<u>\$ 15,460</u>	<u>\$ 237,540</u>	<u>\$ 222,080</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, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment earnings	\$ 501	\$ 501	\$ 421	\$ (80)
Expenditures:				
Materials and services	1,000	1,000	-	1,000
Capital outlay	2,500	2,500	-	2,500
Total expenditures	3,500	3,500	-	3,500
Excess (deficiency) of revenues over (under) expenditures	(2,999)	(2,999)	421	3,420
Other financing sources (uses):				
Transfers in	5,000	5,000	5,000	-
Net change in fund balances	2,001	2,001	5,421	3,420
Fund balance:				
Beginning of year	15,460	15,460	17,938	2,478
End of year	\$ 17,461	\$ 17,461	\$ 23,359	\$ 5,898

**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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 338	\$ 338	\$ 334	\$ (4)
Expenditures:				
Capital outlay	16,000	16,000	3,012	12,988
Excess (deficiency) of revenues over (under) expenditures	(15,662)	(15,662)	(2,678)	12,984
Other financing sources (uses):				
Transfers in	5,000	5,000	5,000	-
Net change in fund balance	(10,662)	(10,662)	2,322	12,984
Fund balance:				
Beginning of year	11,000	11,000	13,224	2,224
End of year	\$ 338	\$ 338	\$ 15,546	\$ 15,208

**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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Investment earnings	\$ 209	\$ 209	\$ 407	\$ 198
Other revenue	<u>100,050</u>	<u>100,050</u>	<u>2,380</u>	<u>(97,670)</u>
Total revenues	<u>100,259</u>	<u>100,259</u>	<u>2,787</u>	<u>(97,472)</u>
<b>Expenditures:</b>				
Materials and services	500	5,500	1,599	3,901
Capital outlay	<u>131,500</u>	<u>126,500</u>	<u>9,032</u>	<u>117,468</u>
Total expenditures	<u>132,000</u>	<u>132,000</u>	<u>10,631</u>	<u>121,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,741)</u>	<u>(31,741)</u>	<u>(7,844)</u>	<u>23,897</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Net change in fund balance	<u>(3,741)</u>	<u>(3,741)</u>	<u>20,156</u>	<u>23,897</u>
<b>Fund balance:</b>				
Beginning of year	<u>6,000</u>	<u>6,000</u>	<u>7,378</u>	<u>1,378</u>
End of year	<u>\$ 2,259</u>	<u>\$ 2,259</u>	<u>\$ 27,534</u>	<u>\$ 25,275</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 2,247	\$ 2,247	\$ 2,015	\$ (232)
Investment earnings	663	663	446	(217)
Total revenues	<u>2,910</u>	<u>2,910</u>	<u>2,461</u>	<u>(449)</u>
Expenditures:				
Materials and services	20,000	20,000	20,000	-
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>24,000</u>	<u>24,000</u>	<u>20,000</u>	<u>4,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,090)</u>	<u>(21,090)</u>	<u>(17,539)</u>	<u>3,551</u>
Net change in fund balance	(21,090)	(21,090)	(17,539)	3,551
Fund balance:				
Beginning of year	<u>32,832</u>	<u>32,832</u>	<u>37,599</u>	<u>4,767</u>
End of year	<u>\$ 11,742</u>	<u>\$ 11,742</u>	<u>\$ 20,060</u>	<u>\$ 8,318</u>

**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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
System development charges	\$ 32,700	\$ 32,700	\$ 25,153	\$ (7,547)
Investment earnings	1,744	1,744	4,309	2,565
Total revenues	<u>34,444</u>	<u>34,444</u>	<u>29,462</u>	<u>(4,982)</u>
Expenditures:				
Materials and services	5,000	5,000	534	4,466
Capital outlay	<u>40,000</u>	<u>40,000</u>	-	<u>40,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,556)</u>	<u>(10,556)</u>	<u>28,928</u>	<u>39,484</u>
Net change in fund balances	(10,556)	(10,556)	28,928	39,484
Fund balance:				
Beginning of year	<u>121,358</u>	<u>121,358</u>	<u>188,979</u>	<u>67,621</u>
End of year	<u>\$ 110,802</u>	<u>\$ 110,802</u>	<u>\$ 217,907</u>	<u>\$ 107,105</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**FIRE SPRINKLER MAINTENANCE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Other financing sources (uses):				
Transfers out	(201,761)	(205,208)	(205,208)	-
Net change in fund balances	(201,761)	(205,208)	(205,208)	-
Fund balance:				
Beginning of year	201,761	205,208	205,208	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 812	\$ 312
Expenditures:				
Materials and services	17,500	17,500	10,533	6,967
Capital outlay	<u>23,500</u>	<u>23,500</u>	<u>925</u>	<u>22,575</u>
Total expenditures	<u>41,000</u>	<u>41,000</u>	<u>11,458</u>	<u>29,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,500)</u>	<u>(40,500)</u>	<u>(10,646)</u>	<u>29,854</u>
Other financing sources (uses):				
Transfers in	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Net change in fund balance	(33,000)	(33,000)	(3,146)	29,854
Fund balance:				
Beginning of year	<u>34,788</u>	<u>34,788</u>	<u>35,419</u>	<u>631</u>
End of year	<u>\$ 1,788</u>	<u>\$ 1,788</u>	<u>\$ 32,273</u>	<u>\$ 30,485</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
System development charges	\$ 33,480	\$ 33,480	\$ 29,465	\$ (4,015)
Investment earnings	7,757	7,757	9,542	1,785
Total revenues	<u>41,237</u>	<u>41,237</u>	<u>39,007</u>	<u>(2,230)</u>
Expenditures:				
Capital outlay	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,763)</u>	<u>(8,763)</u>	<u>39,007</u>	<u>47,770</u>
Net change in fund balances	(8,763)	(8,763)	39,007	47,770
Fund balance:				
Beginning of year	<u>361,523</u>	<u>361,523</u>	<u>432,143</u>	<u>70,620</u>
End of year	<u>\$ 352,760</u>	<u>\$ 352,760</u>	<u>\$ 471,150</u>	<u>\$ 118,390</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 2,258	\$ 2,258	\$ 1,462	\$ (796)
Other revenue	40,000	40,000	-	(40,000)
Total revenues	<u>42,258</u>	<u>42,258</u>	<u>1,462</u>	<u>(40,796)</u>
Expenditures:				
Capital outlay	10,500	10,500	8,800	1,700
Excess (deficiency) of revenues over (under) expenditures	<u>31,758</u>	<u>31,758</u>	<u>(7,338)</u>	<u>(39,096)</u>
Other financing sources (uses):				
Transfers in	10,000	10,000	10,000	-
Net change in fund balance	41,758	41,758	2,662	(39,096)
Fund balance:				
Beginning of year	61,776	61,776	65,607	3,831
End of year	<u>\$ 103,534</u>	<u>\$ 103,534</u>	<u>\$ 68,269</u>	<u>\$ (35,265)</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 24	\$ 24	\$ 14	\$ (10)
Expenditures:				
Materials and services	250	250	245	5
Capital outlay	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>245</u>	<u>255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(476)</u>	<u>(476)</u>	<u>(231)</u>	<u>245</u>
Net change in fund balances	(476)	(476)	(231)	245
Fund balance:				
Beginning of year	<u>738</u>	<u>738</u>	<u>823</u>	<u>85</u>
End of year	<u>\$ 262</u>	<u>\$ 262</u>	<u>\$ 592</u>	<u>\$ 330</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, 2009

	<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:						
Intergovernmental revenues	\$ 36,446	\$ 36,446	\$ 4,689	\$ (31,757)	\$ -	\$ 4,689
Charges for services	579,611	579,611	618,973	39,362	-	618,973
Investment earnings	4,925	4,925	7,705	2,780	-	7,705
Other revenue	<u>2,500</u>	<u>2,500</u>	<u>2,922</u>	<u>422</u>	<u>-</u>	<u>2,922</u>
Total revenues	<u>623,482</u>	<u>623,482</u>	<u>634,289</u>	<u>10,807</u>	<u>-</u>	<u>634,289</u>
Expenditures:						
Personal services	330,049	330,049	308,358	21,691	-	308,358
Materials and services	269,975	304,975	276,658	28,317	225	276,883
Capital outlay	1,000	1,000	225	775	(225)	-
Depreciation	-	-	-	-	119,917	119,917
Contingency	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>636,024</u>	<u>636,024</u>	<u>585,241</u>	<u>50,783</u>	<u>119,917</u>	<u>705,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,542)</u>	<u>(12,542)</u>	<u>49,048</u>	<u>61,590</u>	<u>(119,917)</u>	<u>(70,869)</u>
Other financing sources (uses):						
Transfers out	<u>(21,000)</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>-</u>	<u>-</u>	<u>(21,000)</u>
Net change in fund balance	<u>(33,542)</u>	<u>(33,542)</u>	<u>28,048</u>	<u>61,590</u>	<u>(119,917)</u>	<u>(91,869)</u>
Fund balance:						
Beginning of year	<u>302,501</u>	<u>302,501</u>	<u>333,150</u>	<u>30,649</u>	<u>3,130,803</u>	<u>3,463,953</u>
End of year	<u>\$ 268,959</u>	<u>\$ 268,959</u>	<u>\$ 361,198</u>	<u>\$ 92,239</u>	<u>\$ 3,010,886</u>	<u>\$ 3,372,084</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, 2009

	<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>
<b>Revenues:</b>						
Charges for services	\$ 193,600	\$ 193,600	\$ 98,907	\$ (94,693)	\$ -	\$ 98,907
Investment earnings	4,820	4,820	6,485	1,665	-	6,485
Total revenues	<u>198,420</u>	<u>198,420</u>	<u>105,392</u>	<u>(93,028)</u>	<u>-</u>	<u>105,392</u>
<b>Expenditures:</b>						
Materials and services	2,100	2,100	286	1,814	6,285	6,571
Capital outlay	280,000	280,000	6,285	273,715	(6,285)	-
Debt service	22,050	22,050	22,027	23	(16,359)	5,668
Total expenditures	<u>304,150</u>	<u>304,150</u>	<u>28,598</u>	<u>275,552</u>	<u>(16,359)</u>	<u>12,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105,730)</u>	<u>(105,730)</u>	<u>76,794</u>	<u>182,524</u>	<u>16,359</u>	<u>93,153</u>
<b>Other financing sources (uses):</b>						
Transfers in	201,761	205,208	205,208	-	-	205,208
Net change in fund balance	96,031	99,478	282,002	182,524	16,359	298,361
<b>Fund balance:</b>						
Beginning of year	66,712	66,712	54,916	(11,796)	32,611	87,527
End of year	<u>\$ 162,743</u>	<u>\$ 166,190</u>	<u>\$ 336,918</u>	<u>\$ 170,728</u>	<u>\$ 48,970</u>	<u>\$ 385,888</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, 2009

	<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>
<b>Revenues:</b>						
Investment earnings	\$ 3,094	\$ 3,094	\$ 1,563	\$ (1,531)	\$ -	\$ 1,563
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>13,094</u>	<u>13,094</u>	<u>1,563</u>	<u>(11,531)</u>	<u>-</u>	<u>1,563</u>
<b>Expenditures:</b>						
Materials and services	-	-	-	-	7,936	7,936
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>14,551</u>	<u>449</u>	<u>(14,551)</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,551</u>	<u>449</u>	<u>(6,615)</u>	<u>7,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,906)</u>	<u>(1,906)</u>	<u>(12,988)</u>	<u>(11,082)</u>	<u>6,615</u>	<u>(6,373)</u>
<b>Other financing sources (uses):</b>						
Transfers in	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>
Net change in fund balance	17,094	17,094	6,012	(11,082)	6,615	12,627
<b>Fund balance:</b>						
Beginning of year	<u>66,850</u>	<u>66,850</u>	<u>66,301</u>	<u>(549)</u>	<u>119,832</u>	<u>186,133</u>
End of year	<u>\$ 83,944</u>	<u>\$ 83,944</u>	<u>\$ 72,313</u>	<u>\$ (11,631)</u>	<u>\$ 126,447</u>	<u>\$ 198,760</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, 2009

	<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	\$ 33,000	\$ 33,000	\$ 25,825	\$ (7,175)	\$ -	\$ 25,825
Investment earnings	<u>1,165</u>	<u>1,165</u>	<u>3,070</u>	<u>1,905</u>	<u>-</u>	<u>3,070</u>
Total revenues	<u>34,165</u>	<u>34,165</u>	<u>28,895</u>	<u>(5,270)</u>	<u>-</u>	<u>28,895</u>
Expenditures:						
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,835)	(5,835)	28,895	34,730	-	28,895
Fund balance:						
Beginning of year	<u>76,430</u>	<u>76,430</u>	<u>132,016</u>	<u>55,586</u>	<u>99,957</u>	<u>231,973</u>
End of year	<u>\$ 70,595</u>	<u>\$ 70,595</u>	<u>\$ 160,911</u>	<u>\$ 90,316</u>	<u>\$ 99,957</u>	<u>\$ 260,868</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, 2009

	<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>
<b>Revenues:</b>						
Intergovernmental revenues	\$ 30,329	\$ 30,329	\$ 4,689	\$ (25,640)	\$ -	\$ 4,689
Charges for services	470,780	470,780	645,773	174,993	-	645,773
Investment earnings	8,156	8,156	8,842	686	-	8,842
Other revenue	<u>8,000</u>	<u>8,000</u>	<u>164</u>	<u>(7,836)</u>	<u>-</u>	<u>164</u>
Total revenues	<u>517,265</u>	<u>517,265</u>	<u>659,468</u>	<u>142,203</u>	<u>-</u>	<u>659,468</u>
<b>Expenditures:</b>						
Personal services	336,104	336,104	308,731	27,373	-	308,731
Materials and services	160,891	200,891	182,864	18,027	-	182,864
Capital outlay	1,000	1,000	-	1,000	-	-
Depreciation	-	-	-	-	326,029	326,029
Contingency	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>537,995</u>	<u>537,995</u>	<u>491,595</u>	<u>46,400</u>	<u>326,029</u>	<u>817,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,730)</u>	<u>(20,730)</u>	<u>167,873</u>	<u>188,603</u>	<u>(326,029)</u>	<u>(158,156)</u>
<b>Other financing sources (uses):</b>						
Transfers out	<u>(18,000)</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>(18,000)</u>
Net change in fund balance	<u>(38,730)</u>	<u>(38,730)</u>	<u>149,873</u>	<u>188,603</u>	<u>(326,029)</u>	<u>(176,156)</u>
<b>Fund balance:</b>						
Beginning of year	<u>370,688</u>	<u>370,688</u>	<u>390,785</u>	<u>20,097</u>	<u>6,897,454</u>	<u>7,288,239</u>
End of year	<u>\$ 331,958</u>	<u>\$ 331,958</u>	<u>\$ 540,658</u>	<u>\$ 208,700</u>	<u>\$ 6,571,425</u>	<u>\$ 7,112,083</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, 2009

	<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	\$ 100	\$ 100	\$ -	\$ (100)	\$ -	\$ -
Investment earnings	<u>1,773</u>	<u>1,773</u>	<u>1,233</u>	<u>(540)</u>	<u>-</u>	<u>1,233</u>
Total revenues	<u>1,873</u>	<u>1,873</u>	<u>1,233</u>	<u>(640)</u>	<u>-</u>	<u>1,233</u>
Expenditures:						
Materials and services	<u>45,500</u>	<u>45,500</u>	<u>16,826</u>	<u>28,674</u>	<u>-</u>	<u>16,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,627)</u>	<u>(43,627)</u>	<u>(15,593)</u>	<u>28,034</u>	<u>-</u>	<u>(15,593)</u>
Net change in fund balances	(43,627)	(43,627)	(15,593)	28,034	-	(15,593)
Fund balance:						
Beginning of year	<u>57,990</u>	<u>57,990</u>	<u>57,459</u>	<u>(531)</u>	<u>-</u>	<u>57,459</u>
End of year	<u>\$ 14,363</u>	<u>\$ 14,363</u>	<u>\$ 41,866</u>	<u>\$ 27,503</u>	<u>\$ -</u>	<u>\$ 41,866</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, 2009

	<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	\$ 1,952	\$ 1,952	\$ 1,267	\$ (685)	\$ -	\$ 1,267
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>11,952</u>	<u>11,952</u>	<u>1,267</u>	<u>(10,685)</u>	<u>-</u>	<u>1,267</u>
Expenditures:						
Materials and services	-	-	-	-	732	732
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>14,547</u>	<u>453</u>	<u>(14,547)</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,547</u>	<u>453</u>	<u>(13,815)</u>	<u>732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,048)</u>	<u>(3,048)</u>	<u>(13,280)</u>	<u>(10,232)</u>	<u>13,815</u>	<u>535</u>
Other financing sources (uses):						
Transfers in	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>
Net change in fund balance	12,952	12,952	2,720	(10,232)	13,815	16,535
Fund balance:						
Beginning of year	<u>50,765</u>	<u>50,765</u>	<u>54,450</u>	<u>3,685</u>	<u>76,738</u>	<u>131,188</u>
End of year	<u>\$ 63,717</u>	<u>\$ 63,717</u>	<u>\$ 57,170</u>	<u>\$ (6,547)</u>	<u>\$ 90,553</u>	<u>\$ 147,723</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, 2009

	<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	\$ 205,470	\$ 205,470	\$ 201,578	\$ (3,892)	\$ -	\$ 201,578
Investment earnings	7,503	7,503	23,252	15,749	-	23,252
Total revenues	<u>212,973</u>	<u>212,973</u>	<u>224,830</u>	<u>11,857</u>	<u>-</u>	<u>224,830</u>
Expenditures:						
Capital outlay	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>162,973</u>	<u>162,973</u>	<u>224,830</u>	<u>61,857</u>	-	<u>224,830</u>
Net change in fund balances	162,973	162,973	224,830	61,857	-	224,830
Fund balance:						
Beginning of year	<u>808,992</u>	<u>808,992</u>	<u>989,957</u>	<u>180,965</u>	<u>47,418</u>	<u>1,037,375</u>
End of year	<u>\$ 971,965</u>	<u>\$ 971,965</u>	<u>\$ 1,214,787</u>	<u>\$ 242,822</u>	<u>\$ 47,418</u>	<u>\$ 1,262,205</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, 2009

	<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>
<b>Revenues:</b>						
Charges for services	\$ 749,240	\$ 749,240	\$ 624,516	\$ (124,724)	\$ -	\$ 624,516
Investment earnings	65,654	65,654	48,541	(17,113)	-	48,541
Other revenue	-	-	11,202	11,202	-	11,202
<b>Total revenues</b>	<u>814,894</u>	<u>814,894</u>	<u>684,259</u>	<u>(130,635)</u>	<u>-</u>	<u>684,259</u>
<b>Expenditures:</b>						
Materials and services	2,000	2,000	-	2,000	23,171	23,171
Capital outlay	<u>3,720,000</u>	<u>3,720,000</u>	<u>2,934,500</u>	<u>785,500</u>	<u>(2,934,500)</u>	<u>-</u>
<b>Total expenditures</b>	<u>3,722,000</u>	<u>3,722,000</u>	<u>2,934,500</u>	<u>787,500</u>	<u>(2,911,329)</u>	<u>23,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,907,106)</u>	<u>(2,907,106)</u>	<u>(2,250,241)</u>	<u>656,865</u>	<u>2,911,329</u>	<u>661,088</u>
<b>Other financing sources (uses):</b>						
Loss on disposition of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,736)</u>	<u>(35,736)</u>
<b>Net change in fund balances</b>	<u>(2,907,106)</u>	<u>(2,907,106)</u>	<u>(2,250,241)</u>	<u>656,865</u>	<u>2,947,065</u>	<u>625,352</u>
<b>Fund balance:</b>						
Beginning of year	<u>3,085,167</u>	<u>3,085,167</u>	<u>3,498,453</u>	<u>413,286</u>	<u>966,225</u>	<u>4,464,678</u>
End of year	<u>\$ 178,061</u>	<u>\$ 178,061</u>	<u>\$ 1,248,212</u>	<u>\$ 1,070,151</u>	<u>\$ 3,913,290</u>	<u>\$ 5,090,030</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, 2009

	<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>
<b>Revenues:</b>						
Charges for services	\$ 643,068	\$ 643,068	\$ 669,089	\$ 26,021	\$ -	\$ 669,089
Investment earnings	3,535	3,535	3,688	153	-	3,688
Other revenue	<u>39,380</u>	<u>39,380</u>	<u>21,810</u>	<u>(17,570)</u>	<u>-</u>	<u>21,810</u>
Total revenues	<u>685,983</u>	<u>685,983</u>	<u>694,587</u>	<u>8,604</u>	<u>-</u>	<u>694,587</u>
<b>Expenditures:</b>						
Personal services	383,458	383,458	350,996	32,462	-	350,996
Materials and services	220,765	235,765	282,693	(46,928)	-	282,693
Capital outlay	50	50	-	50	-	-
Depreciation	-	-	-	-	62,880	62,880
Contingency	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>619,273</u>	<u>619,273</u>	<u>633,689</u>	<u>(14,416)</u>	<u>62,880</u>	<u>696,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,710</u>	<u>66,710</u>	<u>60,898</u>	<u>(5,812)</u>	<u>(62,880)</u>	<u>(1,982)</u>
<b>Other financing sources (uses):</b>						
Transfers out	<u>(79,500)</u>	<u>(79,500)</u>	<u>(79,500)</u>	<u>-</u>	<u>-</u>	<u>(79,500)</u>
Net change in fund balance	<u>(12,790)</u>	<u>(12,790)</u>	<u>(18,602)</u>	<u>(5,812)</u>	<u>(62,880)</u>	<u>(81,482)</u>
<b>Fund balance:</b>						
Beginning of year	<u>128,204</u>	<u>128,204</u>	<u>181,590</u>	<u>53,386</u>	<u>72,289</u>	<u>253,879</u>
End of year	<u>\$ 115,414</u>	<u>\$ 115,414</u>	<u>\$ 162,988</u>	<u>\$ 47,574</u>	<u>\$ 9,409</u>	<u>\$ 172,397</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, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Investment earnings	\$ 4,930	\$ 4,930	\$ 834	\$ (4,096)	\$ -	\$ 834
Other revenue	1,500	1,500	-	(1,500)	-	-
Total revenues	<u>6,430</u>	<u>6,430</u>	<u>834</u>	<u>(5,596)</u>	<u>-</u>	<u>834</u>
<b>Expenditures:</b>						
Materials and services	-	-	-	-	786	786
Capital outlay	3,000	3,000	786	2,214	(786)	-
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>786</u>	<u>2,214</u>	<u>-</u>	<u>786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,430</u>	<u>3,430</u>	<u>48</u>	<u>(3,382)</u>	<u>-</u>	<u>48</u>
<b>Other financing sources (uses):</b>						
Transfers in	20,000	20,000	20,000	-	-	20,000
Net change in fund balance	23,430	23,430	20,048	(3,382)	-	20,048
<b>Fund balance:</b>						
Beginning of year	<u>33,701</u>	<u>33,701</u>	<u>29,482</u>	<u>(4,219)</u>	<u>342,440</u>	<u>371,922</u>
End of year	<u>\$ 57,131</u>	<u>\$ 57,131</u>	<u>\$ 49,530</u>	<u>\$ (7,601)</u>	<u>\$ 342,440</u>	<u>\$ 391,970</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, 2009

	<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	\$ 100	\$ 100	\$ 156	\$ 56	\$ -	\$ 156
Expenditures:						
Materials and services	5,000	5,000	4,700	300	17,373	22,073
Capital outlay	20,000	20,000	17,373	2,627	(17,373)	-
Debt service	<u>27,200</u>	<u>27,200</u>	<u>27,180</u>	<u>20</u>	<u>(24,895)</u>	<u>2,285</u>
Total expenditures	<u>52,200</u>	<u>52,200</u>	<u>49,253</u>	<u>2,947</u>	<u>(24,895)</u>	<u>24,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,100)</u>	<u>(52,100)</u>	<u>(49,097)</u>	<u>3,003</u>	<u>24,895</u>	<u>(24,202)</u>
Other financing sources (uses):						
Transfers in	<u>56,500</u>	<u>56,500</u>	<u>56,500</u>	<u>-</u>	<u>-</u>	<u>56,500</u>
Net change in fund balances	4,400	4,400	7,403	3,003	24,895	32,298
Fund balance:						
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 4,400</u>	<u>\$ 4,400</u>	<u>\$ 7,403</u>	<u>\$ 3,003</u>	<u>\$ 24,895</u>	<u>\$ 32,298</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 70	\$ 70	\$ 59	\$ (11)
Support	100	100	-	(100)
Total revenues	<u>170</u>	<u>170</u>	<u>59</u>	<u>(111)</u>
Expenditures:				
Materials and services	<u>1,500</u>	<u>1,500</u>	<u>185</u>	<u>1,315</u>
Net change in fund balance	(1,330)	(1,330)	(126)	1,204
Fund balance:				
Beginning of year	<u>1,998</u>	<u>1,998</u>	<u>2,764</u>	<u>766</u>
End of year	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 2,638</u>	<u>\$ 1,970</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, 2009

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>
Assets:				
Fines and bails	<u>\$ 46,978</u>	<u>\$ 213,854</u>	<u>\$ 241,816</u>	<u>\$ 19,016</u>
Liabilities:				
Fines and bails	<u>\$ 46,978</u>	<u>\$ 213,854</u>	<u>\$ 241,816</u>	<u>\$ 19,016</u>

**OTHER FINANCIAL SCHEDULES**

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Schedule of Property Tax Transactions  
For the Year Ended June 30, 2009

Fiscal Year	Uncollected Balance June 30, 2008	Add Current Levy 2008-09	Less Collections	Discounts and Adjustments	Uncollected Balance June 30, 2009
2008-2009	\$ -	\$ 1,800,749	\$ (1,692,536)	\$ (51,202)	\$ 57,011
2007-2008	44,990	-	(23,627)	299	21,662
2006-2007	16,756	-	(7,636)	443	9,563
2005-2006	8,002	-	(4,448)	142	3,696
2004-2005	3,397	-	(2,024)	142	1,515
2003-2004	1,541	-	(290)	(55)	1,196
2002-2003	1,350	-	(189)	50	1,211
Prior years	10,888	-	(246)	738	11,380
	<u>\$ 86,924</u>	<u>\$ 1,800,749</u>	<u>\$ (1,730,996)</u>	<u>\$ (49,443)</u>	<u>\$ 107,234</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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Government:				
Finance:				
Personal services	\$ 61,592	\$ 61,592	\$ 60,427	\$ 1,165
Materials and services	<u>21,216</u>	<u>21,216</u>	<u>16,598</u>	<u>4,618</u>
Total Finance	<u>82,808</u>	<u>82,808</u>	<u>77,025</u>	<u>5,783</u>
Administration:				
Personal services	99,453	99,453	96,570	2,883
Materials and services	<u>18,439</u>	<u>18,439</u>	<u>21,291</u>	<u>(2,852)</u>
Total Administration	<u>117,892</u>	<u>117,892</u>	<u>117,861</u>	<u>31</u>
Miscellaneous:				
Materials and services	<u>188,303</u>	<u>188,303</u>	<u>241,803</u>	<u>(53,500)</u>
Building/Planning:				
Personal services	198,236	198,236	135,020	63,216
Materials and services	<u>282,465</u>	<u>582,465</u>	<u>206,473</u>	<u>375,992</u>
Total Building/Planning	<u>480,701</u>	<u>780,701</u>	<u>341,493</u>	<u>439,208</u>
Total General Government	<u>869,704</u>	<u>1,169,704</u>	<u>778,182</u>	<u>391,522</u>
Police:				
Personal services	1,406,996	1,361,351	1,178,108	183,243
Materials and services	<u>185,488</u>	<u>185,488</u>	<u>190,211</u>	<u>(4,723)</u>
Total Police	<u>1,592,484</u>	<u>1,546,839</u>	<u>1,368,319</u>	<u>178,520</u>
Culture and Recreation:				
Senior Service:				
Personal services	<u>87,664</u>	<u>87,664</u>	<u>80,747</u>	<u>6,917</u>
Library:				
Personal services	113,776	113,776	106,387	7,389
Materials and services	<u>36,407</u>	<u>36,407</u>	<u>39,313</u>	<u>(2,906)</u>
Total Library	<u>150,183</u>	<u>150,183</u>	<u>145,700</u>	<u>4,483</u>
Swimming Pool:				
Personal services	64,405	64,405	49,895	14,510
Materials and services	<u>46,590</u>	<u>46,590</u>	<u>27,545</u>	<u>19,045</u>
Total Swimming Pool	<u>110,995</u>	<u>110,995</u>	<u>77,440</u>	<u>33,555</u>
Parks Maintenance:				
Personal services	126,477	126,477	103,054	23,423
Materials and services	<u>47,685</u>	<u>47,685</u>	<u>45,011</u>	<u>2,674</u>
Total Parks Maintenance	<u>174,162</u>	<u>174,162</u>	<u>148,065</u>	<u>26,097</u>
Total Culture and Recreation	<u>523,004</u>	<u>523,004</u>	<u>451,952</u>	<u>71,052</u>

Continued on next page

**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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal services	79,221	79,221	75,583	3,638
Materials and services	<u>107,229</u>	<u>107,229</u>	<u>91,292</u>	<u>15,937</u>
Total Municipal Court	<u>186,450</u>	<u>186,450</u>	<u>166,875</u>	<u>19,575</u>
Contingency	<u>60,000</u>	<u>60,000</u>	-	<u>60,000</u>
Capital Outlay	<u>100</u>	<u>100</u>	-	<u>100</u>
Total expenditures	<u>\$ 3,231,742</u>	<u>\$ 3,486,097</u>	<u>\$ 2,765,328</u>	<u>\$ 720,769</u>

**COMPLIANCE SECTION**

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITORS  
REQUIRED BY STATE STATUTE

Honorable Mayor and City Council  
City of Junction City

Oregon Administrative Rules 162-10-000 through 162-10-330 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding pages of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth as follows.

REPORT ON ACCOUNTING AND INTERNAL CONTROL STRUCTURE

We have audited the financial statements of the City of Junction City, Oregon ("City") as of and for the year ended June 30, 2009, and have issued our report thereon dated December 19, 2009. 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.

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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

COMPLIANCE

Compliance with laws, regulations, contracts and grants applicable to the City is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320, included but were not limited to the following:

*Financial Reporting Requirements* - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

*Compliance with Legal or Other Requirements*

*Collateral* - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

*Indebtedness* - Relating to debt and the limitation on the debt amount, liquidation of debt within the prescribed period of time, and compliance with provisions of indentures or agreements, including restrictions on the use of monies available to retire indebtedness.

*Budget* - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565).

*Taxes on Motor Vehicle Use and Fuel and the use of a Road Fund* - Pertaining to (as contained in Article IX, Section 3a of the Oregon constitution) the use of revenue from taxes on motor vehicle use and fuel and the use of a road fund (as contained in ORS 294 and 373).

*Insurance* - Relating to insurance and fidelity bond coverage.

*Investments* - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

*Public Contracts and Purchasing* - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

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:

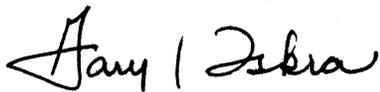
1. Over-expended appropriations as noted in footnote II B. of the City's financial statements.
2. Deficit fund balance as noted in footnote II C. of the City's financial statements.

We noted certain other matters that we reported to management of the City, in a separate letter dated November 6, 2009.

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

This report is intended for the information of the City Council, and the Secretary of State, Division of Audits of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

**Isler CPA**



By: Gary Iskra, CPA, a member of the firm  
Eugene, Oregon  
December 19, 2009