



**CITY OF JUNCTION CITY, OREGON**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

WITH

INDEPENDENT AUDITOR'S REPORT

**CITY OF JUNCTION CITY, OREGON**  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
WITH INDEPENDENT AUDITOR'S REPORT

Prepared by:  
Finance Department

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# CITY OF JUNCTION CITY

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

December 5, 2018

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

The management of the City of Junction City (“City”) is pleased to provide this annual financial report to its citizens, taxpayers, and other interested parties to demonstrate its accountability and communicate the City’s financial position and resource flows as of and for the year ended June 30, 2018. The Management staff of the City is responsible for the presentation of this annual financial report, for maintaining appropriate internal control over financial reporting, and for complying with applicable finance-related laws, regulations, and provisions of grants and contracts. The City reports its financial statements and schedules on a modified cash basis, which management has determined is an acceptable financial reporting framework that differs from generally accepted accounting principles (GAAP). All of the financial analyses in this report should take into consideration the limitations inherent in the modified cash basis of accounting.

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

Isler CPA, Certified Public Accountants, have issued their independent auditor’s report on these financial statements and schedules which includes an unmodified (“clean”) opinion for the City of Junction City’s financial statements for the year ended June 30, 2018. The independent auditor’s report is located at the front of the financial section of this report.

## **Profile of the Government**

The City, incorporated in 1872, is located on Highway 99, 14 miles north of Eugene, 38 miles south of Corvallis and centrally located between the Pacific Ocean to the West and the Cascade Mountains to the East. The City occupies 2.45 square miles and serves a population of 6,125.

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



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

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

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

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

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

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

## **Local Economy**

Junction City is a blend of rural agricultural and urban lifestyles that are central to living in the southern Willamette Valley. In many ways, Junction City is a focus for Lane County's breadbasket region. Junction City is home to the Scandinavian Festival each summer, along

with wineries, nurseries, dairies, fruit and vegetable markets, sheep, cattle and alpaca ranches and much more.

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

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

Although employment levels are reported at the County level, Junction City has experienced growth with additions to operations of several businesses and the State mental hospital. Unemployment rates for the County are currently at 3.8% as of May 2018, down from 4.0% for the County one year ago.

The City has recently completed several important projects. Public Works has completed a new Water System Master Plan, Sewer System Master Plan, and begun work on a utility system rate study. Public Works also completed the sewer line in the Vista Dale Subdivision and purchased a new rear load garbage truck. The City has also completed selecting a new Municipal Court Judge and expanding the Enterprise Zone in the community to help encourage development within the City.

Other highlights include the City completing the negotiations to renew the AFSCME Union contract for another three years. Also, the City began the negotiations to renew the Junction City Police Association contract. From the building & planning department the major activity, besides the normal routine of development and building permits and applications, was the beginning of the transition from a third party building inspection program to an in-house program. The purpose of this transition is to improve the level of service to the community. As part of that, the City has entered into service contracts with other agencies to provide inspection services.

While building permits fluctuate from year to year, business and housing development has continued over the last several years. Various builders working within the City have steadily utilized the available residential building lots and several residential developments are in

progress which will add to the available housing within the City. Light manufacturing has added to the tax base for the City as well as needed jobs.

The City's population estimate at July 1, 2018 was 6,125, which represents a 0.8% increase over the prior year and an 13.6% increase since 2010. The population estimate was 5,392 for July 1, 2010.

### **Financial Analysis**

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

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

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

## Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Total assets	\$ 6,483,441	\$ 6,112,794	\$ 6,449,530	\$ 5,518,150	\$ 12,932,971	\$ 11,630,944
Total liabilities	21,426	7,398	-	-	21,426	7,398
Net position:						
Restricted	3,360,036	2,980,248	2,673,973	2,178,142	6,034,009	5,158,390
Unrestricted	3,101,979	3,125,148	3,775,557	3,340,008	6,877,536	6,465,156
Total net position	<u>\$ 6,462,015</u>	<u>\$ 6,105,396</u>	<u>\$ 6,449,530</u>	<u>\$ 5,518,150</u>	<u>\$ 12,911,545</u>	<u>\$ 11,623,546</u>

For the year ended June 30, 2018, the overall modified cash basis net position of the City increased by \$1,287,999. Of the total increase, the governmental activities' net position increased by \$356,619 and business activities by \$931,380.

Ending fund balances have continued to rise over the last few years partly due to the application of Council approved fiscal policies which addressed reserve contributions and ending fund balances. Of the increase from government activities, the Streets Fund and its related reserve fund (excluding SDC funds), accounted for \$249,781 of the increase. The net position increases to business activity's reserve funds, excluding SDC funds, were \$242,113 in the Water Capital Projects Fund, \$304,672 in the Sewer Capital Projects Fund, and \$265,072 in the Sanitation Capital Projects Fund.

## Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,003,575	\$ 761,465	\$ 3,947,171	\$ 3,610,482	\$ 4,950,746	\$ 4,371,947
Operating grants and contributions	371,394	347,926	-	-	371,394	347,926
Capital grants and contributions	55,180	14,747	-	-	55,180	14,747
General revenues:						
Property taxes	2,506,069	2,379,980	-	-	2,506,069	2,379,980
Franchise taxes	453,753	437,898	-	-	453,753	437,898
Other taxes	963,798	724,580	-	-	963,798	724,580
Investment income	106,033	65,546	100,031	54,296	206,064	119,842
Total revenues	<u>5,459,802</u>	<u>4,732,142</u>	<u>4,047,202</u>	<u>3,664,778</u>	<u>9,507,004</u>	<u>8,396,920</u>
<b>Expenses</b>						
General government	1,425,888	1,315,477	-	-	1,425,888	1,315,477
Public safety	2,443,914	2,096,472	-	-	2,443,914	2,096,472
Highways and streets	336,474	267,628	-	-	336,474	267,628
Economic development	8,727	1,175	-	-	8,727	1,175
Culture and recreation	891,170	768,271	-	-	891,170	768,271
Water	-	-	959,277	800,064	959,277	800,064
Sewer	-	-	1,324,065	1,149,850	1,324,065	1,149,850
Sanitation	-	-	829,490	847,767	829,490	847,767
Total expenses	<u>5,106,173</u>	<u>4,449,023</u>	<u>3,112,832</u>	<u>2,797,681</u>	<u>8,219,005</u>	<u>7,246,704</u>
Excess before transfers	353,629	283,119	934,370	867,097	1,287,999	1,150,216
Transfers - fiduciary fund	-	-	-	-	-	-
Transfers - internal activity	2,990	28,600	(2,990)	(28,600)	-	-
Increase in net assets	<u>356,619</u>	<u>311,719</u>	<u>931,380</u>	<u>838,497</u>	<u>1,287,999</u>	<u>1,150,216</u>
Net position, beginning of year	<u>6,105,396</u>	<u>5,793,677</u>	<u>5,518,150</u>	<u>4,679,653</u>	<u>11,623,546</u>	<u>10,473,330</u>
Net position, end of year	<u>\$ 6,462,015</u>	<u>\$ 6,105,396</u>	<u>\$ 6,449,530</u>	<u>\$ 5,518,150</u>	<u>\$ 12,911,545</u>	<u>\$ 11,623,546</u>

## Governmental Funds

For the fiscal year ended June 30, 2018, the governmental funds reported a combined fund balance of \$6,433,239, an increase of \$351,253 over the prior year. The General Fund balance decreased by \$214,171 and total revenues increased by a total amount of \$476,480. The General Fund revenue changes included a 5.3% or \$126,089, increase to property taxes over the prior year, and an increase to licenses and permits revenue of \$146,130. The excess of revenues over expenditures, before transfers, in the General Fund was \$227,629 for fiscal year ended June 30, 2018. The Streets Fund expended \$233,688 for operations which were offset by the fund's revenue for the year. The Business Development Loan Fund did not expend any funds for new loans during the year but did receive an inter-fund loan payment for \$21,500, interest for \$18,432 and a total increase to ending fund balance of \$42,912. The non-major governmental fund's combined ending balances increased by \$422,957 and included revenue from system development charges of \$92,584, reserve transfers of \$481,000 and State Revenue Sharing Funds of \$81,790.

**Original budget compared to final budget.** During the year, Council adopted the following budget change resolutions:

- On August 8, 2017 Council adopted resolution 1169 to move \$20,000 of appropriations in the general contingency in the General Fund to transfers. The funds were transferred to the Capital Projects Fund and the appropriations for Building Projects was increased to be used for the Building and Planning Department office project.
- On April 24, 2018 Council adopted resolution 1177 to move \$4,600 appropriations from contingency in the Library Division to personnel services. Appropriations in general contingency of \$16,900 were moved and transferred to personnel services in the Library Division.
- On April 24, 2018 Council adopted resolution 1178 to increase personnel appropriations in Building and Planning department in the amount of \$13,000 for the cost of the Building Official being added to the department, add \$120,000 in appropriations to the Building Official Contract line within materials and services, and to recognize additional building permit and plan review fees revenue of \$133,000.
- On April 24, 2018 Council adopted resolution 1180 to move \$10,000 from Administration Contingency in the General Fund to legal fees.
- On April 24, 2018 Council adopted resolution 1181 to move \$4,000 of appropriations in the Capital Projects Fund, Finance Division to the Administration Division for building projects.
- On April 24, 2018 Council adopted resolution 1182 to move \$1,200 of contingency appropriations in the Community Center Fund to the Building Maintenance Line in the same fund.
- On April 24, 2018 Council adopted resolution 1183 to move \$3,000 of contingency within the Community Services Administration Division in the General Fund to the materials and services section to cover additional costs.

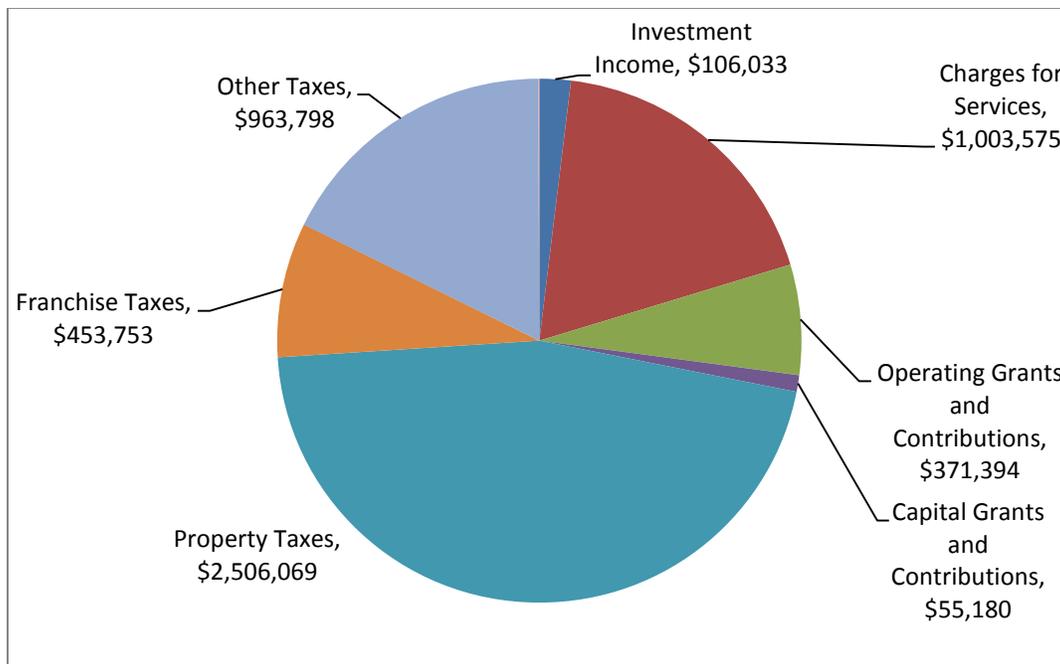
- On April 24, 2018 Council adopted resolution 1184 to move \$2,000 of contingency appropriations in the Finance Department in the General Fund to the materials and services section to cover additional costs.
- On April 24, 2018 Council adopted resolution 1185 to move \$50,800 of contingency appropriations in the Police Department to the materials and services section to cover additional costs.

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

Revenue Source	Budgeted revenue	Actual revenue	Difference
Intergovernmental	\$ 532,600	\$ 205,147	\$ (327,453)
Fines & Penalties	172,300	111,060	(61,240)

Intergovernmental revenues were mostly lower than budgeted due to certain dispatch contracts in the Police Department that did not materialize as expected. The reduction in revenue for the dispatch contracts was \$334,400. Municipal Court Fines are dependent on public safety and citation activity and there has been no change in court services available for the City.

### Governmental Activities Funding



### **Nonmajor Governmental Funds**

Nonmajor Governmental Fund balances increased by \$422,957 during the fiscal year, and State Revenue Sharing increased by \$76,599 with \$81,790 in state revenues. Capital project fund balances increased by \$346,358, of this amount, the Park System Development Fund increased by \$100,206. Reserve contributions from operations accounted the remaining increase.

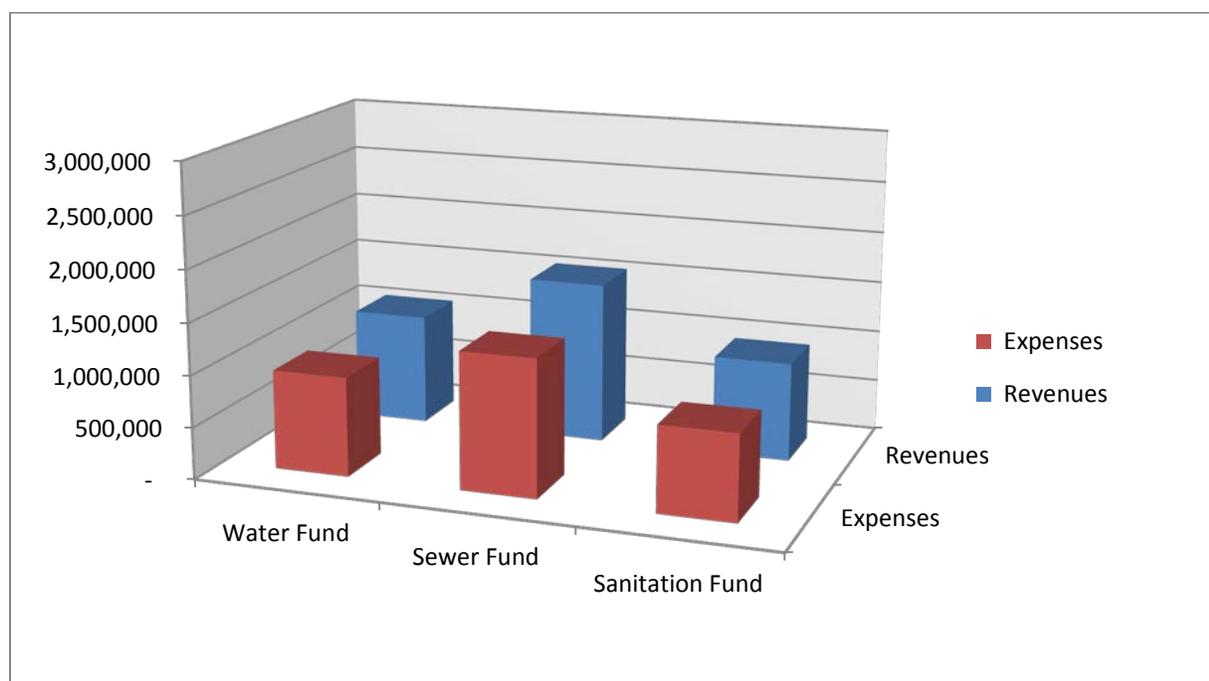
## Proprietary Funds

For the fiscal year ended June 30, 2018 the proprietary funds reported a modified cash basis net position of \$6,449,530, an increase of \$931,380 over the prior year. Each of the individual propriety fund activities showed increases to ending net position. Water increased by \$62,162, Sewer by \$736,825 and Sanitation by \$132,393. Each of the proprietary funds was able to make transfers to their corresponding reserve funds. The transfers were \$325,000 from the Water Fund, \$490,000 from the Sewer Fund, and \$68,600 from the Sanitation Fund.

**Original budget compared to final budget.** During the year, Council adopted the following budget change resolutions relating to Proprietary Funds:

- On April 24, 2018 Council adopted resolution 1179 to transfer \$16,600 of contingency appropriations in the Sanitation Fund to equipment acquisitions in the Sanitation Capital Projects Fund to fund the purchase of garbage and recycling totes.
- On April 24, 2018 Council adopted resolution 1186 to move \$30,000 of contingency appropriations in the Sewer Fund to the materials and services section to cover additional costs.
- On April 24, 2018 Council adopted resolution 1187 to move \$18,600 of contingency appropriations in the Water Fund to the materials and services section to cover additional costs.

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



## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Award for Small Government Cash Basis Reports to the City of Junction City for its Annual Financial Report for the fiscal year ended June 30, 2017. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be granted an Award for Small Government Cash Basis Reports, the government had to publish an easily readable and efficiently organized Annual Financial Report that satisfied award program requirements.

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

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

Respectfully,



Jason Knope  
City Administrator



Mike Crocker  
Finance Director



Government Finance Officers Association

# Award for Small Government Cash Basis Reports

Presented to

**City of Junction City  
Oregon**

For its Annual Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**City of Junction City  
Personnel Organization Chart  
FY 2018/19**

**Citizens of  
Junction City**

**Mayor  
City Council**

**Municipal  
Judge**

**City  
Administrator**

**Police**

**Finance**

**Administration**

**Community  
Services**

**Public Works**

- Police Chief
- Sergeant (2)
  - Police Officers (7)
  - Dispatch (7)
  - School Resource Officer

- Finance Director
- City Accountant
  - Human Resources Assistant
- Court**
- Court Clerk

- City Recorder
  - Admin Aide
  - Resource Development Coordinator
- Internal Services**
- Maintenance Coordinator
  - Mechanic

- Community Services Director
- Community Services Coordinator
- Library**
- Library Aide
- Pool**
- Pool Supervisors
  - Lifeguards
- Community Center**
- Spring Program
  - Summer Program
- Senior Center**

- Public Works Director
- Utilities**
- PW Superintendent
  - Wastewater Trmt Plant Operator
  - Treatment Worker
  - Water Trtmt Plant Op
  - PW Technician
  - Utility Worker I (3)
  - Utility Worker II (1)
  - Utility General Labor (1)
  - Sanitation Worker (4)
  - Utility Billing Clerk (1)
  - Summer Seasonal-Streets

- Parks**
- Parks Seasonal (2)
- Planning**
- City Planner
  - Building Official

**CITY OF JUNCTION CITY, OREGON**

List of Elected Officials

June 30, 2018

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Mark Crenshaw 1280 Oak Street Junction City, OR 97448	Mayor	January 8, 2019
Bill DiMarco PO Box 702 Junction City, OR 97448	Council President	January 12, 2021
John Gambee 264 W 6th Junction City, OR 97448	Councilor	January 8, 2019
Dale Rowe 1824 W. 10th Junction City, OR 97448	Councilor Appointed: August 8, 2017	January 8, 2019
Kara McDaniel 1034 Brenda Avenue Junction City, OR 97448	Councilor Appointed: August 8, 2017	January, 2019
Jack Sumner 1061 Quince Junction City, OR 97448	Councilor Appointed: August 8, 2017	January 8, 2019
Rob Stott 909 SW Quince Junction City, OR 97448	Councilor	January 12, 2021

**FINANCIAL SECTION**



## Independent Auditor's Report

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

1976 Garden Ave.  
Eugene, OR 97403  
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### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Junction City, Oregon, ("City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, the respective changes in modified cash basis financial position, cash flows, where applicable, and the budgetary comparison statements for the General Fund, Street Fund, and Business Development Loan Fund thereof for the year then ended in accordance with the basis of accounting described in Note I. A.

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

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

**Other Matters**

*Supplementary and Other Information*

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

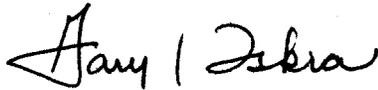
The combining and individual nonmajor fund financial statements, budgetary comparisons and other financial schedules on pages 29 - 85 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole on the basis of accounting described in note I. A.

The letter of transmittal narrative discussion presented on pages i - x, the other introductory information on pages xi - xiii, and the trend information presented on pages 86 - 92 of the report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 5, 2018 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report on pages 93 - 94 is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**Isler CPA**



For Isler CPA  
Eugene, Oregon  
December 5, 2018

**BASIC FINANCIAL STATEMENTS**

**CITY OF JUNCTION CITY, OREGON**

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,478,985	\$ 6,449,530	\$ 12,928,515
Developer advances	4,456	-	4,456
Total assets	<u>\$ 6,483,441</u>	<u>\$ 6,449,530</u>	<u>\$ 12,932,971</u>
<b>LIABILITIES</b>			
Due to others	\$ 21,426	\$ -	\$ 21,426
Total liabilities	<u>21,426</u>	<u>-</u>	<u>21,426</u>
<b>NET POSITION</b>			
Restricted for:			
Street and bicycle paths	368,252	-	368,252
Business development	1,130,825	-	1,130,825
Systems development	1,611,891	2,673,973	4,285,864
State revenue sharing	249,068	-	249,068
Unrestricted	<u>3,101,979</u>	<u>3,775,557</u>	<u>6,877,536</u>
Total net position	<u>6,462,015</u>	<u>6,449,530</u>	<u>12,911,545</u>
Total liabilities and net position	<u>\$ 6,483,441</u>	<u>\$ 6,449,530</u>	<u>\$ 12,932,971</u>

**CITY OF JUNCTION CITY, OREGON**

Government-wide Statement of Activities - Modified Cash Basis

For the Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions / Programs</b>							
Governmental Activities:							
General Government	\$ 1,425,888	\$ 818,510	\$ 267,103	\$ -	\$ (340,275)	\$ -	\$ (340,275)
Public Safety	2,443,914	49,982	-	-	(2,393,932)	-	(2,393,932)
Highways and streets	336,474	4,891	-	55,180	(276,403)	-	(276,403)
Economic Development	8,727	-	11,707	-	2,980	-	2,980
Culture and Recreation	891,170	130,192	92,584	-	(668,394)	-	(668,394)
Total governmental activities	<u>5,106,173</u>	<u>1,003,575</u>	<u>371,394</u>	<u>55,180</u>	<u>(3,676,024)</u>	<u>-</u>	<u>(3,676,024)</u>
Business-type Activities:							
Water	959,277	1,114,770	-	-	-	155,493	155,493
Sewer	1,324,065	1,888,810	-	-	-	564,745	564,745
Sanitation	829,490	943,591	-	-	-	114,101	114,101
Total business - type activities	<u>3,112,832</u>	<u>3,947,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,339</u>	<u>834,339</u>
Total government	<u>\$ 8,219,005</u>	<u>\$ 4,950,746</u>	<u>\$ 371,394</u>	<u>\$ 55,180</u>	<u>(3,676,024)</u>	<u>834,339</u>	<u>(2,841,685)</u>
General revenues:							
Property taxes					2,506,069	-	2,506,069
Franchise taxes					453,753	-	453,753
Other taxes and receipts					963,798	-	963,798
Unrestricted investment earnings					106,033	100,031	206,064
Transfers - internal activity					2,990	(2,990)	-
Total general revenues and transfers					<u>4,032,643</u>	<u>97,041</u>	<u>4,129,684</u>
Change in net position					356,619	931,380	1,287,999
Net position- beginning					<u>6,105,396</u>	<u>5,518,150</u>	<u>11,623,546</u>
Net position- ending					<u>\$ 6,462,015</u>	<u>\$ 6,449,530</u>	<u>\$ 12,911,545</u>

**CITY OF JUNCTION CITY, OREGON**

Balance Sheet - Modified Cash Basis

Governmental Funds

June 30, 2018

	<u>General Fund Programs</u>	<u>Street Fund</u>	<u>Business Development Loan Fund</u>	<u>Streets System Development Fund</u>	<u>Building Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,184,609	\$ 326,169	\$ 1,130,825	\$ 1,099,975	\$ 21,828	\$ 1,686,803	\$ 6,450,209
Developer advances	4,456	-	-	-	-	-	4,456
Total assets	<u>\$ 2,189,065</u>	<u>\$ 326,169</u>	<u>\$ 1,130,825</u>	<u>\$ 1,099,975</u>	<u>\$ 21,828</u>	<u>\$ 1,686,803</u>	<u>\$ 6,454,665</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to others	\$ 21,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,426
Total liabilities	<u>21,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,426</u>
Fund balances:							
Restricted:							
Streets and bicycle paths	-	326,169	-	-	-	42,083	368,252
Business development	-	-	1,130,825	-	-	-	1,130,825
Systems development	-	-	-	1,099,975	-	511,916	1,611,891
State revenue sharing	-	-	-	-	-	249,068	249,068
Committed:							
Viking Sal Senior Center	29,983	-	-	-	-	-	29,983
Health insurance	51,522	-	-	-	-	-	51,522
Community services	14,573	-	-	-	-	-	14,573
Building/equipment	-	-	-	-	21,828	621,354	643,182
Street system improvement	-	-	-	-	-	262,382	262,382
Unassigned	<u>2,071,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,561</u>
Total fund balances	<u>2,167,639</u>	<u>326,169</u>	<u>1,130,825</u>	<u>1,099,975</u>	<u>21,828</u>	<u>1,686,803</u>	<u>6,433,239</u>
Total liabilities and fund balances	<u>\$ 2,189,065</u>	<u>\$ 326,169</u>	<u>\$ 1,130,825</u>	<u>\$ 1,099,975</u>	<u>\$ 21,828</u>	<u>\$ 1,686,803</u>	

Reconciliation to the Statement of Net Position:

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

	<u>28,776</u>
Net position of governmental activities	<u>\$ 6,462,015</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Governmental Funds  
For the Year Ended June 30, 2018

	<u>General Fund Programs</u>	<u>Street Fund</u>	<u>Business Development Loan Fund</u>	<u>Streets System Development Fund</u>	<u>Building Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Taxes:							
Property	\$ 2,506,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,506,069
Franchise	451,501	2,252	-	-	-	-	453,753
Other	15,818	-	-	-	-	-	15,818
Licenses and permits	364,508	2,110	-	-	-	-	366,618
Intergovernmental	218,084	379,750	11,707	-	-	159,537	769,078
Charges for services	791,876	-	-	-	-	-	791,876
System development charges	30,188	-	-	55,180	-	92,584	177,952
Fines and penalties	111,060	-	-	-	-	-	111,060
Interest	41,406	4,653	18,432	17,535	-	23,416	105,442
Loan program:							
Donations and special events	22,851	-	-	-	-	-	22,851
Other	123,400	2,781	-	-	-	11,776	137,957
Total Revenues	<u>4,676,761</u>	<u>391,546</u>	<u>30,139</u>	<u>72,715</u>	<u>-</u>	<u>287,313</u>	<u>5,458,474</u>
<b>EXPENDITURES</b>							
Current :							
General Government	1,392,930	-	-	-	-	36,997	1,429,927
Public Safety	2,297,886	-	-	-	-	146,028	2,443,914
Highways and streets	-	233,688	-	-	-	102,786	336,474
Economic Development	-	-	8,727	-	-	-	8,727
Culture and Recreation	850,134	-	-	-	-	41,035	891,169
Total expenditures	<u>4,540,950</u>	<u>233,688</u>	<u>8,727</u>	<u>-</u>	<u>-</u>	<u>326,846</u>	<u>5,110,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>135,811</u>	<u>157,858</u>	<u>21,412</u>	<u>72,715</u>	<u>-</u>	<u>(39,533)</u>	<u>348,263</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	21,500	-	-	481,000	502,500
Transfers out	<u>(353,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>(53,000)</u>	<u>(18,510)</u>	<u>(499,510)</u>
Total other financing source (uses)	<u>(353,000)</u>	<u>(75,000)</u>	<u>21,500</u>	<u>-</u>	<u>(53,000)</u>	<u>462,490</u>	<u>2,990</u>
Net change in fund balances	(217,189)	82,858	42,912	72,715	(53,000)	422,957	351,253
Beginning fund balance	<u>2,384,828</u>	<u>243,311</u>	<u>1,087,913</u>	<u>1,027,260</u>	<u>74,828</u>	<u>1,263,846</u>	
Ending fund balance	<u>\$ 2,167,639</u>	<u>\$ 326,169</u>	<u>\$ 1,130,825</u>	<u>\$ 1,099,975</u>	<u>\$ 21,828</u>	<u>\$ 1,686,803</u>	

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

Change in net position of governmental activities

5,366  
\$ 356,619

**CITY OF JUNCTION CITY, OREGON**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Property	\$ 2,537,200	\$ 2,537,200	\$ 2,506,069	\$ (31,131)
Franchise	440,000	440,000	451,501	11,501
Other	46,000	46,000	15,818	(30,182)
Licenses and permits	196,100	329,100	364,508	35,408
Intergovernmental	532,600	532,600	205,147	(327,453)
Charges for services	813,000	813,000	789,651	(23,349)
Fines and penalties	172,300	172,300	111,060	(61,240)
Investment earnings	28,700	28,700	39,998	11,298
Donations and special events	100	100	4,420	4,320
Other	69,100	69,100	81,603	12,503
System development charges	<u>30,700</u>	<u>30,700</u>	<u>30,188</u>	<u>(512)</u>
Total revenues	<u>4,865,800</u>	<u>4,998,800</u>	<u>4,599,963</u>	<u>(398,837)</u>
Expenditures:				
Personal services	3,236,700	3,271,200	2,973,575	297,625
Materials and services	1,335,100	1,520,900	1,398,759	122,141
Contingency	<u>243,300</u>	<u>38,400</u>	<u>-</u>	<u>38,400</u>
Total expenditures	<u>4,815,100</u>	<u>4,830,500</u>	<u>4,372,334</u>	<u>458,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,700</u>	<u>168,300</u>	<u>227,629</u>	<u>59,329</u>
Other financing sources (uses):				
Transfers in	-	16,900	16,900	-
Transfers out	<u>(421,800)</u>	<u>(458,700)</u>	<u>(458,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>(421,800)</u>	<u>(441,800)</u>	<u>(441,800)</u>	<u>-</u>
Net change in fund balances	(371,100)	(273,500)	(214,171)	59,329
Fund balance:				
Beginning of year	<u>2,597,500</u>	<u>2,597,500</u>	<u>2,285,732</u>	<u>(311,768)</u>
End of year	<u>\$ 2,226,400</u>	<u>\$ 2,324,000</u>	2,071,561	<u>\$ (252,439)</u>
Other funds included in General Fund Programs:				
Viking Sal Senior Center Fund			29,983	
Health Insurance Fund			51,522	
Community Center Fund			<u>14,573</u>	
Total General Fund Programs			<u>\$ 2,167,639</u>	

**CITY OF JUNCTION CITY, OREGON**

Street Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Franchise	\$ -	\$ -	\$ 2,252	\$ 2,252
Licenses and permits	1,000	1,000	2,110	1,110
Intergovernmental	372,000	372,000	379,750	7,750
Investment earnings	1,600	1,600	4,653	3,053
Other	<u>4,500</u>	<u>4,500</u>	<u>2,781</u>	<u>(1,719)</u>
Total revenues	<u>379,100</u>	<u>379,100</u>	<u>391,546</u>	<u>12,446</u>
Expenditures:				
Personal services	67,000	67,000	57,029	9,971
Materials and services	209,400	209,400	176,659	32,741
Contingency	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>296,400</u>	<u>296,400</u>	<u>233,688</u>	<u>62,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,700</u>	<u>82,700</u>	<u>157,858</u>	<u>75,158</u>
Other financing sources (uses):				
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balances	7,700	7,700	82,858	75,158
Fund balance:				
Beginning of year	<u>230,200</u>	<u>230,200</u>	<u>243,311</u>	<u>13,111</u>
End of year	<u>\$ 237,900</u>	<u>\$ 237,900</u>	<u>\$ 326,169</u>	<u>\$ 88,269</u>

**CITY OF JUNCTION CITY, OREGON**

Business Development Loan Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 11,707	\$ 1,707
Investment earnings	13,300	13,300	18,432	5,132
Other	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
Total revenues	<u>23,500</u>	<u>23,500</u>	<u>30,139</u>	<u>6,639</u>
Expenditures:				
Materials and services	<u>816,200</u>	<u>816,200</u>	<u>8,727</u>	<u>807,473</u>
Total expenditures	<u>816,200</u>	<u>816,200</u>	<u>8,727</u>	<u>807,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(792,700)</u>	<u>(792,700)</u>	<u>21,412</u>	<u>814,112</u>
Other financing sources (uses):				
Transfers in	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>	<u>-</u>
Total other financing sources (uses)	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>	<u>-</u>
Net change in fund balances	(771,200)	(771,200)	42,912	814,112
Fund balance:				
Beginning of year	<u>1,082,000</u>	<u>1,082,000</u>	<u>1,087,913</u>	<u>5,913</u>
End of year	<u><u>\$ 310,800</u></u>	<u><u>\$ 310,800</u></u>	<u><u>\$ 1,130,825</u></u>	<u><u>\$ 820,025</u></u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Net Position - Modified Cash Basis

Proprietary Funds

June 30, 2018

	Business-Type Activities				Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 691,681	\$ 4,978,283	\$ 779,566	\$ 6,449,530	\$ 28,776
Total assets	<u>\$ 691,681</u>	<u>\$ 4,978,283</u>	<u>\$ 779,566</u>	<u>\$ 6,449,530</u>	<u>\$ 28,776</u>
<b>NET POSITION</b>					
Restricted for systems development	\$ 92,222	\$ 2,581,751	\$ -	\$ 2,673,973	\$ -
Unrestricted	<u>599,459</u>	<u>2,396,532</u>	<u>779,566</u>	<u>3,775,557</u>	<u>28,776</u>
Total net position	<u>691,681</u>	<u>4,978,283</u>	<u>779,566</u>	<u>6,449,530</u>	<u>28,776</u>
Total liabilities and net position	<u>\$ 691,681</u>	<u>\$ 4,978,283</u>	<u>\$ 779,566</u>	<u>\$ 6,449,530</u>	<u>\$ 28,776</u>

**CITY OF JUNCTION CITY, OREGON**

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

Proprietary Funds

For the Year Ended June 30, 2018

	Business-Type Activities			Total	Governmental
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
Operating revenues:					
Charges for services	\$ 1,049,291	\$ 1,468,466	\$ 923,244	\$ 3,441,001	\$ 376,837
Miscellaneous	<u>12,680</u>	<u>17,156</u>	<u>20,347</u>	<u>50,183</u>	<u>739</u>
Total operating revenues	<u>1,061,971</u>	<u>1,485,622</u>	<u>943,591</u>	<u>3,491,184</u>	<u>377,576</u>
Operating expenses:					
Personal services	485,509	488,610	338,798	1,312,917	189,699
Materials and services	<u>426,081</u>	<u>512,328</u>	<u>456,916</u>	<u>1,395,325</u>	<u>183,098</u>
Total operating expenses	<u>911,590</u>	<u>1,000,938</u>	<u>795,714</u>	<u>2,708,242</u>	<u>372,797</u>
Operating income (loss)	<u>150,381</u>	<u>484,684</u>	<u>147,877</u>	<u>782,942</u>	<u>4,779</u>
Nonoperating revenues (expenses):					
Investment earnings	11,932	75,943	12,154	100,029	587
Capital outlay	<u>(47,687)</u>	<u>(323,127)</u>	<u>(33,775)</u>	<u>(404,589)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(35,755)</u>	<u>(247,184)</u>	<u>(21,621)</u>	<u>(304,560)</u>	<u>587</u>
Income (loss) before capital contributions and transfers	114,626	237,500	126,256	478,382	5,366
Capital contributions:					
System development charges	<u>52,800</u>	<u>403,188</u>	<u>-</u>	<u>455,988</u>	<u>-</u>
Transfers in	6,236	96,137	6,137	108,510	-
Transfers out	<u>(111,500)</u>	<u>-</u>	<u>-</u>	<u>(111,500)</u>	<u>-</u>
Total transfers	<u>(105,264)</u>	<u>96,137</u>	<u>6,137</u>	<u>(2,990)</u>	<u>-</u>
Change in net position	62,162	736,825	132,393	931,380	5,366
Total net position- beginning	<u>629,519</u>	<u>4,241,458</u>	<u>647,173</u>	<u>5,518,150</u>	<u>23,410</u>
Total net position- ending	<u>\$ 691,681</u>	<u>\$ 4,978,283</u>	<u>\$ 779,566</u>	<u>\$ 6,449,530</u>	<u>\$ 28,776</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Cash Flows - Modified Cash Basis

Proprietary Funds

For the Year Ended June 30, 2018

	Business - Type Activities			Total Enterprise Funds	Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,061,971	\$ 1,485,622	\$ 943,591	\$ 3,491,184	\$ -
Receipts from interfund services provided	-	-	-	-	377,576
Payments to suppliers	(426,081)	(512,328)	(456,916)	(1,395,325)	(183,098)
Payments to employees	(485,509)	(488,610)	(338,798)	(1,312,917)	(189,699)
Net cash provided (used) by operating activities	<u>150,381</u>	<u>484,684</u>	<u>147,877</u>	<u>782,942</u>	<u>4,779</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	6,236	96,137	6,137	108,510	-
Transfers out	(111,500)	-	-	(111,500)	-
Net cash provided (used) by noncapital financing activities	<u>(105,264)</u>	<u>96,137</u>	<u>6,137</u>	<u>(2,990)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(47,687)	(323,127)	(33,775)	(404,589)	-
System development charges	<u>52,800</u>	<u>403,188</u>	<u>-</u>	<u>455,988</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>5,113</u>	<u>80,061</u>	<u>(33,775)</u>	<u>51,399</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>11,932</u>	<u>75,943</u>	<u>12,154</u>	<u>100,029</u>	<u>587</u>
Net change in cash and cash equivalents	62,162	736,825	132,393	931,380	5,366
Cash and cash equivalents - beginning	<u>629,519</u>	<u>4,241,458</u>	<u>647,173</u>	<u>5,518,150</u>	<u>23,410</u>
Cash and cash equivalents - ending	<u>\$ 691,681</u>	<u>\$ 4,978,283</u>	<u>\$ 779,566</u>	<u>\$ 6,449,530</u>	<u>\$ 28,776</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

June 30, 2018

	Private Purpose Trust Fund - Special Police Programs Fund	Municipal Court Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 18,747</u>	<u>\$ 13,039</u>
<b>LIABILITIES</b>		
Fines and bails	<u>\$ -</u>	<u>\$ 13,039</u>
<b>NET POSITION</b>		
Held in trust for K9 and special police programs	<u>18,747</u>	<u>-</u>
Total liabilities and net position	<u>\$ 18,747</u>	<u>\$ 13,039</u>

**CITY OF JUNCTION CITY, OREGON**

Statement of Changes in Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

For the Year Ended June 30, 2018

	<u>Private Purpose Trust Fund - Special Police Programs Fund</u>
<b>ADDITIONS</b>	
Investment earnings	\$ 307
Donations and special events	<u>1,770</u>
Total additions	<u>2,077</u>
<b>DEDUCTIONS</b>	
Benefits	<u>1,446</u>
Total deductions	<u>1,446</u>
Change in net position	631
Net position - beginning	<u>18,116</u>
Net position - ending	<u><u>\$ 18,747</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

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

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

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

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

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

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

The City of Junction City ("City") was incorporated in 1872 pursuant to state laws and to the municipal home rule provisions of the state constitution. The City has a population of approximately 6,125, includes a geographical area of approximately two square miles, and operates under a council/administrator form of government. Major services provided by the City include police protection, planning/land use, building permitting, community services, street maintenance, garbage collection, sewer services, and water services.

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

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

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

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

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

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

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

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

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

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

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

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

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

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

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

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. The City does not have any assigned fund balances at June 30, 2018.

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

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

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

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

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

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2018

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

**A. Deposits and investments**

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

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

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

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

Cash on hand	\$ 900		
Cash in banks	192,424		
LGIP	<u>12,766,977</u>		
Total	<u>\$ 12,960,301</u>		
		Government- wide Statements	Fiduciary Funds
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents	<u>\$ 12,928,515</u>	<u>\$ 31,786</u>	<u>\$ 12,960,301</u>

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

At June 30, 2018, the City's deposits were insured by federal depository insurance or collateralized under the PFCP.

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

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The City intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2018

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

**B. Interfund transfers**

	<b>Transfers in to:</b>					
	Nonmajor governmental funds	Business Development Loan fund	Water	Sewer	Sanitation	Total
<b><u>Transfers out of:</u></b>						
General fund programs	\$ 353,000	\$ -	\$ -	\$ -	\$ -	\$ 353,000
Street fund	75,000	-	-	-	-	75,000
Building Reserve fund	53,000	-	-	-	-	53,000
Nonmajor governmental funds			6,236	6,137	6,137	18,510
Water fund	-	21,500	-	90,000	-	111,500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 481,000</u>	<u>\$ 21,500</u>	<u>\$ 6,236</u>	<u>\$ 96,137</u>	<u>\$ 6,137</u>	<u>\$ 611,010</u>

During the year, transfers were made to move unrestricted revenues in the General fund, Street fund, and Building Reserve fund to various nonmajor governmental "reserve" and capital project funds.

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

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

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

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

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

Employees of the City of Junction City are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. All the benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive annual Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>.

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

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

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

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

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

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

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

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

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

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

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

After retirement, members may choose to continue participation in a variable equities investment account and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

###### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

###### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2018 were \$432,767 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the fiscal year ended June 30, 2018 were 20.63 percent for Tier One/Tier Two, 12.89 percent for OPSRP Pension Program General Services, 17.66 percent for OPSRP Pension Program Police Members, and 6 percent for OPSRP Individual Account Program. Pension expense for the year was \$586,492.

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

At June 30, 2017, the City of Junction City's proportionate share of the net pension liability is \$3,867,798. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2014 rolled forward to June 30, 2017. The City of Junction City's proportion of the net pension liability was based on a projection of the City of Junction City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City of Junction City's proportion was 0.0287 percent, which was decreased from its proportion of 0.0034 percent as of June 30, 2016. The City recognizes pension expense on the cash basis, therefore pension expense is equal to contributions made, and pension liabilities are not recognized.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2018

**Note III - Other information, continued**

**A. Pension plans, continued**

**Actuarial assumptions**

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

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

<u>Valuation Date</u>	<u>December 31, 2015</u>
<u>Measurement Date</u>	<u>June 30, 2017</u>
<u>Experience Study Report</u>	<u>2014, published September, 2015</u>
<u>Actuarial Cost Method</u>	<u>Entry Age normal</u>
Actuarial Assumptions:	
Inflation Rate	2.50%
Long- Term Expected Rate of Return	7.50%
Discount Rate	7.50%
Projected Salary Increases	3.50%
<u>Cost of Living Adjustments (COLA)</u>	<u>Blend of 2.00% COLA and grade COLA (1.25%/0.15%)</u>
Mortality	Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

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

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2018

**Note III - Other information, continued**

**A. Pension plans, continued**

**Long-term expected rate of return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2018

**Note III - Other information, continued**

**A. Pension plans, continued**

**Depletion Date Projection**

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

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

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

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

**Discount rate**

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

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

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of Net pension liability (asset)	\$ 6,591,433	\$ 3,867,798	\$ 1,590,334

**Pension plan fiduciary net position**

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

**Changes in Assumptions and Other inputs**

Changes in actuarial methods and assumptions implemented since the December 31, 2013 valuation are described in the 2014 Experience Study for the System, which was published on September 23, 2015, and can be found at: <http://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

## CITY OF JUNCTION CITY, OREGON

### Notes to the Financial Statements

June 30, 2018

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

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

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

On July 28, 2017 meeting, the PERS Board lowered the investment return assumption to 7.2%. The rate takes effect January 1, 2018.

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

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

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

###### Plan Description

The City contribute to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer other post-employment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

###### Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 38.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

###### Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total contributions for the year ended June 30, 2018 was \$11,814.

###### OPEB liabilities, and OPEB expense

At June 30, 2017, the City of Junction City's proportionate share of the net OPEB asset is \$9,766. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of December 31, 2014 rolled forward to June 30, 2017. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.0234 percent, which was decreased from its proportion of 0.0255 percent as of June 30, 2016. The City recognizes OPEB expense on the cash basis, therefore pension expense is equal to contributions made, and OPEB liabilities are not recognized.

###### Actuarial assumptions

See actuarial valuations included in Note III A. Pension plans except adding healthy retirees participation at 38% and disabled retirees participation at 20%.

###### Long-term expected rate of return

See long-term expected rate of return included in Note III A. Pension plans.

**CITY OF JUNCTION CITY, OREGON**

Notes to the Financial Statements

June 30, 2018

**Note III - Other information, continued**

**C. Other Post - Employment Benefit (OPEB) - Retirement Health Insurance Account Plan, continued**

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

Discount rate

The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
<u>City's proportionate share of Net OPEB liability (asset)</u>	\$ 1,361	\$ (9,766)	\$ (19,230)

**D. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded coverage in any of the last three years.

**E. Tax abatements**

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

For the fiscal year ended June 30, 2018, the City of Junction City abated property taxes totaling \$35,654 under this program, for the benefit of 4 Him Food Group, LLC.

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

### **General Fund Programs**

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

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

General Fund Programs

June 30, 2018

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,088,531	\$ 29,983	\$ 51,522	\$ 14,573	\$ 2,184,609
Developer advances	<u>4,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,456</u>
Total assets	<u>\$ 2,092,987</u>	<u>\$ 29,983</u>	<u>\$ 51,522</u>	<u>\$ 14,573</u>	<u>\$ 2,189,065</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Due to others	<u>\$ 21,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,426</u>
Fund balances:					
Committed	-	29,983	51,522	14,573	96,078
Unassigned	<u>2,071,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,561</u>
Total fund balances	<u>2,071,561</u>	<u>29,983</u>	<u>51,522</u>	<u>14,573</u>	<u>2,167,639</u>
Total liabilities and fund balances	<u>\$ 2,092,987</u>	<u>\$ 29,983</u>	<u>\$ 51,522</u>	<u>\$ 14,573</u>	<u>\$ 2,189,065</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis

General Fund Programs

For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
<b>REVENUES</b>					
Taxes	\$ 2,973,388	\$ -	\$ -	\$ -	\$ 2,973,388
Licenses and permits	364,508	-	-	-	364,508
Intergovernmental	205,147	12,937	-	-	218,084
Charges for services	789,651	2,225	-	-	791,876
System development charges	30,188	-	-	-	30,188
Fines and penalties	111,060	-	-	-	111,060
Investment earnings	39,998	374	843	191	41,406
Donations and special events	4,420	15,009	-	3,422	22,851
Other	<u>81,603</u>	<u>21,741</u>	<u>-</u>	<u>20,056</u>	<u>123,400</u>
Total revenues	<u>4,599,963</u>	<u>52,286</u>	<u>843</u>	<u>23,669</u>	<u>4,676,761</u>
<b>EXPENDITURES</b>					
Current					
General Government	1,339,082	-	-	53,848	1,392,930
Public Safety	2,297,886	-	-	-	2,297,886
Culture and Recreation	<u>735,366</u>	<u>114,768</u>	<u>-</u>	<u>-</u>	<u>850,134</u>
Total expenditures	<u>4,372,334</u>	<u>114,768</u>	<u>-</u>	<u>53,848</u>	<u>4,540,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>227,629</u>	<u>(62,482)</u>	<u>843</u>	<u>(30,179)</u>	<u>135,811</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	16,900	59,100	-	42,200	118,200
Transfers out	<u>(458,700)</u>	<u>(5,000)</u>	<u>-</u>	<u>(7,500)</u>	<u>(471,200)</u>
Total other financing sources (uses)	<u>(441,800)</u>	<u>54,100</u>	<u>-</u>	<u>34,700</u>	<u>(353,000)</u>
Net change in fund balances	(214,171)	(8,382)	843	4,521	(217,189)
Fund balances - beginning	<u>2,285,732</u>	<u>38,365</u>	<u>50,679</u>	<u>10,052</u>	<u>2,384,828</u>
Fund balances - ending	<u>\$ 2,071,561</u>	<u>\$ 29,983</u>	<u>\$ 51,522</u>	<u>\$ 14,573</u>	<u>\$ 2,167,639</u>

**CITY OF JUNCTION CITY, OREGON**

Viking Sal Senior Center Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 14,500	\$ 14,500	\$ 12,937	\$ (1,563)
Charges for services	1,500	1,500	2,225	725
Investment earnings	300	300	374	74
Donations and special events	22,700	22,700	15,009	(7,691)
Other	<u>14,500</u>	<u>14,500</u>	<u>21,741</u>	<u>7,241</u>
Total revenues	<u>53,500</u>	<u>53,500</u>	<u>52,286</u>	<u>(1,214)</u>
Expenditures:				
Personal services	73,200	73,200	67,335	5,865
Materials and services	51,900	51,900	47,433	4,467
Contingency	<u>2,600</u>	<u>2,600</u>	<u>-</u>	<u>2,600</u>
Total expenditures	<u>127,700</u>	<u>127,700</u>	<u>114,768</u>	<u>12,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,200)</u>	<u>(74,200)</u>	<u>(62,482)</u>	<u>11,718</u>
Other financing sources (uses):				
Transfers in	59,100	59,100	59,100	-
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>54,100</u>	<u>54,100</u>	<u>54,100</u>	<u>-</u>
Net change in fund balances	(20,100)	(20,100)	(8,382)	11,718
Fund balance:				
Beginning of year	<u>40,600</u>	<u>40,600</u>	<u>38,365</u>	<u>(2,235)</u>
End of year	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 29,983</u>	<u>\$ 9,483</u>

**CITY OF JUNCTION CITY, OREGON**

Health Insurance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	<u>\$          400</u>	<u>\$          400</u>	<u>\$          843</u>	<u>\$          443</u>
Net change in fund balances	400	400	843	443
Fund balance:				
Beginning of year	<u>50,500</u>	<u>50,500</u>	<u>50,679</u>	<u>179</u>
End of year	<u>\$  50,900</u>	<u>\$  50,900</u>	<u>\$  51,522</u>	<u>\$      622</u>

**CITY OF JUNCTION CITY, OREGON**

Community Center Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 191	\$ (9)
Donations and special events	3,800	3,800	3,422	(378)
Other	<u>18,800</u>	<u>18,800</u>	<u>20,056</u>	<u>1,256</u>
Total revenues	<u>22,800</u>	<u>22,800</u>	<u>23,669</u>	<u>869</u>
Expenditures:				
Personal services	18,800	18,800	12,954	5,846
Materials and services	41,100	42,300	40,894	1,406
Contingency	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>61,100</u>	<u>61,100</u>	<u>53,848</u>	<u>7,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,300)</u>	<u>(38,300)</u>	<u>(30,179)</u>	<u>8,121</u>
Other financing sources (uses):				
Transfers in	42,200	42,200	42,200	-
Transfers out	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>34,700</u>	<u>34,700</u>	<u>34,700</u>	<u>-</u>
Net change in fund balances	(3,600)	(3,600)	4,521	8,121
Fund balance:				
Beginning of year	<u>12,100</u>	<u>12,100</u>	<u>10,052</u>	<u>(2,048)</u>
End of year	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 14,573</u>	<u>\$ 6,073</u>

**Nonmajor Governmental Funds  
Combining Statements**

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

June 30, 2018

	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Special Revenue Fund State Revenue Sharing Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 1,437,735</u>	<u>\$ 249,068</u>	<u>\$ 1,686,803</u>
<b>FUND BALANCES</b>			
Restricted	\$ 553,999	\$ 249,068	\$ 803,067
Committed	<u>883,736</u>	<u>-</u>	<u>883,736</u>
Total fund balances	<u>\$ 1,437,735</u>	<u>\$ 249,068</u>	<u>\$ 1,686,803</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2018

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Fund State Revenue Sharing Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 77,747	\$ 81,790	\$ 159,537
System development charges	92,584	-	92,584
Investment earnings	19,801	3,615	23,416
Other	11,776	-	11,776
Total revenues	<u>201,908</u>	<u>85,405</u>	<u>287,313</u>
<b>EXPENDITURES</b>			
Current			
General Government	28,191	8,806	36,997
Public Safety	146,028	-	146,028
Highways and streets	102,786	-	102,786
Culture and Recreation	41,035	-	41,035
Total expenditures	<u>318,040</u>	<u>8,806</u>	<u>326,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(116,132)</u>	<u>76,599</u>	<u>(39,533)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	481,000	-	481,000
Transfers out	<u>(18,510)</u>	<u>-</u>	<u>(18,510)</u>
Total other financing sources (uses)	<u>462,490</u>	<u>-</u>	<u>462,490</u>
Net change in fund balances	346,358	76,599	422,957
Fund balances - beginning	<u>1,091,377</u>	<u>172,469</u>	<u>1,263,846</u>
Fund balances - ending	<u>\$ 1,437,735</u>	<u>\$ 249,068</u>	<u>\$ 1,686,803</u>

**Nonmajor Capital Projects Funds**

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2018

	<u>Community Services Capital Projects Fund</u>	<u>Capital Projects Fund</u>	<u>Police Capital Projects Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Park and Pool Equipment Reserve Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 126,465	\$ 35,175	\$ 121,928	\$ 253,753	\$ 6,334
<b>FUND BALANCES</b>					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	126,465	35,175	121,928	253,753	6,334
Total fund balances	<u>\$ 126,465</u>	<u>\$ 35,175</u>	<u>\$ 121,928</u>	<u>\$ 253,753</u>	<u>\$ 6,334</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2018

	<u>Bike Path Reserve Fund</u>	<u>Park System Development Fund</u>	<u>Streets Capital Projects Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 42,083	\$ 511,916	\$ 262,382	\$ 77,699	\$ 1,437,735
<b>FUND BALANCES</b>					
Restricted	\$ 42,083	\$ 511,916	\$ -	\$ -	\$ 553,999
Committed	-	-	262,382	77,699	883,736
Total fund balances	<u>\$ 42,083</u>	<u>\$ 511,916</u>	<u>\$ 262,382</u>	<u>\$ 77,699</u>	<u>\$ 1,437,735</u>

**CITY OF JUNCTION CITY, OREGON**

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

Nonmajor Capital Project Funds

For the Year Ended June 30, 2018

	PW Building/Yard Reserve Fund	Community Services Capital Projects Fund	Capital Projects Fund	Police Capital Projects Fund	Prairie Road Street Improvement Reserve Fund
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
System development charges	-	-	-	-	-
Investment earnings	-	1,608	362	908	4,155
Other	-	-	-	11,776	-
Total revenues	<u>-</u>	<u>1,608</u>	<u>362</u>	<u>12,684</u>	<u>4,155</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	28,191	-	-
Public Safety	-	-	-	146,028	-
Highways and streets	-	-	-	-	-
Culture and Recreation	-	25,535	15,500	-	-
Total expenditures	<u>-</u>	<u>25,535</u>	<u>43,691</u>	<u>146,028</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(23,927)</u>	<u>(43,329)</u>	<u>(133,344)</u>	<u>4,155</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	150,392	78,504	219,200	-
Transfers out	<u>(24,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(24,747)</u>	<u>150,392</u>	<u>78,504</u>	<u>219,200</u>	<u>-</u>
Net change in fund balances	<u>(24,747)</u>	<u>126,465</u>	<u>35,175</u>	<u>85,856</u>	<u>4,155</u>
Fund balances - beginning	<u>24,747</u>	<u>-</u>	<u>-</u>	<u>36,072</u>	<u>249,598</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 126,465</u>	<u>\$ 35,175</u>	<u>\$ 121,928</u>	<u>\$ 253,753</u>

**CITY OF JUNCTION CITY, OREGON**

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

Nonmajor Capital Project Funds

For the Year Ended June 30, 2018

	<u>Library Equip. &amp; Build. Reserve Fund</u>	<u>Administration Vehicle Reserve</u>	<u>Park and Pool Equipment Reserve Fund</u>	<u>Bike Path Reserve Fund</u>	<u>Park System Development Fund</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,836	\$ -
System development charges	-	-	-	-	92,584
Investment earnings	-	-	-	662	7,622
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,498</u>	<u>100,206</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,498</u>	<u>100,206</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	<u>(13,292)</u>	<u>(12,008)</u>	<u>(50,800)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(13,292)</u>	<u>(12,008)</u>	<u>(50,800)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(13,292)	(12,008)	(50,800)	4,498	100,206
Fund balances - beginning	<u>13,292</u>	<u>12,008</u>	<u>57,134</u>	<u>37,585</u>	<u>411,710</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,334</u>	<u>\$ 42,083</u>	<u>\$ 511,916</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
 Nonmajor Capital Project Funds  
 For the Year Ended June 30, 2018

	<u>Computer Equipment Reserve Fund</u>	<u>Streets Capital Projects Fund</u>	<u>Street Equipment Reserve Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 73,911	\$ -	\$ -	\$ 77,747
System development charges	-	-	-	-	92,584
Investment earnings	-	3,212	-	1,272	19,801
Other	-	-	-	-	11,776
Total revenues	<u>-</u>	<u>77,123</u>	<u>-</u>	<u>1,272</u>	<u>201,908</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	28,191
Public Safety	-	-	-	-	146,028
Highways and streets	-	102,786	-	-	102,786
Culture and Recreation	-	-	-	-	41,035
Total expenditures	<u>-</u>	<u>102,786</u>	<u>-</u>	<u>-</u>	<u>318,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(25,663)</u>	<u>-</u>	<u>1,272</u>	<u>(116,132)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	192,586	-	-	640,682
Transfers out	<u>(9,995)</u>	<u>-</u>	<u>(67,350)</u>	<u>-</u>	<u>(178,192)</u>
Total other financing sources (uses)	<u>(9,995)</u>	<u>192,586</u>	<u>(67,350)</u>	<u>-</u>	<u>462,490</u>
Net change in fund balances	(9,995)	166,923	(67,350)	1,272	346,358
Fund balances - beginning	<u>9,995</u>	<u>95,459</u>	<u>67,350</u>	<u>76,427</u>	<u>1,091,377</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 262,382</u>	<u>\$ -</u>	<u>\$ 77,699</u>	<u>\$ 1,437,735</u>

**CITY OF JUNCTION CITY, OREGON**

PW Building/Yard Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (24,747)</u>	<u>\$ 253</u>
Net change in fund balances	(25,000)	(25,000)	(24,747)	253
Fund balance:				
Beginning of year	<u>25,000</u>	<u>25,000</u>	<u>24,747</u>	<u>(253)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Community Services Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,800	\$ 1,800	\$ 1,608	\$ (192)
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>1,608</u>	<u>(192)</u>
Expenditures:				
Capital outlay	<u>62,500</u>	<u>62,500</u>	<u>25,535</u>	<u>36,965</u>
Total expenditures	<u>62,500</u>	<u>62,500</u>	<u>25,535</u>	<u>36,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,700)</u>	<u>(60,700)</u>	<u>(23,927)</u>	<u>36,773</u>
Other financing sources (uses):				
Transfers in	<u>150,600</u>	<u>150,600</u>	<u>150,392</u>	<u>(208)</u>
Total other financing sources (uses)	<u>150,600</u>	<u>150,600</u>	<u>150,392</u>	<u>(208)</u>
Net change in fund balances	89,900	89,900	126,465	36,565
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 89,900</u>	<u>\$ 89,900</u>	<u>\$ 126,465</u>	<u>\$ 36,565</u>

**CITY OF JUNCTION CITY, OREGON**

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,000	\$ 1,000	\$ 362	\$ (638)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>362</u>	<u>(638)</u>
Expenditures:				
Capital outlay	<u>27,400</u>	<u>47,400</u>	<u>43,691</u>	<u>3,709</u>
Total expenditures	<u>27,400</u>	<u>47,400</u>	<u>43,691</u>	<u>3,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,400)</u>	<u>(46,400)</u>	<u>(43,329)</u>	<u>3,071</u>
Other financing sources (uses):				
Transfers in	<u>59,000</u>	<u>79,000</u>	<u>78,504</u>	<u>(496)</u>
Total other financing sources (uses)	<u>59,000</u>	<u>79,000</u>	<u>78,504</u>	<u>(496)</u>
Net change in fund balances	32,600	32,600	35,175	2,575
Fund balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 32,600</u>	<u>\$ 32,600</u>	<u>\$ 35,175</u>	<u>\$ 2,575</u>

**CITY OF JUNCTION CITY, OREGON**

Police Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 908	\$ 408
Other	-	-	11,776	11,776
Total revenues	<u>500</u>	<u>500</u>	<u>12,684</u>	<u>12,184</u>
Expenditures:				
Capital outlay	<u>167,700</u>	<u>167,700</u>	<u>146,028</u>	<u>21,672</u>
Total expenditures	<u>167,700</u>	<u>167,700</u>	<u>146,028</u>	<u>21,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167,200)</u>	<u>(167,200)</u>	<u>(133,344)</u>	<u>33,856</u>
Other financing sources (uses):				
Transfers in	<u>219,200</u>	<u>219,200</u>	<u>219,200</u>	<u>-</u>
Total other financing sources (uses)	<u>219,200</u>	<u>219,200</u>	<u>219,200</u>	<u>-</u>
Net change in fund balances	52,000	52,000	85,856	33,856
Fund balance:				
Beginning of year	<u>40,000</u>	<u>40,000</u>	<u>36,072</u>	<u>(3,928)</u>
End of year	<u>\$ 92,000</u>	<u>\$ 92,000</u>	<u>\$ 121,928</u>	<u>\$ 29,928</u>

**CITY OF JUNCTION CITY, OREGON**

Prairie Road Street Improvement Reserve Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 2,200	\$ 2,200	\$ 4,155	\$ 1,955
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>4,155</u>	<u>1,955</u>
Expenditures:				
Capital outlay	<u>218,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
Total expenditures	<u>218,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(215,800)</u>	<u>(215,800)</u>	<u>4,155</u>	<u>219,955</u>
Other financing sources (uses):				
Net change in fund balances	(215,800)	(215,800)	4,155	219,955
Fund balance:				
Beginning of year	<u>248,300</u>	<u>248,300</u>	<u>249,598</u>	<u>1,298</u>
End of year	<u>\$ 32,500</u>	<u>\$ 32,500</u>	<u>\$ 253,753</u>	<u>\$ 221,253</u>

**CITY OF JUNCTION CITY, OREGON**

Library Equip. & Build. Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Modified Cash Basis)  
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>(13,500)</u>	<u>(13,500)</u>	<u>(13,292)</u>	<u>208</u>
Net change in fund balances	\$ (13,500)	\$ (13,500)	\$ (13,292)	\$ 208
Fund balance:				
Beginning of year	<u>13,500</u>	<u>13,500</u>	<u>13,292</u>	<u>(208)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Administration Vehicle Reserve

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	\$ (12,400)	\$ (12,400)	\$ (12,008)	\$ 392
Net change in fund balances	(12,400)	(12,400)	(12,008)	392
Fund balance:				
Beginning of year	<u>12,400</u>	<u>12,400</u>	<u>12,008</u>	<u>(392)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Park and Pool Equipment Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Modified Cash Basis)  
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (50,800)</u>	<u>\$ (50,800)</u>	<u>\$ (50,800)</u>	<u>\$ -</u>
Net change in fund balances	(50,800)	(50,800)	(50,800)	-
Fund balance:				
Beginning of year	<u>50,800</u>	<u>50,800</u>	<u>57,134</u>	<u>6,334</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,334</u>	<u>\$ 6,334</u>

**CITY OF JUNCTION CITY, OREGON**

Bike Path Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 3,800	\$ 3,800	\$ 3,836	\$ 36
Investment earnings	300	300	662	362
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>4,498</u>	<u>398</u>
Expenditures:				
Materials and services	5,000	5,000	-	5,000
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,900)</u>	<u>(20,900)</u>	<u>4,498</u>	<u>25,398</u>
Other financing sources (uses):				
Net change in fund balances	(20,900)	(20,900)	4,498	25,398
Fund balance:				
Beginning of year	<u>37,300</u>	<u>37,300</u>	<u>37,585</u>	<u>285</u>
End of year	<u>\$ 16,400</u>	<u>\$ 16,400</u>	<u>\$ 42,083</u>	<u>\$ 25,683</u>

**CITY OF JUNCTION CITY, OREGON**

Park System Development Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 3,600	\$ 3,600	\$ 7,622	\$ 4,022
System development charges	<u>30,000</u>	<u>30,000</u>	<u>92,584</u>	<u>62,584</u>
Total revenues	<u>33,600</u>	<u>33,600</u>	<u>100,206</u>	<u>66,606</u>
Expenditures:				
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,400)</u>	<u>(16,400)</u>	<u>100,206</u>	<u>116,606</u>
Other financing sources (uses):				
Net change in fund balances	(16,400)	(16,400)	100,206	116,606
Fund balance:				
Beginning of year	<u>405,800</u>	<u>405,800</u>	<u>411,710</u>	<u>5,910</u>
End of year	<u>\$ 389,400</u>	<u>\$ 389,400</u>	<u>\$ 511,916</u>	<u>\$ 122,516</u>

**CITY OF JUNCTION CITY, OREGON**

Computer Equipment Reserve Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (10,100)</u>	<u>\$ (10,100)</u>	<u>\$ (9,995)</u>	<u>\$ 105</u>
Net change in fund balances	(10,100)	(10,100)	(9,995)	105
Fund balance:				
Beginning of year	<u>10,100</u>	<u>10,100</u>	<u>9,995</u>	<u>(105)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Streets Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 73,911	\$ (126,089)
Investment earnings	1,100	1,100	3,212	2,112
Other	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total revenues	<u>203,600</u>	<u>203,600</u>	<u>77,123</u>	<u>(126,477)</u>
Expenditures:				
Capital outlay	<u>250,500</u>	<u>250,500</u>	<u>102,786</u>	<u>147,714</u>
Total expenditures	<u>250,500</u>	<u>250,500</u>	<u>102,786</u>	<u>147,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,900)</u>	<u>(46,900)</u>	<u>(25,663)</u>	<u>21,237</u>
Other financing sources (uses):				
Transfers in	<u>192,700</u>	<u>192,700</u>	<u>192,586</u>	<u>(114)</u>
Total other financing sources (uses)	<u>192,700</u>	<u>192,700</u>	<u>192,586</u>	<u>(114)</u>
Net change in fund balances	145,800	145,800	166,923	21,123
Fund balance:				
Beginning of year	<u>78,900</u>	<u>78,900</u>	<u>95,459</u>	<u>16,559</u>
End of year	<u><u>\$ 224,700</u></u>	<u><u>\$ 224,700</u></u>	<u><u>\$ 262,382</u></u>	<u><u>\$ 37,682</u></u>

**CITY OF JUNCTION CITY, OREGON**

Street Equipment Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Modified Cash Basis)  
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (67,400)</u>	<u>\$ (67,400)</u>	<u>\$ (67,350)</u>	<u>\$ 50</u>
Net change in fund balances	(67,400)	(67,400)	(67,350)	50
Fund balance:				
Beginning of year	<u>67,400</u>	<u>67,400</u>	<u>67,350</u>	<u>(50)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Building Replacement Reserve  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	<u>\$          700</u>	<u>\$          700</u>	<u>\$        1,272</u>	<u>\$          572</u>
Net change in fund balances	700	700	1,272	572
Fund balance:				
Beginning of year	<u>76,400</u>	<u>76,400</u>	<u>76,427</u>	<u>27</u>
End of year	<u>\$      77,100</u>	<u>\$      77,100</u>	<u>\$      77,699</u>	<u>\$          599</u>

### **Major Capital Projects Funds**

- Streets System Development Fund
- Building Reserve Fund

**CITY OF JUNCTION CITY, OREGON**

Streets System Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 9,000	\$ 9,000	\$ 17,535	\$ 8,535
System development charges	<u>15,000</u>	<u>15,000</u>	<u>55,180</u>	<u>40,180</u>
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>72,715</u>	<u>48,715</u>
Expenditures:				
Capital outlay	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,000</u>	<u>6,000</u>	<u>72,715</u>	<u>66,715</u>
Net change in fund balances	6,000	6,000	72,715	66,715
Fund balance:				
Beginning of year	<u>1,001,000</u>	<u>1,001,000</u>	<u>1,027,260</u>	<u>26,260</u>
End of year	<u>\$ 1,007,000</u>	<u>\$ 1,007,000</u>	<u>\$ 1,099,975</u>	<u>\$ 92,975</u>

**CITY OF JUNCTION CITY, OREGON**

Building Reserve

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	\$ (53,000)	\$ (53,000)	\$ (53,000)	\$ -
Net change in fund balances	(53,000)	(53,000)	(53,000)	-
Fund balance:				
Beginning of year	<u>53,000</u>	<u>53,000</u>	<u>74,828</u>	<u>21,828</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,828</u>	<u>\$ 21,828</u>

**Special Revenue Funds**

**CITY OF JUNCTION CITY, OREGON**

State Revenue Sharing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 61,500	\$ 61,500	\$ 81,790	\$ 20,290
Investment earnings	<u>1,200</u>	<u>1,200</u>	<u>3,615</u>	<u>2,415</u>
Total revenues	<u>62,700</u>	<u>62,700</u>	<u>85,405</u>	<u>22,705</u>
Expenditures:				
Materials and services	55,000	55,000	8,806	46,194
Capital outlay	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>8,806</u>	<u>186,194</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132,300)</u>	<u>(132,300)</u>	<u>76,599</u>	<u>208,899</u>
Other financing sources (uses):				
Net change in fund balances	(132,300)	(132,300)	76,599	208,899
Fund balance:				
Beginning of year	<u>142,300</u>	<u>142,300</u>	<u>172,469</u>	<u>30,169</u>
End of year	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 249,068</u>	<u>\$ 239,068</u>

## **Enterprise Funds**

- Water Fund
- Water Equipment Reserve Fund
- Water System Development Fund
- Water Capital Projects Fund
- Sewer Fund
- Sewer Ratepayer Assistance Fund
- Sewer Capital Projects Fund
- Sewer Equipment Reserve Fund
- Sewer System Development Fund
- Sanitation Fund
- Sanitation Equipment Reserve Fund
- Sanitation Capital Projects Fund

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Water Enterprise Funds

June 30, 2018

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 327,156	\$ -	\$ 92,222	\$ 272,303	\$ 691,681
Total assets	<u>\$ 327,156</u>	<u>\$ -</u>	<u>\$ 92,222</u>	<u>\$ 272,303</u>	<u>\$ 691,681</u>
 Net Position:					
Restricted	\$ -	\$ -	\$ 92,222	\$ -	\$ 92,222
Unrestricted	<u>327,156</u>	<u>-</u>	<u>-</u>	<u>272,303</u>	<u>599,459</u>
Total net position	<u>327,156</u>	<u>-</u>	<u>92,222</u>	<u>272,303</u>	<u>691,681</u>
Total liabilities and net position	<u>\$ 327,156</u>	<u>\$ -</u>	<u>\$ 92,222</u>	<u>\$ 272,303</u>	<u>\$ 691,681</u>

**CITY OF JUNCTION CITY, OREGON**

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

Water Enterprise Funds

For the Year Ended June 30, 2018

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 1,003,191	\$ -	\$ -	\$ 46,100	\$ 1,049,291
Miscellaneous	<u>12,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,680</u>
Total operating revenues	<u>1,015,871</u>	<u>-</u>	<u>-</u>	<u>46,100</u>	<u>1,061,971</u>
Operating expenses:					
Personal services	485,509	-	-	-	485,509
Materials and services	<u>380,320</u>	<u>-</u>	<u>-</u>	<u>45,761</u>	<u>426,081</u>
Total operating expenses	<u>865,829</u>	<u>-</u>	<u>-</u>	<u>45,761</u>	<u>911,590</u>
Operating income (loss)	<u>150,042</u>	<u>-</u>	<u>-</u>	<u>339</u>	<u>150,381</u>
Nonoperating revenues (expenses):					
Investment earnings	7,721	-	1,053	3,158	11,932
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,687)</u>	<u>(47,687)</u>
Total nonoperating revenues (expenses)	<u>7,721</u>	<u>-</u>	<u>1,053</u>	<u>(44,529)</u>	<u>(35,755)</u>
Income (loss) before capital contributions and transfers	157,763	-	1,053	(44,190)	114,626
Capital contributions:					
System development charges	<u>-</u>	<u>-</u>	<u>52,800</u>	<u>-</u>	<u>52,800</u>
Transfers in	-	-	-	397,803	397,803
Transfers out	<u>(325,000)</u>	<u>(66,567)</u>	<u>-</u>	<u>(111,500)</u>	<u>(503,067)</u>
Total transfers	<u>(325,000)</u>	<u>(66,567)</u>	<u>-</u>	<u>286,303</u>	<u>(105,264)</u>
Change in net position	<u>(167,237)</u>	<u>(66,567)</u>	<u>53,853</u>	<u>242,113</u>	<u>62,162</u>
Total net position- beginning	<u>494,393</u>	<u>66,567</u>	<u>38,369</u>	<u>30,190</u>	<u>629,519</u>
Total net position- ending	<u>\$ 327,156</u>	<u>\$ -</u>	<u>\$ 92,222</u>	<u>\$ 272,303</u>	<u>\$ 691,681</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Water Enterprise Funds

For the Year Ended June 30, 2018

	<u>Water Fund</u>	<u>Water Equipment Reserve Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,015,871	\$ -	\$ -	\$ 46,100	\$ 1,061,971
Payments to suppliers	(380,320)	-	-	(45,761)	(426,081)
Payments to employees	(485,509)	-	-	-	(485,509)
Net cash provided (used) by operating activities	<u>150,042</u>	<u>-</u>	<u>-</u>	<u>339</u>	<u>150,381</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	-	397,803	397,803
Transfers out	(325,000)	(66,567)	-	(111,500)	(503,067)
Net cash provided (used) by noncapital financing activities	<u>(325,000)</u>	<u>(66,567)</u>	<u>-</u>	<u>286,303</u>	<u>(105,264)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	-	-	-	(47,687)	(47,687)
System development charges	-	-	52,800	-	52,800
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>52,800</u>	<u>(47,687)</u>	<u>5,113</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>7,721</u>	<u>-</u>	<u>1,053</u>	<u>3,158</u>	<u>11,932</u>
Net change in cash and cash equivalents	(167,237)	(66,567)	53,853	242,113	62,162
Cash and cash equivalents - beginning	<u>494,393</u>	<u>66,567</u>	<u>38,369</u>	<u>30,190</u>	<u>629,519</u>
Cash and cash equivalents - ending	<u>\$ 327,156</u>	<u>\$ -</u>	<u>\$ 92,222</u>	<u>\$ 272,303</u>	<u>\$ 691,681</u>

**CITY OF JUNCTION CITY, OREGON**

Water Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 1,100,000	\$ 1,100,000	\$ 1,003,191	\$ (96,809)
Investment earnings	3,800	3,800	7,721	3,921
Other	<u>10,000</u>	<u>10,000</u>	<u>12,680</u>	<u>2,680</u>
Total revenues	<u>1,113,800</u>	<u>1,113,800</u>	<u>1,023,592</u>	<u>(90,208)</u>
Expenses:				
Personal services	538,600	538,600	485,509	53,091
Materials and services	389,900	408,500	380,320	28,180
Contingency	<u>18,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>947,100</u>	<u>947,100</u>	<u>865,829</u>	<u>81,271</u>
Excess (deficiency) of revenues over (under) expenses	<u>166,700</u>	<u>166,700</u>	<u>157,763</u>	<u>(8,937)</u>
Other financing sources (uses):				
Transfers out	<u>(325,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(325,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Net change in net position	(158,300)	(158,300)	(167,237)	(8,937)
Net Position:				
Beginning of year	<u>489,500</u>	<u>489,500</u>	<u>494,393</u>	<u>4,893</u>
End of year	<u>\$ 331,200</u>	<u>\$ 331,200</u>	<u>\$ 327,156</u>	<u>\$ (4,044)</u>

**CITY OF JUNCTION CITY, OREGON**

Water Equipment Reserve Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (73,700)</u>	<u>\$ (73,700)</u>	<u>\$ (66,567)</u>	<u>\$ 7,133</u>
Net change in net position	(73,700)	(73,700)	(66,567)	7,133
Net position:				
Beginning of year	<u>73,700</u>	<u>73,700</u>	<u>66,567</u>	<u>(7,133)</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF JUNCTION CITY, OREGON**

Water System Development Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 1,053	\$ 853
System development charges	<u>15,000</u>	<u>15,000</u>	<u>52,800</u>	<u>37,800</u>
Total revenues	<u>15,200</u>	<u>15,200</u>	<u>53,853</u>	<u>38,653</u>
Net change in net position	15,200	15,200	53,853	38,653
Net position:				
Beginning of year	<u>31,300</u>	<u>31,300</u>	<u>38,369</u>	<u>7,069</u>
End of year	<u>\$ 46,500</u>	<u>\$ 46,500</u>	<u>\$ 92,222</u>	<u>\$ 45,722</u>

**CITY OF JUNCTION CITY, OREGON**

Water Capital Projects Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 8,400	\$ 8,400	\$ 46,100	\$ 37,700
Investment earnings	<u>1,300</u>	<u>1,300</u>	<u>3,158</u>	<u>1,858</u>
Total revenues	<u>9,700</u>	<u>9,700</u>	<u>49,258</u>	<u>39,558</u>
Expenses:				
Materials and services	200,000	200,000	45,761	154,239
Capital outlay	<u>69,700</u>	<u>69,700</u>	<u>47,687</u>	<u>22,013</u>
Total expenses	<u>269,700</u>	<u>269,700</u>	<u>93,448</u>	<u>176,252</u>
Excess (deficiency) of revenues over (under) expenses	<u>(260,000)</u>	<u>(260,000)</u>	<u>(44,190)</u>	<u>215,810</u>
Other financing sources (uses):				
Transfers in	405,000	405,000	397,803	(7,197)
Transfers out	<u>(111,500)</u>	<u>(111,500)</u>	<u>(111,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>293,500</u>	<u>293,500</u>	<u>286,303</u>	<u>(7,197)</u>
Net change in net position	33,500	33,500	242,113	208,613
Net position:				
Beginning of year	<u>68,400</u>	<u>68,400</u>	<u>30,190</u>	<u>(38,210)</u>
End of year	<u>\$ 101,900</u>	<u>\$ 101,900</u>	<u>\$ 272,303</u>	<u>\$ 170,403</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Sewer Enterprise Funds

June 30, 2018

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer Capital Projects Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 572,176	\$ -	\$ 1,824,356	\$ -	\$ 2,581,751	\$ 4,978,283
Total assets	<u>\$ 572,176</u>	<u>\$ -</u>	<u>\$ 1,824,356</u>	<u>\$ -</u>	<u>\$ 2,581,751</u>	<u>\$ 4,978,283</u>
Net Position:						
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 2,581,751	\$ 2,581,751
Unrestricted	<u>572,176</u>	<u>-</u>	<u>1,824,356</u>	<u>-</u>	<u>-</u>	<u>2,396,532</u>
Total net position	<u>572,176</u>	<u>-</u>	<u>1,824,356</u>	<u>-</u>	<u>2,581,751</u>	<u>4,978,283</u>
Total liabilities and net position	<u>\$ 572,176</u>	<u>\$ -</u>	<u>\$ 1,824,356</u>	<u>\$ -</u>	<u>\$ 2,581,751</u>	<u>\$ 4,978,283</u>

**CITY OF JUNCTION CITY, OREGON**

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

Sewer Enterprise Funds

For the Year Ended June 30, 2018

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer Capital Projects Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ 1,468,466	\$ -	\$ -	\$ -	\$ -	\$ 1,468,466
Miscellaneous	<u>8,828</u>	<u>-</u>	<u>8,328</u>	<u>-</u>	<u>-</u>	<u>17,156</u>
Total operating revenues	<u>1,477,294</u>	<u>-</u>	<u>8,328</u>	<u>-</u>	<u>-</u>	<u>1,485,622</u>
Operating expenses:						
Personal services	488,610	-	-	-	-	488,610
Materials and services	<u>426,303</u>	<u>-</u>	<u>86,025</u>	<u>-</u>	<u>-</u>	<u>512,328</u>
Total operating expenses	<u>914,913</u>	<u>-</u>	<u>86,025</u>	<u>-</u>	<u>-</u>	<u>1,000,938</u>
Operating income (loss)	<u>562,381</u>	<u>-</u>	<u>(77,697)</u>	<u>-</u>	<u>-</u>	<u>484,684</u>
Nonoperating revenues (expenses):						
Investment earnings	9,570	-	27,583	-	38,790	75,943
Capital outlay	<u>-</u>	<u>-</u>	<u>(323,127)</u>	<u>-</u>	<u>-</u>	<u>(323,127)</u>
Total nonoperating revenues (expenses)	<u>9,570</u>	<u>-</u>	<u>(295,544)</u>	<u>-</u>	<u>38,790</u>	<u>(247,184)</u>
Income (loss) before capital contributions and transfers	571,951	-	(373,241)	-	38,790	237,500
Capital contributions:						
System development charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,188</u>	<u>403,188</u>
Transfers in	-	-	677,913	-	-	677,913
Transfers out	<u>(490,000)</u>	<u>(53,074)</u>	<u>-</u>	<u>(38,702)</u>	<u>-</u>	<u>(581,776)</u>
Total transfers	<u>(490,000)</u>	<u>(53,074)</u>	<u>677,913</u>	<u>(38,702)</u>	<u>-</u>	<u>96,137</u>
Change in net position	81,951	(53,074)	304,672	(38,702)	441,978	736,825
Net position - beginning	<u>490,225</u>	<u>53,074</u>	<u>1,519,684</u>	<u>38,702</u>	<u>2,139,773</u>	<u>4,241,458</u>
Net position - ending	<u>\$ 572,176</u>	<u>\$ -</u>	<u>\$ 1,824,356</u>	<u>\$ -</u>	<u>\$ 2,581,751</u>	<u>\$ 4,978,283</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Sewer Enterprise Funds

For the Year Ended June 30, 2018

	<u>Sewer Fund</u>	<u>Sewer Ratepayer Assistance Fund</u>	<u>Sewer Capital Projects Fund</u>	<u>Sewer Equipment Reserve Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 1,477,294	\$ -	\$ 8,328	\$ -	\$ -	\$ 1,485,622
Payments to suppliers	(426,303)	-	(86,025)	-	-	(512,328)
Payments to employees	(488,610)	-	-	-	-	(488,610)
Net cash provided (used) by operating activities	<u>562,381</u>	<u>-</u>	<u>(77,697)</u>	<u>-</u>	<u>-</u>	<u>484,684</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	-	-	677,913	-	-	677,913
Transfers out	(490,000)	(53,074)	-	(38,702)	-	(581,776)
Net cash provided (used) by noncapital financing activities	<u>(490,000)</u>	<u>(53,074)</u>	<u>677,913</u>	<u>(38,702)</u>	<u>-</u>	<u>96,137</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of capital assets	-	-	(323,127)	-	-	(323,127)
System development charges	-	-	-	-	403,188	403,188
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(323,127)</u>	<u>-</u>	<u>403,188</u>	<u>80,061</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	9,570	-	27,583	-	38,790	75,943
Net change in cash and cash equivalents	81,951	(53,074)	304,672	(38,702)	441,978	736,825
Cash and cash equivalents - beginning	490,225	53,074	1,519,684	38,702	2,139,773	4,241,458
Cash and cash equivalents - ending	<u>\$ 572,176</u>	<u>\$ -</u>	<u>\$ 1,824,356</u>	<u>\$ -</u>	<u>\$ 2,581,751</u>	<u>\$ 4,978,283</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 1,516,500	\$ 1,516,500	\$ 1,468,466	\$ (48,034)
Investment earnings	4,400	4,400	9,570	5,170
Other	<u>8,000</u>	<u>8,000</u>	<u>8,828</u>	<u>828</u>
Total revenues	<u>1,528,900</u>	<u>1,528,900</u>	<u>1,486,864</u>	<u>(42,036)</u>
Expenses:				
Personal services	547,100	547,100	488,610	58,490
Materials and services	462,700	492,700	426,303	66,397
Contingency	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,039,800</u>	<u>1,039,800</u>	<u>914,913</u>	<u>124,887</u>
Excess (deficiency) of revenues over (under) expenses	<u>489,100</u>	<u>489,100</u>	<u>571,951</u>	<u>82,851</u>
Other financing sources (uses):				
Transfers out	<u>(490,000)</u>	<u>(490,000)</u>	<u>(490,000)</u>	<u>-</u>
Net change in net position	(900)	(900)	81,951	82,851
Net position:				
Beginning of year	<u>485,900</u>	<u>485,900</u>	<u>490,225</u>	<u>4,325</u>
End of year	<u><u>\$ 485,000</u></u>	<u><u>\$ 485,000</u></u>	<u><u>\$ 572,176</u></u>	<u><u>\$ 87,176</u></u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Ratepayer Assistance Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (53,400)</u>	<u>\$ (53,400)</u>	<u>\$ (53,074)</u>	<u>\$ 326</u>
Net change in net position	(53,400)	(53,400)	(53,074)	326
Net position:				
Beginning of year	<u>53,400</u>	<u>53,400</u>	<u>53,074</u>	<u>(326)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Capital Projects Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 11,500	\$ 11,500	\$ 27,583	\$ 16,083
Other	<u>2,100</u>	<u>2,100</u>	<u>8,328</u>	<u>6,228</u>
Total revenues	<u>13,600</u>	<u>13,600</u>	<u>35,911</u>	<u>22,311</u>
Expenses:				
Materials and services	425,000	425,000	86,025	338,975
Capital outlay	<u>908,700</u>	<u>908,700</u>	<u>323,127</u>	<u>585,573</u>
Total expenses	<u>1,333,700</u>	<u>1,333,700</u>	<u>409,152</u>	<u>924,548</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,320,100)</u>	<u>(1,320,100)</u>	<u>(373,241)</u>	<u>946,859</u>
Other financing sources (uses):				
Transfers in	<u>703,500</u>	<u>703,500</u>	<u>677,913</u>	<u>(25,587)</u>
Net change in net position	(616,600)	(616,600)	304,672	921,272
Net position:				
Beginning of year	<u>1,387,100</u>	<u>1,387,100</u>	<u>1,519,684</u>	<u>132,584</u>
End of year	<u>\$ 770,500</u>	<u>\$ 770,500</u>	<u>\$ 1,824,356</u>	<u>\$ 1,053,856</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer Equipment Reserve Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (63,900)</u>	<u>\$ (63,900)</u>	<u>\$ (38,702)</u>	<u>\$ 25,198</u>
Net change in net position	(63,900)	(63,900)	(38,702)	25,198
Net position:				
Beginning of year	<u>63,900</u>	<u>63,900</u>	<u>38,702</u>	<u>(25,198)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Sewer System Development Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 18,200	\$ 18,200	\$ 38,790	\$ 20,590
System development charges	<u>140,000</u>	<u>140,000</u>	<u>403,188</u>	<u>263,188</u>
Total revenues	<u>158,200</u>	<u>158,200</u>	<u>441,978</u>	<u>283,778</u>
Net change in net position	158,200	158,200	441,978	283,778
Net Position:				
Beginning of year	<u>2,080,100</u>	<u>2,080,100</u>	<u>2,139,773</u>	<u>59,673</u>
End of year	<u>\$ 2,238,300</u>	<u>\$ 2,238,300</u>	<u>\$ 2,581,751</u>	<u>\$ 343,451</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Sanitation Enterprise Funds

June 30, 2018

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 455,130	\$ -	\$ 324,436	\$ 779,566
Total assets	<u>\$ 455,130</u>	<u>\$ -</u>	<u>\$ 324,436</u>	<u>\$ 779,566</u>
 Net Position:				
Unrestricted	\$ 455,130	\$ -	\$ 324,436	\$ 779,566
Total net position	<u>455,130</u>	<u>-</u>	<u>324,436</u>	<u>779,566</u>
Total liabilities and net position	<u>\$ 455,130</u>	<u>\$ -</u>	<u>\$ 324,436</u>	<u>\$ 779,566</u>

**CITY OF JUNCTION CITY, OREGON**

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

Sanitation Enterprise Funds

For the Year Ended June 30, 2018

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 923,244	\$ -	\$ -	\$ 923,244
Miscellaneous	<u>11,492</u>	<u>-</u>	<u>8,855</u>	<u>20,347</u>
Total operating revenues	<u>934,736</u>	<u>-</u>	<u>8,855</u>	<u>943,591</u>
Operating expenses:				
Personal services	338,798	-	-	338,798
Materials and services	<u>453,536</u>	<u>-</u>	<u>3,380</u>	<u>456,916</u>
Total operating expenses	<u>792,334</u>	<u>-</u>	<u>3,380</u>	<u>795,714</u>
Operating income (loss)	<u>142,402</u>	<u>-</u>	<u>5,475</u>	<u>147,877</u>
Nonoperating revenues (expenses):				
Investment earnings	7,372	-	4,782	12,154
Capital outlay	<u>-</u>	<u>-</u>	<u>(33,775)</u>	<u>(33,775)</u>
Total nonoperating revenues (expenses)	<u>7,372</u>	<u>-</u>	<u>(28,993)</u>	<u>(21,621)</u>
Income (loss) before transfers	<u>149,774</u>	<u>-</u>	<u>(23,518)</u>	<u>126,256</u>
Transfers in	-	-	288,590	288,590
Transfers out	<u>(68,600)</u>	<u>(213,853)</u>	<u>-</u>	<u>(282,453)</u>
Total transfers	<u>(68,600)</u>	<u>(213,853)</u>	<u>288,590</u>	<u>6,137</u>
Change in net position	81,174	(213,853)	265,072	132,393
Net position- beginning	<u>373,956</u>	<u>213,853</u>	<u>59,364</u>	<u>647,173</u>
Net position- ending	<u>\$ 455,130</u>	<u>\$ -</u>	<u>\$ 324,436</u>	<u>\$ 779,566</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Sanitation Enterprise Funds

For the Year Ended June 30, 2018

	<u>Sanitation Fund</u>	<u>Sanitation Equipment Reserve Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 934,736	\$ -	\$ 8,855	\$ 943,591
Payments to suppliers	(453,536)	-	(3,380)	(456,916)
Payments to employees	<u>(338,798)</u>	<u>-</u>	<u>-</u>	<u>(338,798)</u>
Net cash provided (used) by operating activities	<u>142,402</u>	<u>-</u>	<u>5,475</u>	<u>147,877</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	-	288,590	288,590
Transfers out	<u>(68,600)</u>	<u>(213,853)</u>	<u>-</u>	<u>(282,453)</u>
Net cash provided (used) by noncapital financing activities	<u>(68,600)</u>	<u>(213,853)</u>	<u>288,590</u>	<u>6,137</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	<u>-</u>	<u>-</u>	<u>(33,775)</u>	<u>(33,775)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(33,775)</u>	<u>(33,775)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>7,372</u>	<u>-</u>	<u>4,782</u>	<u>12,154</u>
Net change in cash and cash equivalents	81,174	(213,853)	265,072	132,393
Cash and cash equivalents - beginning	<u>373,956</u>	<u>213,853</u>	<u>59,364</u>	<u>647,173</u>
Cash and cash equivalents - ending	<u>\$ 455,130</u>	<u>\$ -</u>	<u>\$ 324,436</u>	<u>\$ 779,566</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 870,000	\$ 870,000	\$ 923,244	\$ 53,244
Investment earnings	2,500	2,500	7,372	4,872
Other	<u>15,700</u>	<u>15,700</u>	<u>11,492</u>	<u>(4,208)</u>
Total revenues	<u>888,200</u>	<u>888,200</u>	<u>942,108</u>	<u>53,908</u>
Expenses:				
Personal services	362,200	362,200	338,798	23,402
Materials and services	464,600	464,600	453,536	11,064
Contingency	<u>16,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>843,400</u>	<u>826,800</u>	<u>792,334</u>	<u>34,466</u>
Excess (deficiency) of revenues over (under) expenses	<u>44,800</u>	<u>61,400</u>	<u>149,774</u>	<u>88,374</u>
Other financing sources (uses):				
Transfers out	<u>(52,000)</u>	<u>(68,600)</u>	<u>(68,600)</u>	<u>-</u>
Net change in net position	(7,200)	(7,200)	81,174	88,374
Net position:				
Beginning of year	<u>344,600</u>	<u>344,600</u>	<u>373,956</u>	<u>29,356</u>
End of year	<u><u>\$ 337,400</u></u>	<u><u>\$ 337,400</u></u>	<u><u>\$ 455,130</u></u>	<u><u>\$ 117,730</u></u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Equipment Reserve Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (214,000)</u>	<u>\$ (214,000)</u>	<u>\$ (213,853)</u>	<u>\$ 147</u>
Net change in net position	(214,000)	(214,000)	(213,853)	147
Net position:				
Beginning of year	<u>214,000</u>	<u>214,000</u>	<u>213,853</u>	<u>(147)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY, OREGON**

Sanitation Capital Projects Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 4,782	\$ 3,282
Other	<u>-</u>	<u>-</u>	<u>8,855</u>	<u>8,855</u>
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>13,637</u>	<u>12,137</u>
Expenses:				
Materials and services	40,000	40,000	3,380	36,620
Capital outlay	<u>30,800</u>	<u>47,400</u>	<u>33,775</u>	<u>13,625</u>
Total expenses	<u>70,800</u>	<u>87,400</u>	<u>37,155</u>	<u>50,245</u>
Excess (deficiency) of revenues over (under) expenses	<u>(69,300)</u>	<u>(85,900)</u>	<u>(23,518)</u>	<u>62,382</u>
Other financing sources (uses):				
Transfers in	<u>272,200</u>	<u>288,800</u>	<u>288,590</u>	<u>(210)</u>
Net change in net position	202,900	202,900	265,072	62,172
Net position:				
Beginning of year	<u>58,800</u>	<u>58,800</u>	<u>59,364</u>	<u>564</u>
End of year	<u>\$ 261,700</u>	<u>\$ 261,700</u>	<u>\$ 324,436</u>	<u>\$ 62,736</u>

## **Internal Service Fund**

- Internal Service Fund
- Internal Services Capital Projects Fund

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Net Position - Modified Cash Basis

Internal Service Fund

June 30, 2018

	<u>Internal Service Fund</u>	<u>Internal Services Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,737	\$ 5,039	\$ 28,776
Total assets	<u>\$ 23,737</u>	<u>\$ 5,039</u>	<u>\$ 28,776</u>
 Net Position:			
Unrestricted	<u>23,737</u>	<u>5,039</u>	<u>28,776</u>
Total liabilities and net position	<u>\$ 23,737</u>	<u>\$ 5,039</u>	<u>\$ 28,776</u>

**CITY OF JUNCTION CITY, OREGON**

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

Internal Service Fund

For the Year Ended June 30, 2018

	<u>Internal Service Fund</u>	<u>Internal Services Capital Projects Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 376,837	\$ -	\$ 376,837
Miscellaneous	<u>739</u>	<u>-</u>	<u>739</u>
Total operating revenues	<u>377,576</u>	<u>-</u>	<u>377,576</u>
Operating expenses:			
Personal services	189,699	-	189,699
Materials and services	<u>183,098</u>	<u>-</u>	<u>183,098</u>
Total operating expenses	<u>372,797</u>	<u>-</u>	<u>372,797</u>
Operating income (loss)	<u>4,779</u>	<u>-</u>	<u>4,779</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>548</u>	<u>39</u>	<u>587</u>
Total nonoperating revenues (expenses)	<u>548</u>	<u>39</u>	<u>587</u>
Income (loss) before transfers	<u>5,327</u>	<u>39</u>	<u>5,366</u>
Transfers in	-	5,000	5,000
Transfers out	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Total transfers	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>
Change in net position	327	5,039	5,366
Total net position- beginning	<u>23,410</u>	<u>-</u>	<u>23,410</u>
Total net position- ending	<u>\$ 23,737</u>	<u>\$ 5,039</u>	<u>\$ 28,776</u>

**CITY OF JUNCTION CITY, OREGON**

Combining Schedule of Cash Flows - Modified Cash Basis

Internal Service Fund

For the Year Ended June 30, 2018

	<u>Internal Service Fund</u>	<u>Internal Services Capital Projects Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ 377,576	\$ -	\$ 377,576
Payments to suppliers	(183,098)	-	(183,098)
Payments to employees	<u>(189,699)</u>	-	<u>(189,699)</u>
Net cash provided (used) by operating activities	<u>4,779</u>	<u>-</u>	<u>4,779</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	5,000	5,000
Transfers out	<u>(5,000)</u>	-	<u>(5,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>548</u>	<u>39</u>	<u>587</u>
Net change in cash and cash equivalents	327	5,039	5,366
Cash and cash equivalents - beginning	<u>23,410</u>	-	<u>23,410</u>
Cash and cash equivalents - ending	<u>\$ 23,737</u>	<u>\$ 5,039</u>	<u>\$ 28,776</u>

**CITY OF JUNCTION CITY, OREGON**

Internal Service Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 443,200	\$ 443,200	\$ 376,837	\$ (66,363)
Investment earnings	200	200	548	348
Other	-	-	739	739
Total revenues	<u>443,400</u>	<u>443,400</u>	<u>378,124</u>	<u>(65,276)</u>
Expense:				
Personal services	200,300	200,300	189,699	10,601
Materials and services	228,800	228,800	183,098	45,702
Contingency	8,600	8,600	-	8,600
Total expenses	<u>437,700</u>	<u>437,700</u>	<u>372,797</u>	<u>64,903</u>
Excess (deficiency) of revenues over (under) expenses	<u>5,700</u>	<u>5,700</u>	<u>5,327</u>	<u>(373)</u>
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in net position	700	700	327	(373)
Net position:				
Beginning of year	<u>46,000</u>	<u>46,000</u>	<u>23,410</u>	<u>(22,590)</u>
End of year	<u>\$ 46,700</u>	<u>\$ 46,700</u>	<u>\$ 23,737</u>	<u>\$ (22,963)</u>

**CITY OF JUNCTION CITY, OREGON**

Internal Services Capital Projects Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 39	\$ (61)
Total revenues	<u>100</u>	<u>100</u>	<u>39</u>	<u>(61)</u>
Expense:				
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenses	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>(4,900)</u>	<u>(4,900)</u>	<u>39</u>	<u>4,939</u>
Other financing sources (uses):				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in net position	100	100	5,039	4,939
Net position:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 5,039</u>	<u>\$ 4,939</u>

**Private-Purpose Trust Fund**

- Special Police Programs Fund

**CITY OF JUNCTION CITY, OREGON**

Private-Purpose Trust Fund - Special Police Programs Fund  
 Schedule of Additions, Deductions, and Changes in Net Position  
 Budget and Actual (Modified Cash Basis)  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions:				
Investment earnings	\$ 200	\$ 200	\$ 307	\$ 107
Donations and special events	<u>4,000</u>	<u>4,000</u>	<u>1,770</u>	<u>(2,230)</u>
Total additions	<u>4,200</u>	<u>4,200</u>	<u>2,077</u>	<u>(2,123)</u>
Deductions:				
Materials and services	<u>22,500</u>	<u>22,500</u>	<u>1,446</u>	<u>21,054</u>
Net change in net position	(18,300)	(18,300)	631	18,931
Net position:				
Beginning of year	<u>19,900</u>	<u>19,900</u>	<u>18,116</u>	<u>(1,784)</u>
End of year	<u><u>\$ 1,600</u></u>	<u><u>\$ 1,600</u></u>	<u><u>\$ 18,747</u></u>	<u><u>\$ 17,147</u></u>

## **Agency Fund**

- Municipal Court Fund

**CITY OF JUNCTION CITY, OREGON**

Agency Fund - Municipal Court  
Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 15,619</u>	<u>\$ 140,929</u>	<u>\$ (143,509)</u>	<u>\$ 13,039</u>
<b>LIABILITIES AND NET POSITION</b>				
Fines and bails	<u>\$ 15,619</u>	<u>\$ 140,929</u>	<u>\$ (143,509)</u>	<u>\$ 13,039</u>

**TREND INFORMATION**

**CITY OF JUNCTION CITY, OREGON**

Net Position by Component

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
<b>Governmental activities</b>					
Restricted	\$ 3,360,036	\$ 2,980,248	\$ 2,724,610	\$ 2,792,423	\$ 2,670,868
Unrestricted	<u>3,101,979</u>	<u>3,125,148</u>	<u>3,069,067</u>	<u>2,902,421</u>	<u>2,635,101</u>
Total governmental activities net position	<u>\$ 6,462,015</u>	<u>\$ 6,105,396</u>	<u>\$ 5,793,677</u>	<u>\$ 5,694,844</u>	<u>\$ 5,305,969</u>
<b>Business-type activities</b>					
Restricted	\$ 2,673,973	\$ 2,178,142	\$ 1,935,601	\$ 1,530,717	\$ 2,832,661
Unrestricted	<u>3,775,557</u>	<u>3,340,008</u>	<u>2,744,052</u>	<u>2,198,379</u>	<u>1,631,163</u>
Total business-type activities net position	<u>\$ 6,449,530</u>	<u>\$ 5,518,150</u>	<u>\$ 4,679,653</u>	<u>\$ 3,729,096</u>	<u>\$ 4,463,824</u>
<b>Primary government</b>					
Restricted	\$ 6,034,009	\$ 5,158,390	\$ 4,660,211	\$ 4,323,140	\$ 5,503,529
Unrestricted	<u>6,877,536</u>	<u>6,465,156</u>	<u>5,813,119</u>	<u>5,100,800</u>	<u>4,266,264</u>
Total net position	<u>\$ 12,911,545</u>	<u>\$ 11,623,546</u>	<u>\$ 10,473,330</u>	<u>\$ 9,423,940</u>	<u>\$ 9,769,793</u>

**CITY OF JUNCTION CITY, OREGON**

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

<b>Expenses</b>	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities					
General Government	\$ 1,425,888	\$ 1,315,477	\$ 1,288,046	\$ 1,026,117	\$ 1,207,777
Public Safety	2,443,914	2,096,472	2,010,384	1,725,207	1,874,793
Highways and streets	336,474	267,628	371,864	320,764	289,004
Economic development	8,727	1,175	185	3,146	21,756
Culture and recreation	<u>891,170</u>	<u>768,271</u>	<u>660,900</u>	<u>588,416</u>	<u>553,649</u>
Total governmental activities	<u>5,106,173</u>	<u>4,449,023</u>	<u>4,331,379</u>	<u>3,663,650</u>	<u>3,946,979</u>
Business-type activities					
Water	959,277	800,064	1,099,032	1,149,899	1,223,828
Sewer	1,324,065	1,149,850	1,136,451	2,536,708	3,648,023
Sanitation	<u>829,490</u>	<u>847,767</u>	<u>792,317</u>	<u>678,178</u>	<u>650,207</u>
Total business-type activities	<u>3,112,832</u>	<u>2,797,681</u>	<u>3,027,800</u>	<u>4,364,785</u>	<u>5,522,058</u>
Total expenses	<u>\$ 8,219,005</u>	<u>\$ 7,246,704</u>	<u>\$ 7,359,179</u>	<u>\$ 8,028,435</u>	<u>\$ 9,469,037</u>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General Government	\$ 818,510	\$ 471,476	\$ 959,166	\$ 589,779	\$ 714,183
Public Safety	49,982	17,129	-	378	22
Highways and streets	4,891	9,456	19,177	7,505	2,306
Economic development	-	5,371	79,654	45,728	44,385
Culture and recreation	130,192	258,033	-	950	650
Operating grants and contributions	371,394	347,926	390,186	315,830	315,814
Capital grants and contributions	55,180	14,747	72,094	94,043	76,063
<b>Total governmental activities</b>	<b>1,430,149</b>	<b>1,124,138</b>	<b>1,520,277</b>	<b>1,054,213</b>	<b>1,153,423</b>
Business-type activities					
Charges for services					
Water	1,114,770	1,051,758	1,034,946	1,146,663	990,784
Sewer	1,888,810	1,658,425	1,861,095	1,688,124	1,597,888
Sanitation	943,591	900,299	855,868	797,573	763,618
<b>Total business-type activities</b>	<b>3,947,171</b>	<b>3,610,482</b>	<b>3,751,909</b>	<b>3,632,360</b>	<b>3,352,290</b>
<b>Total program revenues</b>	<b>\$ 5,377,320</b>	<b>\$ 4,734,620</b>	<b>\$ 5,272,186</b>	<b>\$ 4,686,573</b>	<b>\$ 4,505,713</b>
Net (expense)/revenue					
Governmental activities	\$ (3,676,024)	\$ (3,324,885)	\$ (2,811,102)	\$ (2,609,437)	\$ (2,793,556)
Business-type activities	834,339	812,801	724,109	(732,425)	(2,169,768)
<b>Total net (expense) revenue</b>	<b>\$ (2,841,685)</b>	<b>\$ (2,512,084)</b>	<b>\$ (2,086,993)</b>	<b>\$ (3,341,862)</b>	<b>\$ (4,963,324)</b>

**CITY OF JUNCTION CITY, OREGON**

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
<b>General revenues and transfers</b>					
Governmental activities					
Property taxes	\$ 2,506,069	\$ 2,379,980	\$ 2,286,146	\$ 2,187,950	\$ 2,084,931
Franchise taxes	453,753	437,898	415,651	399,692	391,305
Other taxes and receipts	963,798	724,580	395,931	385,437	376,219
Investment earnings	106,033	65,546	36,507	27,233	27,924
Transfer to fiduciary fund	-	-	(24,800)	(22,500)	-
Transfers in (out)	2,990	28,600	(199,500)	20,500	202,100
<b>Total governmental activities</b>	<b>4,032,643</b>	<b>3,636,604</b>	<b>2,909,935</b>	<b>2,998,312</b>	<b>3,082,479</b>
Business-type activities					
Investment earnings	100,031	54,296	26,948	18,197	27,361
Interfund loan	-	(21,500)	-	-	-
Transfers in (out)	(2,990)	(7,100)	199,500	(20,500)	(202,100)
<b>Total business-type activities</b>	<b>97,041</b>	<b>25,696</b>	<b>226,448</b>	<b>(2,303)</b>	<b>(174,739)</b>
<b>Total primary government</b>	<b>\$ 4,129,684</b>	<b>\$ 3,662,300</b>	<b>\$ 3,136,383</b>	<b>\$ 2,996,009</b>	<b>\$ 2,907,740</b>
Change in net position					
Governmental activities	\$ 356,619	\$ 311,719	\$ 98,833	\$ 388,875	\$ 288,923
Business-type activities	931,380	838,497	950,557	(734,728)	(2,344,507)
<b>Total change in net position</b>	<b>\$ 1,287,999</b>	<b>\$ 1,150,216</b>	<b>\$ 1,049,390</b>	<b>\$ (345,853)</b>	<b>\$ (2,055,584)</b>

**CITY OF JUNCTION CITY, OREGON**

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

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
General Fund					
Committed	\$ 96,078	\$ 99,096	\$ 103,641	\$ 78,626	\$ 59,562
Unassigned	<u>2,071,561</u>	<u>2,285,732</u>	<u>2,209,751</u>	<u>2,141,334</u>	<u>2,015,995</u>
Total general fund	<u>2,167,639</u>	<u>2,384,828</u>	<u>2,313,392</u>	<u>2,219,960</u>	<u>2,075,557</u>
All other governmental funds					
Restricted	3,360,036	2,980,248	2,724,610	2,792,423	2,670,868
Committed	<u>905,564</u>	<u>716,910</u>	<u>737,064</u>	<u>662,396</u>	<u>557,975</u>
Total all other governmental funds	<u>4,265,600</u>	<u>3,697,158</u>	<u>3,461,674</u>	<u>3,454,819</u>	<u>3,228,843</u>
Total governmental funds	<u>\$ 6,433,239</u>	<u>\$ 6,081,986</u>	<u>\$ 5,775,066</u>	<u>\$ 5,674,779</u>	<u>\$ 5,304,400</u>

**CITY OF JUNCTION CITY, OREGON**

Changes in Fund Balances of Governmental Funds

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
<b>REVENUES</b>					
Taxes:					
Property	\$ 2,506,069	\$ 2,379,980	\$ 2,286,146	\$ 2,187,950	\$ 2,084,931
Franchise	453,753	437,898	415,651	399,692	391,305
Other	15,818	13,133	12,085	14,370	10,121
Licenses and permits	366,618	219,008	179,437	235,574	339,190
Intergovernmental	769,078	710,179	622,746	615,762	605,739
Charges for services	791,876	588,902	569,369	140,029	75,318
System development charges	177,952	55,319	185,544	137,504	124,163
Fines and forfeitures	111,060	134,096	154,289	147,330	239,058
Investment earnings	105,442	65,261	36,350	27,068	27,838
Principal received - program loans	-	5,025	78,047	40,154	36,989
Interest received - program loans	-	145	1,607	5,574	7,296
Contributions and donations	22,851	23,752	36,884	27,675	28,072
Other revenue	137,957	98,530	75,523	75,678	63,695
<b>Total revenues</b>	<b>5,458,474</b>	<b>4,731,228</b>	<b>4,653,678</b>	<b>4,054,360</b>	<b>4,033,715</b>
<b>EXPENDITURES</b>					
Current:					
General government	1,429,927	1,319,362	1,285,758	1,044,448	1,015,759
Public Safety	2,443,914	2,096,472	2,010,384	1,725,207	1,874,793
Highway and streets	336,474	267,628	371,864	320,764	289,004
Economic Development	8,727	1,175	185	3,146	21,756
Culture and recreation	891,169	768,271	660,900	588,416	553,649
<b>Total expenditures</b>	<b>5,110,211</b>	<b>4,452,908</b>	<b>4,329,091</b>	<b>3,681,981</b>	<b>3,754,961</b>
Excess (deficiency) of revenues over (under) expenditures	348,263	278,320	324,587	372,379	278,754
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	502,500	237,500	468,500	513,300	300,100
Transfers out	(499,510)	(208,900)	(692,800)	(515,300)	(291,500)
<b>Total other financing sources (uses)</b>	<b>2,990</b>	<b>28,600</b>	<b>(224,300)</b>	<b>(2,000)</b>	<b>8,600</b>
<b>Net change in fund balances</b>	<b>\$ 351,253</b>	<b>\$ 306,920</b>	<b>\$ 100,287</b>	<b>\$ 370,379</b>	<b>\$ 287,354</b>

**CITY OF JUNCTION CITY, OREGON**

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

	Governmental Activities		Business-Type Activities	
	Fiscal year ended June 30,	Notes Payable	Capital Lease	Capital Lease
2018	\$ -	\$ -	\$ -	\$ -
2017	-	-	-	-
2016	-	-	-	-
2015	-	-	-	-
2014	-	-	-	-

**COMPLIANCE SECTION**



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INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and City Council  
City of Junction City

We have audited the basic financial statements of the City of Junction City, Oregon ("City") as of and for the year ended June 30, 2018, and have issued our report thereon dated December 5, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

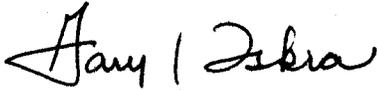
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320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

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

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

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

**Isler CPA**

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

For Isler CPA  
Eugene, Oregon  
December 5, 2018