



CITY OF JUNCTION CITY, OREGON

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH
INDEPENDENT AUDITOR'S REPORT

CITY OF JUNCTION CITY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
WITH INDEPENDENT AUDITOR'S REPORT

Prepared by:
Finance Department

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INTRODUCTORY SECTION

CITY OF JUNCTION CITY

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

December 5, 2019

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, 2019. 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, 2019. 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 6,160.

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



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

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

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

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

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

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets 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. Northern Golden Foods is completing construction phase one and will begin operations in FY19/20.

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 4.4% as of October 2019, down from 4.6% for the county one year ago.

Council adopted the Water Master Plan and the Wastewater Master Plan during the year. A utility rate study for water, sewer and sanitation was completed and presented to Council. Council adopted the Water Quality Improvement Plan in June.

Building permit activity required Council to adopt two budget adjustments for the Building Department to recognize additional revenue during the year due to higher level of activities than anticipated. Commercial development at the north end of the City continues as well as several residential building projects.

The Police Department received a grant from the Oregon Department of Transportation for eCitation software and hardware. The City continued to develop inter-governmental agreements in the Police and Building departments to allow the City to share costs and maintain high standards of service.

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, 2019 was 6,160, which represents a 0.6% increase over the prior year and an 14.2% 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 pension and other post employee benefit obligations are disclosed in the notes to the financial statements.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Total assets	\$ 7,540,770	\$ 6,483,441	\$ 7,047,267	\$ 6,449,530	\$ 14,588,037	\$ 12,932,971
Total liabilities	2,609	21,426	-	-	2,609	21,426
Net position:						
Restricted	3,810,701	3,360,036	2,931,998	2,673,973	6,742,699	6,034,009
Unrestricted	3,727,460	3,101,979	4,115,269	3,775,557	7,842,729	6,877,536
Total net position	<u>\$ 7,538,161</u>	<u>\$ 6,462,015</u>	<u>\$ 7,047,267</u>	<u>\$ 6,449,530</u>	<u>\$ 14,585,428</u>	<u>\$ 12,911,545</u>

For the year ended June 30, 2019, the overall modified cash basis net position of the City increased by \$1,673,882. Of the total increase, the governmental activities' net position increased by \$1,076,145 and business activities by \$597,737.

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 \$210,365 of the increase and the increase to General Fund Programs and the related capital projects funds was \$518,163. The net position increase of \$597,737 to business activity's funds, included \$737,087 in the Sewer Funds, a \$113,863 decrease in the Water Funds, and a \$25,487 decrease in the Sanitation Funds. The utility funds continue to meet fiscal policy minimum fund balance and reserve contribution requirements.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$1,527,180	\$1,003,575	\$3,902,430	\$3,947,171	\$ 5,429,610	\$ 4,950,746
Operating grants and contribution	580,642	371,394	-	-	580,642	371,394
Capital grants and contributions	266,674	55,180	-	-	266,674	55,180
General revenues:						
Property taxes	2,727,671	2,506,069	-	-	2,727,671	2,506,069
Franchise taxes	438,232	453,753	-	-	438,232	453,753
Other taxes	596,578	963,798	-	-	596,578	963,798
Investment income	178,751	106,033	169,694	100,031	348,445	206,064
Total revenues	<u>6,315,728</u>	<u>5,459,802</u>	<u>4,072,124</u>	<u>4,047,202</u>	<u>10,387,852</u>	<u>9,507,004</u>
Expenses						
General government	1,586,816	1,425,888	-	-	1,586,816	1,425,888
Public safety	2,652,322	2,443,914	-	-	2,652,322	2,443,914
Highways and streets	479,849	336,474	-	-	479,849	336,474
Economic development	10,819	8,727	-	-	10,819	8,727
Culture and recreation	531,277	891,170	-	-	531,277	891,170
Water	-	-	1,152,860	959,277	1,152,860	959,277
Sewer	-	-	1,221,809	1,324,065	1,221,809	1,324,065
Sanitation	-	-	1,078,218	829,490	1,078,218	829,490
Total expenses	<u>5,261,083</u>	<u>5,106,173</u>	<u>3,452,887</u>	<u>3,112,832</u>	<u>8,713,970</u>	<u>8,219,005</u>
Excess before transfers	1,054,645	353,629	619,237	934,370	1,673,882	1,287,999
Transfers - fiduciary fund	-	-	-	-	-	-
Transfers - internal activity	21,500	2,990	(21,500)	(2,990)	-	-
Increase in net assets	1,076,145	356,619	597,737	931,380	1,673,882	1,287,999
Net position, beginning of year	<u>6,462,016</u>	<u>6,105,396</u>	<u>6,449,530</u>	<u>5,518,150</u>	<u>12,911,546</u>	<u>11,623,546</u>
Net position, end of year	<u>\$7,538,161</u>	<u>\$6,462,015</u>	<u>\$7,047,267</u>	<u>\$6,449,530</u>	<u>\$ 14,585,428</u>	<u>\$ 12,911,545</u>

Governmental Funds

For the fiscal year ended June 30, 2019, the governmental funds reported a combined fund balance of \$7,474,445, an increase of \$1,041,205 over the prior year. The General Fund balance increased by \$405,488 and total revenues increased by \$484,512. The General Fund revenue changes included an 8.8% or \$221,602, increase to property taxes over the prior year. The excess of revenues over expenditures, before transfers, in the General Fund was \$587,898 for fiscal year ended June 30, 2019. 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 \$28,910 and a total increase to ending fund balance of \$52,217. The Streets System Development Fund increased \$298,910 with \$266,674 in system development charges revenue

and had no expenditures. The combined non-major governmental funds include capital project funds and special revenue funds which increased by \$149,354 in total, and reflects the city's continued increase to reserves.

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

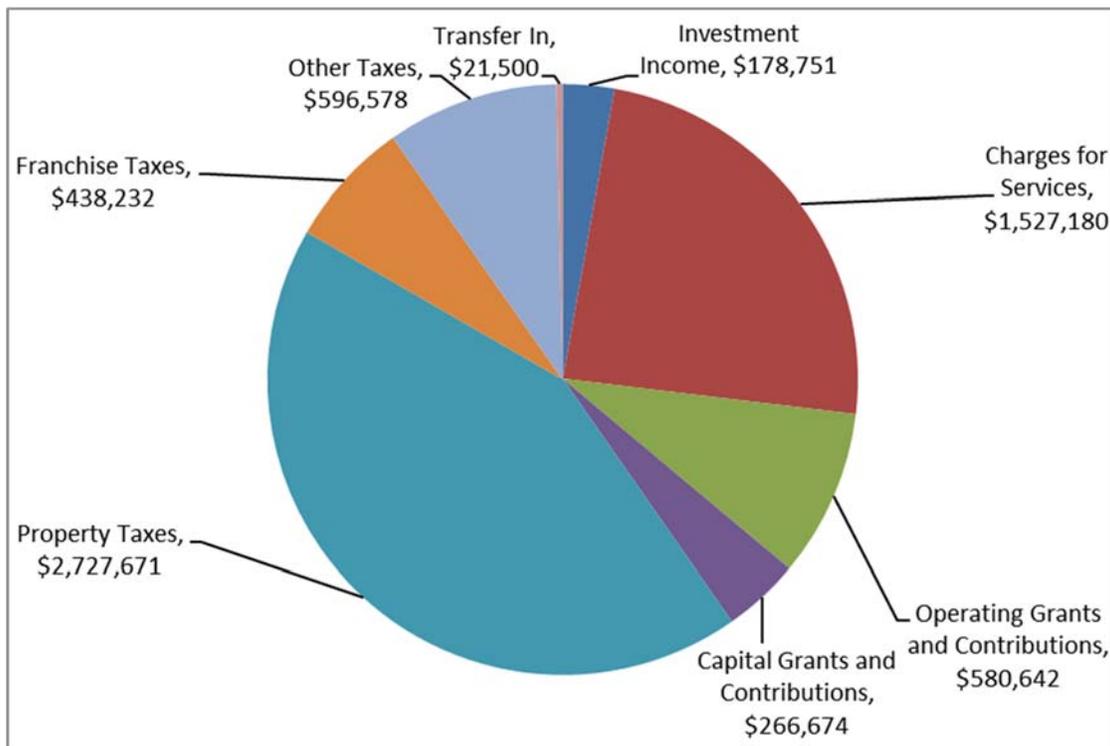
- On September 11, 2018 Council adopted resolution 1197 to recognize additional building permits and related intergovernmental agreement revenues in the building department for \$180,800, increased Building and Planning personal services appropriations for \$80,800, and the Building Official Contract for \$100,000. The Building Department is contained in the General Fund.
- On September 25, 2018 Council adopted resolution 1198 to recognize a grant from the Oregon Department of Transportation to cover the cost of the eCitation hardware and software and made appropriations for \$67,000 in the Police Capital Projects Fund.
- On January 22, 2019, Council adopted resolution 1204 for the purchase of a new street sweeper. In the General Fund additional property taxes of \$46,100 were recognized and appropriations made to transfer the funds to the Streets Capital Project Fund. In the Streets Capital Project Fund, the transfer in from the General Fund was recognized, other revenue in the amount of \$44,900 from insurance proceeds for the loss of the old sweeper were recognized, and appropriations were made in the amount of \$91,000 for the purchase of the new street sweeper.
- On March 12, 2019, Council adopted resolution 1205 to transfer contingency appropriations in the Building Department, within the General Fund in the amount of \$14,100. The appropriations were transferred to the Planning Services Contracted line for \$4,000 and the building Official Contract line for \$10,100.
- On April 9, 2019, Council adopted resolution 1209 to increase appropriations in the Building Department within the General Fund in the amount of \$136,000 for the Building Official Contract and other materials and services for a total of \$144,000. Building permit and plan revenue was recognized for \$144,000.
- On May 14, 2019, Council adopted resolution 1215 to transfer appropriations in the Library Department, transferring Library contingency appropriations of \$2,600 and general contingency appropriations of \$16,000 for a total of \$18,600.
- On May 14, 2019, Council adopted resolution 1216 to transfer appropriations in the Court Department in the amount of \$4,400 from contingency and \$10,500 from personnel services for a total of \$14,900 to materials and services.
- On May 14, 2019, Council adopted resolution 1217 to transfer appropriations in the Police Department. Appropriations were decreased in contingency for \$42,300 and personnel services for \$47,700 for a total of \$90,000. Appropriations were increased in the Patrol Division for \$64,600, Dispatch Division for \$21,400 and Police Administration for \$4,000 for a total of \$90,000.
- On May 14, 2019, Council adopted resolution 1220 to transfer appropriations in the Community Center fund from contingency in the amount of \$1,400 to office equipment leases.

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

Revenue Source	Budgeted revenue	Actual revenue	Difference
Intergovernmental	\$ 632,200	\$ 448,180	\$ (184,020)
Other Revenue	154,400	36,929	(117,471)

Intergovernmental revenues were lower than budgeted due to certain dispatch contracts in the Police Department that did not materialize as expected. Dispatch contracts accounted for \$189,000 and other Police related revenue in Other accounted for \$56,000.

Governmental Activities Funding



Nonmajor Governmental Funds

Nonmajor Governmental Fund balances increased by \$149,354 during the fiscal year. Nonmajor Capital project funds balance increased by \$196,815, of this amount, the Community Services Capital Projects Fund increased by \$43,258 and the Capital Projects by \$48,142. Streets Capital Projects ending fund balance increased by \$92,204. Reserve transfers and franchise fee allocations contributed to the Streets Capital Projects Fund have helped to increase the reserves in this fund.

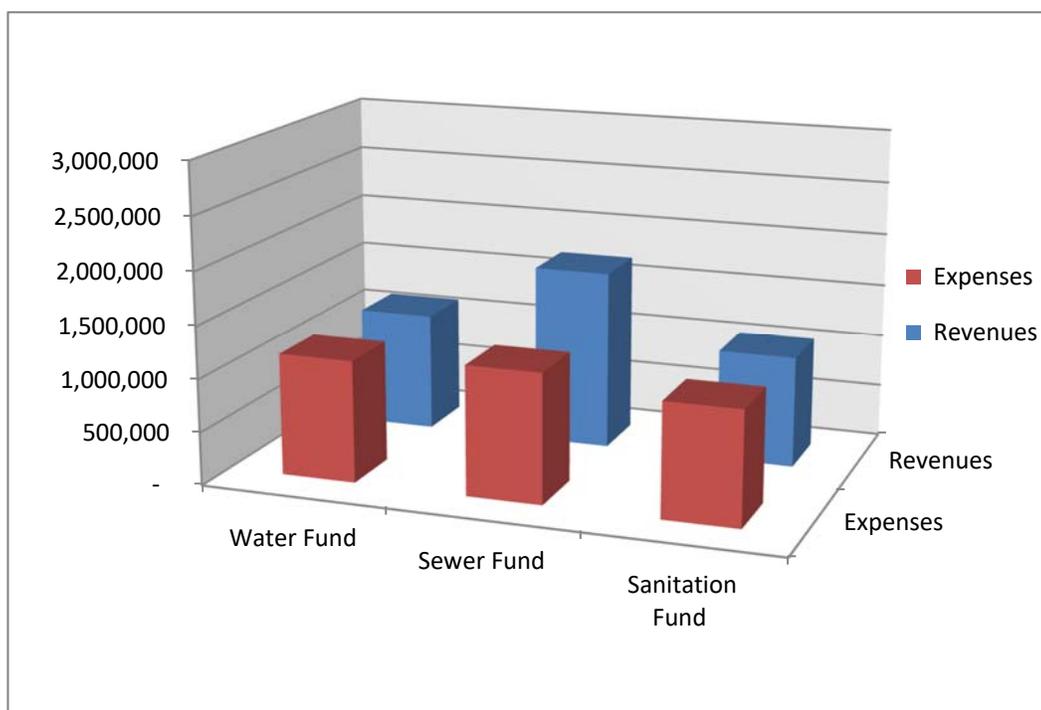
Proprietary Funds

For the fiscal year ended June 30, 2019 the proprietary funds reported a modified cash basis net position of \$7,047,267, an increase of \$597,737 over the prior year. Each of the individual propriety fund balances are over their respective minimum fund balance requirement. Each of the proprietary funds were able to make required reserve transfers to their corresponding reserve funds. The transfers were \$232,800 from the Water Fund, \$600,000 from the Sewer Fund, and \$250,000 from the Sanitation Fund. In addition, for water and sewer system development funds, the system development charges were \$187,725, interest earnings were \$70,300 and no expenditures were made during FY18/19.

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

- On April 9, 2019, Council adopted resolution 1210 to increase appropriations in the Internal Services Fund in the amount of \$81,400 to allow for increased vehicle and equipment costs and recognize corresponding internal service charges revenue.
- On May 14, 2019, Council adopted resolution 1218 to transfer appropriations in the Water Fund from contingency in the amount of \$20,000 to materials and services. The largest amounting being \$18,000 to vehicle and equipment maintenance.
- On May 14, 2019, Council adopted resolution 1219 to transfer appropriations in the Sanitation Fund from contingency in the amount of \$17,000 to vehicles and equipment maintenance.

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, 2018. This was the sixth 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 F. 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**

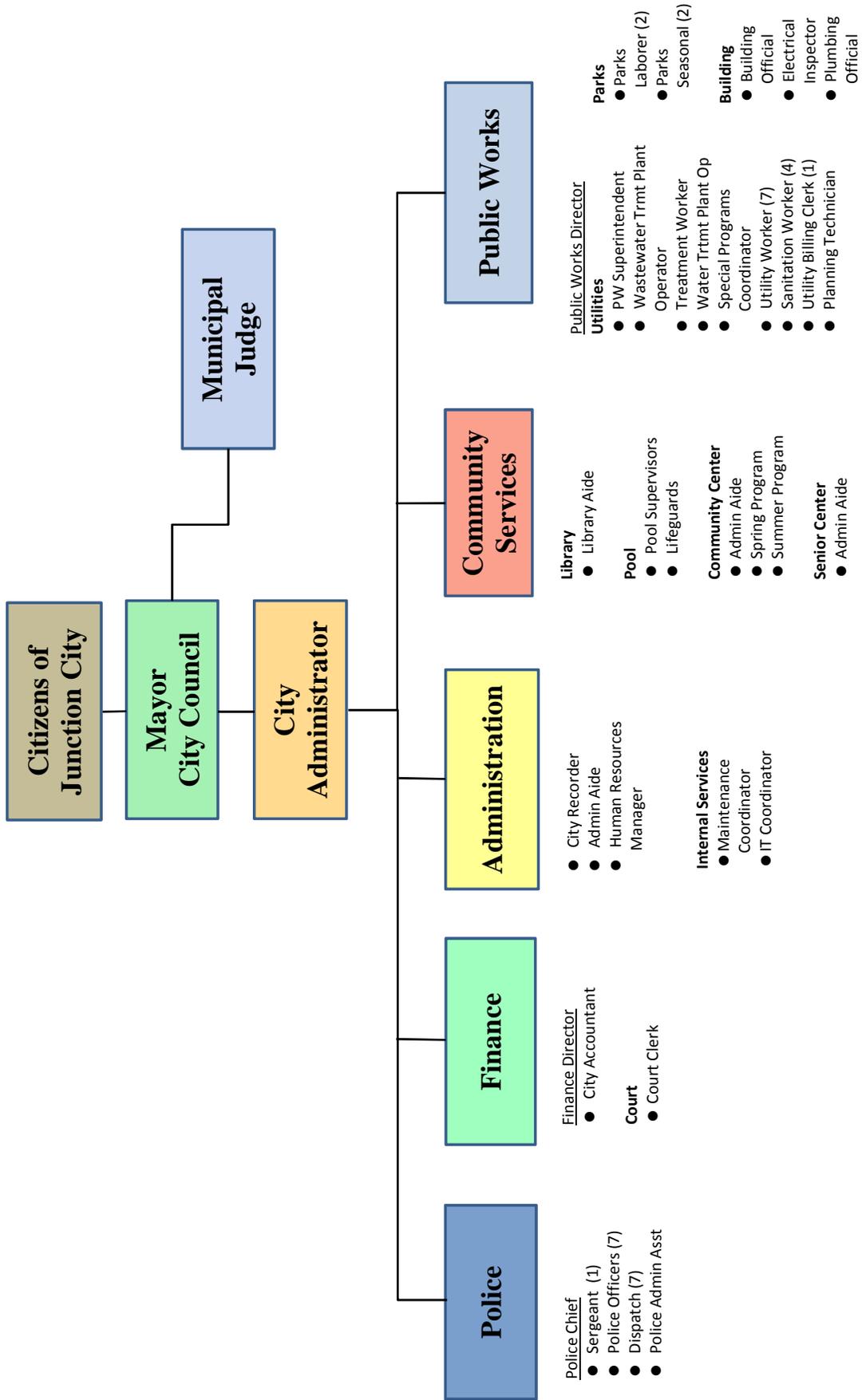
For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

**City of Junction City
Personnel Organization Chart
FY 2019/20**



CITY OF JUNCTION CITY, OREGON

List of Elected Officials

June 30, 2019

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Mark Crenshaw 1280 Oak Street Junction City, OR 97448	Mayor	January 12, 2021
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 12, 2021
Dale Rowe 1824 W. 10th Junction City, OR 97448	Councilor	January 10, 2023
Sandie Thomas 1225 Kalmia Street Junction City, OR 97448	Councilor	January 10, 2023
Andrea Ceniga 1088 Ladd Avenue Junction City, OR 97448	Councilor	January 10, 2023
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
541.342.5161
www.islercpa.com

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, 2019, 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, 2019, 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 - 75 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 76 - 82 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, 2019 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 83 - 84 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



By Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
December 5, 2019

BASIC FINANCIAL STATEMENTS

CITY OF JUNCTION CITY, OREGON

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 7,537,622	\$ 7,047,267	\$ 14,584,889
Developer advances	3,148	-	3,148
Total assets	<u>\$ 7,540,770</u>	<u>\$ 7,047,267</u>	<u>\$ 14,588,037</u>
LIABILITIES			
Due to others	\$ 2,609	\$ -	\$ 2,609
Total liabilities	<u>2,609</u>	<u>-</u>	<u>2,609</u>
NET POSITION			
Restricted for:			
Street and bicycle paths	491,984	-	491,984
Business development	1,183,042	-	1,183,042
Systems development	1,934,068	2,931,998	4,866,066
State revenue sharing	201,607	-	201,607
Unrestricted	<u>3,727,460</u>	<u>4,115,269</u>	<u>7,842,729</u>
Total net position	<u>7,538,161</u>	<u>7,047,267</u>	<u>14,585,428</u>
Total liabilities and net position	<u>\$ 7,540,770</u>	<u>\$ 7,047,267</u>	<u>\$ 14,588,037</u>

CITY OF JUNCTION CITY, OREGON

Government-wide Statement of Activities - Modified Cash Basis

For the Year Ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions / Programs							
Governmental Activities:							
General Government	\$ 1,586,816	\$ 1,002,858	\$ 283,689	\$ -	\$ (300,269)	\$ -	\$ (300,269)
Public Safety	2,652,322	355,692	274,107	-	(2,022,523)	-	(2,022,523)
Highways and streets	479,849	53,306	-	266,674	(159,869)	-	(159,869)
Economic Development	10,819	-	12,626	-	1,807	-	1,807
Culture and Recreation	531,277	115,324	10,220	-	(405,733)	-	(405,733)
Total governmental activities	<u>5,261,083</u>	<u>1,527,180</u>	<u>580,642</u>	<u>266,674</u>	<u>(2,886,587)</u>	<u>-</u>	<u>(2,886,587)</u>
Business-type Activities:							
Water	1,152,860	1,134,336	-	-	-	(18,524)	(18,524)
Sewer	1,221,809	1,734,575	-	-	-	512,766	512,766
Sanitation	1,078,218	1,033,519	-	-	-	(44,699)	(44,699)
Total business - type activities	<u>3,452,887</u>	<u>3,902,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,543</u>	<u>449,543</u>
Total government	<u>\$ 8,713,970</u>	<u>\$ 5,429,610</u>	<u>\$ 580,642</u>	<u>\$ 266,674</u>	<u>(2,886,587)</u>	<u>449,543</u>	<u>(2,437,044)</u>
General revenues:							
Property taxes					2,727,671	-	2,727,671
Franchise taxes					438,232	-	438,232
Other taxes and receipts					596,578	-	596,578
Unrestricted investment earnings					178,751	169,694	348,445
Transfers - internal activity					21,500	(21,500)	-
Total general revenues and transfers					<u>3,962,732</u>	<u>148,194</u>	<u>4,110,926</u>
Change in net position					1,076,145	597,737	1,673,882
Net position- beginning					<u>6,462,016</u>	<u>6,449,530</u>	<u>12,911,546</u>
Net position- ending					<u>\$ 7,538,161</u>	<u>\$ 7,047,267</u>	<u>\$ 14,585,428</u>

CITY OF JUNCTION CITY, OREGON

Balance Sheet - Modified Cash Basis

Governmental Funds

June 30, 2019

	<u>General Fund Programs</u>	<u>Street Fund</u>	<u>Business Development Loan Fund</u>	<u>Streets System Development Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,589,663	\$ 444,330	\$ 1,183,042	\$ 1,398,885	\$ 1,857,986	\$ 7,473,906
Developer advances	<u>3,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,148</u>
Total assets	<u>\$ 2,592,811</u>	<u>\$ 444,330</u>	<u>\$ 1,183,042</u>	<u>\$ 1,398,885</u>	<u>\$ 1,857,986</u>	<u>\$ 7,477,054</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to others	<u>\$ 2,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,609</u>
Total liabilities	<u>2,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,609</u>
Fund balances:						
Restricted:						
Streets and bicycle paths	-	444,330	-	-	47,654	491,984
Business development	-	-	1,183,042	-	-	1,183,042
Systems development	-	-	-	1,398,885	535,183	1,934,068
State revenue sharing	-	-	-	-	201,607	201,607
Committed:						
Viking Sal Senior Center	27,294	-	-	-	-	27,294
Health insurance	52,818	-	-	-	-	52,818
Community services	33,041	-	-	-	-	33,041
Building/equipment	-	-	-	-	718,956	718,956
Street system improvement	-	-	-	-	354,586	354,586
Unassigned	<u>2,477,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,477,049</u>
Total fund balances	<u>2,590,202</u>	<u>444,330</u>	<u>1,183,042</u>	<u>1,398,885</u>	<u>1,857,986</u>	<u>7,474,445</u>
Total liabilities and fund balances	<u>\$ 2,592,811</u>	<u>\$ 444,330</u>	<u>\$ 1,183,042</u>	<u>\$ 1,398,885</u>	<u>\$ 1,857,986</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>63,716</u>
Net position of governmental activities	<u>\$ 7,538,161</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, 2019

	<u>General Fund Programs</u>	<u>Street Fund</u>	<u>Business Development Loan Fund</u>	<u>Streets System Development Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 2,727,671	\$ -	\$ -	\$ -	\$ -	\$ 2,727,671
Franchise	343,033	9,428	-	-	85,771	438,232
Other	20,048	-	-	-	-	20,048
Licenses and permits	407,277	380	-	-	-	407,657
Intergovernmental	453,480	439,746	12,626	-	184,134	1,089,986
Charges for services	871,205	-	-	-	-	871,205
System development charges	23,733	-	-	266,674	10,220	300,627
Fines and penalties	145,174	-	-	-	-	145,174
Interest	62,444	10,143	28,910	32,236	44,221	177,954
Donations and special events	14,261	-	-	-	-	14,261
Other	68,862	1,026	-	-	51,900	121,788
Total Revenues	<u>5,137,188</u>	<u>460,723</u>	<u>41,536</u>	<u>298,910</u>	<u>376,246</u>	<u>6,314,603</u>
EXPENDITURES						
Current :						
General Government	1,508,387	-	-	-	112,244	1,620,631
Public Safety	2,567,249	-	-	-	85,073	2,652,322
Highways and streets	-	262,562	-	-	217,287	479,849
Economic Development	-	-	10,819	-	-	10,819
Culture and Recreation	501,579	-	-	-	29,698	531,277
Total expenditures	<u>4,577,215</u>	<u>262,562</u>	<u>10,819</u>	<u>-</u>	<u>444,302</u>	<u>5,294,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>559,973</u>	<u>198,161</u>	<u>30,717</u>	<u>298,910</u>	<u>(68,056)</u>	<u>1,019,705</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	36,829	-	21,500	-	254,239	312,568
Transfers out	<u>(174,239)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>(36,829)</u>	<u>(291,068)</u>
Total other financing source (uses)	<u>(137,410)</u>	<u>(80,000)</u>	<u>21,500</u>	<u>-</u>	<u>217,410</u>	<u>21,500</u>
Net change in fund balances	422,563	118,161	52,217	298,910	149,354	1,041,205
Beginning fund balance	<u>2,167,639</u>	<u>326,169</u>	<u>1,130,825</u>	<u>1,099,975</u>	<u>1,708,632</u>	
Ending fund balance	<u>\$ 2,590,202</u>	<u>\$ 444,330</u>	<u>\$ 1,183,042</u>	<u>\$ 1,398,885</u>	<u>\$ 1,857,986</u>	

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

	<u>34,940</u>
Change in net position of governmental activities	<u>\$ 1,076,145</u>

CITY OF JUNCTION CITY, OREGON

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Property	\$ 2,647,300	\$ 2,693,400	\$ 2,727,671	\$ 34,271
Franchise	355,900	355,900	343,033	(12,867)
Other	15,100	15,100	20,048	4,948
Licenses and permits	328,600	472,600	407,277	(65,323)
Intergovernmental	632,200	632,200	448,180	(184,020)
Charges for services	866,100	866,100	867,272	1,172
Fines and penalties	165,100	165,100	145,174	(19,926)
Investment earnings	28,500	28,500	59,958	31,458
Donations and special events	-	-	5,200	5,200
Other	154,400	154,400	36,929	(117,471)
System development charges	<u>32,000</u>	<u>32,000</u>	<u>23,733</u>	<u>(8,267)</u>
Total revenues	<u>5,225,200</u>	<u>5,415,300</u>	<u>5,084,475</u>	<u>(330,825)</u>
Expenditures:				
Personal services	3,354,800	3,506,300	3,074,622	431,678
Materials and services	1,602,300	1,664,200	1,421,955	242,245
Capital outlay	-	10,000	-	10,000
Contingency	<u>222,000</u>	<u>142,600</u>	<u>-</u>	<u>142,600</u>
Total expenditures	<u>5,179,100</u>	<u>5,323,100</u>	<u>4,496,577</u>	<u>826,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,100</u>	<u>92,200</u>	<u>587,898</u>	<u>495,698</u>
Other financing sources (uses):				
Transfers in	125,900	125,900	37,829	(88,071)
Transfers out	<u>(182,000)</u>	<u>(228,100)</u>	<u>(220,239)</u>	<u>7,861</u>
Total other financing sources (uses)	<u>(56,100)</u>	<u>(102,200)</u>	<u>(182,410)</u>	<u>(80,210)</u>
Net change in fund balances	(10,000)	(10,000)	405,488	415,488
Fund balance:				
Beginning of year	<u>2,106,500</u>	<u>2,106,500</u>	<u>2,071,561</u>	<u>(34,939)</u>
End of year	<u>\$ 2,096,500</u>	<u>\$ 2,096,500</u>	2,477,049	<u>\$ 380,549</u>
Other funds included in General Fund Programs:				
Viking Sal Senior Center Fund			27,294	
Health Insurance Fund			52,818	
Community Center Fund			<u>33,041</u>	
Total General Fund Programs			<u>\$ 2,590,202</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Franchise	\$ 25,000	\$ 25,000	\$ 9,428	\$ (15,572)
Licenses and permits	1,000	1,000	380	(620)
Intergovernmental	389,300	389,300	439,746	50,446
Investment earnings	4,100	4,100	10,143	6,043
Other	<u>1,000</u>	<u>1,000</u>	<u>1,026</u>	<u>26</u>
Total revenues	<u>420,400</u>	<u>420,400</u>	<u>460,723</u>	<u>40,323</u>
Expenditures:				
Personal services	72,300	72,300	58,534	13,766
Materials and services	232,300	232,300	204,028	28,272
Contingency	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>324,600</u>	<u>324,600</u>	<u>262,562</u>	<u>62,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>95,800</u>	<u>95,800</u>	<u>198,161</u>	<u>102,361</u>
Other financing sources (uses):				
Transfers out	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Net change in fund balances	15,800	15,800	118,161	102,361
Fund balance:				
Beginning of year	<u>298,700</u>	<u>298,700</u>	<u>326,169</u>	<u>27,469</u>
End of year	<u>\$ 314,500</u>	<u>\$ 314,500</u>	<u>\$ 444,330</u>	<u>\$ 129,830</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 12,626	\$ 2,626
Investment earnings	16,700	16,700	28,910	12,210
Total revenues	<u>26,700</u>	<u>26,700</u>	<u>41,536</u>	<u>14,836</u>
Expenditures:				
Materials and services	<u>823,700</u>	<u>823,700</u>	<u>10,819</u>	<u>812,881</u>
Total expenditures	<u>823,700</u>	<u>823,700</u>	<u>10,819</u>	<u>812,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(797,000)</u>	<u>(797,000)</u>	<u>30,717</u>	<u>827,717</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	(775,500)	(775,500)	52,217	827,717
Fund balance:				
Beginning of year	<u>1,135,600</u>	<u>1,135,600</u>	<u>1,130,825</u>	<u>(4,775)</u>
End of year	<u>\$ 360,100</u>	<u>\$ 360,100</u>	<u>\$ 1,183,042</u>	<u>\$ 822,942</u>

CITY OF JUNCTION CITY, OREGON

Statement of Net Position - Modified Cash Basis

Proprietary Funds

June 30, 2019

	Business-Type Activities				Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	<u>\$ 577,818</u>	<u>\$5,715,370</u>	<u>\$ 754,079</u>	<u>\$7,047,267</u>	<u>\$ 63,716</u>
Total assets	<u>\$ 577,818</u>	<u>\$5,715,370</u>	<u>\$ 754,079</u>	<u>\$7,047,267</u>	<u>\$ 63,716</u>
NET POSITION					
Restricted for systems development	\$ 116,161	\$2,815,837	\$ -	\$2,931,998	\$ -
Unrestricted	<u>461,657</u>	<u>2,899,533</u>	<u>754,079</u>	<u>4,115,269</u>	<u>63,716</u>
Total net position	<u>577,818</u>	<u>5,715,370</u>	<u>754,079</u>	<u>7,047,267</u>	<u>63,716</u>
Total liabilities and net position	<u>\$ 577,818</u>	<u>\$5,715,370</u>	<u>\$ 754,079</u>	<u>\$7,047,267</u>	<u>\$ 63,716</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, 2019

	Business-Type Activities			Total	Governmental
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
Operating revenues:					
Charges for services	\$ 1,100,653	\$ 1,560,100	\$ 1,000,214	\$ 3,660,967	\$ 473,686
Miscellaneous	<u>12,409</u>	<u>8,024</u>	<u>33,305</u>	<u>53,738</u>	<u>329</u>
Total operating revenues	<u>1,113,062</u>	<u>1,568,124</u>	<u>1,033,519</u>	<u>3,714,705</u>	<u>474,015</u>
Operating expenses:					
Personal services	508,093	511,206	351,251	1,370,550	189,074
Materials and services	<u>498,010</u>	<u>616,395</u>	<u>513,034</u>	<u>1,627,439</u>	<u>250,797</u>
Total operating expenses	<u>1,006,103</u>	<u>1,127,601</u>	<u>864,285</u>	<u>2,997,989</u>	<u>439,871</u>
Operating income (loss)	<u>106,959</u>	<u>440,523</u>	<u>169,234</u>	<u>716,716</u>	<u>34,144</u>
Nonoperating revenues (expenses):					
Investment earnings	16,161	134,321	19,212	169,694	796
Capital outlay	<u>(146,757)</u>	<u>(94,208)</u>	<u>(213,933)</u>	<u>(454,898)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(130,596)</u>	<u>40,113</u>	<u>(194,721)</u>	<u>(285,204)</u>	<u>796</u>
Income (loss) before capital contributions and transfers	(23,637)	480,636	(25,487)	431,512	34,940
Capital contributions:					
System development charges	<u>21,274</u>	<u>166,451</u>	<u>-</u>	<u>187,725</u>	<u>-</u>
Transfers in	-	90,000	-	90,000	-
Transfers out	<u>(111,500)</u>	<u>-</u>	<u>-</u>	<u>(111,500)</u>	<u>-</u>
Total transfers	<u>(111,500)</u>	<u>90,000</u>	<u>-</u>	<u>(21,500)</u>	<u>-</u>
Change in net position	(113,863)	737,087	(25,487)	597,737	34,940
Total net position- beginning	<u>691,681</u>	<u>4,978,283</u>	<u>779,566</u>	<u>6,449,530</u>	<u>28,776</u>
Total net position- ending	<u>\$ 577,818</u>	<u>\$ 5,715,370</u>	<u>\$ 754,079</u>	<u>\$ 7,047,267</u>	<u>\$ 63,716</u>

CITY OF JUNCTION CITY, OREGON

Statement of Cash Flows - Modified Cash Basis

Proprietary Funds

For the Year Ended June 30, 2019

	Business - Type Activities			Total Enterprise Funds	Governmental Activities
	Water Funds	Sewer Funds	Sanitation Funds		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,113,062	\$ 1,568,124	\$ 1,033,519	\$ 3,714,705	\$ -
Receipts from interfund services provided	-	-	-	-	474,015
Payments to suppliers	(498,010)	(616,395)	(513,034)	(1,627,439)	(250,797)
Payments to employees	(508,093)	(511,206)	(351,251)	(1,370,550)	(189,074)
Net cash provided (used) by operating activities	<u>106,959</u>	<u>440,523</u>	<u>169,234</u>	<u>716,716</u>	<u>34,144</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	232,800	690,000	250,000	1,172,800	5,000
Transfers out	(344,300)	(600,000)	(250,000)	(1,194,300)	(5,000)
Net cash provided (used) by noncapital financing activities	<u>(111,500)</u>	<u>90,000</u>	<u>-</u>	<u>(21,500)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(146,757)	(94,208)	(213,933)	(454,898)	-
System development charges	21,274	166,451	-	187,725	-
Net cash provided (used) by capital and related financing activities	<u>(125,483)</u>	<u>72,243</u>	<u>(213,933)</u>	<u>(267,173)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	16,161	134,321	19,212	169,694	796
Net change in cash and cash equivalents	(113,863)	737,087	(25,487)	597,737	34,940
Cash and cash equivalents - beginning	<u>691,681</u>	<u>4,978,283</u>	<u>779,566</u>	<u>6,449,530</u>	<u>28,776</u>
Cash and cash equivalents - ending	<u>\$ 577,818</u>	<u>\$ 5,715,370</u>	<u>\$ 754,079</u>	<u>\$ 7,047,267</u>	<u>\$ 63,716</u>

CITY OF JUNCTION CITY, OREGON

Statement of Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

June 30, 2019

	Private Purpose Trust Fund - Special Police Programs Fund	Municipal Court Agency Fund
ASSETS		
Cash and cash equivalents	<u>\$ 19,570</u>	<u>\$ 15,171</u>
LIABILITIES		
Fines and bails	<u>\$ -</u>	<u>\$ 15,171</u>
NET POSITION		
Held in trust for K9 and special police programs	<u>19,570</u>	<u>-</u>
Total liabilities and net position	<u>\$ 19,570</u>	<u>\$ 15,171</u>

CITY OF JUNCTION CITY, OREGON

Statement of Changes in Fiduciary Net Position - Modified Cash Basis

Fiduciary Funds

For the Year Ended June 30, 2019

	<u>Private Purpose Trust Fund - Special Police Programs Fund</u>
ADDITIONS	
Investment earnings	\$ 483
Donations and special events	<u>2,250</u>
Total additions	<u>2,733</u>
DEDUCTIONS	
Benefits	<u>1,910</u>
Total deductions	<u>1,910</u>
Change in net position	823
Net position - beginning	<u>18,747</u>
Net position - ending	<u><u>\$ 19,570</u></u>

NOTES TO THE FINANCIAL STATEMENTS

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

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 6,160, 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, 2019

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.

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.

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

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, 2019.

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, 2019

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, 2019

Note II - Detailed notes on all funds

A. Deposits and investments

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

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

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

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

Cash on hand	\$ 900		
Cash in banks	197,967		
LGIP	<u>14,420,763</u>		
Total	<u>\$ 14,619,630</u>		
		Government- wide Statements	Fiduciary Funds
		<u> </u>	<u> </u>
Cash and cash equivalents	<u>\$ 14,584,889</u>	<u>\$ 34,741</u>	<u>\$ 14,619,630</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, 2019, 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, 2019

Note II - Detailed notes on all funds, continued

B. Interfund transfers

	Transfers in to:				
	<u>General fund programs</u>	<u>Nonmajor governmental funds</u>	<u>Business Development Loan fund</u>	<u>Sewer</u>	<u>Total</u>
<u>Transfers out of:</u>					
General fund programs	\$ -	\$ 174,239	\$ -	\$ -	\$ 174,239
Street fund	-	80,000	-	-	80,000
Nonmajor governmental funds	36,829				36,829
Water fund	-	-	21,500	90,000	111,500
Total	<u>\$ 36,829</u>	<u>\$ 254,239</u>	<u>\$ 21,500</u>	<u>\$ 90,000</u>	<u>\$ 402,568</u>

During the year, transfers were made to move unrestricted revenues in the General fund, and Street fund to various nonmajor governmental 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 10 years.

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

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/2018-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, 2019

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, 2019

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, 2016 actuarial valuation which became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were \$431,389 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the fiscal year ended June 30, 2019 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 \$598,654.

Pension Liabilities, and Pension Expense

At June 30, 2018, the City of Junction City's proportionate share of the net pension liability is \$4,073,202. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. 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, 2018, the City of Junction City's proportion was 0.0269 percent, which was decreased from its proportion of 0.0287 percent as of June 30, 2017. 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, 2019

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, 2016 actuarial valuation was determined using the following actuarial assumptions:

<u>Valuation Date</u>	<u>December 31, 2016</u>
<u>Measurement Date</u>	<u>June 30, 2018</u>
<u>Experience Study Report</u>	<u>2016, published July 26, 2017</u>
<u>Actuarial Cost Method</u>	<u>Entry Age normal</u>
Actuarial Assumptions:	
Inflation Rate	2.50%
Long- Term Expected Rate of Return	7.20%
Discount Rate	7.20%
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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

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 %	3.49 %
Short-Term Bonds	8.00 %	3.38 %
Bank/Leveraged Loans	3.00 %	5.09 %
High Yield Bonds	1.00 %	6.45 %
Large/Mid Cap US Equities	15.75 %	6.30 %
Small Cap US Equities	1.30 %	6.99 %
Micro Cap US equities	1.30 %	6.80 %
Developed Foreign Equities	13.13 %	6.71 %
Emerging Foreign Equities	4.12 %	7.45 %
No-US Small Cap Equities	1.88 %	7.01 %
Private Equities	17.50 %	7.82 %
Real Estate (Property)	10.00 %	5.51 %
Real Estate (REITS)	2.50 %	6.37 %
Hedge Fund of Funds - Diversified	2.50 %	4.09 %
Hedge Fund - Event-driven	0.63 %	5.86 %
Timber	1.88 %	5.62 %
Farmland	1.88 %	6.15 %
Infrastructure	3.75 %	6.60 %
Commodities	1.88 %	3.84 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.50 %

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

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 7.20 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 7.20 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 (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of Net pension liability (asset)	\$ 6,807,090	\$ 4,073,202	\$ 1,816,601

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, 2016 valuation are described in the 2016 Experience Study for the System, which was published September, 2017, and can be found at: <http://www.oregon.gov/PERS/Pages/Financials/Actuarial-Presentations-and-Reports.aspx>.

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

Note III - Other information, continued

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 May1, 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, 2016 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2018. 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, 2019 was \$11,845.

OPEB liabilities, and OPEB expense

At June 30, 2018, the City of Junction City's proportionate share of the net OPEB asset was \$25,031. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. 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, 2018, the City's proportion was 0.0224 percent, which was decreased from its proportion of 0.0234 percent as of June 30, 2017. 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 expect 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.

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

CITY OF JUNCTION CITY, OREGON

Notes to the Financial Statements

June 30, 2019

Note III - Other information, continued

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

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 7.2%. 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease</u> <u>(6.20%)</u>	<u>Discount Rate</u> <u>(7.20%)</u>	<u>1% Increase</u> <u>(8.20%)</u>
City's proportionate share of Net OPEB liability (asset)	\$ (14,574)	\$ (25,031)	\$ (33,932)

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, 2019, the City of Junction City abated property taxes totaling \$34,721 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, 2019

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
ASSETS					
Cash and cash equivalents	\$ 2,476,510	\$ 27,294	\$ 52,818	\$ 33,041	\$ 2,589,663
Developer advances	<u>3,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,148</u>
Total assets	<u>\$ 2,479,658</u>	<u>\$ 27,294</u>	<u>\$ 52,818</u>	<u>\$ 33,041</u>	<u>\$ 2,592,811</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Due to others	<u>\$ 2,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,609</u>
Fund balances:					
Committed	-	27,294	52,818	33,041	113,153
Unassigned	<u>2,477,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,477,049</u>
Total fund balances	<u>2,477,049</u>	<u>27,294</u>	<u>52,818</u>	<u>33,041</u>	<u>2,590,202</u>
Total liabilities and fund balances	<u>\$ 2,479,658</u>	<u>\$ 27,294</u>	<u>\$ 52,818</u>	<u>\$ 33,041</u>	<u>\$ 2,592,811</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, 2019

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
REVENUES					
Taxes	\$ 3,090,752	\$ -	\$ -	\$ -	\$ 3,090,752
Licenses and permits	407,277	-	-	-	407,277
Intergovernmental	448,180	5,300	-	-	453,480
Charges for services	867,272	2,603	-	1,330	871,205
System development charges	23,733	-	-	-	23,733
Fines and penalties	145,174	-	-	-	145,174
Investment earnings	59,958	661	1,296	530	62,445
Donations and special events	5,200	7,021	-	2,040	14,261
Other	<u>36,929</u>	<u>15,239</u>	<u>-</u>	<u>16,694</u>	<u>68,862</u>
Total revenues	<u>5,084,475</u>	<u>30,824</u>	<u>1,296</u>	<u>20,594</u>	<u>5,137,189</u>
EXPENDITURES					
Current					
General Government	1,456,262	-	-	52,126	1,508,388
Public Safety	2,567,249	-	-	-	2,567,249
Culture and Recreation	<u>473,066</u>	<u>28,513</u>	<u>-</u>	<u>-</u>	<u>501,579</u>
Total expenditures	<u>4,496,577</u>	<u>28,513</u>	<u>-</u>	<u>52,126</u>	<u>4,577,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>587,898</u>	<u>2,311</u>	<u>1,296</u>	<u>(31,532)</u>	<u>559,973</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	37,829	-	-	57,500	95,329
Transfers out	<u>(220,239)</u>	<u>(5,000)</u>	<u>-</u>	<u>(7,500)</u>	<u>(232,739)</u>
Total other financing sources (uses)	<u>(182,410)</u>	<u>(5,000)</u>	<u>-</u>	<u>50,000</u>	<u>(137,410)</u>
Net change in fund balances	405,488	(2,689)	1,296	18,468	422,563
Fund balances - beginning	<u>2,071,561</u>	<u>29,983</u>	<u>51,522</u>	<u>14,573</u>	<u>2,167,639</u>
Fund balances - ending	<u>\$ 2,477,049</u>	<u>\$ 27,294</u>	<u>\$ 52,818</u>	<u>\$ 33,041</u>	<u>\$ 2,590,202</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 13,500	\$ 13,500	\$ 5,300	\$ (8,200)
Charges for services	1,500	1,500	2,603	1,103
Investment earnings	500	500	661	161
Donations and special events	22,700	22,700	7,021	(15,679)
Other	<u>14,500</u>	<u>14,500</u>	<u>15,239</u>	<u>739</u>
Total revenues	<u>52,700</u>	<u>52,700</u>	<u>30,824</u>	<u>(21,876)</u>
Expenditures:				
Personal services	1,300	1,300	621	679
Materials and services	39,200	39,200	27,892	11,308
Contingency	<u>900</u>	<u>900</u>	<u>-</u>	<u>900</u>
Total expenditures	<u>41,400</u>	<u>41,400</u>	<u>28,513</u>	<u>12,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,300</u>	<u>11,300</u>	<u>2,311</u>	<u>(8,989)</u>
Other financing sources (uses):				
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 fund balances	6,300	6,300	(2,689)	(8,989)
Fund balance:				
Beginning of year	<u>20,900</u>	<u>20,900</u>	<u>29,983</u>	<u>9,083</u>
End of year	<u>\$ 27,200</u>	<u>\$ 27,200</u>	<u>\$ 27,294</u>	<u>\$ 94</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 1,296</u>	<u>\$ 496</u>
Expenditures:				
Personal services	<u> 15,600</u>	<u> 15,600</u>	<u> -</u>	<u> 15,600</u>
Net change in fund balances	<u> (14,800)</u>	<u> (14,800)</u>	<u> 1,296</u>	<u> 16,096</u>
Fund balance:				
Beginning of year	<u> 51,400</u>	<u> 51,400</u>	<u> 51,522</u>	<u> 122</u>
End of year	<u><u> 36,600</u></u>	<u><u> 36,600</u></u>	<u><u> 52,818</u></u>	<u><u> 16,218</u></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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 1,330	\$ 830
Investment earnings	200	200	530	330
Donations and special events	2,000	2,000	2,040	40
Other	<u>17,900</u>	<u>17,900</u>	<u>16,694</u>	<u>(1,206)</u>
Total revenues	<u>20,600</u>	<u>20,600</u>	<u>20,594</u>	<u>(6)</u>
Expenditures:				
Personal services	27,600	27,600	11,834	15,766
Materials and services	41,700	43,100	40,292	2,808
Contingency	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>70,700</u>	<u>70,700</u>	<u>52,126</u>	<u>18,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,100)</u>	<u>(50,100)</u>	<u>(31,532)</u>	<u>18,568</u>
Other financing sources (uses):				
Transfers in	57,500	57,500	57,500	-
Transfers out	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	(100)	(100)	18,468	18,568
Fund balance:				
Beginning of year	<u>12,200</u>	<u>12,200</u>	<u>14,573</u>	<u>2,373</u>
End of year	<u>\$ 12,100</u>	<u>\$ 12,100</u>	<u>\$ 33,041</u>	<u>\$ 20,941</u>

**Nonmajor Governmental Funds
Combining Statements**

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

June 30, 2019

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Fund State Revenue Sharing Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,656,379	\$ 201,607	\$ 1,857,986
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Restricted	\$ 582,837	\$ 201,607	\$ 784,444
Committed	<u>1,073,542</u>	<u>-</u>	<u>1,073,542</u>
Total fund balances	<u>\$ 1,656,379</u>	<u>\$ 201,607</u>	<u>\$ 1,857,986</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, 2019

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Fund State Revenue Sharing Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 85,771	\$ -	\$ 85,771
Intergovernmental	117,422	66,712	184,134
System development charges	10,220	-	10,220
Investment earnings	38,080	6,141	44,221
Other	<u>51,900</u>	<u>-</u>	<u>51,900</u>
Total revenues	<u>303,393</u>	<u>72,853</u>	<u>376,246</u>
EXPENDITURES			
Current			
General Government	6,930	105,314	112,244
Public Safety	85,073	-	85,073
Highways and streets	217,287	-	217,287
Culture and Recreation	<u>29,698</u>	<u>-</u>	<u>29,698</u>
Total expenditures	<u>338,988</u>	<u>105,314</u>	<u>444,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,595)</u>	<u>(32,461)</u>	<u>(68,056)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	260,573	-	260,573
Transfers out	<u>(28,163)</u>	<u>(15,000)</u>	<u>(43,163)</u>
Total other financing sources (uses)	<u>232,410</u>	<u>(15,000)</u>	<u>217,410</u>
Net change in fund balances	196,815	(47,461)	149,354
Fund balances - beginning	<u>1,459,564</u>	<u>249,068</u>	<u>1,708,632</u>
Fund balances - ending	<u>\$ 1,656,379</u>	<u>\$ 201,607</u>	<u>\$ 1,857,986</u>

Nonmajor Capital Projects Funds

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2019

	<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>Bike Path Reserve Fund</u>
ASSETS					
Cash and cash equivalents	\$ 169,723	\$ 83,317	\$ 126,128	\$ 260,135	\$ 47,654
FUND BALANCES					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 47,654
Committed	169,723	83,317	126,128	260,135	-
Total fund balances	<u>\$ 169,723</u>	<u>\$ 83,317</u>	<u>\$ 126,128</u>	<u>\$ 260,135</u>	<u>\$ 47,654</u>

CITY OF JUNCTION CITY, OREGON

Combining Balance Sheet - Modified Cash Basis

Nonmajor Capital Project Funds

June 30, 2019

	<u>Park System Development Fund</u>	<u>Streets Capital Projects Fund</u>	<u>Building Replacement Reserve</u>	<u>Total Nonmajor Capital Project Funds</u>
ASSETS				
Cash and cash equivalents	<u>\$ 535,183</u>	<u>\$ 354,586</u>	<u>\$ 79,653</u>	<u>\$ 1,656,379</u>
 FUND BALANCES				
Restricted	\$ 535,183	\$ -	\$ -	\$ 582,837
Committed	<u>-</u>	<u>354,586</u>	<u>79,653</u>	<u>1,073,542</u>
Total fund balances	<u>\$ 535,183</u>	<u>\$ 354,586</u>	<u>\$ 79,653</u>	<u>\$ 1,656,379</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, 2019

	Community Services Capital Projects Fund	Capital Projects Fund	Police Capital Projects Fund	Prairie Road Street Improvement Reserve Fund	Park and Pool Equipment Reserve Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	66,321	-	-
System development charges	-	-	-	-	-
Investment earnings	4,122	1,572	2,952	6,382	-
Other	-	-	-	-	-
Total revenues	<u>4,122</u>	<u>1,572</u>	<u>69,273</u>	<u>6,382</u>	<u>-</u>
EXPENDITURES					
Current:					
General Government	-	6,930	-	-	-
Public Safety	-	-	85,073	-	-
Highways and streets	-	-	-	-	-
Culture and Recreation	<u>29,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>29,698</u>	<u>6,930</u>	<u>85,073</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,576)</u>	<u>(5,358)</u>	<u>(15,800)</u>	<u>6,382</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	68,834	53,500	20,000	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,334)</u>
Total other financing sources (uses)	<u>68,834</u>	<u>53,500</u>	<u>20,000</u>	<u>-</u>	<u>(6,334)</u>
Net change in fund balances	43,258	48,142	4,200	6,382	(6,334)
Fund balances - beginning	<u>126,465</u>	<u>35,175</u>	<u>121,928</u>	<u>253,753</u>	<u>6,334</u>
Fund balances - ending	<u>\$ 169,723</u>	<u>\$ 83,317</u>	<u>\$ 126,128</u>	<u>\$ 260,135</u>	<u>\$ -</u>

CITY OF JUNCTION CITY, OREGON

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

Nonmajor Capital Project Funds

For the Year Ended June 30, 2019

	Bike Path Reserve Fund	Park System Development Fund	Streets Capital Projects Fund	Building Reserve	Building Replacement Reserve	Total Nonmajor Capital Project Funds
REVENUES						
Taxes	\$ -	\$ -	\$ 85,771	\$ -	\$ -	\$ 85,771
Intergovernmental	4,442	-	46,659	-	-	117,422
System development charges	-	10,220	-	-	-	10,220
Investment earnings	1,129	13,047	6,922	-	1,954	38,080
Other	-	-	51,900	-	-	51,900
Total revenues	<u>5,571</u>	<u>23,267</u>	<u>191,252</u>	<u>-</u>	<u>1,954</u>	<u>303,393</u>
EXPENDITURES						
Current						
General Government	-	-	-	-	-	6,930
Public Safety	-	-	-	-	-	85,073
Highways and streets	-	-	217,287	-	-	217,287
Culture and Recreation	-	-	-	-	-	29,698
Total expenditures	<u>-</u>	<u>-</u>	<u>217,287</u>	<u>-</u>	<u>-</u>	<u>338,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,571</u>	<u>23,267</u>	<u>(26,035)</u>	<u>-</u>	<u>1,954</u>	<u>(35,595)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	118,239	-	-	260,573
Transfers out	-	-	-	(21,829)	-	(28,163)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>118,239</u>	<u>(21,829)</u>	<u>-</u>	<u>232,410</u>
Net change in fund balances	5,571	23,267	92,204	(21,829)	1,954	196,815
Fund balances - beginning	42,083	511,916	262,382	21,829	77,699	1,459,564
Fund balances - ending	<u>\$ 47,654</u>	<u>\$ 535,183</u>	<u>\$ 354,586</u>	<u>\$ -</u>	<u>\$ 79,653</u>	<u>\$ 1,656,379</u>

CITY OF JUNCTION CITY, OREGON

Community Services Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Modified Cash Basis)
 For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 1,600	\$ 1,600	\$ 4,122	\$ 2,522
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>4,122</u>	<u>2,522</u>
Expenditures:				
Capital outlay	<u>93,600</u>	<u>93,600</u>	<u>29,698</u>	<u>63,902</u>
Total expenditures	<u>93,600</u>	<u>93,600</u>	<u>29,698</u>	<u>63,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,000)</u>	<u>(92,000)</u>	<u>(25,576)</u>	<u>66,424</u>
Other financing sources (uses):				
Transfers in	<u>68,900</u>	<u>68,900</u>	<u>68,834</u>	<u>(66)</u>
Total other financing sources (uses)	<u>68,900</u>	<u>68,900</u>	<u>68,834</u>	<u>(66)</u>
Net change in fund balances	(23,100)	(23,100)	43,258	66,358
Fund balance:				
Beginning of year	<u>116,200</u>	<u>116,200</u>	<u>126,465</u>	<u>10,265</u>
End of year	<u>\$ 93,100</u>	<u>\$ 93,100</u>	<u>\$ 169,723</u>	<u>\$ 76,623</u>

CITY OF JUNCTION CITY, OREGON

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 500	\$ 500	\$ 1,572	\$ 1,072
Total revenues	<u>500</u>	<u>500</u>	<u>1,572</u>	<u>1,072</u>
Expenditures:				
Capital outlay	<u>10,800</u>	<u>10,800</u>	<u>6,930</u>	<u>3,870</u>
Total expenditures	<u>10,800</u>	<u>10,800</u>	<u>6,930</u>	<u>3,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,300)</u>	<u>(10,300)</u>	<u>(5,358)</u>	<u>4,942</u>
Other financing sources (uses):				
Transfers in	<u>53,500</u>	<u>53,500</u>	<u>53,500</u>	<u>-</u>
Total other financing sources (uses)	<u>53,500</u>	<u>53,500</u>	<u>53,500</u>	<u>-</u>
Net change in fund balances	43,200	43,200	48,142	4,942
Fund balance:				
Beginning of year	<u>20,100</u>	<u>20,100</u>	<u>35,175</u>	<u>15,075</u>
End of year	<u>\$ 63,300</u>	<u>\$ 63,300</u>	<u>\$ 83,317</u>	<u>\$ 20,017</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ -	\$ 67,000	\$ 66,321	\$ (679)
Investment earnings	700	700	2,952	2,252
Total revenues	<u>700</u>	<u>67,700</u>	<u>69,273</u>	<u>1,573</u>
Expenditures:				
Capital outlay	<u>20,000</u>	<u>87,000</u>	<u>85,073</u>	<u>1,927</u>
Total expenditures	<u>20,000</u>	<u>87,000</u>	<u>85,073</u>	<u>1,927</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,300)</u>	<u>(19,300)</u>	<u>(15,800)</u>	<u>3,500</u>
Other financing sources (uses):				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	700	700	4,200	3,500
Fund balance:				
Beginning of year	<u>88,200</u>	<u>88,200</u>	<u>121,928</u>	<u>33,728</u>
End of year	<u>\$ 88,900</u>	<u>\$ 88,900</u>	<u>\$ 126,128</u>	<u>\$ 37,228</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 3,900	\$ 3,900	\$ 6,382	\$ 2,482
Total revenues	<u>3,900</u>	<u>3,900</u>	<u>6,382</u>	<u>2,482</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>
Net change in fund balances	(214,100)	(214,100)	6,382	220,482
Fund balance:				
Beginning of year	<u>253,100</u>	<u>253,100</u>	<u>253,753</u>	<u>653</u>
End of year	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ 260,135</u>	<u>\$ 221,135</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	<u>\$ (6,400)</u>	<u>\$ (6,400)</u>	<u>\$ (6,334)</u>	<u>\$ 66</u>
Net change in fund balances	(6,400)	(6,400)	(6,334)	66
Fund balance:				
Beginning of year	<u>6,400</u>	<u>6,400</u>	<u>6,334</u>	<u>(66)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 3,900	\$ 3,900	\$ 4,442	\$ 542
Investment earnings	600	600	1,129	529
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>5,571</u>	<u>1,071</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>
Net change in fund balances	(20,500)	(20,500)	5,571	26,071
Fund balance:				
Beginning of year	<u>31,400</u>	<u>31,400</u>	<u>42,083</u>	<u>10,683</u>
End of year	<u>\$ 10,900</u>	<u>\$ 10,900</u>	<u>\$ 47,654</u>	<u>\$ 36,754</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 6,600	\$ 6,600	\$ 13,047	\$ 6,447
System development charges	<u>30,000</u>	<u>30,000</u>	<u>10,220</u>	<u>(19,780)</u>
Total revenues	<u>36,600</u>	<u>36,600</u>	<u>23,267</u>	<u>(13,333)</u>
Expenditures:				
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	(3,400)	(3,400)	23,267	26,667
Fund balance:				
Beginning of year	<u>404,700</u>	<u>404,700</u>	<u>511,916</u>	<u>107,216</u>
End of year	<u><u>\$ 401,300</u></u>	<u><u>\$ 401,300</u></u>	<u><u>\$ 535,183</u></u>	<u><u>\$ 133,883</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes:				
Franchise	\$ 89,000	\$ 89,000	\$ 85,771	\$ (3,229)
Intergovernmental	300,000	300,000	46,659	(253,341)
Investment earnings	2,100	2,100	6,922	4,822
Other	<u>-</u>	<u>44,900</u>	<u>51,900</u>	<u>7,000</u>
Total revenues	<u>391,100</u>	<u>436,000</u>	<u>191,252</u>	<u>(244,748)</u>
Expenditures:				
Capital outlay	<u>412,000</u>	<u>503,000</u>	<u>217,287</u>	<u>285,713</u>
Total expenditures	<u>412,000</u>	<u>503,000</u>	<u>217,287</u>	<u>285,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,900)</u>	<u>(67,000)</u>	<u>(26,035)</u>	<u>40,965</u>
Other financing sources (uses):				
Transfers in	<u>80,000</u>	<u>126,100</u>	<u>118,239</u>	<u>(7,861)</u>
Total other financing sources (uses)	<u>80,000</u>	<u>126,100</u>	<u>118,239</u>	<u>(7,861)</u>
Net change in fund balances	59,100	59,100	92,204	33,104
Fund balance:				
Beginning of year	<u>239,800</u>	<u>239,800</u>	<u>262,382</u>	<u>22,582</u>
End of year	<u>\$ 298,900</u>	<u>\$ 298,900</u>	<u>\$ 354,586</u>	<u>\$ 55,686</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses):				
Transfers out	\$ (21,900)	\$ (21,900)	\$ (21,829)	\$ 71
Net change in fund balances	(21,900)	(21,900)	(21,829)	71
Fund balance:				
Beginning of year	<u>21,900</u>	<u>21,900</u>	<u>21,829</u>	<u>(71)</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 1,954</u>	<u>\$ 754</u>
Net change in fund balances	1,200	1,200	1,954	754
Fund balance:				
Beginning of year	<u>77,500</u>	<u>77,500</u>	<u>77,699</u>	<u>199</u>
End of year	<u>\$ 78,700</u>	<u>\$ 78,700</u>	<u>\$ 79,653</u>	<u>\$ 953</u>

Major Capital Projects Funds

- Streets System Development 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 15,900	\$ 15,900	\$ 32,236	\$ 16,336
System development charges	<u>15,000</u>	<u>15,000</u>	<u>266,674</u>	<u>251,674</u>
Total revenues	<u>30,900</u>	<u>30,900</u>	<u>298,910</u>	<u>268,010</u>
Expenditures:				
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	10,900	10,900	298,910	288,010
Fund balance:				
Beginning of year	<u>1,071,700</u>	<u>1,071,700</u>	<u>1,099,975</u>	<u>28,275</u>
End of year	<u>\$ 1,082,600</u>	<u>\$ 1,082,600</u>	<u>\$ 1,398,885</u>	<u>\$ 316,285</u>

Special Revenue Funds

- State Revenue Sharing Fund

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 66,100	\$ 66,100	\$ 66,712	\$ 612
Investment earnings	3,000	3,000	6,141	3,141
Total revenues	<u>69,100</u>	<u>69,100</u>	<u>72,853</u>	<u>3,753</u>
Expenditures:				
Materials and services	55,000	55,000	-	55,000
Capital outlay	<u>140,000</u>	<u>140,000</u>	<u>105,314</u>	<u>34,686</u>
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>105,314</u>	<u>89,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,900)</u>	<u>(125,900)</u>	<u>(32,461)</u>	<u>93,439</u>
Other financing sources (uses):				
Transfers out	<u>(103,000)</u>	<u>(103,000)</u>	<u>(15,000)</u>	<u>88,000</u>
Total other financing sources (uses)	<u>(103,000)</u>	<u>(103,000)</u>	<u>(15,000)</u>	<u>88,000</u>
Net change in fund balances	(228,900)	(228,900)	(47,461)	181,439
Fund balance:				
Beginning of year	<u>239,700</u>	<u>239,700</u>	<u>249,068</u>	<u>9,368</u>
End of year	<u>\$ 10,800</u>	<u>\$ 10,800</u>	<u>\$ 201,607</u>	<u>\$ 190,807</u>

Enterprise Funds

- Water Fund
- Water System Development Fund
- Water Capital Projects Fund
- Sewer Fund
- Sewer Capital Projects Fund
- Sewer System Development Fund
- Sanitation Fund
- Sanitation Capital Projects Fund

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Net Position - Modified Cash Basis

Water Enterprise Funds

June 30, 2019

	<u>Water Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 265,125	\$ 116,161	\$ 196,532	\$ 577,818
Total assets	<u>\$ 265,125</u>	<u>\$ 116,161</u>	<u>\$ 196,532</u>	<u>\$ 577,818</u>
 Net Position:				
Restricted	\$ -	\$ 116,161	\$ -	\$ 116,161
Unrestricted	<u>265,125</u>	<u>-</u>	<u>196,532</u>	<u>461,657</u>
Total net position	<u>265,125</u>	<u>116,161</u>	<u>196,532</u>	<u>577,818</u>
Total liabilities and net position	<u>\$ 265,125</u>	<u>\$ 116,161</u>	<u>\$ 196,532</u>	<u>\$ 577,818</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, 2019

	<u>Water Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 1,079,855	\$ -	\$ 20,798	\$ 1,100,653
Miscellaneous	<u>7,759</u>	<u>-</u>	<u>4,650</u>	<u>12,409</u>
Total operating revenues	<u>1,087,614</u>	<u>-</u>	<u>25,448</u>	<u>1,113,062</u>
Operating expenses:				
Personal services	508,093	-	-	508,093
Materials and services	<u>417,423</u>	<u>-</u>	<u>80,587</u>	<u>498,010</u>
Total operating expenses	<u>925,516</u>	<u>-</u>	<u>80,587</u>	<u>1,006,103</u>
Operating income (loss)	<u>162,098</u>	<u>-</u>	<u>(55,139)</u>	<u>106,959</u>
Nonoperating revenues (expenses):				
Investment earnings	8,671	2,665	4,825	16,161
Capital outlay	<u>-</u>	<u>-</u>	<u>(146,757)</u>	<u>(146,757)</u>
Total nonoperating revenues (expenses)	<u>8,671</u>	<u>2,665</u>	<u>(141,932)</u>	<u>(130,596)</u>
Income (loss) before capital contributions and transfers	<u>170,769</u>	<u>2,665</u>	<u>(197,071)</u>	<u>(23,637)</u>
Capital contributions:				
System development charges	<u>-</u>	<u>21,274</u>	<u>-</u>	<u>21,274</u>
Transfers in	-	-	232,800	232,800
Transfers out	<u>(232,800)</u>	<u>-</u>	<u>(111,500)</u>	<u>(344,300)</u>
Total transfers	<u>(232,800)</u>	<u>-</u>	<u>121,300</u>	<u>(111,500)</u>
Change in net position	(62,031)	23,939	(75,771)	(113,863)
Total net position- beginning	<u>327,156</u>	<u>92,222</u>	<u>272,303</u>	<u>691,681</u>
Total net position- ending	<u>\$ 265,125</u>	<u>\$ 116,161</u>	<u>\$ 196,532</u>	<u>\$ 577,818</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Water Enterprise Funds

For the Year Ended June 30, 2019

	<u>Water Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,087,614	\$ -	\$ 25,448	\$ 1,113,062
Payments to suppliers	(417,423)	-	(80,587)	(498,010)
Payments to employees	<u>(508,093)</u>	<u>-</u>	<u>-</u>	<u>(508,093)</u>
Net cash provided (used) by operating activities	<u>162,098</u>	<u>-</u>	<u>(55,139)</u>	<u>106,959</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	232,800	232,800
Transfers out	<u>(232,800)</u>	<u>-</u>	<u>(111,500)</u>	<u>(344,300)</u>
Net cash provided (used) by noncapital financing activities	<u>(232,800)</u>	<u>-</u>	<u>121,300</u>	<u>(111,500)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(146,757)	(146,757)
System development charges	<u>-</u>	<u>21,274</u>	<u>-</u>	<u>21,274</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>21,274</u>	<u>(146,757)</u>	<u>(125,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>8,671</u>	<u>2,665</u>	<u>4,825</u>	<u>16,161</u>
Net change in cash and cash equivalents	(62,031)	23,939	(75,771)	(113,863)
Cash and cash equivalents - beginning	<u>327,156</u>	<u>92,222</u>	<u>272,303</u>	<u>691,681</u>
Cash and cash equivalents - ending	<u>\$ 265,125</u>	<u>\$ 116,161</u>	<u>\$ 196,532</u>	<u>\$ 577,818</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 1,220,000	\$ 1,220,000	\$ 1,079,855	\$ (140,145)
Investment earnings	8,900	8,900	8,671	(229)
Other	<u>10,000</u>	<u>10,000</u>	<u>7,759</u>	<u>(2,241)</u>
Total revenues	<u>1,238,900</u>	<u>1,238,900</u>	<u>1,096,285</u>	<u>(142,615)</u>
Expenses:				
Personal services	552,700	552,700	508,093	44,607
Materials and services	435,400	455,400	417,423	37,977
Contingency	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,008,100</u>	<u>1,008,100</u>	<u>925,516</u>	<u>82,584</u>
Excess (deficiency) of revenues over (under) expenses	<u>230,800</u>	<u>230,800</u>	<u>170,769</u>	<u>(60,031)</u>
Other financing sources (uses):				
Transfers out	<u>(442,000)</u>	<u>(442,000)</u>	<u>(232,800)</u>	<u>209,200</u>
Total other financing sources (uses)	<u>(442,000)</u>	<u>(442,000)</u>	<u>(232,800)</u>	<u>209,200</u>
Net change in net position	(211,200)	(211,200)	(62,031)	149,169
Net Position:				
Beginning of year	<u>533,700</u>	<u>533,700</u>	<u>327,156</u>	<u>(206,544)</u>
End of year	<u>\$ 322,500</u>	<u>\$ 322,500</u>	<u>\$ 265,125</u>	<u>\$ (57,375)</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 800	\$ 800	\$ 2,665	\$ 1,865
System development charges	<u>20,000</u>	<u>20,000</u>	<u>21,274</u>	<u>1,274</u>
Total revenues	<u>20,800</u>	<u>20,800</u>	<u>23,939</u>	<u>3,139</u>
Expenses:				
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>
 Net change in net position	 15,800	 15,800	 23,939	 8,139
Net position:				
Beginning of year	<u>59,100</u>	<u>59,100</u>	<u>92,222</u>	<u>33,122</u>
End of year	<u><u>\$ 74,900</u></u>	<u><u>\$ 74,900</u></u>	<u><u>\$ 116,161</u></u>	<u><u>\$ 41,261</u></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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 279,000	\$ 279,000	\$ 20,798	\$ (258,202)
Investment earnings	1,900	1,900	4,825	2,925
Other	<u>-</u>	<u>-</u>	<u>4,650</u>	<u>4,650</u>
Total revenues	<u>280,900</u>	<u>280,900</u>	<u>30,273</u>	<u>(250,627)</u>
Expenses:				
Materials and services	425,000	425,000	80,587	344,413
Capital outlay	<u>324,600</u>	<u>324,600</u>	<u>146,757</u>	<u>177,843</u>
Total expenses	<u>749,600</u>	<u>749,600</u>	<u>227,344</u>	<u>522,256</u>
Excess (deficiency) of revenues over (under) expenses	<u>(468,700)</u>	<u>(468,700)</u>	<u>(197,071)</u>	<u>271,629</u>
Other financing sources (uses):				
Transfers in	442,000	442,000	232,800	(209,200)
Transfers out	<u>(111,500)</u>	<u>(111,500)</u>	<u>(111,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>330,500</u>	<u>330,500</u>	<u>121,300</u>	<u>(209,200)</u>
Net change in net position	(138,200)	(138,200)	(75,771)	62,429
Net position:				
Beginning of year	<u>248,200</u>	<u>248,200</u>	<u>272,303</u>	<u>24,103</u>
End of year	<u>\$ 110,000</u>	<u>\$ 110,000</u>	<u>\$ 196,532</u>	<u>\$ 86,532</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Net Position - Modified Cash Basis

Sewer Enterprise Funds

June 30, 2019

	<u>Sewer Fund</u>	<u>Sewer Capital Projects Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	<u>\$ 569,970</u>	<u>\$ 2,329,563</u>	<u>\$ 2,815,837</u>	<u>\$ 5,715,370</u>
Total assets	<u>\$ 569,970</u>	<u>\$ 2,329,563</u>	<u>\$ 2,815,837</u>	<u>\$ 5,715,370</u>
 Net Position:				
Restricted	\$ -	\$ -	\$ 2,815,837	\$ 2,815,837
Unrestricted	<u>569,970</u>	<u>2,329,563</u>	<u>-</u>	<u>2,899,533</u>
Total net position	<u>569,970</u>	<u>2,329,563</u>	<u>2,815,837</u>	<u>5,715,370</u>
Total liabilities and net position	<u>\$ 569,970</u>	<u>\$ 2,329,563</u>	<u>\$ 2,815,837</u>	<u>\$ 5,715,370</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, 2019

	<u>Sewer Fund</u>	<u>Sewer Capital Projects Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 1,560,100	\$ -	\$ -	\$ 1,560,100
Miscellaneous	<u>7,424</u>	<u>600</u>	<u>-</u>	<u>8,024</u>
Total operating revenues	<u>1,567,524</u>	<u>600</u>	<u>-</u>	<u>1,568,124</u>
Operating expenses:				
Personal services	511,206	-	-	511,206
Materials and services	<u>474,209</u>	<u>142,186</u>	<u>-</u>	<u>616,395</u>
Total operating expenses	<u>985,415</u>	<u>142,186</u>	<u>-</u>	<u>1,127,601</u>
Operating income (loss)	<u>582,109</u>	<u>(141,586)</u>	<u>-</u>	<u>440,523</u>
Nonoperating revenues (expenses):				
Investment earnings	15,685	51,001	67,635	134,321
Capital outlay	<u>-</u>	<u>(94,208)</u>	<u>-</u>	<u>(94,208)</u>
Total nonoperating revenues (expenses)	<u>15,685</u>	<u>(43,207)</u>	<u>67,635</u>	<u>40,113</u>
Income (loss) before capital contributions and transfers	<u>597,794</u>	<u>(184,793)</u>	<u>67,635</u>	<u>480,636</u>
Capital contributions:				
System development charges	<u>-</u>	<u>-</u>	<u>166,451</u>	<u>166,451</u>
Transfers in	-	690,000	-	690,000
Transfers out	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Total transfers	<u>(600,000)</u>	<u>690,000</u>	<u>-</u>	<u>90,000</u>
Change in net position	(2,206)	505,207	234,086	737,087
Net position - beginning	<u>572,176</u>	<u>1,824,356</u>	<u>2,581,751</u>	<u>4,978,283</u>
Net position - ending	<u>\$ 569,970</u>	<u>\$ 2,329,563</u>	<u>\$ 2,815,837</u>	<u>\$ 5,715,370</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Sewer Enterprise Funds

For the Year Ended June 30, 2019

	<u>Sewer Fund</u>	<u>Sewer Capital Projects Fund</u>	<u>Sewer System Development Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,567,524	\$ 600	\$ -	\$ 1,568,124
Payments to suppliers	(474,209)	(142,186)	-	(616,395)
Payments to employees	<u>(511,206)</u>	<u>-</u>	<u>-</u>	<u>(511,206)</u>
Net cash provided (used) by operating activities	<u>582,109</u>	<u>(141,586)</u>	<u>-</u>	<u>440,523</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	690,000	-	690,000
Transfers out	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(600,000)</u>	<u>690,000</u>	<u>-</u>	<u>90,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(94,208)	-	(94,208)
System development charges	<u>-</u>	<u>-</u>	<u>166,451</u>	<u>166,451</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(94,208)</u>	<u>166,451</u>	<u>72,243</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>15,685</u>	<u>51,001</u>	<u>67,635</u>	<u>134,321</u>
Net change in cash and cash equivalents	(2,206)	505,207	234,086	737,087
Cash and cash equivalents - beginning	<u>572,176</u>	<u>1,824,356</u>	<u>2,581,751</u>	<u>4,978,283</u>
Cash and cash equivalents - ending	<u>\$ 569,970</u>	<u>\$ 2,329,563</u>	<u>\$ 2,815,837</u>	<u>\$ 5,715,370</u>

CITY OF JUNCTION CITY, OREGON

Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual (Modified Cash Basis)

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 1,526,500	\$ 1,526,500	\$ 1,560,100	\$ 33,600
Investment earnings	9,200	9,200	15,685	6,485
Other	<u>8,000</u>	<u>8,000</u>	<u>7,424</u>	<u>(576)</u>
Total revenues	<u>1,543,700</u>	<u>1,543,700</u>	<u>1,583,209</u>	<u>39,509</u>
Expenses:				
Personal services	558,800	558,800	511,206	47,594
Materials and services	547,500	547,500	474,209	73,291
Contingency	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenses	<u>1,136,300</u>	<u>1,136,300</u>	<u>985,415</u>	<u>150,885</u>
Excess (deficiency) of revenues over (under) expenses	<u>407,400</u>	<u>407,400</u>	<u>597,794</u>	<u>190,394</u>
Other financing sources (uses):				
Transfers out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net change in net position	(192,600)	(192,600)	(2,206)	190,394
Net position:				
Beginning of year	<u>610,700</u>	<u>610,700</u>	<u>572,176</u>	<u>(38,524)</u>
End of year	<u><u>\$ 418,100</u></u>	<u><u>\$ 418,100</u></u>	<u><u>\$ 569,970</u></u>	<u><u>\$ 151,870</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 24,100	\$ 24,100	\$ 51,001	\$ 26,901
Other	-	-	600	600
Total revenues	<u>24,100</u>	<u>24,100</u>	<u>51,601</u>	<u>27,501</u>
Expenses:				
Materials and services	550,000	550,000	142,186	407,814
Capital outlay	<u>617,100</u>	<u>617,100</u>	<u>94,208</u>	<u>522,892</u>
Total expenses	<u>1,167,100</u>	<u>1,167,100</u>	<u>236,394</u>	<u>930,706</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,143,000)</u>	<u>(1,143,000)</u>	<u>(184,793)</u>	<u>958,207</u>
Other financing sources (uses):				
Transfers in	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>	<u>-</u>
Net change in net position	(453,000)	(453,000)	505,207	958,207
Net position:				
Beginning of year	<u>1,552,600</u>	<u>1,552,600</u>	<u>1,824,356</u>	<u>271,756</u>
End of year	<u>\$ 1,099,600</u>	<u>\$ 1,099,600</u>	<u>\$ 2,329,563</u>	<u>\$ 1,229,963</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 33,700	\$ 33,700	\$ 67,635	\$ 33,935
System development charges	100,000	100,000	166,451	66,451
Total revenues	<u>133,700</u>	<u>133,700</u>	<u>234,086</u>	<u>100,386</u>
Expenses:				
Capital outlay	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>
Total expenses	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>
Net change in net position	128,700	128,700	234,086	105,386
Net Position:				
Beginning of year	<u>2,320,400</u>	<u>2,320,400</u>	<u>2,581,751</u>	<u>261,351</u>
End of year	<u>\$ 2,449,100</u>	<u>\$ 2,449,100</u>	<u>\$ 2,815,837</u>	<u>\$ 366,737</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Net Position - Modified Cash Basis

Sanitation Enterprise Funds

June 30, 2019

	<u>Sanitation Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	<u>\$ 414,600</u>	<u>\$ 339,479</u>	<u>\$ 754,079</u>
Total assets	<u>\$ 414,600</u>	<u>\$ 339,479</u>	<u>\$ 754,079</u>
Net Position:			
Unrestricted	<u>\$ 414,600</u>	<u>\$ 339,479</u>	<u>\$ 754,079</u>
Total net position	<u>414,600</u>	<u>339,479</u>	<u>754,079</u>
Total liabilities and net position	<u>\$ 414,600</u>	<u>\$ 339,479</u>	<u>\$ 754,079</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, 2019

	<u>Sanitation Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 1,000,214	\$ -	\$ 1,000,214
Miscellaneous	<u>32,885</u>	<u>420</u>	<u>33,305</u>
Total operating revenues	<u>1,033,099</u>	<u>420</u>	<u>1,033,519</u>
Operating expenses:			
Personal services	351,251	-	351,251
Materials and services	<u>483,178</u>	<u>29,856</u>	<u>513,034</u>
Total operating expenses	<u>834,429</u>	<u>29,856</u>	<u>864,285</u>
Operating income (loss)	<u>198,670</u>	<u>(29,436)</u>	<u>169,234</u>
Nonoperating revenues (expenses):			
Investment earnings	10,800	8,412	19,212
Capital outlay	<u>-</u>	<u>(213,933)</u>	<u>(213,933)</u>
Total nonoperating revenues (expenses)	<u>10,800</u>	<u>(205,521)</u>	<u>(194,721)</u>
Income (loss) before transfers	<u>209,470</u>	<u>(234,957)</u>	<u>(25,487)</u>
Transfers in	-	250,000	250,000
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Total transfers	<u>(250,000)</u>	<u>250,000</u>	<u>-</u>
Change in net position	(40,530)	15,043	(25,487)
Net position- beginning	<u>455,130</u>	<u>324,436</u>	<u>779,566</u>
Net position- ending	<u>\$ 414,600</u>	<u>\$ 339,479</u>	<u>\$ 754,079</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Sanitation Enterprise Funds

For the Year Ended June 30, 2019

	<u>Sanitation Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,033,099	\$ 420	\$ 1,033,519
Payments to suppliers	(483,178)	(29,856)	(513,034)
Payments to employees	<u>(351,251)</u>	<u>-</u>	<u>(351,251)</u>
Net cash provided (used) by operating activities	<u>198,670</u>	<u>(29,436)</u>	<u>169,234</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	250,000	250,000
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(250,000)</u>	<u>250,000</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	<u>-</u>	<u>(213,933)</u>	<u>(213,933)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(213,933)</u>	<u>(213,933)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>10,800</u>	<u>8,412</u>	<u>19,212</u>
Net change in cash and cash equivalents	(40,530)	15,043	(25,487)
Cash and cash equivalents - beginning	<u>455,130</u>	<u>324,436</u>	<u>779,566</u>
Cash and cash equivalents - ending	<u>\$ 414,600</u>	<u>\$ 339,479</u>	<u>\$ 754,079</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 930,000	\$ 930,000	\$ 1,000,214	\$ 70,214
Investment earnings	6,400	6,400	10,800	4,400
Other	<u>13,400</u>	<u>13,400</u>	<u>32,885</u>	<u>19,485</u>
Total revenues	<u>949,800</u>	<u>949,800</u>	<u>1,043,899</u>	<u>94,099</u>
Expenses:				
Personal services	367,100	367,100	351,251	15,849
Materials and services	480,700	497,700	483,178	14,522
Contingency	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>864,800</u>	<u>864,800</u>	<u>834,429</u>	<u>30,371</u>
Excess (deficiency) of revenues over (under) expenses	<u>85,000</u>	<u>85,000</u>	<u>209,470</u>	<u>124,470</u>
Other financing sources (uses):				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in net position	(165,000)	(165,000)	(40,530)	124,470
Net position:				
Beginning of year	<u>474,700</u>	<u>474,700</u>	<u>455,130</u>	<u>(19,570)</u>
End of year	<u><u>\$ 309,700</u></u>	<u><u>\$ 309,700</u></u>	<u><u>\$ 414,600</u></u>	<u><u>\$ 104,900</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ 4,200	\$ 4,200	\$ 8,412	\$ 4,212
Other	-	-	420	420
Total revenues	<u>4,200</u>	<u>4,200</u>	<u>8,832</u>	<u>4,632</u>
Expenses:				
Materials and services	40,000	40,000	29,856	10,144
Capital outlay	<u>255,000</u>	<u>255,000</u>	<u>213,933</u>	<u>41,067</u>
Total expenses	<u>295,000</u>	<u>295,000</u>	<u>243,789</u>	<u>51,211</u>
Excess (deficiency) of revenues over (under) expenses	<u>(290,800)</u>	<u>(290,800)</u>	<u>(234,957)</u>	<u>55,843</u>
Other financing sources (uses):				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in net position	(40,800)	(40,800)	15,043	55,843
Net position:				
Beginning of year	<u>306,300</u>	<u>306,300</u>	<u>324,436</u>	<u>18,136</u>
End of year	<u><u>\$ 265,500</u></u>	<u><u>\$ 265,500</u></u>	<u><u>\$ 339,479</u></u>	<u><u>\$ 73,979</u></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, 2019

	<u>Internal Service Fund</u>	<u>Internal Services Capital Projects Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 53,517	\$ 10,199	\$ 63,716
Total assets	<u>\$ 53,517</u>	<u>\$ 10,199</u>	<u>\$ 63,716</u>
 Net Position:			
Unrestricted	<u>53,517</u>	<u>10,199</u>	<u>63,716</u>
Total liabilities and net position	<u>\$ 53,517</u>	<u>\$ 10,199</u>	<u>\$ 63,716</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, 2019

	<u>Internal Service Fund</u>	<u>Internal Services Capital Projects Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 473,686	\$ -	\$ 473,686
Miscellaneous	<u>329</u>	<u>-</u>	<u>329</u>
Total operating revenues	<u>474,015</u>	<u>-</u>	<u>474,015</u>
Operating expenses:			
Personal services	189,074	-	189,074
Materials and services	<u>250,797</u>	<u>-</u>	<u>250,797</u>
Total operating expenses	<u>439,871</u>	<u>-</u>	<u>439,871</u>
Operating income (loss)	<u>34,144</u>	<u>-</u>	<u>34,144</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>636</u>	<u>160</u>	<u>796</u>
Total nonoperating revenues (expenses)	<u>636</u>	<u>160</u>	<u>796</u>
Income (loss) before transfers	<u>34,780</u>	<u>160</u>	<u>34,940</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	29,780	5,160	34,940
Total net position- beginning	<u>23,737</u>	<u>5,039</u>	<u>28,776</u>
Total net position- ending	<u>\$ 53,517</u>	<u>\$ 10,199</u>	<u>\$ 63,716</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Cash Flows - Modified Cash Basis

Internal Service Fund

For the Year Ended June 30, 2019

	<u>Internal Service Fund</u>	<u>Internal Services Capital Projects Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 474,015	\$ -	\$ 474,015
Payments to suppliers	(250,797)	-	(250,797)
Payments to employees	<u>(189,074)</u>	-	<u>(189,074)</u>
Net cash provided (used) by operating activities	<u>34,144</u>	<u>-</u>	<u>34,144</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
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>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>636</u>	<u>160</u>	<u>796</u>
Net change in cash and cash equivalents	29,780	5,160	34,940
Cash and cash equivalents - beginning	<u>23,737</u>	<u>5,039</u>	<u>28,776</u>
Cash and cash equivalents - ending	<u>\$ 53,517</u>	<u>\$ 10,199</u>	<u>\$ 63,716</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 436,400	\$ 517,800	\$ 473,686	\$ (44,114)
Investment earnings	400	400	636	236
Other	<u>800</u>	<u>800</u>	<u>329</u>	<u>(471)</u>
Total revenues	<u>437,600</u>	<u>519,000</u>	<u>474,651</u>	<u>(44,349)</u>
Expense:				
Personal services	204,300	204,300	189,074	15,226
Materials and services	218,600	300,000	250,797	49,203
Contingency	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>8,500</u>
Total expenses	<u>431,400</u>	<u>512,800</u>	<u>439,871</u>	<u>72,929</u>
Excess (deficiency) of revenues over (under) expenses	<u>6,200</u>	<u>6,200</u>	<u>34,780</u>	<u>28,580</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	1,200	1,200	29,780	28,580
Net position:				
Beginning of year	<u>51,700</u>	<u>51,700</u>	<u>23,737</u>	<u>(27,963)</u>
End of year	<u><u>\$ 52,900</u></u>	<u><u>\$ 52,900</u></u>	<u><u>\$ 53,517</u></u>	<u><u>\$ 617</u></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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 160	\$ 160
Total revenues	<u>-</u>	<u>-</u>	<u>160</u>	<u>160</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	5,000	5,000	5,160	160
Net position:				
Beginning of year	<u>5,000</u>	<u>5,000</u>	<u>5,039</u>	<u>39</u>
End of year	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,199</u>	<u>\$ 199</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions:				
Investment earnings	\$ 400	\$ 400	\$ 483	\$ 83
Donations and special events	<u>4,000</u>	<u>4,000</u>	<u>2,250</u>	<u>(1,750)</u>
Total additions	<u>4,400</u>	<u>4,400</u>	<u>2,733</u>	<u>(1,667)</u>
Deductions:				
Materials and services	<u>20,000</u>	<u>20,000</u>	<u>1,910</u>	<u>18,090</u>
Net change in net position	(15,600)	(15,600)	823	16,423
Net position:				
Beginning of year	<u>18,300</u>	<u>18,300</u>	<u>18,747</u>	<u>447</u>
End of year	<u>\$ 2,700</u>	<u>\$ 2,700</u>	<u>\$ 19,570</u>	<u>\$ 16,870</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, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
ASSETS				
Cash and cash equivalents	<u>\$ 13,039</u>	<u>\$ 213,935</u>	<u>\$ (211,803)</u>	<u>\$ 15,171</u>
LIABILITIES				
Fines and bails	<u>\$ 13,039</u>	<u>\$ 213,935</u>	<u>\$ (211,803)</u>	<u>\$ 15,171</u>

TREND INFORMATION

CITY OF JUNCTION CITY, OREGON

Net Position by Component

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
Governmental activities					
Restricted	\$ 3,810,701	\$ 3,360,036	\$ 2,980,248	\$ 2,724,610	\$ 2,792,423
Unrestricted	<u>3,727,460</u>	<u>3,101,979</u>	<u>3,125,148</u>	<u>3,069,067</u>	<u>2,902,421</u>
Total governmental activities net position	<u>\$ 7,538,161</u>	<u>\$ 6,462,015</u>	<u>\$ 6,105,396</u>	<u>\$ 5,793,677</u>	<u>\$ 5,694,844</u>
Business-type activities					
Restricted	\$ 2,931,998	\$ 2,673,973	\$ 2,178,142	\$ 1,935,601	\$ 1,530,717
Unrestricted	<u>4,115,269</u>	<u>3,775,557</u>	<u>3,340,008</u>	<u>2,744,052</u>	<u>2,198,379</u>
Total business-type activities net position	<u>\$ 7,047,267</u>	<u>\$ 6,449,530</u>	<u>\$ 5,518,150</u>	<u>\$ 4,679,653</u>	<u>\$ 3,729,096</u>
Primary government					
Restricted	\$ 6,742,699	\$ 6,034,009	\$ 5,158,390	\$ 4,660,211	\$ 4,323,140
Unrestricted	<u>7,842,729</u>	<u>6,877,536</u>	<u>6,465,156</u>	<u>5,813,119</u>	<u>5,100,800</u>
Total net position	<u>\$ 14,585,428</u>	<u>\$ 12,911,545</u>	<u>\$ 11,623,546</u>	<u>\$ 10,473,330</u>	<u>\$ 9,423,940</u>

CITY OF JUNCTION CITY, OREGON

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

Expenses	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities					
General Government	\$ 1,586,816	\$ 1,425,888	\$ 1,315,477	\$ 1,288,046	\$ 1,026,117
Public Safety	2,652,322	2,443,914	2,096,472	2,010,384	1,725,207
Highways and streets	479,849	336,474	267,628	371,864	320,764
Economic development	10,819	8,727	1,175	185	3,146
Culture and recreation	<u>531,277</u>	<u>891,170</u>	<u>768,271</u>	<u>660,900</u>	<u>588,416</u>
Total governmental activities	<u>5,261,083</u>	<u>5,106,173</u>	<u>4,449,023</u>	<u>4,331,379</u>	<u>3,663,650</u>
Business-type activities					
Water	1,152,860	959,277	800,064	1,099,032	1,149,899
Sewer	1,221,809	1,324,065	1,149,850	1,136,451	2,536,708
Sanitation	<u>1,078,218</u>	<u>829,490</u>	<u>847,767</u>	<u>792,317</u>	<u>678,178</u>
Total business-type activities	<u>3,452,887</u>	<u>3,112,832</u>	<u>2,797,681</u>	<u>3,027,800</u>	<u>4,364,785</u>
Total expenses	<u>\$ 8,713,970</u>	<u>\$ 8,219,005</u>	<u>\$ 7,246,704</u>	<u>\$ 7,359,179</u>	<u>\$ 8,028,435</u>

CITY OF JUNCTION CITY, OREGON

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
Program revenues					
Governmental activities					
Charges for services					
General Government	\$ 1,002,858	\$ 818,510	\$ 471,476	\$ 959,166	\$ 589,779
Public Safety	355,692	49,982	17,129	-	378
Highways and streets	53,306	4,891	9,456	19,177	7,505
Economic development	-	-	5,371	79,654	45,728
Culture and recreation	115,324	130,192	258,033	-	950
Operating grants and contributions	580,642	371,394	347,926	390,186	315,830
Capital grants and contributions	266,674	55,180	14,747	72,094	94,043
Total governmental activities	2,374,496	1,430,149	1,124,138	1,520,277	1,054,213
Business-type activities					
Charges for services					
Water	1,134,336	1,114,770	1,051,758	1,034,946	1,146,663
Sewer	1,734,575	1,888,810	1,658,425	1,861,095	1,688,124
Sanitation	1,033,519	943,591	900,299	855,868	797,573
Total business-type activities	3,902,430	3,947,171	3,610,482	3,751,909	3,632,360
Total program revenues	\$ 6,276,926	\$ 5,377,320	\$ 4,734,620	\$ 5,272,186	\$ 4,686,573
Net (expense)/revenue					
Governmental activities	\$ (2,886,587)	\$ (3,676,024)	\$ (3,324,885)	\$ (2,811,102)	\$ (2,609,437)
Business-type activities	449,543	834,339	812,801	724,109	(732,425)
Total net (expense) revenue	\$ (2,437,044)	\$ (2,841,685)	\$ (2,512,084)	\$ (2,086,993)	\$ (3,341,862)

CITY OF JUNCTION CITY, OREGON

Changes in Net Position (continued)

Last Five Fiscal Years

(Modified Cash Basis)

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
General revenues and transfers					
Governmental activities					
Property taxes	\$ 2,727,671	\$ 2,506,069	\$ 2,379,980	\$ 2,286,146	\$ 2,187,950
Franchise taxes	438,232	453,753	437,898	415,651	399,692
Other taxes and receipts	596,578	963,798	724,580	395,931	385,437
Investment earnings	178,751	106,033	65,546	36,507	27,233
Transfer to fiduciary fund	-	-	-	(24,800)	(22,500)
Transfers in (out)	21,500	2,990	28,600	(199,500)	20,500
Total governmental activities	3,962,732	4,032,643	3,636,604	2,909,935	2,998,312
Business-type activities					
Investment earnings	169,694	100,031	54,296	26,948	18,197
Interfund loan	-	-	(21,500)	-	-
Transfers in (out)	(21,500)	(2,990)	(7,100)	199,500	(20,500)
Total business-type activities	148,194	97,041	25,696	226,448	(2,303)
Total primary government	\$ 4,110,926	\$ 4,129,684	\$ 3,662,300	\$ 3,136,383	\$ 2,996,009
Change in net position					
Governmental activities	\$ 1,076,145	\$ 356,619	\$ 311,719	\$ 98,833	\$ 388,875
Business-type activities	597,737	931,380	838,497	950,557	(734,728)
Total change in net position	\$ 1,673,882	\$ 1,287,999	\$ 1,150,216	\$ 1,049,390	\$ (345,853)

CITY OF JUNCTION CITY, OREGON

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

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
General Fund					
Committed	\$ 113,153	\$ 96,078	\$ 99,096	\$ 103,641	\$ 78,626
Unassigned	<u>2,477,049</u>	<u>2,071,561</u>	<u>2,285,732</u>	<u>2,209,751</u>	<u>2,141,334</u>
Total general fund	<u>2,590,202</u>	<u>2,167,639</u>	<u>2,384,828</u>	<u>2,313,392</u>	<u>2,219,960</u>
All other governmental funds					
Restricted	3,810,701	3,360,036	2,980,248	2,724,610	2,792,423
Committed	<u>1,073,542</u>	<u>905,564</u>	<u>716,910</u>	<u>737,064</u>	<u>662,396</u>
Total all other governmental funds	<u>4,884,243</u>	<u>4,265,600</u>	<u>3,697,158</u>	<u>3,461,674</u>	<u>3,454,819</u>
Total governmental funds	<u>\$ 7,474,445</u>	<u>\$ 6,433,239</u>	<u>\$ 6,081,986</u>	<u>\$ 5,775,066</u>	<u>\$ 5,674,779</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,				
	2019	2018	2017	2016	2015
REVENUES					
Taxes:					
Property	\$ 2,727,671	\$ 2,506,069	\$ 2,379,980	\$ 2,286,146	\$ 2,187,950
Franchise	438,232	453,753	437,898	415,651	399,692
Other	20,048	15,818	13,133	12,085	14,370
Licenses and permits	407,657	366,618	219,008	179,437	235,574
Intergovernmental	1,089,986	769,078	710,179	622,746	615,762
Charges for services	871,205	791,876	588,902	569,369	140,029
System development charges	300,627	177,952	55,319	185,544	137,504
Fines and forfeitures	145,174	111,060	134,096	154,289	147,330
Investment earnings	177,954	105,442	65,261	36,350	27,068
Principal received - program loans	-	-	5,025	78,047	40,154
Interest received - program loans	-	-	145	1,607	5,574
Contributions and donations	14,261	22,851	23,752	36,884	27,675
Other revenue	121,788	137,957	98,530	75,523	75,678
Total revenues	6,314,603	5,458,474	4,731,228	4,653,678	4,054,360
EXPENDITURES					
Current:					
General government	1,620,632	1,429,927	1,319,362	1,285,758	1,044,448
Public Safety	2,652,321	2,443,914	2,096,472	2,010,384	1,725,207
Highway and streets	479,850	336,474	267,628	371,864	320,764
Economic Development	10,819	8,727	1,175	185	3,146
Culture and recreation	531,276	891,169	768,271	660,900	588,416
Total expenditures	5,294,898	5,110,211	4,452,908	4,329,091	3,681,981
Excess (deficiency) of revenues over (under) expenditures	1,019,705	348,263	278,320	324,587	372,379
OTHER FINANCING SOURCES (USES)					
Transfers in	312,568	502,500	237,500	468,500	513,300
Transfers out	(291,068)	(499,510)	(208,900)	(692,800)	(515,300)
Total other financing sources (uses)	21,500	2,990	28,600	(224,300)	(2,000)
Net change in fund balances	\$ 1,041,205	\$ 351,253	\$ 306,920	\$ 100,287	\$ 370,379

CITY OF JUNCTION CITY, OREGON

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

Fiscal year ended June 30,	Governmental Activities		Business-Type Activities	
	Notes Payable	Capital Lease	Notes Payable	Capital Lease
2019	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-
2017	-	-	-	-
2016	-	-	-	-
2015	-	-	-	-

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, 2019, and have issued our report thereon dated December 5, 2019. 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 cursive script that reads "Gatlin C. Hawkins".

By Gatlin Hawkins, CPA, a member of the firm
Eugene, Oregon
December 5, 2019