



**CITY OF JUNCTION CITY**

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2012

WITH

INDEPENDENT AUDITORS' REPORT

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2012**  
**WITH INDEPENDENT AUDITORS' REPORT**

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Year ended June 30, 2012

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LANE COUNTY, OREGON

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**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

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**INTRODUCTORY SECTION**



**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

List of Elected Officials

June 30, 2012

<b><u>NAME</u></b>	<b><u>POSITION</u></b>	<b><u>TERM EXPIRES</u></b>
David S. Brunscheon 420 Timothy Junction City, OR 97448	Mayor	January 31, 2013
Jack Sumner 1061 Quince Drive Junction City, OR 97448	Councilor	January 31, 2013
Randy Nelson 1389 United Drive Junction City, OR 97448	Councilor	January 31, 2013
Bill DiMarco P.O. Box 702 Junction City, OR 97448	Councilor	January 31, 2013
Laurel Crenshaw 489 Juniper Street Junction City, OR 97448	Councilor	January 31, 2013
Herb Christensen 815 Alder Street Junction City, OR 97448	Councilor	January 31, 2015
Jim Leach 385 Timothy Junction City, OR 97448	Councilor	January 31, 2015



**FINANCIAL SECTION**





## Independent Auditors' Report

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

An Independently Owned Member

McGLADREY ALLIANCE



We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Junction City, Oregon, ("City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

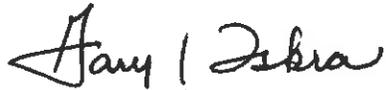
As discussed in Note I. C., the City prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, - modified cash basis, thereof in conformity with the basis of accounting described in Note I. C.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as whole. The introductory section, the management's discussion and analysis, combining and individual nonmajor fund financial statements, budgetary comparisons, and other financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or provide any assurance on it.

The combining and individual nonmajor fund financial statements, budgetary comparisons and other financial schedules 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. The 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 on the basis of accounting described in Note I.C. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Isler CPA**

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

By: Gary Iskra, CPA, a member of the firm  
Eugene, Oregon  
December 17, 2012

# CITY OF JUNCTION CITY LANE COUNTY, OREGON

## Management's Discussion and Analysis

Our management discussion and analysis (MDA) of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012 within the limitations of the City's modified cash basis of accounting. The MDA is intended to be read in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The City's total revenues exceeded total expenses, on the modified cash basis of accounting, by \$321,432 for the year, resulting in an increase in total net assets of .6% from the previous year.

The City's Governmental Funds (defined below) saw an overall decrease of \$5,359,474 to the combined ending balance of \$5,103,763, which includes \$179,235 from the DOC fund. This represents a 51% decrease to the combined fund balance. Of the overall decrease, \$5,047,497 was in the DOC Fund, due to the completion of capital projects. The general fund programs, decreased by \$16,013 (.7%), and the Business Development Loan fund increased by \$40,210 (4.1%).

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to the financial statements can be found on pages 22 to 35 of this report.

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

## **BASIS OF ACCOUNTING**

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

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

## **REPORTING THE CITY AS A WHOLE**

### **The City's Reporting Entity Presentation**

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

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

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

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

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

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

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **The Fund Financial Statements**

Our description of the City's major funds begins on page 23. The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

The City implemented GASB 54 for the fiscal year ended June 30, 2011. This resulted in several funds being combined into the General Funds Programs. The funds included were the general fund, Viking Sal Senior Center Fund, Health Insurance Fund, Cumulative Law Enforcement Reserve Fund, and the Community Services Center Fund.

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

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

## A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### **Net Assets—Modified Cash Basis**

The City's combined net assets, resulting from modified cash basis transactions, increased from \$55,906,834 to \$56,228,266 during the fiscal year ending June 30, 2012.

City of Junction City's Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 5,356,478	\$ 10,723,849	\$ 7,171,157	\$ 6,088,414	\$ 12,527,635	\$ 16,812,263
Capital assets	28,919,175	24,987,280	14,931,448	14,289,650	43,850,623	39,276,930
<b>Total assets</b>	<b>34,275,653</b>	<b>35,711,129</b>	<b>22,102,605</b>	<b>20,378,064</b>	<b>56,378,258</b>	<b>56,089,193</b>
Current liabilities	64,129	21,275	25	25	64,154	21,300
Deferred Revenue	-	-	-	-	-	-
Long - term debt outstanding	65,084	94,159	20,754	66,900	85,838	161,059
<b>Total liabilities</b>	<b>129,213</b>	<b>115,434</b>	<b>20,779</b>	<b>66,925</b>	<b>149,992</b>	<b>182,359</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	28,854,091	24,893,121	14,910,694	14,119,805	43,764,785	39,012,926
Restricted for:						
Systems development	828,402	907,469	2,116,924	2,099,648	2,945,326	3,007,117
Streets	269,777	407,767	-	-	269,777	407,767
DOC capital project	179,235	5,226,732	-	-	179,235	5,226,732
Unrestricted	4,014,935	4,160,606	5,054,208	4,091,686	9,069,143	8,252,292
<b>Total net assets</b>	<b>\$ 34,146,440</b>	<b>\$ 35,595,695</b>	<b>\$ 22,081,826</b>	<b>\$ 20,311,139</b>	<b>\$ 56,228,266</b>	<b>\$ 55,906,834</b>

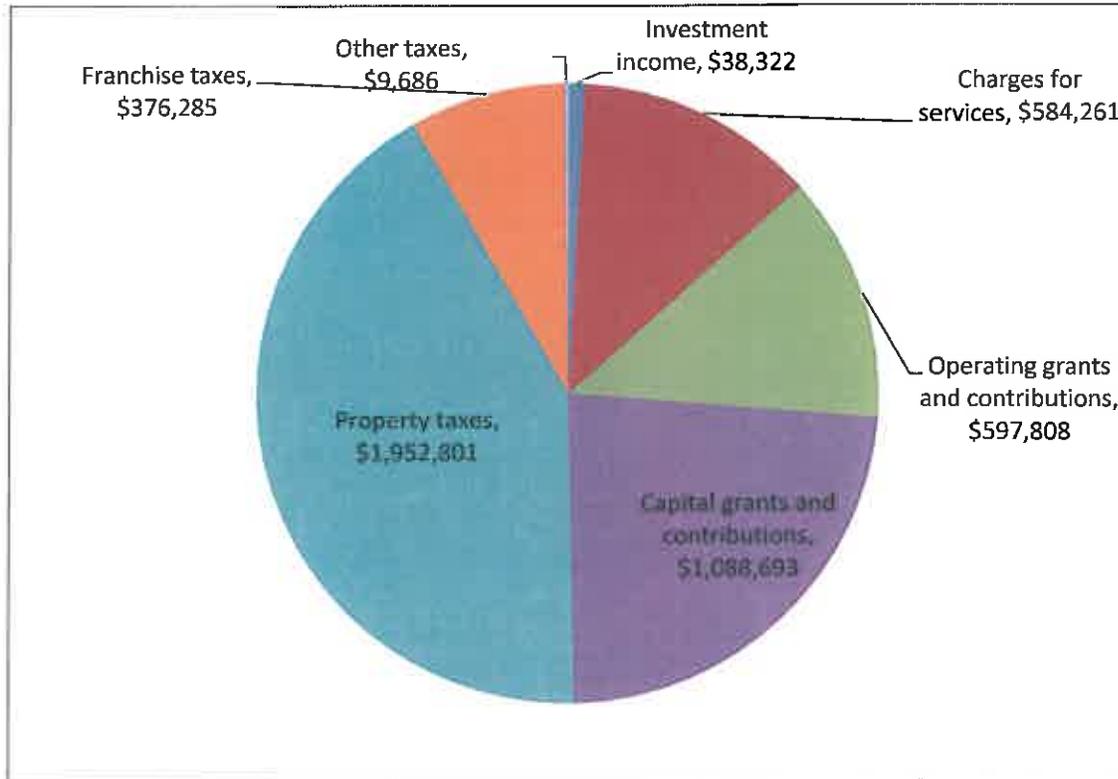
Net assets of the City's governmental activities decreased 4%, partially due to a transfer of \$2,500,000 from DOC-IGA fund to the Sewer fund. Total net assets of governmental activities was \$34,146,440. However, \$28,854,091 of those net assets is invested in capital assets (buildings, roads, bridges, and so on), \$179,235 was restricted for DOC projects, \$828,402 was restricted for systems development and \$269,777 was restricted for streets. Consequently, unrestricted net assets were \$4,014,935 at the end of this year.

**Changes in Net Assets—Modified Cash Basis For the years ended June 30, 2012 and 2011, net assets of the government (resulting from modified cash basis transactions) changed as follows:**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 584,261	\$ 717,162	\$ 2,726,864	\$ 2,867,135	\$ 3,311,125	\$ 3,584,297
Operating grants and contributions	597,808	977,374	-	-	597,808	977,374
Capital grants and contributions	1,088,693	16,184,721	202,043	152,559	1,290,736	16,337,280
General revenues:						
Property taxes	1,952,801	1,896,883	-	-	1,952,801	1,896,883
Franchise taxes	376,285	314,161	-	-	376,285	314,161
Other taxes	9,686	11,447	-	-	9,686	11,447
Investment income	38,322	52,901	33,192	28,943	71,514	81,844
Total revenues	<u>4,647,856</u>	<u>20,154,649</u>	<u>2,962,099</u>	<u>3,048,637</u>	<u>7,609,955</u>	<u>23,203,286</u>
<b>Expenses</b>						
General government	932,455	1,070,780	-	-	932,455	1,070,780
Public safety	1,924,762	1,878,114	-	-	1,924,762	1,878,114
Highways and streets	677,847	478,816	-	-	677,847	478,816
Economic development	69,388	157,180	-	-	69,388	157,180
Culture and recreation	553,159	578,344	-	-	553,159	578,344
Water	-	-	1,162,444	965,928	1,162,444	965,928
Sewer	-	-	1,280,891	1,177,827	1,280,891	1,177,827
Sanitation	-	-	687,577	634,316	687,577	634,316
Total expenses	<u>4,157,611</u>	<u>4,163,234</u>	<u>3,130,912</u>	<u>2,778,071</u>	<u>7,288,523</u>	<u>6,941,305</u>
Excess before special item and transfers	490,245	15,991,415	(168,813)	270,566	321,432	16,261,981
Transfers - internal activity	(1,939,500)	(543,000)	1,939,500	543,000	-	-
Increase in net assets	<u>(1,449,255)</u>	<u>15,448,415</u>	<u>1,770,687</u>	<u>813,566</u>	<u>321,432</u>	<u>16,261,981</u>
Net assets, beginning of year	35,595,695	20,147,280	20,311,139	19,497,573	55,906,834	39,644,853
Net assets, end of year	<u>\$ 34,146,440</u>	<u>\$ 35,595,695</u>	<u>\$ 22,081,826</u>	<u>\$ 20,311,139</u>	<u>\$ 56,228,266</u>	<u>\$ 55,906,834</u>

## Governmental Activities

For the year ended June 30, 2012, the City's governmental activities were funded as follows:

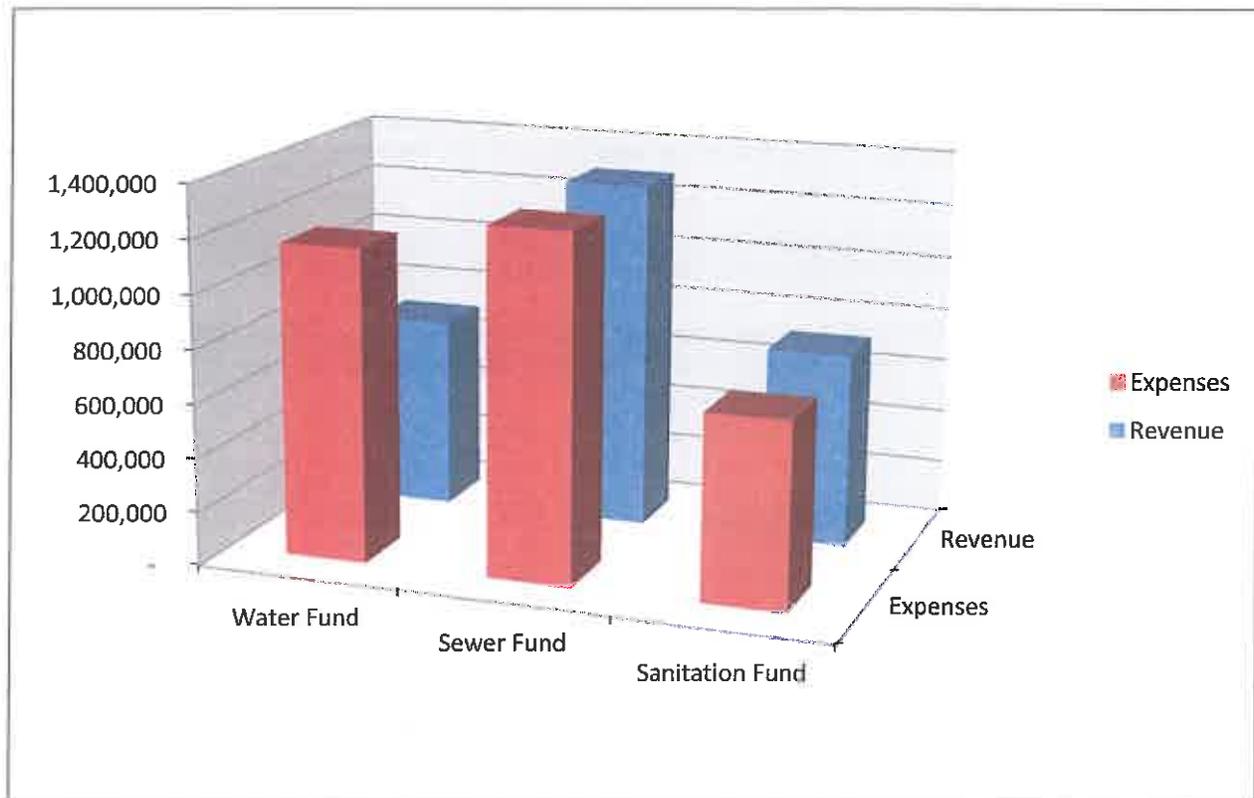


For the year ended June 30, 2012, total expenditures for governmental activities, resulting from modified cash basis transactions, were \$4,157,611. Revenues included: taxes and investment earnings of \$2,377,094; charges for services of \$584,261; operating grants and contributions totaling \$597,808; and capital grants and contributions \$1,088,693. As a result, governmental net assets decreased \$1,449,255. During the year \$2,500,000 was transferred from DOC-IGA Fund to Sewer Fund for future sewer upgrades. The Water Fund transferred \$550,000 to the DOC-IGA Fund in repayment of a short-term loan made in 2010-2011.

### **BUSINESS-TYPE ACTIVITIES**

A review of the business-type activities' net (expense)/revenue resulting from modified cash basis transactions indicates that water, sewer and sanitation activities in total ended in a positive position for the fiscal year. The water, sewer and sanitation service activities reported net revenue and expenses (losses), before interest and transfers, of (\$418,877), \$183,273, and \$33,599 respectively. In addition, business type activities, had interest income of \$33,192 and transfers-in of \$1,939,500. Additional information on enterprise funds can be found on pages 17- 19.

## OPERATING REVENUE AND EXPENSES



### A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

- The DOC-IGA Infrastructure Capital Project shows \$4,097,497 in capital expenditures due to the Department of Corrections project in process during the fiscal year. The ending fund balance for the year is \$179,235 and will continue to decrease as the projects are completed.
- The Building Replacement Reserve Fund decreased \$27,321 or 7.2% due to projects budgeted and completed.
- The Business Development Loan Fund ending fund balance increased by \$40,210 or 4.1% as principal and interest was received on outstanding loans. The ending fund balance for the year is \$1,019,140, available for future loans and investments.
- The Water System and Sewer System Improvement Funds also continued to receive funds from charges for services resulting in ending fund balances respectively of \$7,670 and \$4,375,376. In addition, the Sewer System Improvement Fund received \$3,320,000 in transfers. Capital expenditures of \$177,844 for Water system improvements and \$1,152,880 for Sewer system improvements were expended during the fiscal year.

## General Fund Budgetary Highlights

As a result of the implementation of GASB54, several funds have been combined for reporting purposes, to create the General Fund Programs. The combined funds include the general fund, Viking Sal Senior Center Fund, Health Insurance Fund, Cumulative Law Enforcement Reserve Fund, and the Community Services Center Fund.

The City's General Fund ended the year with a fund balance of \$1,935,110, an increase of \$20,907. The increase represents an overall increase in the General Fund ending balance of 1.1%.

Revenue in the general fund was less than budgeted levels by \$134,314 (4.2%) in total. Total actual expenditures in the general fund were \$234,636 (7.2%) below the budgeted amount for the year, giving the ending general fund balance an increase for the year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets—Modified Cash Basis

At June 30, 2012, the City had more than \$43.8 million invested in capital assets, net of depreciation, including land and buildings, police and public works equipment, park facilities, infrastructure, and water and sewer lines and system components. (See table below). This represents a net increase of over \$4.5 million from last year. The increase is due to Department of Corrections related construction in progress as well as City projects.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,069,841	\$ 2,985,282	\$ 1,247,165	\$ 1,247,165	\$ 4,317,006	\$ 4,232,447
Construction in progress	20,779,036	16,626,479	268,304	498,016	21,047,340	17,124,495
Other improvements	1,090,672	1,076,766	-	-	1,090,672	1,076,766
Machinery and equipment	884,631	995,866	985,990	701,423	1,870,621	1,697,289
Infrastructure	3,094,995	3,302,887	398,876	96,286	3,493,871	3,399,173
Utility property	-	-	12,031,113	11,746,760	12,031,113	11,746,760
Total	<u>\$ 28,919,175</u>	<u>\$ 24,987,280</u>	<u>\$ 14,931,448</u>	<u>\$ 14,289,650</u>	<u>\$ 43,850,623</u>	<u>\$ 39,276,930</u>

This year's capital asset additions were:

Equipment	\$ 491,810
Infrastructure, Land & Other Improvements	442,025
System Improvements	
Utility	1,016,007
Construction in Progress	4,152,557

For more information on capital assets, see Note II D to the financial statements.

### **Long-term Debt—Modified Cash Basis**

The City's long-term debt consists of a loan through the State's Economic Development Department. The original loan amount of \$250,000 requires annual payments of \$22,026 amortized over 20 years at 6.13% interest. The principal balance on the loan at June 30, 2012 was \$20,754. For more information on long-term debt, see Note IIF to the financial statements.

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

For the current fiscal year ending June 30, 2013, the budgeted appropriations for all funds other than the Department of Corrections fund, is \$14,283,650 as compared to the prior year appropriations of \$13,445,620.

The City has completed work on many of the infrastructure projects related to the opening of the hospital and prison facilities. Such work includes both extensive piping projects for water and wastewater, construction of two elevated water storage tanks, completion of a centralized water pump station, upgrades to the Third and Maple Sewer Pump Station and a ground water storage tank. The City now looks ahead to other important public projects.

The continuing unknowns at this time are the impacts of the national economic condition on the state and local economy which has a direct impact on the City's budget. These economic factors, which affect property taxes, do impact the City's general fund. The summer of 2012 has seen a noticeable increase in building activity, both commercial and residential. The Department of Corrections is still expected to begin building in 2013, and our housing starts continue at a moderate level. Local community groups continue their efforts to improve the over-all business starts and community development. The future of the City is positive, however the future of the economy we operate in is not clear.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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



**BASIC FINANCIAL STATEMENTS**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Net Assets - Modified Cash Basis  
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,154,666	\$ 7,171,157	\$ 12,325,823
Loans receivable	188,586	-	188,586
Developer advances	13,226	-	13,226
Capital assets not being depreciated:			
Land	3,069,841	1,247,165	4,317,006
Construction in progress	20,779,036	268,304	21,047,340
Capital assets net of depreciation:			
Utility property and improvements	1,090,672	12,031,113	13,121,785
Infrastructure	3,094,995	398,876	3,493,871
Machinery and equipment	884,631	985,990	1,870,621
Total assets	<u>\$ 34,275,653</u>	<u>\$ 22,102,605</u>	<u>\$ 56,378,258</u>
<b>LIABILITIES</b>			
Deposits and withholdings payable	\$ 64,129	\$ 25	\$ 64,154
Noncurrent liabilities:			
Due within one year	31,328	20,754	52,082
Due in more than one year	33,756	-	33,756
Total liabilities	<u>129,213</u>	<u>20,779</u>	<u>149,992</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	28,854,091	14,910,694	43,764,785
Restricted for DOC-IGA capital project	179,235	-	179,235
Restricted for street improvements	269,777	-	269,777
Restricted for system development	828,402	2,116,924	2,945,326
Unrestricted	4,014,935	5,054,208	9,069,143
Total net assets	<u>34,146,440</u>	<u>22,081,826</u>	<u>56,228,266</u>
Total liabilities and net assets	<u>\$ 34,275,653</u>	<u>\$ 22,102,605</u>	<u>\$ 56,378,258</u>

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

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions / Programs</b>							
Governmental activities:							
General government	\$ 932,455	\$ 296,998	\$ 292,278	\$ 1,013,969	\$ 670,790	\$ -	\$ 670,790
Public safety	1,924,762	232,200	-	-	(1,692,562)	-	(1,692,562)
Highways and streets	677,847	4,178	296,121	27,712	(349,836)	-	(349,836)
Economic development	69,388	45,235	8,349	-	(15,804)	-	(15,804)
Culture and recreation	553,159	5,650	1,060	47,012	(499,437)	-	(499,437)
Total governmental activities	4,157,611	584,261	597,808	1,088,693	(1,886,849)	-	(1,886,849)
Business-type Activities:							
Water	1,162,444	712,331	-	31,236	-	(418,877)	(418,877)
Sewer	1,280,891	1,293,357	-	170,807	-	183,273	183,273
Sanitation	687,577	721,176	-	-	-	33,599	33,599
Total business - type activities	3,130,912	2,726,864	-	202,043	(1,886,849)	(202,005)	(2,088,854)
<b>Total government</b>	<b>\$ 7,288,523</b>	<b>\$ 3,311,125</b>	<b>\$ 597,808</b>	<b>\$ 1,290,736</b>	<b>(1,886,849)</b>	<b>(202,005)</b>	<b>(2,088,854)</b>
General revenues:							
Property taxes					1,952,801	-	1,952,801
Franchise taxes					376,285	-	376,285
Other taxes and receipts					9,686	-	9,686
Investment earnings					38,322	33,192	71,514
Transfers - internal activity					(1,939,500)	1,939,500	-
Total general revenues and transfers					437,594	1,972,692	2,410,286
Change in net assets					(1,449,255)	1,770,687	321,432
Net assets - beginning					35,595,695	20,311,139	55,906,834
Net assets - ending					\$ 34,146,440	\$ 22,081,826	\$ 56,228,266

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

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Balance Sheet - Modified Cash Basis  
Governmental Funds  
June 30, 2012

	General Fund Programs	DOC-IGA Infrastructure Capital Project	Building Replacement Reserve Fund	Street Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,070,500	\$ 179,235	\$ 352,617	\$ 276,277	\$ 1,019,140	\$ 1,256,897	\$ 5,154,666
Developer advances	13,226	-	-	-	-	-	13,226
Notes receivable	-	-	-	-	188,586	-	188,586
<b>Total assets</b>	<b><u>\$ 2,083,726</u></b>	<b><u>\$ 179,235</u></b>	<b><u>\$ 352,617</u></b>	<b><u>\$ 276,277</u></b>	<b><u>\$ 1,207,726</u></b>	<b><u>\$ 1,256,897</u></b>	<b><u>\$ 5,356,478</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Deposit and withholdings payable	\$ 57,629	\$ -	\$ -	\$ 6,500	\$ -	\$ -	\$ 64,129
Deferred revenue	-	-	-	-	188,586	-	188,586
<b>Total liabilities</b>	<b><u>57,629</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,500</u></b>	<b><u>188,586</u></b>	<b><u>-</u></b>	<b><u>252,715</u></b>
<b>Fund balances:</b>							
<b>Restricted:</b>							
Police	1,685	-	-	-	-	-	1,685
DOC-IGA capital project	-	179,235	-	-	-	-	179,235
Street and bike	-	-	-	269,777	-	28,293	298,070
Business development	-	-	-	-	1,019,140	-	1,019,140
System development	-	-	-	-	-	828,402	828,402
State revenue sharing	-	-	-	-	-	56,412	56,412
<b>Committed:</b>							
Viking Sal	13,918	-	-	-	-	-	13,918
Health insurance	49,069	-	-	-	-	-	49,069
Community services	26,315	-	-	-	-	-	26,315
Building/equipment reserve	-	-	352,617	-	-	343,790	696,407
<b>Unassigned</b>	<b><u>1,935,110</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,935,110</u></b>
<b>Total fund balances</b>	<b><u>2,026,097</u></b>	<b><u>179,235</u></b>	<b><u>352,617</u></b>	<b><u>269,777</u></b>	<b><u>1,019,140</u></b>	<b><u>1,256,897</u></b>	<b><u>5,103,763</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,083,726</u></b>	<b><u>\$ 179,235</u></b>	<b><u>\$ 352,617</u></b>	<b><u>\$ 276,277</u></b>	<b><u>\$ 1,207,726</u></b>	<b><u>\$ 1,256,897</u></b>	

**RECONCILIATION TO STATEMENT OF NET ASSETS:**

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

Capital assets used in the governmental activities of \$ 32,514,066 net of accumulated depreciation of \$3,594,891 are not financial resources and, therefore, are not reported in the funds.

28,919,175

The balance of the business loan program receivable is offset by deferred revenue in the governmental funds because the receivable is not a current financial resource available to fund current expenditures. The amount is not deferred in the statement activities because the receivable represents an asset under the economic resources measurement focus.

188,586

Capital lease is reported in the Statement of Net Assets. However, if they are not due in the current period, it is not recorded in governmental funds.

(65,084)

Net assets of governmental activities

**\$ 34,146,440**

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

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

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

Governmental Funds

For the Year Ended June 30, 2012

	General Fund Programs	DOC-IGA Infrastructure Capital Project	Building Replacement Reserve Fund	Street Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 1,952,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,952,801
Franchise taxes	376,285	-	-	-	-	-	376,285
Other	9,686	-	-	-	-	-	9,686
Licenses and permits	119,452	-	-	2,644	-	-	122,096
Intergovernmental revenues	224,225	1,000,000	-	293,160	8,349	47,229	1,572,963
Charges for services	113,638	-	-	-	-	-	113,638
System development charges	13,969	-	-	-	-	74,724	88,693
Fines and penalties	232,158	-	-	-	-	-	232,158
Investment earnings	22,547	-	1,921	1,399	5,263	7,192	38,322
Principal received - loan program	-	-	-	-	33,793	-	33,793
Interest received - loan program	-	-	-	-	11,292	-	11,292
Contributions and donations	23,785	-	-	-	-	1,060	24,845
Other revenue	73,436	-	700	1,534	150	5,692	81,512
<b>Total Revenues</b>	<b>3,161,982</b>	<b>1,000,000</b>	<b>2,621</b>	<b>298,737</b>	<b>58,847</b>	<b>135,897</b>	<b>4,658,084</b>
<b>EXPENDITURES</b>							
Current :							
General government	729,366	4,097,497	29,942	-	-	47,292	4,904,097
Public safety	1,912,292	-	-	-	-	69,641	1,981,933
Highway and streets	-	-	-	429,227	-	39,875	469,102
Economic development	-	-	-	-	18,637	-	18,637
Culture and recreation	523,095	-	-	-	-	181,194	704,289
<b>Total expenditures</b>	<b>3,164,753</b>	<b>4,097,497</b>	<b>29,942</b>	<b>429,227</b>	<b>18,637</b>	<b>338,002</b>	<b>8,078,058</b>
Excess (deficiency) of revenues over (under) expenditures	(2,771)	(3,097,497)	(27,321)	(130,490)	40,210	(202,105)	(3,419,974)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	26,258	550,000	-	-	-	77,500	653,758
Transfers out	(39,500)	(2,500,000)	-	(7,500)	-	(46,258)	(2,593,258)
<b>Total other financing source (uses)</b>	<b>(13,242)</b>	<b>(1,950,000)</b>	<b>-</b>	<b>(7,500)</b>	<b>-</b>	<b>31,242</b>	<b>(1,939,500)</b>
<b>Net change in fund balances</b>	<b>(16,013)</b>	<b>(5,047,497)</b>	<b>(27,321)</b>	<b>(137,990)</b>	<b>40,210</b>	<b>(170,863)</b>	<b>(5,359,474)</b>
Fund balances - beginning	2,042,110	5,226,732	379,938	407,767	978,930	1,427,760	10,463,237
<b>Fund balances - ending</b>	<b>\$ 2,026,097</b>	<b>\$ 179,235</b>	<b>\$ 352,617</b>	<b>\$ 269,777</b>	<b>\$ 1,019,140</b>	<b>\$ 1,256,897</b>	<b>\$ 5,103,763</b>

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

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds - Modified Cash Basis  
To the Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds	\$	(5,359,474)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$4,348,605) exceed depreciation (\$406,482) in the current period.		3,942,123
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Change in deferred revenues		(50,751)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net book value of disposed capital assets		(10,228)
The repayment of the principal of capital lease consumes the current financial resources of governmental funds. However, the principal payment has no effect on net assets. This is the amount of principal payment of the capital lease.		<u>29,075</u>
Change in net assets of governmental activities	\$	<u>(1,449,255)</u>

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

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

Statement of Net Assets - Modified Cash Basis  
Enterprise Funds  
June 30, 2012

	Business-Type Activities			Total
	Water Funds	Sewer Funds	Sanitation Funds	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 123,326	\$ 6,663,654	\$ 384,177	\$ 7,171,157
Total current assets	<u>123,326</u>	<u>6,663,654</u>	<u>384,177</u>	<u>7,171,157</u>
Noncurrent assets:				
Land	264,520	906,144	76,501	1,247,165
Construction in progress	-	268,304	-	268,304
Other capital assets, net of accumulated depreciation	<u>3,480,952</u>	<u>9,572,468</u>	<u>362,559</u>	<u>13,415,979</u>
Total noncurrent assets	<u>3,745,472</u>	<u>10,746,916</u>	<u>439,060</u>	<u>14,931,448</u>
Total assets	<u>\$ 3,868,798</u>	<u>\$ 17,410,570</u>	<u>\$ 823,237</u>	<u>\$ 22,102,605</u>
<b>LIABILITIES</b>				
Current liabilities:				
Deposits and withholdings payable	\$ 25	\$ -	\$ -	\$ 25
Note payable - current portion	<u>20,754</u>	<u>-</u>	<u>-</u>	<u>20,754</u>
Total current liabilities	<u>20,779</u>	<u>-</u>	<u>-</u>	<u>20,779</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,724,718	10,746,916	439,060	14,910,694
Restricted for systems development	49,847	2,067,077	-	2,116,924
Unrestricted	<u>73,454</u>	<u>4,596,577</u>	<u>384,177</u>	<u>5,054,208</u>
Total net assets	<u>3,848,019</u>	<u>17,410,570</u>	<u>823,237</u>	<u>22,081,826</u>
Total liabilities and net assets	<u>\$ 3,868,798</u>	<u>\$ 17,410,570</u>	<u>\$ 823,237</u>	<u>\$ 22,102,605</u>

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

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

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

Enterprise Funds

For the Year Ended June 30, 2012

	Business-Type Activities			Total
	Water Funds	Sewer Funds	Sanitation Funds	
Operating revenues:				
Charges for services	\$ 709,287	\$ 1,280,341	\$ 692,824	\$ 2,682,452
Miscellaneous	3,044	13,016	28,352	44,412
Total operating revenues	<u>712,331</u>	<u>1,293,357</u>	<u>721,176</u>	<u>2,726,864</u>
Operating expenses:				
Personal services	419,679	442,367	337,381	1,199,427
Materials and services	395,551	378,192	272,397	1,046,140
Depreciation	134,438	454,777	77,209	666,424
Total operating expenses	<u>949,668</u>	<u>1,275,336</u>	<u>686,987</u>	<u>2,911,991</u>
Operating income (loss)	<u>(237,337)</u>	<u>18,021</u>	<u>34,189</u>	<u>(185,127)</u>
Nonoperating revenues (expenses):				
Investment earnings	3,145	28,023	2,024	33,192
Interest expense	(2,471)	-	(590)	(3,061)
Loss on disposal of capital assets	(210,305)	(5,555)	-	(215,860)
Total nonoperating revenues (expenses)	<u>(209,631)</u>	<u>22,468</u>	<u>1,434</u>	<u>(185,729)</u>
Income (loss) before capital contributions and transfers	(446,968)	40,489	35,623	(370,856)
Capital contributions:				
System development charges	<u>31,236</u>	<u>170,807</u>	<u>-</u>	<u>202,043</u>
Transfers in	-	2,500,000	-	2,500,000
Transfers out	<u>(553,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>(560,500)</u>
Total transfers	<u>(553,500)</u>	<u>2,496,500</u>	<u>(3,500)</u>	<u>1,939,500</u>
Change in net assets	(969,232)	2,707,796	32,123	1,770,687
Total net assets - beginning	<u>4,817,251</u>	<u>14,702,774</u>	<u>791,114</u>	<u>20,311,139</u>
Total net assets - ending	<u>\$ 3,848,019</u>	<u>\$ 17,410,570</u>	<u>\$ 823,237</u>	<u>\$ 22,081,826</u>

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

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Cash Flows - Modified Cash Basis  
Enterprise Funds  
For the Year Ended June 30, 2012

	Business - Type Activities - Enterprise Funds			
	Water Funds	Sewer Funds	Sanitation Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 712,331	\$ 1,293,357	\$ 721,176	\$ 2,726,864
Payments to suppliers	(395,551)	(378,192)	(272,397)	(1,046,140)
Payments to employees	(419,679)	(442,367)	(337,381)	(1,199,427)
Net cash provided (used) by operating activities	<u>(102,899)</u>	<u>472,798</u>	<u>111,398</u>	<u>481,297</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	2,500,000	-	2,500,000
Transfers out	(553,500)	(3,500)	(3,500)	(560,500)
Net cash provided (used) by noncapital financing activities	<u>(553,500)</u>	<u>2,496,500</u>	<u>(3,500)</u>	<u>1,939,500</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(380,018)	(1,060,596)	(83,468)	(1,524,082)
System development charges	31,236	170,807	-	202,043
Interest paid on long-term debt	(2,471)	-	(590)	(3,061)
Principal paid on long-term debt	(19,556)	-	(26,590)	(46,146)
Net cash provided (used) by capital and related financing activities	<u>(370,809)</u>	<u>(889,789)</u>	<u>(110,648)</u>	<u>(1,371,246)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	3,145	28,023	2,024	33,192
Net change in cash and cash equivalents	(1,024,063)	2,107,532	(726)	1,082,743
Cash and cash equivalents - beginning	1,147,389	4,556,122	384,903	6,088,414
Cash and cash equivalents - ending	<u>\$ 123,326</u>	<u>\$ 6,663,654</u>	<u>\$ 384,177</u>	<u>\$ 7,171,157</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (237,337)	\$ 18,021	\$ 34,189	\$ (185,127)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	134,438	454,777	77,209	666,424
Net cash provided (used) by operating activities	<u>\$ (102,899)</u>	<u>\$ 472,798</u>	<u>\$ 111,398</u>	<u>\$ 481,297</u>
<b>Noncash investing, capital and financing activities:</b>				
Loss on disposal of capital assets	<u>\$ 210,305</u>	<u>\$ 5,555</u>	<u>\$ -</u>	<u>\$ 215,860</u>

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

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Fiduciary Net Assets - Modified Cash Basis  
Fiduciary Funds  
June 30, 2012

	<u>Shop with a Cop Trust Fund</u>	<u>Municipal Court Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$          7,454</u>	<u>\$          38,834</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Fines and bails	<u>\$                  -</u>	<u>\$          38,834</u>
Net Assets		
Held in trust	<u>          7,454</u>	<u>                  -</u>
Total liabilities and net assets	<u>\$          7,454</u>	<u>\$          38,834</u>

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

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Changes in Fiduciary Net Assets - Modified Cash Basis  
Fiduciary Funds  
For the Year Ended June 30, 2012

	<u>Shop with a Cop Trust Fund</u>
<b>ADDITIONS</b>	
Interest income	\$ 35
Donations	<u>3,082</u>
Total additions	<u>3,117</u>
<b>DEDUCTIONS</b>	
Benefits	<u>1,267</u>
Change in net assets	1,850
Net assets - beginning	<u>5,604</u>
Net assets - ending	<u>\$ 7,454</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



## CITY OF JUNCTION CITY

LANE COUNTY, OREGON

### Notes to the Financial Statements

June 30, 2012

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

As discussed further in Note I.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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

The City of Junction City ("City") was incorporated in 1872. The City has a population of approximately 5,445, 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.

The City has early implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, is effective for financial statements for periods beginning after December 15, 2011. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA, issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements.

#### **B. Government-wide and fund financial statements**

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

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

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

CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

**Note 1 - Summary of significant accounting policies, continued**

**B. Government-wide and fund financial statements, continued**

The City reports the following major governmental funds:

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

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

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

**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.

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

**Water Fund**

Water Operating Fund

Water System Improvement Fund

Water Equipment Reserve Fund

Water System Development Fund

**Sewer Fund**

Sewer Operating Fund

Sewer Ratepayer Assistance Fund

Sewer Equipment Reserve Fund

Sewer System Development Fund

Sewer System Improvement Fund

**Sanitation Fund**

Sanitation Operating Fund

Sanitation Equipment Reserve

Sanitation System Improvement Fund

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

**B. Government-wide and fund financial statements, continued**

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

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

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

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

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

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

In the government-wide Statement of Net Assets and Statement of Activities and in the fund financial statements, governmental, and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed. For governmental funds, the City uses committed funds first, followed by unassigned fund balance amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2012

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

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

**1. Deposits and investment**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and the City's investment in the State of Oregon Local Government Investment Pool ("LGIP"). State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The LGIP is reported at cost which approximates fair value.

**2. Loans receivable /deferred revenue**

The loans receivable balance is stated at the amount management expects to collect from borrowers. Management evaluates the credit risk of specific customers, historical trends, collateral, and other information relating to the notes receivable portfolio. At June 30, 2012, management believes uncollectible amounts are immaterial; accordingly, no allowance for doubtful accounts has been provided. The loans are offset by deferred revenue in the governmental funds as the loans do not represent a current financial resource.

**3. Property taxes**

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

**4. Capital assets**

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

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

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

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

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

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

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

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

**6. Long-term obligations**

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

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

**7. Fund 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 government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale. The City does not have a nonspendable fund balance at June 30, 2012.

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 government'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 an assigned fund balance at June 30, 2012.

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.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2012

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

**E. Budgetary information**

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

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

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

**A. Deposits and investments**

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

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

The City is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value which approximates cost. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund Board. The Oregon Short-term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

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

Cash on hand	\$	1,400		
Cash in banks		335,002		
LGIP		<u>12,035,709</u>		
Total	\$	<u>12,372,111</u>		
		Government-	Fiduciary	
		wide	Funds	Total
		<u>Statements</u>	<u></u>	<u></u>
Cash and cash equivalents	\$	<u>12,325,823</u>	\$ <u>46,288</u>	\$ <u>12,372,111</u>

## CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

#### **A. Deposits and investments, continued**

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 interest-bearing 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). Non-interest-bearing accounts are fully covered by FDIC insurance under the Dodd-Frank Wall Street Reform and Consumer Protection Act until December 31, 2012.

At June 30, 2012, the City has deposits of \$258,475 insured by federal depository insurance and \$254,814 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 LGIP's portfolio concentration of credit risk at June 30, 2012 included: Corporate notes (46.9%), U.S. Government and Agency Securities (41.1%), Commercial Paper (3.2%), Non US Government Debts (0.9%), Municipal Bonds (1.3%), temporary Liquidity (5.7%), and Certificates of Deposits (0.9%). The credit risk associated with the investments was: AAA rating (36.3%), A rating (33.4%), BBB rating (7.1%), (0.5%), and not rated (22.7%).

Credit risk - The City has no investment policy for credit risk but follows State law. In practice, the City limits investments to the LGIP, which is not rated. The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested using the prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2012, the fair value of the City's deposits with the LGIP approximates cost. The OSTF financial statements are available at <http://www.ost.state.or.us/>.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2012

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

**B. Loan receivables**

The City has a program in which qualifying businesses receive financing from the City to provide for business expansion and job creation within the City. These loans are managed by the City and the repayments must be used to finance additional loans to the qualifying businesses in the future. During the year ended June 30, 2012, activity in the Business Development Loan Fund was as follows:

	<u>Balance at beginning of year</u>	<u>Default loan</u>	<u>Principal received</u>	<u>Balance at end of year</u>
Business development loan receivables	\$ 239,337	\$ 16,958	\$ 33,793	\$ 188,586

**C. Interfund transfers**

<b><u>Transfers out of:</u></b>	<b><u>Transfers in to:</u></b>				<b><u>Total</u></b>
	<b><u>Nonmajor governmental funds</u></b>	<b><u>Sewer fund</u></b>	<b><u>General fund program</u></b>	<b><u>DOC fund</u></b>	
General fund programs	\$ 39,500	\$ -	\$ -	\$ -	\$ 39,500
DOC-IGA infrastructure capital project fund	-	2,500,000	-	-	2,500,000
Street fund	7,500	-	-	-	7,500
Water fund	3,500	-	-	550,000	553,500
Sewer fund	3,500	-	-	-	3,500
Sanitation fund	3,500	-	-	-	3,500
Nonmajor governmental funds	<u>20,000</u>	<u>-</u>	<u>26,258</u>	<u>-</u>	<u>46,258</u>
Total	<u>\$ 77,500</u>	<u>\$ 2,500,000</u>	<u>\$ 26,258</u>	<u>\$ 550,000</u>	<u>\$ 3,153,758</u>

During the year, transfers were made to move unrestricted revenues in the General fund, Street fund, Water fund, Sewer fund, and Sanitation fund to various reserve funds.

Transfers from DOC fund to Sewer system improvement fund was to make the funds available for future sewer upgrades.

Transfers from Water system improvement fund to DOC fund was the repayment of a short-term loan made in FY2010/2011.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2012

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

**D. Capital assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,985,282	\$ 84,559	\$ -	\$ 3,069,841
Construction in progress	<u>16,626,479</u>	<u>4,152,557</u>	<u>-</u>	<u>20,779,036</u>
Total capital assets, not being depreciated	<u>19,611,761</u>	<u>4,237,116</u>	<u>-</u>	<u>23,848,877</u>
Capital assets, being depreciated:				
Other improvements	2,874,276	42,215	-	2,916,491
Machinery and equipment	1,774,568	69,274	(252,983)	1,590,859
Infrastructure	<u>4,157,839</u>	<u>-</u>	<u>-</u>	<u>4,157,839</u>
Total capital assets being depreciated	<u>8,806,683</u>	<u>111,489</u>	<u>(252,983)</u>	<u>8,665,189</u>
Less accumulated depreciation for:				
Other improvements	1,797,510	28,309	-	1,825,819
Machinery and equipment	778,702	170,281	(242,755)	706,228
Infrastructure	<u>854,952</u>	<u>207,892</u>	<u>-</u>	<u>1,062,844</u>
Total accumulated depreciation	<u>3,431,164</u>	<u>406,482</u>	<u>(242,755)</u>	<u>3,594,891</u>
Total capital assets, being depreciated, net	<u>5,375,519</u>	<u>(294,993)</u>	<u>(10,228)</u>	<u>5,070,298</u>
Governmental activities capital assets, net	<u>\$ 24,987,280</u>	<u>\$ 3,942,123</u>	<u>\$ (10,228)</u>	<u>\$ 28,919,175</u>

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

**D. Capital assets, continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,247,165	\$ -	\$ -	\$ 1,247,165
Construction in progress	498,016	-	(229,712)	268,304
Total capital assets, not being depreciated	<u>1,745,181</u>	<u>-</u>	<u>(229,712)</u>	<u>1,515,469</u>
Capital assets, being depreciated:				
Machinery and equipment	1,644,329	422,536	(251,003)	1,815,862
Utility property and improvements	19,940,439	1,016,007	(292,500)	20,663,946
Infrastructure	148,129	315,251	-	463,380
Total capital assets being depreciated	<u>21,732,897</u>	<u>1,753,794</u>	<u>(543,503)</u>	<u>22,943,188</u>
Less accumulated depreciation for:				
Machinery and equipment	942,906	126,859	(239,893)	829,872
Utility property and improvements	8,193,679	526,904	(87,750)	8,632,833
Infrastructure	51,843	12,661	-	64,504
Total accumulated depreciation	<u>9,188,428</u>	<u>666,424</u>	<u>(327,643)</u>	<u>9,527,209</u>
Total capital assets, being depreciated, net	<u>12,544,469</u>	<u>1,087,370</u>	<u>(215,860)</u>	<u>13,415,979</u>
Business-type activities capital assets, net	<u>\$ 14,289,650</u>	<u>\$ 1,087,370</u>	<u>\$ (445,572)</u>	<u>\$ 14,931,448</u>

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

Governmental activities:	
General government	\$ 171,529
Public safety	1,416
Highways and streets	224,432
Culture and recreation	<u>9,105</u>
Total depreciation expense - governmental activities	<u>\$ 406,482</u>
Business-type activities:	
Water	\$ 134,438
Sewer	454,777
Sanitation	<u>77,209</u>
Total depreciation expense - business-type activities	<u>\$ 666,424</u>

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

**E. Leases**

**Capital Leases**

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

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

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Equipment	\$ 157,516	\$ 130,125
Less: accumulated depreciation	<u>(78,064)</u>	<u>(104,100)</u>
Total	<u>\$ 79,452</u>	<u>\$ 26,025</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2013	\$ 36,373	\$ -
2014	<u>36,373</u>	<u>-</u>
Total minimum lease payments	72,746	-
Less: amount representing interest	<u>(7,662)</u>	<u>-</u>
Total	<u>\$ 65,084</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

**F. Long-term debt**

**The State of Oregon - Water**

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 20,754	\$ 1,272

Long-term liability activity for the year ended June 30, 2012 was as follows:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Capital lease	\$ 94,159	\$ -	\$ (29,075)	\$ 65,084	\$ 31,328
<u>Business-type activities</u>					
State of Oregon Loan - Water	\$ 40,310	\$ -	\$ (19,556)	\$ 20,754	\$ 20,754
Capital lease obligation	26,590	-	(26,590)	-	-
Total business-type activities	\$ 111,338	\$ -	\$ (46,146)	\$ 20,754	\$ 20,754

Interest expense for State of Oregon Loan was \$2,471 - all reported in the Water Enterprise Fund. Interest expense for Capital lease of garbage containers was \$590 - all reported in the Sanitation Enterprise Fund.

**Note III - Other information**

**A. Employee retirement system and pension plan**

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

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

## CITY OF JUNCTION CITY

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

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

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

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

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

- PERS (Public Employee Retirement System) is a defined benefit pension plan provided to members or their beneficiaries who were hired prior to August 29, 2003. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current annual required contribution rate of 14.88% was based on a December 31, 2009 actuarial evaluation. The most recent actuarial valuation was prepared as of December 31, 2011. Effective July 2013, the the rate will be 20.01%.
- OPSRP (Oregon Public Service Retirement Plan) is a hybrid retirement plan with two components: a defined benefit pension plan and a defined contribution pension plan.

The defined benefit pension plan is provided to members or their beneficiaries who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current required contribution rates for the OPSRP defined benefit pension plan are 10.41% for general service employees and 13.12% for police and fire employees. Effective July 2013, the rate will be 14.84% for general service employees and 17.57% for police and fire employees.

The defined contribution pension plan (called the Individual Account Program, or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. The City has elected to contribute the 6% "pick-up" for the year ended June 30, 2012. Plan members of PERS retain their existing PERS accounts, but member contributions beginning in 2004 are deposited in the member's IAP, not into the member's PERS account.

**Annual Pension Cost** - All participating employers are required by law to submit the contributions as adopted by the OPERB. The City's contributions, exclusive of the 6% "pick-up" for the years ending June 30, 2012, 2011 and 2010, were \$421,708, \$328,795, and \$330,331 respectively, equal to the required contributions for each year.

#### **B. Risk management**

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

**CITY OF JUNCTION CITY**

LANE COUNTY, OREGON

Notes to the Financial Statements

June 30, 2012

**Note III - Other information, continued**

**C. Construction commitment**

The City is extending water and sewer services to the site of the new State Mental Health Facility (Hospital) and Corrections complex (Prison). The City has been working with the Department of Corrections to improve City infrastructure (primarily water and sewer) in preparation for the new facilities. Contracts funded by the DOC include, work is being done to extend pipelines, build two new water towers, build a ground storage water reservoir, build a new pump station, make improvements to a sewer pump station and construct sewer force mains. Yet to be contracted for with the State are water and sewer treatment systems. Expenditures for these construction projects are reported in the DOC-IGA Infrastructure Capital Projects Fund and are included in capital outlay expenditures. Following is a summary of the construction projects and remaining commitment by bid package as of June 30, 2012:

<u>Bid Package</u>	<u>Contractor</u>	<u>Contract Value, as amended</u>	<u>Expended</u>	<u>Remaining</u>
1	Emery & Sons	\$ 7,326,663	\$ (7,316,722)	\$ 9,941
2	Eugene Sand and Gravel	1,792,923	(1,792,923)	-
3	Phoenix Fabricators	2,607,146	(2,607,146)	-
4	2G Construction	1,965,783	(1,892,968)	72,815
5a	Hanson Drilling	170,866	(170,866)	-
5b	Alpine Construction	439,631	(439,631)	-
5c	The Automation Group	405,765	(400,840)	4,925
6	Marion Construction	<u>2,364,375</u>	<u>(2,364,375)</u>	-
Total		<u>\$ 17,073,152</u>	<u>\$ (16,985,471)</u>	<u>\$ 87,681</u>

**SUPPLEMENTARY INFORMATION**



## **General Fund Programs**

- General Fund
- Viking Sal Senior Center Fund
- Health Insurance Fund
- Cumulative Law Enforcement Reserve Fund
- Community Services Center Fund



**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
General Fund Programs  
June 30, 2012

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Cumulative Law Enforcement Reserve</u>	<u>Community Services Center Fund</u>	<u>Total General Fund Programs</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,979,513	\$ 13,918	\$ 49,069	\$ 1,685	\$ 26,315	\$ 2,070,500
Developer advances	<u>13,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,226</u>
Total assets	<u>\$ 1,992,739</u>	<u>\$ 13,918</u>	<u>\$ 49,069</u>	<u>\$ 1,685</u>	<u>\$ 26,315</u>	<u>\$ 2,083,726</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Deposit and withholdings payable	<u>\$ 57,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,629</u>
Fund balances:						
Restricted	-	-	-	1,685	-	1,685
Committed	-	13,918	49,069	-	26,315	89,302
Unassigned	<u>1,935,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935,110</u>
Total fund balances	<u>1,935,110</u>	<u>13,918</u>	<u>49,069</u>	<u>1,685</u>	<u>26,315</u>	<u>2,026,097</u>
Total liabilities and fund balances	<u>\$ 1,992,739</u>	<u>\$ 13,918</u>	<u>\$ 49,069</u>	<u>\$ 1,685</u>	<u>\$ 26,315</u>	<u>\$ 2,083,726</u>

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis  
General Fund Programs  
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Cumulative Law Enforcement Reserve</u>	<u>Community Services Center Fund</u>	<u>Total General Fund Programs</u>
<b>REVENUES</b>						
Taxes	\$ 2,338,772	\$ -	\$ -	\$ -	\$ -	\$ 2,338,772
Licenses and permits	119,452	-	-	-	-	119,452
Intergovernmental revenues	202,324	21,196	-	-	705	224,225
Charges for services	102,994	10,644	-	-	-	113,638
System development charges	13,969	-	-	-	-	13,969
Fines and penalties	232,158	-	-	-	-	232,158
Investment earnings	22,012	95	304	-	136	22,547
Contributions and donations	150	20,656	-	-	2,979	23,785
Other revenue	14,278	21,148	-	-	38,010	73,436
<b>Total revenues</b>	<b>3,046,109</b>	<b>73,739</b>	<b>304</b>	<b>-</b>	<b>41,830</b>	<b>3,161,982</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	569,367	65,880	40,654	-	53,465	729,366
Public safety	1,912,292	-	-	-	-	1,912,292
Culture and recreation	523,095	-	-	-	-	523,095
<b>Total expenditures</b>	<b>3,004,754</b>	<b>65,880</b>	<b>40,654</b>	<b>-</b>	<b>53,465</b>	<b>3,164,753</b>
Excess (deficiency) of revenues over (under) expenditures	41,355	7,859	(40,350)	-	(11,635)	(2,771)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	16,552	-	-	-	16,258	32,810
Transfers out	(37,000)	(9,052)	-	-	-	(46,052)
<b>Total other financing sources (uses)</b>	<b>(20,448)</b>	<b>(9,052)</b>	<b>-</b>	<b>-</b>	<b>16,258</b>	<b>(13,242)</b>
<b>Net change in fund balances</b>	<b>20,907</b>	<b>(1,193)</b>	<b>(40,350)</b>	<b>-</b>	<b>4,623</b>	<b>(16,013)</b>
Fund balances - beginning	1,914,203	15,111	89,419	1,685	21,692	2,042,110
<b>Fund balances - ending</b>	<b>\$ 1,935,110</b>	<b>\$ 13,918</b>	<b>\$ 49,069</b>	<b>\$ 1,685</b>	<b>\$ 26,315</b>	<b>\$ 2,026,097</b>

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

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Property taxes	\$ 1,918,642	\$ 1,918,642	\$ 1,952,801	\$ 34,159
Franchise taxes	361,500	361,500	376,285	14,785
Other taxes	8,500	8,500	9,686	1,186
Licenses and permits	174,806	174,806	119,452	(55,354)
Intergovernmental revenues	140,128	289,428	202,324	(87,104)
Charges for services	104,705	104,705	102,994	(1,711)
Fines and penalties	252,000	252,000	232,158	(19,842)
Investment earnings	25,668	25,668	22,012	(3,656)
System development charges	22,868	22,868	13,969	(8,899)
Support	50	50	150	100
Other revenue	22,256	22,256	14,278	(7,978)
<b>Total revenues</b>	<u>3,031,123</u>	<u>3,180,423</u>	<u>3,046,109</u>	<u>(134,314)</u>
<b>Expenditures:</b>				
Personal services	2,382,990	2,382,990	2,297,101	85,889
Materials and services	757,100	806,400	707,653	98,747
Contingency	50,000	50,000	-	50,000
<b>Total expenditures</b>	<u>3,190,090</u>	<u>3,239,390</u>	<u>3,004,754</u>	<u>234,636</u>
<b>Excess (deficiency) of revenues over     (under) expenditures</b>	<u>(158,967)</u>	<u>(58,967)</u>	<u>41,355</u>	<u>100,322</u>
<b>Other financing sources (uses):</b>				
Transfers in	16,552	16,552	16,552	-
Transfers out	(37,000)	(37,000)	(37,000)	-
<b>Net change in fund balances</b>	<u>(179,415)</u>	<u>(79,415)</u>	<u>20,907</u>	<u>100,322</u>
<b>Fund balance:</b>				
Beginning of year	<u>1,836,983</u>	<u>1,836,983</u>	<u>1,914,203</u>	<u>77,220</u>
End of year	<u>\$ 1,657,568</u>	<u>\$ 1,757,568</u>	<u>\$ 1,935,110</u>	<u>\$ 177,542</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**GENERAL FUND**  
**Schedule of Expenditures by Department**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>General Government:</b>				
<b>Finance:</b>				
Personal services	\$ 69,284	\$ 69,284	\$ 69,452	\$ (168)
Materials and services	15,129	15,129	12,382	2,747
<b>Total Finance</b>	<b>84,413</b>	<b>84,413</b>	<b>81,834</b>	<b>2,579</b>
<b>Administration:</b>				
Personal services	79,146	79,146	71,386	7,760
Materials and services	14,790	14,790	10,158	4,632
<b>Total Administration</b>	<b>93,936</b>	<b>93,936</b>	<b>81,544</b>	<b>12,392</b>
<b>Miscellaneous:</b>				
Materials and services	181,696	181,696	72,987	108,709
<b>Building/Planning:</b>				
Personal services	152,727	152,727	122,712	30,015
Materials and services	148,281	197,581	210,290	(12,709)
<b>Total Building/Planning</b>	<b>301,008</b>	<b>350,308</b>	<b>333,002</b>	<b>17,306</b>
<b>Total General Government</b>	<b>661,053</b>	<b>710,353</b>	<b>569,367</b>	<b>140,986</b>
<b>Police:</b>				
Personal services	1,569,912	1,569,912	1,513,777	56,135
Materials and services	200,651	200,651	209,077	(8,426)
<b>Total Police</b>	<b>1,770,563</b>	<b>1,770,563</b>	<b>1,722,854</b>	<b>47,709</b>
<b>Culture and Recreation:</b>				
<b>Senior Service:</b>				
Personal services	64,286	64,286	64,621	(335)
<b>Community Service:</b>				
Personal services	72,858	72,858	73,958	(1,100)
<b>Library:</b>				
Personal services	122,654	122,654	123,430	(776)
Materials and services	29,256	29,256	28,893	363
<b>Total Library</b>	<b>151,910</b>	<b>151,910</b>	<b>152,323</b>	<b>(413)</b>
<b>Swimming Pool:</b>				
Personal services	64,474	64,474	74,868	(10,394)
Materials and services	28,172	28,172	30,657	(2,485)
<b>Total Swimming Pool</b>	<b>92,646</b>	<b>92,646</b>	<b>105,525</b>	<b>(12,879)</b>
<b>Parks Maintenance:</b>				
Personal services	98,117	98,117	95,920	2,197
Materials and services	34,788	34,788	30,748	4,040
<b>Total Parks Maintenance</b>	<b>132,905</b>	<b>132,905</b>	<b>126,668</b>	<b>6,237</b>
<b>Total Culture and Recreation</b>	<b>514,605</b>	<b>514,605</b>	<b>523,095</b>	<b>(8,490)</b>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**GENERAL FUND**  
 Schedule of Expenditures by Department  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Municipal Court:				
Personal services	89,532	89,532	86,977	2,555
Materials and services	<u>104,337</u>	<u>104,337</u>	<u>102,461</u>	<u>1,876</u>
Total Municipal Court	<u>193,869</u>	<u>193,869</u>	<u>189,438</u>	<u>4,431</u>
Contingency	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
Total expenditures	<u>\$ 3,190,090</u>	<u>\$ 3,239,390</u>	<u>\$ 3,004,754</u>	<u>\$ 234,636</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**VIKING SAL SENIOR CENTER FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 23,500	\$ 23,500	\$ 21,196	\$ (2,304)
Charges for services	4,600	8,100	10,644	2,544
Investment earnings	41	41	95	54
Support	26,550	26,550	20,656	(5,894)
Other revenue	<u>15,950</u>	<u>22,450</u>	<u>21,148</u>	<u>(1,302)</u>
Total revenues	<u>70,641</u>	<u>80,641</u>	<u>73,739</u>	<u>(6,902)</u>
<b>Expenditures:</b>				
Personal services	15,325	15,325	15,316	9
Materials and services	45,630	55,630	50,564	5,066
Capital outlay	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>61,055</u>	<u>71,055</u>	<u>65,880</u>	<u>5,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,586</u>	<u>9,586</u>	<u>7,859</u>	<u>(1,727)</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(9,052)</u>	<u>(9,052)</u>	<u>(9,052)</u>	<u>-</u>
Net change in fund balance	534	534	(1,193)	(1,727)
<b>Fund balance:</b>				
Beginning of year	<u>7,749</u>	<u>7,749</u>	<u>15,111</u>	<u>7,362</u>
End of year	<u>\$ 8,283</u>	<u>\$ 8,283</u>	<u>\$ 13,918</u>	<u>\$ 5,635</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**HEALTH INSURANCE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 727	\$ 727	\$ 304	\$ (423)
Expenditures:				
Personal services	81,256	81,256	40,654	40,602
Total expenditures	81,256	81,256	40,654	40,602
Net change in fund balance	(80,529)	(80,529)	(40,350)	40,179
Fund balance:				
Beginning of year	88,026	88,026	89,419	1,393
End of year	<u>\$ 7,497</u>	<u>\$ 7,497</u>	<u>\$ 49,069</u>	<u>\$ 41,572</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**CUMULATIVE LAW ENFORCEMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance:				
Beginning of year	1,685	1,685	1,685	-
End of year	<u>\$ 1,685</u>	<u>\$ 1,685</u>	<u>\$ 1,685</u>	<u>\$ -</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**COMMUNITY SERVICES CENTER FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 1,800	\$ 1,800	\$ 705	\$ (1,095)
Investment earnings	34	34	136	102
Support	11,800	11,800	2,979	(8,821)
Other revenue	<u>26,200</u>	<u>26,200</u>	<u>38,010</u>	<u>11,810</u>
Total revenues	<u>39,834</u>	<u>39,834</u>	<u>41,830</u>	<u>1,996</u>
<b>Expenditures:</b>				
Personal services	17,139	18,339	16,024	2,315
Materials and services	33,409	38,468	37,441	1,027
Capital outlay	100	100	-	100
Contingency	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>53,148</u>	<u>56,907</u>	<u>53,465</u>	<u>3,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,314)</u>	<u>(17,073)</u>	<u>(11,635)</u>	<u>5,438</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>5,000</u>	<u>16,258</u>	<u>16,258</u>	<u>-</u>
Net change in fund balance	<u>(8,314)</u>	<u>(815)</u>	<u>4,623</u>	<u>5,438</u>
<b>Fund balance:</b>				
Beginning of year	<u>19,747</u>	<u>19,747</u>	<u>21,692</u>	<u>1,945</u>
End of year	<u>\$ 11,433</u>	<u>\$ 18,932</u>	<u>\$ 26,315</u>	<u>\$ 7,383</u>



**Nonmajor Governmental Funds  
Combining Statements**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
June 30, 2012

	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Special Revenue Fund -State Revenue Sharing Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 1,200,485</u>	<u>\$ 56,412</u>	<u>\$ 1,256,897</u>
<b>FUND BALANCES</b>			
Restricted	856,695	56,412	913,107
Committed	<u>343,790</u>	<u>-</u>	<u>343,790</u>
Total fund balances	<u>\$ 1,200,485</u>	<u>\$ 56,412</u>	<u>\$ 1,256,897</u>

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2012

	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Special Fund -State Revenue Sharing Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 2,961	\$ 44,268	\$ 47,229
System development charges	74,724	-	74,724
Investment earnings	6,949	243	7,192
Support	1,060	-	1,060
Other revenue	<u>5,692</u>	<u>-</u>	<u>5,692</u>
Total revenues	<u>91,386</u>	<u>44,511</u>	<u>135,897</u>
<b>EXPENDITURES</b>			
Current			
General government	40,217	7,075	47,292
Public safety	69,641	-	69,641
Highways and streets	39,875	-	39,875
Culture and recreation	<u>181,194</u>	<u>-</u>	<u>181,194</u>
Total expenditures	<u>330,927</u>	<u>7,075</u>	<u>338,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(239,541)</u>	<u>37,436</u>	<u>(202,105)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	77,500	-	77,500
Transfers out	<u>(10,000)</u>	<u>(36,258)</u>	<u>(46,258)</u>
Total other financing sources (uses)	<u>67,500</u>	<u>(36,258)</u>	<u>31,242</u>
Net change in fund balances	(172,041)	1,178	(170,863)
Fund balances - beginning	<u>1,372,526</u>	<u>55,234</u>	<u>1,427,760</u>
Fund balances - ending	<u>\$ 1,200,485</u>	<u>\$ 56,412</u>	<u>\$ 1,256,897</u>

**Capital Project Funds**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Capital Project Funds  
June 30, 2012

	<u>PW Building/Yard Reserve Fund</u>	<u>Viking Sal Capital Reserve</u>	<u>Police Vehicle &amp; Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. &amp; Build. Reserve Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 33,670</u>	<u>\$ 2,645</u>	<u>\$ 5,261</u>	<u>\$ 241,678</u>	<u>\$ 3,643</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	-
Committed	<u>33,670</u>	<u>2,645</u>	<u>5,261</u>	<u>241,678</u>	<u>3,643</u>
Total fund balances	<u>\$ 33,670</u>	<u>\$ 2,645</u>	<u>\$ 5,261</u>	<u>\$ 241,678</u>	<u>\$ 3,643</u>

Continued on next page

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
 Combining Balance Sheet - Modified Cash Basis  
 Nonmajor Capital Project Funds  
 June 30, 2012

	Administration Vehicle Reserve	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund	Computer Equipment Reserve Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,044	\$ 13,959	\$ 28,293	\$ 219,358	\$ 8,067
<b>FUND BALANCES</b>					
Restricted	-	-	28,293	219,358	-
Committed	7,044	13,959	-	-	8,067
Total fund balances	\$ 7,044	\$ 13,959	\$ 28,293	\$ 219,358	\$ 8,067

Continued on next page

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Capital Project Funds  
June 30, 2012

	<u>Street System Development Fund</u>	<u>Street Equipment Reserve Fund</u>	<u>Police Defibrillator Trust</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 609,044</u>	<u>\$ 27,221</u>	<u>\$ 602</u>	<u>\$ 1,200,485</u>
<b>FUND BALANCES</b>				
Restricted	609,044	-	-	856,695
Committed	<u>-</u>	<u>27,221</u>	<u>602</u>	<u>343,790</u>
Total fund balances	<u>\$ 609,044</u>	<u>\$ 27,221</u>	<u>\$ 602</u>	<u>\$ 1,200,485</u>

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2012

	PW Building/Yard Reserve Fund	Viking Sal Capital Reserve	Police Vehicle & Equip Reserve Fund	Prairie Road Street Improvement Reserve Fund	Library Equip. & Build. Reserve Fund
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
System development charges	-	-	-	-	-
Investment earnings	155	4	196	1,265	29
Contributions and donations	-	-	-	-	-
Other revenue	-	-	42	-	-
Total revenues	<u>155</u>	<u>4</u>	<u>238</u>	<u>1,265</u>	<u>29</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	-	-	69,641	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	1,700	-	-	2,505
Total expenditures	<u>-</u>	<u>1,700</u>	<u>69,641</u>	<u>-</u>	<u>2,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155</u>	<u>(1,696)</u>	<u>(69,403)</u>	<u>1,265</u>	<u>(2,476)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,000	2,500	47,000	-	-
Transfers out	-	-	-	-	-
Net change in fund balances	<u>10,155</u>	<u>804</u>	<u>(22,403)</u>	<u>1,265</u>	<u>(2,476)</u>
Fund balances - beginning	<u>23,515</u>	<u>1,841</u>	<u>27,664</u>	<u>240,413</u>	<u>6,119</u>
Fund balances - ending	<u>\$ 33,670</u>	<u>\$ 2,645</u>	<u>\$ 5,261</u>	<u>\$ 241,678</u>	<u>\$ 3,643</u>

Continued on next page

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2012

	<u>Administration Vehicle Reserve</u>	<u>Park and Pool Equipment Reserve Fund</u>	<u>Bike Path Reserve Fund</u>	<u>Park System Development Fund</u>	<u>Computer Equipment Reserve Fund</u>
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ 2,961	\$ -	\$ -
System development charges	-	-	-	47,012	-
Investment earnings	58	117	141	1,527	102
Contributions and donations	-	1,060	-	-	-
Other revenue	-	5,650	-	-	-
Total revenues	<u>58</u>	<u>6,827</u>	<u>3,102</u>	<u>48,539</u>	<u>102</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	40,217
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	18,561	-	158,428	-
Total expenditures	<u>-</u>	<u>18,561</u>	<u>-</u>	<u>158,428</u>	<u>40,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58</u>	<u>(11,734)</u>	<u>3,102</u>	<u>(109,889)</u>	<u>(40,115)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	13,000
Transfers out	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(9,942)</u>	<u>(11,734)</u>	<u>3,102</u>	<u>(109,889)</u>	<u>(27,115)</u>
Fund balances - beginning	<u>16,986</u>	<u>25,693</u>	<u>25,191</u>	<u>329,247</u>	<u>35,182</u>
Fund balances - ending	<u>\$ 7,044</u>	<u>\$ 13,959</u>	<u>\$ 28,293</u>	<u>\$ 219,358</u>	<u>\$ 8,067</u>

Continued on next page

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

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2012

	Street System Development Fund	Street Equipment Reserve Fund	Police Defibrillator Trust	Total Nonmajor Capital Project Funds
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 2,961
System development charges	27,712	-	-	74,724
Investment earnings	3,110	242	3	6,949
Contributions and donations	-	-	-	1,060
Other revenue	-	-	-	5,692
Total revenues	<u>30,822</u>	<u>242</u>	<u>3</u>	<u>91,386</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	40,217
Public safety	-	-	-	69,641
Highways and streets	-	39,875	-	39,875
Culture and recreation	-	-	-	181,194
Total expenditures	<u>-</u>	<u>39,875</u>	<u>-</u>	<u>330,927</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,822</u>	<u>(39,633)</u>	<u>3</u>	<u>(239,541)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	5,000	-	77,500
Transfers out	-	-	-	(10,000)
Net change in fund balances	<u>30,822</u>	<u>(34,633)</u>	<u>3</u>	<u>(172,041)</u>
Fund balances - beginning	<u>578,222</u>	<u>61,854</u>	<u>599</u>	<u>1,372,526</u>
Fund balances - ending	<u>\$ 609,044</u>	<u>\$ 27,221</u>	<u>\$ 602</u>	<u>\$ 1,200,485</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**DOC-IGA INFRASTRUCTURE CAPITAL PROJECT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 2,350,000	\$ 2,350,000	\$ 1,000,000	\$ (1,350,000)
Expenditures:				
Capital outlay	8,783,121	6,283,121	4,097,497	2,185,624
Excess (deficiency) of revenues over (under) expenditures	(6,433,121)	(3,933,121)	(3,097,497)	835,624
Other financing sources (uses):				
Transfers in	550,000	550,000	550,000	-
Transfers out	-	(2,500,000)	(2,500,000)	-
Net change in fund balances	(5,883,121)	(5,883,121)	(5,047,497)	835,624
Fund balance:				
Beginning of year	5,883,121	5,883,121	5,226,732	(656,389)
End of year	\$ -	\$ -	\$ 179,235	\$ 179,235

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**BUILDING REPLACEMENT RESERVE FUND**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Investment earnings	\$ 2,237	\$ 2,237	\$ 1,921	\$ (316)
Other revenue	<u>-</u>	<u>-</u>	<u>700</u>	<u>700</u>
Total revenues	<u>2,237</u>	<u>2,237</u>	<u>2,621</u>	<u>384</u>
<b>Expenditures:</b>				
Materials and services	20,200	20,200	17,080	3,120
Capital outlay	<u>42,000</u>	<u>42,000</u>	<u>12,862</u>	<u>29,138</u>
Total expenditures	<u>62,200</u>	<u>62,200</u>	<u>29,942</u>	<u>32,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,963)</u>	<u>(59,963)</u>	<u>(27,321)</u>	<u>32,642</u>
Net change in fund balances	(59,963)	(59,963)	(27,321)	32,642
<b>Fund balance:</b>				
Beginning of year	<u>435,121</u>	<u>435,121</u>	<u>379,938</u>	<u>(55,183)</u>
End of year	<u>\$ 375,158</u>	<u>\$ 375,158</u>	<u>\$ 352,617</u>	<u>\$ (22,541)</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
PW BUILDING/YARD RESERVE FUND  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 107	\$ 107	\$ 155	\$ 48
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	107	107	155	48
Other financing sources (uses):				
Transfers in	10,000	10,000	10,000	-
Net change in fund balances	10,107	10,107	10,155	48
Fund balance:				
Beginning of year	24,460	24,460	23,515	(945)
End of year	<u>\$ 34,567</u>	<u>\$ 34,567</u>	<u>\$ 33,670</u>	<u>\$ (897)</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**VIKING SAL CAPITAL RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 4	\$ 4	\$ 4	\$ -
Expenditures:				
Materials and services	2,400	2,400	1,200	1,200
Capital outlay	<u>1,050</u>	<u>1,050</u>	<u>500</u>	<u>550</u>
Total expenditures	<u>3,450</u>	<u>3,450</u>	<u>1,700</u>	<u>1,750</u>
Excess (deficiency) of revenues over (under) expenditures	(3,446)	(3,446)	(1,696)	1,750
Other financing sources (uses):				
Transfers in	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Net change in fund balances	(946)	(946)	804	1,750
Fund balance:				
Beginning of year	<u>1,735</u>	<u>1,735</u>	<u>1,841</u>	<u>106</u>
End of year	<u>\$ 789</u>	<u>\$ 789</u>	<u>\$ 2,645</u>	<u>\$ 1,856</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**POLICE VEHICLE AND EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 60,000	\$ 60,000	\$ -	\$ (60,000)
Investment earnings	133	133	196	63
Other revenue	-	-	42	42
<b>Total revenues</b>	<u>60,133</u>	<u>60,133</u>	<u>238</u>	<u>(59,895)</u>
<b>Expenditures:</b>				
Capital outlay	<u>134,529</u>	<u>134,529</u>	<u>69,641</u>	<u>64,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,396)</u>	<u>(74,396)</u>	<u>(69,403)</u>	<u>4,993</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>47,000</u>	<u>47,000</u>	<u>47,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(27,396)</u>	<u>(27,396)</u>	<u>(22,403)</u>	<u>4,993</u>
<b>Fund balance:</b>				
Beginning of year	<u>27,418</u>	<u>27,418</u>	<u>27,664</u>	<u>246</u>
End of year	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ 5,261</u>	<u>\$ 5,239</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PRAIRIE ROAD STREET IMPROVEMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 1,248	\$ 1,248	\$ 1,265	\$ 17
Expenditures:				
Capital outlay	218,000	218,000	-	218,000
Net change in fund balance	(216,752)	(216,752)	1,265	218,017
Fund balance:				
Beginning of year	240,455	240,455	240,413	(42)
End of year	<u>\$ 23,703</u>	<u>\$ 23,703</u>	<u>\$ 241,678</u>	<u>\$ 217,975</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**LIBRARY EQUIPMENT AND BUILDING IMPROVEMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 94	\$ 94	\$ 29	\$ (65)
Expenditures:				
Materials and services	3,000	3,000	1,121	1,879
Capital outlay	2,000	2,000	1,384	616
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,505</u>	<u>2,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,906)</u>	<u>(4,906)</u>	<u>(2,476)</u>	<u>2,430</u>
Net change in fund balances	(4,906)	(4,906)	(2,476)	2,430
Fund balance:				
Beginning of year	7,878	7,878	6,119	(1,759)
End of year	<u>\$ 2,972</u>	<u>\$ 2,972</u>	<u>\$ 3,643</u>	<u>\$ 671</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**ADMINISTRATION VEHICLE AND EQUIPMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 90	\$ 90	\$ 58	\$ (32)
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	<u>90</u>	<u>90</u>	<u>58</u>	<u>(32)</u>
Other financing sources (uses):				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(9,910)	(9,910)	(9,942)	(32)
Fund balance:				
Beginning of year	<u>17,428</u>	<u>17,428</u>	<u>16,986</u>	<u>(442)</u>
End of year	<u>\$ 7,518</u>	<u>\$ 7,518</u>	<u>\$ 7,044</u>	<u>\$ (474)</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PARK AND POOL EQUIPMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Investment earnings	157	157	117	(40)
Support	18,000	18,000	1,060	(16,940)
Other revenue	-	-	5,650	5,650
Total revenues	<u>38,157</u>	<u>38,157</u>	<u>6,827</u>	<u>(31,330)</u>
<b>Expenditures:</b>				
Materials and services	2,500	2,500	2,495	5
Capital outlay	56,500	56,500	16,066	40,434
Total expenditures	<u>59,000</u>	<u>59,000</u>	<u>18,561</u>	<u>40,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,843)</u>	<u>(20,843)</u>	<u>(11,734)</u>	<u>9,109</u>
Net change in fund balance	(20,843)	(20,843)	(11,734)	9,109
<b>Fund balance:</b>				
Beginning of year	<u>21,704</u>	<u>21,704</u>	<u>25,693</u>	<u>3,989</u>
End of year	<u>\$ 861</u>	<u>\$ 861</u>	<u>\$ 13,959</u>	<u>\$ 13,098</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**BIKE PATH RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 3,195	\$ 3,195	\$ 2,961	\$ (234)
Investment earnings	<u>121</u>	<u>121</u>	<u>141</u>	<u>20</u>
Total revenues	<u>3,316</u>	<u>3,316</u>	<u>3,102</u>	<u>(214)</u>
<b>Expenditures:</b>				
Materials and services	100	100	-	100
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>-</u>	<u>10,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,784)</u>	<u>(6,784)</u>	<u>3,102</u>	<u>9,886</u>
Net change in fund balance	(6,784)	(6,784)	3,102	9,886
<b>Fund balance:</b>				
Beginning of year	<u>25,289</u>	<u>25,289</u>	<u>25,191</u>	<u>(98)</u>
End of year	<u>\$ 18,505</u>	<u>\$ 18,505</u>	<u>\$ 28,293</u>	<u>\$ 9,788</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PARK SYSTEM DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
System development charges	\$ 81,760	\$ 81,760	\$ 47,012	\$ (34,748)
Investment earnings	1,634	1,634	1,527	(107)
Total revenues	<u>83,394</u>	<u>83,394</u>	<u>48,539</u>	<u>(34,855)</u>
<b>Expenditures:</b>				
Materials and services	5,000	5,000	4,900	100
Capital outlay	340,000	340,000	153,528	186,472
Total expenditures	<u>345,000</u>	<u>345,000</u>	<u>158,428</u>	<u>186,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(261,606)</u>	<u>(261,606)</u>	<u>(109,889)</u>	<u>151,717</u>
Net change in fund balances	(261,606)	(261,606)	(109,889)	151,717
<b>Fund balance:</b>				
Beginning of year	<u>345,976</u>	<u>345,976</u>	<u>329,247</u>	<u>(16,729)</u>
End of year	<u>\$ 84,370</u>	<u>\$ 84,370</u>	<u>\$ 219,358</u>	<u>\$ 134,988</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**COMPUTER EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 154	\$ 154	\$ 102	\$ (52)
Expenditures:				
Materials and services	30,521	30,521	30,508	13
Capital outlay	10,000	10,000	9,709	291
Total expenditures	<u>40,521</u>	<u>40,521</u>	<u>40,217</u>	<u>304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,367)</u>	<u>(40,367)</u>	<u>(40,115)</u>	<u>252</u>
Other financing sources (uses):				
Transfers in	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Net change in fund balance	<u>(27,367)</u>	<u>(27,367)</u>	<u>(27,115)</u>	<u>252</u>
Fund balance:				
Beginning of year	<u>32,514</u>	<u>32,514</u>	<u>35,182</u>	<u>2,668</u>
End of year	<u>\$ 5,147</u>	<u>\$ 5,147</u>	<u>\$ 8,067</u>	<u>\$ 2,920</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**STREET SYSTEM DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
System development charges	\$ 44,640	\$ 44,640	\$ 27,712	\$ (16,928)
Investment earnings	<u>2,958</u>	<u>2,958</u>	<u>3,110</u>	<u>152</u>
Total revenues	<u>47,598</u>	<u>47,598</u>	<u>30,822</u>	<u>(16,776)</u>
Expenditures:				
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,598</u>	<u>42,598</u>	<u>30,822</u>	<u>(11,776)</u>
Net change in fund balances	42,598	42,598	30,822	(11,776)
Fund balance:				
Beginning of year	<u>590,587</u>	<u>590,587</u>	<u>578,222</u>	<u>(12,365)</u>
End of year	<u>\$ 633,185</u>	<u>\$ 633,185</u>	<u>\$ 609,044</u>	<u>\$ (24,141)</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**STREET EQUIPMENT RESERVE FUND**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 347	\$ 347	\$ 242	\$ (105)
Expenditures:				
Capital outlay	40,000	40,000	39,875	125
Excess (deficiency) of revenues over (under) expenditures	(39,653)	(39,653)	(39,633)	20
Other financing sources (uses):				
Transfers in	5,000	5,000	5,000	-
Net change in fund balance	(34,653)	(34,653)	(34,633)	20
Fund balance:				
Beginning of year	70,601	70,601	61,854	(8,747)
End of year	<u>\$ 35,948</u>	<u>\$ 35,948</u>	<u>\$ 27,221</u>	<u>\$ (8,727)</u>

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON  
POLICE DEFIBRILLATOR FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 3	\$ 3
Expenditures:				
Excess (deficiency) of revenues over (under) expenditures	-	-	3	3
Net change in fund balances	-	-	3	3
Fund balance:				
Beginning of year	600	600	599	(1)
End of year	\$ 600	\$ 600	\$ 602	\$ 2



**Special Revenue Funds**



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

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Franchise taxes	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Licenses and permits	1,500	1,500	2,644	1,144
Intergovernmental revenues	366,590	366,590	293,160	(73,430)
Investment earnings	2,488	2,488	1,399	(1,089)
Other revenue	1,400	1,400	1,534	134
Total revenues	421,978	421,978	298,737	(123,241)
<b>Expenditures:</b>				
Personal services	92,415	92,415	86,369	6,046
Materials and services	130,619	130,619	130,183	436
Capital outlay	233,000	233,000	212,675	20,325
Contingency	30,000	30,000	-	30,000
Total expenditures	486,034	486,034	429,227	56,807
Excess (deficiency) of revenues over (under) expenditures	(64,056)	(64,056)	(130,490)	(66,434)
<b>Other financing sources (uses):</b>				
Transfers out	(7,500)	(7,500)	(7,500)	-
Total other financing sources (uses)	(7,500)	(7,500)	(7,500)	-
Net change in fund balances	(71,556)	(71,556)	(137,990)	(66,434)
<b>Fund balance:</b>				
Beginning of year	454,398	454,398	407,767	(46,631)
End of year	\$ 382,842	\$ 382,842	\$ 269,777	\$ (113,065)

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**BUSINESS DEVELOPMENT LOAN FUND**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 8,607	\$ 8,607	\$ 8,349	\$ (258)
Investment earnings	5,732	5,732	5,263	(469)
Principal received - loan program	31,097	31,097	33,793	2,696
Interest received - loan program	9,084	9,084	11,292	2,208
Other revenue	400	400	150	(250)
<b>Total revenues</b>	<u>54,920</u>	<u>54,920</u>	<u>58,847</u>	<u>3,927</u>
<b>Expenditures:</b>				
Materials and services	<u>781,187</u>	<u>781,187</u>	<u>18,637</u>	<u>762,550</u>
<b>Total expenditures</b>	<u>781,187</u>	<u>781,187</u>	<u>18,637</u>	<u>762,550</u>
<b>Net change in fund balances</b>	(726,267)	(726,267)	40,210	766,477
<b>Fund balance:</b>				
Beginning of year	<u>965,986</u>	<u>965,986</u>	<u>978,930</u>	<u>12,944</u>
End of year	<u>\$ 239,719</u>	<u>\$ 239,719</u>	<u>\$ 1,019,140</u>	<u>\$ 779,421</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**STATE REVENUE SHARING FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 40,000	\$ 40,000	\$ 44,268	\$ 4,268
Investment earnings	289	289	243	(46)
Total revenues	<u>40,289</u>	<u>40,289</u>	<u>44,511</u>	<u>4,222</u>
<b>Expenditures:</b>				
Materials and services	56,000	44,742	7,075	37,667
Total expenditures	<u>56,000</u>	<u>44,742</u>	<u>7,075</u>	<u>37,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,711)</u>	<u>(4,453)</u>	<u>37,436</u>	<u>41,889</u>
<b>Other financing sources (uses):</b>				
Transfers out	(25,000)	(36,258)	(36,258)	-
Net change in fund balance	(40,711)	(40,711)	1,178	41,889
<b>Fund balance:</b>				
Beginning of year	54,934	54,934	55,234	300
End of year	<u>\$ 14,223</u>	<u>\$ 14,223</u>	<u>\$ 56,412</u>	<u>\$ 42,189</u>

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

**Enterprise Funds**

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

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Charges for services	\$ 985,753	\$ 985,753	\$ 701,526	\$ (284,227)	\$ -	\$ 701,526
Investment earnings	2,638	2,638	1,679	(959)	-	1,679
Other revenue	-	-	3,044	3,044	-	3,044
Total revenues	<u>988,391</u>	<u>988,391</u>	<u>706,249</u>	<u>(282,142)</u>	<u>-</u>	<u>706,249</u>
<b>Expenditures:</b>						
Personal services	420,300	420,300	419,679	621	-	419,679
Materials and services	280,420	280,420	280,351	69	663	281,014
Capital outlay	1,000	1,000	663	337	(663)	-
Depreciation	-	-	-	-	134,438	134,438
Contingency	50,000	50,000	-	50,000	-	-
Total expenditures	<u>751,720</u>	<u>751,720</u>	<u>700,693</u>	<u>51,027</u>	<u>134,438</u>	<u>835,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>236,671</u>	<u>236,671</u>	<u>5,556</u>	<u>(231,115)</u>	<u>(134,438)</u>	<u>(128,882)</u>
<b>Other financing sources (uses):</b>						
Transfers out	(401,500)	(401,500)	(308,500)	93,000	-	(308,500)
Loss on disposal of fixed assets	-	-	-	-	(210,305)	(210,305)
Net change in fund balance	<u>(164,829)</u>	<u>(164,829)</u>	<u>(302,944)</u>	<u>(138,115)</u>	<u>(344,743)</u>	<u>(647,687)</u>
<b>Fund balance:</b>						
Beginning of year	<u>537,196</u>	<u>537,196</u>	<u>367,302</u>	<u>(169,894)</u>	<u>2,771,316</u>	<u>3,138,618</u>
End of year	<u>\$ 372,367</u>	<u>\$ 372,367</u>	<u>\$ 64,358</u>	<u>\$ (308,009)</u>	<u>\$ 2,426,573</u>	<u>\$ 2,490,931</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER SYSTEM IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Charges for services	\$ 7,000	\$ 7,000	\$ 7,761	\$ 761	\$ -	\$ 7,761
Investment earnings	<u>1,913</u>	<u>1,913</u>	<u>920</u>	<u>(993)</u>	<u>-</u>	<u>920</u>
Total revenues	<u>8,913</u>	<u>8,913</u>	<u>8,681</u>	<u>(232)</u>	<u>-</u>	<u>8,681</u>
<b>Expenditures:</b>						
Materials and services	85,400	85,400	58,349	27,051	10,853	69,202
Capital outlay	430,000	430,000	177,844	252,156	(177,844)	-
Debt service	<u>22,027</u>	<u>22,027</u>	<u>22,027</u>	<u>-</u>	<u>(19,556)</u>	<u>2,471</u>
Total expenditures	<u>537,427</u>	<u>537,427</u>	<u>258,220</u>	<u>279,207</u>	<u>(186,547)</u>	<u>71,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(528,514)</u>	<u>(528,514)</u>	<u>(249,539)</u>	<u>278,975</u>	<u>186,547</u>	<u>(62,992)</u>
<b>Other financing sources (uses):</b>						
Transfers in	338,000	338,000	300,000	(38,000)	-	300,000
Transfers out	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>-</u>	<u>(550,000)</u>
Net change in fund balance	<u>(740,514)</u>	<u>(740,514)</u>	<u>(499,539)</u>	<u>240,975</u>	<u>186,547</u>	<u>(312,992)</u>
<b>Fund balance:</b>						
Beginning of year	<u>880,214</u>	<u>880,214</u>	<u>507,209</u>	<u>(373,005)</u>	<u>628,355</u>	<u>1,135,564</u>
End of year	<u>\$ 139,700</u>	<u>\$ 139,700</u>	<u>\$ 7,670</u>	<u>\$ (132,030)</u>	<u>\$ 814,902</u>	<u>\$ 822,572</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 408	\$ 408	\$ 136	\$ (272)	\$ -	\$ 136
Expenditures:						
Materials and services	65,000	65,000	20,360	44,640	24,975	45,335
Capital outlay	42,500	42,500	42,471	29	(42,471)	-
Total expenditures	<u>107,500</u>	<u>107,500</u>	<u>62,831</u>	<u>44,669</u>	<u>(17,496)</u>	<u>45,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,092)</u>	<u>(107,092)</u>	<u>(62,695)</u>	<u>44,397</u>	<u>17,496</u>	<u>(45,199)</u>
Other financing sources (uses):						
Transfers in	60,000	60,000	5,000	(55,000)	-	5,000
Net change in fund balance	(47,092)	(47,092)	(57,695)	(10,603)	17,496	(40,199)
Fund balance:						
Beginning of year	<u>77,117</u>	<u>77,117</u>	<u>59,121</u>	<u>(17,996)</u>	<u>126,447</u>	<u>185,568</u>
End of year	<u>\$ 30,025</u>	<u>\$ 30,025</u>	<u>\$ 1,426</u>	<u>\$ (28,599)</u>	<u>\$ 143,943</u>	<u>\$ 145,369</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER SYSTEM DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
<b>Revenues:</b>						
System development charges	\$ 44,000	\$ 44,000	\$ 31,236	\$ (12,764)	\$ -	\$ 31,236
Investment earnings	1,074	1,074	410	(664)	-	410
Total revenues	<u>45,074</u>	<u>45,074</u>	<u>31,646</u>	<u>(13,428)</u>	<u>-</u>	<u>31,646</u>
<b>Expenditures:</b>						
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>195,531</u>	<u>4,469</u>	<u>(195,531)</u>	<u>-</u>
Net change in fund balance	(154,926)	(154,926)	(163,885)	(8,959)	195,531	31,646
<b>Fund balance:</b>						
Beginning of year	<u>226,524</u>	<u>226,524</u>	<u>213,732</u>	<u>(12,792)</u>	<u>143,769</u>	<u>357,501</u>
End of year	<u>\$ 71,598</u>	<u>\$ 71,598</u>	<u>\$ 49,847</u>	<u>\$ (21,751)</u>	<u>\$ 339,300</u>	<u>\$ 389,147</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Charges for services	\$ 1,532,254	\$1,532,254	\$1,280,316	\$ (251,938)	\$ -	\$ 1,280,316
Investment earnings	2,789	2,789	2,454	(335)	-	2,454
Other revenue	500	500	11,001	10,501	-	11,001
<b>Total revenues</b>	<b>1,535,543</b>	<b>1,535,543</b>	<b>1,293,771</b>	<b>(241,772)</b>	<b>-</b>	<b>1,293,771</b>
<b>Expenditures:</b>						
Personal services	443,840	443,840	442,367	1,473	-	442,367
Materials and services	165,669	165,669	165,137	532	-	165,137
Capital outlay	1,000	1,000	-	1,000	-	-
Depreciation	-	-	-	-	454,777	454,777
Contingency	50,000	38,000	-	38,000	-	-
<b>Total expenditures</b>	<b>660,509</b>	<b>648,509</b>	<b>607,504</b>	<b>41,005</b>	<b>454,777</b>	<b>1,062,281</b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>875,034</b>	<b>887,034</b>	<b>686,267</b>	<b>(200,767)</b>	<b>(454,777)</b>	<b>231,490</b>
<b>Other financing sources (uses):</b>						
Transfers out	(833,500)	(845,500)	(845,500)	-	-	(845,500)
Loss on disposition of assets	-	-	-	-	(5,555)	(5,555)
<b>Net change in fund balance</b>	<b>41,534</b>	<b>41,534</b>	<b>(159,233)</b>	<b>(200,767)</b>	<b>(460,332)</b>	<b>(619,565)</b>
<b>Fund balance:</b>						
Beginning of year	350,647	350,647	348,865	(1,782)	5,745,586	6,094,451
End of year	<u>\$ 392,181</u>	<u>\$ 392,181</u>	<u>\$ 189,632</u>	<u>\$ (202,549)</u>	<u>\$ 5,285,254</u>	<u>\$ 5,474,886</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER RATEPAYER ASSISTANCE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
<b>Revenues:</b>						
Charges for services	\$ 24,000	\$ 24,000	\$ -	\$ (24,000)	\$ -	\$ -
Investment earnings	<u>135</u>	<u>135</u>	<u>61</u>	<u>(74)</u>	<u>-</u>	<u>61</u>
Total revenues	<u>24,135</u>	<u>24,135</u>	<u>61</u>	<u>(24,074)</u>	<u>-</u>	<u>61</u>
<b>Expenditures:</b>						
Materials and services	<u>20,000</u>	<u>32,000</u>	<u>20,862</u>	<u>11,138</u>	<u>-</u>	<u>20,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,135</u>	<u>(7,865)</u>	<u>(20,801)</u>	<u>(12,936)</u>	<u>-</u>	<u>(20,801)</u>
<b>Other financing sources (uses):</b>						
Transfers	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
Net change in fund balances	4,135	4,135	(8,801)	(12,936)	-	(8,801)
<b>Fund balance:</b>						
Beginning of year	<u>9,962</u>	<u>9,962</u>	<u>9,059</u>	<u>(903)</u>	<u>-</u>	<u>9,059</u>
End of year	<u>\$ 14,097</u>	<u>\$ 14,097</u>	<u>\$ 258</u>	<u>\$ (13,839)</u>	<u>\$ -</u>	<u>\$ 258</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 392	\$ 392	\$ 242	\$ (150)	\$ -	\$ 242
Expenditures:						
Materials and services	-	-	-	-	9,707	9,707
Capital outlay	42,500	42,500	39,531	2,969	(39,531)	-
Excess (deficiency) of revenues over (under) expenditures	(42,108)	(42,108)	(39,289)	2,819	29,824	(9,465)
Other financing sources (uses):						
Transfers in	10,000	10,000	10,000	-	-	10,000
Net change in fund balance	(32,108)	(32,108)	(29,289)	2,819	29,824	535
Fund balance:						
Beginning of year	86,667	86,667	60,600	(26,067)	97,738	158,338
End of year	<u>\$ 54,559</u>	<u>\$ 54,559</u>	<u>\$ 31,311</u>	<u>\$ (23,248)</u>	<u>\$ 127,562</u>	<u>\$ 158,873</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER SYSTEM DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
<b>Revenues:</b>						
System development charges	\$ 286,960	\$ 286,960	\$ 170,807	\$ (116,153)	\$ -	\$ 170,807
Investment earnings	<u>9,522</u>	<u>9,522</u>	<u>10,354</u>	<u>832</u>	<u>-</u>	<u>10,354</u>
Total revenues	<u>296,482</u>	<u>296,482</u>	<u>181,161</u>	<u>(115,321)</u>	<u>-</u>	<u>181,161</u>
<b>Expenditures:</b>						
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,482</u>	<u>46,482</u>	<u>181,161</u>	<u>134,679</u>	<u>-</u>	<u>181,161</u>
Net change in fund balances	46,482	46,482	181,161	134,679	-	181,161
<b>Fund balance:</b>						
Beginning of year	<u>1,967,756</u>	<u>1,967,756</u>	<u>1,885,916</u>	<u>(81,840)</u>	<u>47,418</u>	<u>1,933,334</u>
End of year	<u>\$ 2,014,238</u>	<u>\$ 2,014,238</u>	<u>\$ 2,067,077</u>	<u>\$ 52,839</u>	<u>\$ 47,418</u>	<u>\$ 2,114,495</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER SYSTEM IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
<b>Revenues:</b>						
Charges for services	\$ -	\$ -	\$ 25	\$ 25	\$ -	\$ 25
Investment earnings	8,994	8,994	14,912	5,918	-	14,912
Other revenue	<u>2,000</u>	<u>2,000</u>	<u>2,015</u>	<u>15</u>	-	<u>2,015</u>
Total revenues	<u>10,994</u>	<u>10,994</u>	<u>16,952</u>	<u>5,958</u>	-	<u>16,952</u>
<b>Expenditures:</b>						
Materials and services	190,000	190,000	60,378	129,622	122,108	182,486
Capital outlay	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,152,880</u>	<u>947,120</u>	<u>(1,152,880)</u>	<u>-</u>
Total expenditures	<u>2,290,000</u>	<u>2,290,000</u>	<u>1,213,258</u>	<u>1,076,742</u>	<u>(1,030,772)</u>	<u>182,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,279,006)</u>	<u>(2,279,006)</u>	<u>(1,196,306)</u>	<u>1,082,700</u>	<u>1,030,772</u>	<u>(165,534)</u>
<b>Other financing sources (uses):</b>						
Transfers in	<u>820,000</u>	<u>3,320,000</u>	<u>3,320,000</u>	<u>-</u>	<u>-</u>	<u>3,320,000</u>
Net change in fund balances	(1,459,006)	1,040,994	2,123,694	1,082,700	1,030,772	3,154,466
<b>Fund balance:</b>						
Beginning of year	<u>2,299,659</u>	<u>2,299,659</u>	<u>2,251,682</u>	<u>(47,977)</u>	<u>4,255,910</u>	<u>6,507,592</u>
End of year	<u>\$ 840,653</u>	<u>\$ 3,340,653</u>	<u>\$ 4,375,376</u>	<u>\$ 1,034,723</u>	<u>\$ 5,286,682</u>	<u>\$ 9,662,058</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SANITATION OPERATING FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Charges for services	\$ 677,917	\$ 677,917	\$ 692,824	\$ 14,907	\$ -	\$ 692,824
Investment earnings	1,383	1,383	1,298	(85)	-	1,298
Other revenue	13,900	13,900	28,352	14,452	-	28,352
<b>Total revenues</b>	<b>693,200</b>	<b>693,200</b>	<b>722,474</b>	<b>29,274</b>	<b>-</b>	<b>722,474</b>
<b>Expenditures:</b>						
Personal services	345,170	345,170	337,381	7,789	-	337,381
Materials and services	231,972	231,972	231,051	921	-	231,051
Capital outlay	1,000	1,000	-	1,000	-	-
Depreciation	-	-	-	-	77,209	77,209
Contingency	25,000	25,000	-	25,000	-	-
<b>Total expenditures</b>	<b>603,142</b>	<b>603,142</b>	<b>568,432</b>	<b>34,710</b>	<b>77,209</b>	<b>645,641</b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>90,058</b>	<b>90,058</b>	<b>154,042</b>	<b>63,984</b>	<b>(77,209)</b>	<b>76,833</b>
<b>Other financing sources (uses):</b>						
Transfers out	(168,500)	(168,500)	(168,500)	-	-	(168,500)
<b>Net change in fund balance</b>	<b>(78,442)</b>	<b>(78,442)</b>	<b>(14,458)</b>	<b>63,984</b>	<b>(77,209)</b>	<b>(91,667)</b>
<b>Fund balance:</b>						
Beginning of year	263,721	263,721	240,924	(22,797)	(125,161)	115,763
End of year	\$ 185,279	\$ 185,279	\$ 226,466	\$ 41,187	\$ (202,370)	\$ 24,096

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SANITATION EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 357	\$ 357	\$ 442	\$ 85	\$ -	\$ 442
Expenditures:						
Materials and services	-	-	-	-	31,976	31,976
Capital outlay	200,000	200,000	88,725	111,275	(88,725)	-
Excess (deficiency) of revenues over (under) expenditures	(199,643)	(199,643)	(88,283)	111,360	56,749	(31,534)
Other financing sources (uses):						
Transfers in	105,000	105,000	105,000	-	-	105,000
Net change in fund balance	(94,643)	(94,643)	16,717	111,360	56,749	73,466
Fund balance:						
Beginning of year	97,051	97,051	83,369	(13,682)	399,945	483,314
End of year	<u>\$ 2,408</u>	<u>\$ 2,408</u>	<u>\$ 100,086</u>	<u>\$ 97,678</u>	<u>\$ 456,694</u>	<u>\$ 556,780</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SANITATION SYSTEM IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
Revenues:						
Investment earnings	\$ 138	\$ 138	\$ 284	\$ 146	\$ -	\$ 284
Expenditures:						
Materials and services	2,000	2,000	-	2,000	9,370	9,370
Capital outlay	80,000	80,000	36,089	43,911	(36,089)	-
Debt service	27,200	27,200	27,180	20	(26,590)	590
Total expenditures	<u>109,200</u>	<u>109,200</u>	<u>63,269</u>	<u>45,931</u>	<u>(53,309)</u>	<u>9,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,062)</u>	<u>(109,062)</u>	<u>(62,985)</u>	<u>46,077</u>	<u>53,309</u>	<u>(9,676)</u>
Other financing sources (uses):						
Transfers in	60,000	60,000	60,000	-	-	60,000
Net change in fund balances	(49,062)	(49,062)	(2,985)	46,077	53,309	50,324
Fund balance:						
Beginning of year	55,585	55,585	60,609	5,024	131,428	192,037
End of year	<u>\$ 6,523</u>	<u>\$ 6,523</u>	<u>\$ 57,624</u>	<u>\$ 51,101</u>	<u>\$ 184,737</u>	<u>\$ 242,361</u>

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

**Private-Purpose Trust Fund**

- Shop With A Cop Trust Fund



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SHOP WITH A COP TRUST FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Investment earnings	\$ 15	\$ 15	\$ 35	\$ 20
Support	-	2,000	3,082	1,082
<b>Total revenues</b>	<u>15</u>	<u>2,015</u>	<u>3,117</u>	<u>1,102</u>
<b>Expenditures:</b>				
Materials and services	-	2,000	1,267	733
Excess (deficiency) of revenues over (under) expenditures	<u>15</u>	<u>15</u>	<u>1,850</u>	<u>1,835</u>
<b>Net change in fund balance</b>	15	15	1,850	1,835
<b>Fund balance:</b>				
Beginning of year	<u>4,541</u>	<u>4,541</u>	<u>5,604</u>	<u>1,063</u>
End of year	<u>\$ 4,556</u>	<u>\$ 4,556</u>	<u>\$ 7,454</u>	<u>\$ 2,898</u>



## SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

### Agency Fund

- Municipal Court Fund



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**MUNICIPAL COURT**  
 Schedule of Changes in Assets and Liabilities  
 For the Year Ended June 30, 2012

	<u>Balance July 01, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ <u>22,578</u>	\$ <u>325,457</u>	\$ <u>309,201</u>	\$ <u>38,834</u>
<b>Liabilities:</b>				
Fines and bails	\$ <u>22,578</u>	\$ <u>325,457</u>	\$ <u>309,201</u>	\$ <u>38,834</u>



**OTHER FINANCIAL SCHEDULES**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Schedule of Property Tax Transactions  
For the Year Ended June 30, 2012

<u>Fiscal Year</u>	<u>Uncollected Balance July 01, 2011</u>	<u>Add Current Levy 2011-2012</u>	<u>Less Collections</u>	<u>Discounts and Adjustments</u>	<u>Uncollected Balance June 30, 2012</u>
2011-2012	\$ -	\$ 2,029,598	\$ (1,906,833)	\$ (56,358)	\$ 66,407
2010-2011	56,576	-	(17,518)	(871)	38,187
2009-2010	30,271	-	(3,558)	(196)	26,517
2008-2009	15,357	-	(8,419)	(217)	6,721
2007-2008	5,286	-	(3,076)	(117)	2,093
2006-2007	1,797	-	(247)	(221)	1,329
2005-2006	1,240	-	(78)	(195)	967
Prior years	13,025	-	(141)	(1,024)	11,860
	<u>\$ 123,552</u>	<u>\$ 2,029,598</u>	<u>\$ (1,939,870)</u>	<u>\$ (59,199)</u>	<u>\$ 154,081</u>



**COMPLIANCE SECTION**



INDEPENDENT AUDITORS' REPORT  
REQUIRED BY OREGON STATE REGULATIONS



An Independently Owned Member  
**McGLADREY ALLIANCE**



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, 2012, and have issued our report thereon dated December 17, 2012. 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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

1. According to Oregon Administrative Rule 150-294.463(3), a transfer of appropriation is a decrease of one existing appropriation and a corresponding increase of another existing appropriation category. During FY11/12, the City recorded transfers of appropriations from DOC fund to Sewer system improvement fund as increase of unappropriated ending fund balance by \$2,500,000 in the receiving fund and from Revenue Sharing Fund to Community Services Center Fund as increase of unappropriated ending fund balance by \$7,500 in the receiving fund. Unappropriated ending fund balance is not appropriation.

## OAR 162-10-0230 INTERNAL CONTROL

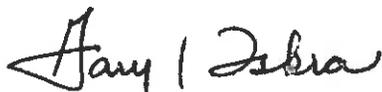
In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. There are no elected officials who are collecting or receiving money from the City.

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 "Gary Iskra".

By: Gary Iskra, CPA, a member of the firm  
Eugene, Oregon  
December 17, 2012