

CITY OF JUNCTION CITY, OREGON

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

CITY OF JUNCTION CITY, OREGON

YEAR ENDED June 30, 2025

MAYOR AND CITY COUNCIL

Ken Wells
Karen Leach
Andrea Ceniga
Sandie Thomas
Sid Washburne
Ken Hancock
Ken Jamieson

Mayor
Council President
Councilor
Councilor
Councilor
Councilor
Councilor

All council members receive mail at the address listed below.

ADMINISTRATION

Jason Knope, City Administrator

City of Junction City, Oregon
P.O. Box 250
Junction City, Oregon 97448

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIALS STATEMENTS	5
Statement of Net Position (Cash Basis)	6
Statement of Activities (Cash Basis).....	7
Balance Sheet (Cash Basis) – Governmental Funds	8
Balance Sheet (Cash Basis) – Governmental Funds (Continued).....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) – Governmental Funds	10
Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) – Governmental Funds (Continued).....	11
Statement of Net Position (Cash Basis) – Proprietary Funds.....	12
Statement of Revenues, Expenses, and Changes in Net Position (Cash Basis) – Proprietary Funds	13
Statement of Cash Flows (Cash Basis) – Proprietary Funds.....	14
NOTES TO THE BASIC FINANCIAL STATEMENTS.....	15
SUPPLEMENTARY AND OTHER INFORMATION ACCOMPANYING THE BASIC FINANCIAL STATEMENTS	28
Combining Balance Sheet (Cash Basis) – General Fund.....	29
Combining Balance Sheet (Cash Basis) - General Fund (continued)	30
Combining Statement of Revenues, Expense and Changes in Fund Balance (Cash Basis) – General Fund.....	31
Combining Statement of Revenues, Expenses and Changes in Fund Balance (Cash Basis) – General Fund (continued).....	32
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – General Fund.....	33
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Viking Sal Senior Center Fund	34
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Health Insurance Fund	35
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Budget Stabilization Fund.....	36
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Community Center Fund.....	37

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Streets Fund.....	38
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis) – Community Development Revolving Loan Fund	39
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Streets System Development Fund	40
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Community Services Capital Projects Fund.....	41
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Streets Capital Projects Fund	42
Combining Balance Sheet (Cash Basis) - Nonmajor Governmental Funds.....	43
Combining Balance Sheet (Cash Basis) – Nonmajor Governmental Funds (continued)	44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) – Nonmajor Governmental Funds	45
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Cash Basis) – Nonmajor Governmental Funds (continued).....	46
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Capital Projects Fund	47
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Police Capital Projects Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Prairie Road Street Improvement Reserve Fund.....	49
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Bike Path Reserve Fund	50
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Park System Development Fund.....	51
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) – Building Replacement Reserve Fund.....	52
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Cash Basis) – Special Police Programs Fund	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Cash Basis) – State Revenue Sharing Fund.....	54
Combining Schedule of Net Position (Cash Basis) – Water Funds	55
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position (Cash Basis) – Water Fund.....	56
Combining Schedule of Cash Flows (Cash Basis) – Water Funds	57

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Water Fund..... 58

Schedule of Revenues, Expenses, and Changes in Net Position – Budget an Actual (Cash Basis) – Water System Development Fund..... 59

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash) – Water Capital Projects Fund 60

Combining Schedule of Net Position (Cash Basis) – Sewer Funds..... 61

Combining Schedule of Revenues, Expenses, and Changes in Net Position (Cash Basis) – Sewer Funds 62

Combining Schedule of Cash Flows (Cash Basis) – Sewer Funds..... 63

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Sewer Fund..... 64

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Sewer Capital Projects Fund 65

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Utility Assistance Fund..... 66

Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Cash Basis) – Sewer System Development Fund 67

Combining Schedule of Net Position (Cash Basis) – Sanitation Funds..... 68

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Cash Basis) – Sanitation Funds..... 69

Combining Schedule of Cash Flows (Cash Basis) – Sanitation Funds..... 70

Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Cash Basis) – Sanitation Fund 71

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Sanitation Capital Projects Fund..... 72

Combining Schedule of Net Position (Cash Basis) – Internal Service Funds 73

Combining Schedule of Revenues, Expenses, and Changes in Net Position (Cash Basis) – Internal Service Funds..... 74

Combining Schedule of Cash Flows (Cash Basis) – Internal Service Funds..... 75

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Internal Service Fund 76

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Cash Basis) – Internal Services Capital Projects Fund 77

Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Cash Basis) – Public Works Administration..... 78

Schedule of Expenditures of Federal Awards	79
INDEPENDENT AUDITORS' REPORT	80
INDEPENDENT AUDITORS' REPORT	82
Schedule of Findings and Questioned Costs	84



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council members,
Junction City, Oregon

Report on the Audited Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Junction City (the "City"), as of and for the year ended June 30, 2025, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, and each major fund of Junction City, Oregon as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in conformity with the cash basis of accounting.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Junction City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a matter

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Junction City's management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAS, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Junction City's ability to continue as a going concern for one year after the date that the financial statements are issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for other information included in the annual report. The other information comprises budgetary schedules compared to actual results for each legally budgeted fund. The budgetary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Reporting Required by Oregon Minimum Standards

In accordance with the *Minimum Standards for Audits of Oregon Municipal Standards*, we have also issued a report titled Independent Auditors' Report Required by Oregon State Regulations dated December 30, 2025, which is also not a required part of the financial statements. The purpose of that report is to address specific matters required by the State of Oregon.



Brenda Bartlett, CPA
Sensiba, LLP

December 30, 2025

BASIC FINANCIALS STATEMENTS

CITY OF JUNCTION CITY, OREGON
Statement of Net Position (Cash Basis)
June 30, 2025

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
ASSETS:			
Cash and investments	\$ 13,226,975	\$ 10,438,228	23,665,203
Due from developers	-	62,514	62,514
Total assets	<u>13,226,975</u>	<u>10,500,742</u>	<u>23,727,717</u>
LIABILITIES:			
Police evidence account	12,328	-	12,328
Municipal court trust account	18,042	-	18,042
Total liabilities	<u>30,370</u>	<u>-</u>	<u>30,370</u>
NET POSITION:			
Restricted for:			
Street and bicycle paths	567,286	-	567,286
Business development	551,226	-	551,226
Systems development	3,228,693	7,942,707	11,171,400
State revenue sharing	111,848	-	111,848
Special police programs	21,621	-	21,621
Unrestricted	<u>8,715,931</u>	<u>2,558,035</u>	<u>11,273,966</u>
Total net position	<u>13,196,605</u>	<u>10,500,742</u>	<u>23,697,347</u>

CITY OF JUNCTION CITY, OREGON

Statement of Activities (Cash Basis)

For the Year Ended June 30, 2025

	Program Revenues				Net (Expense) Revenue and Changed in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,268,554	\$ 1,025,853	\$ 40,877	\$ -	\$ (1,201,824)	\$ -	\$ (1,201,824)
Public safety	2,922,515	-	-	-	(2,922,515)	-	(2,922,515)
Highways and streets	821,702	-	-	-	(821,702)	-	(821,702)
Economic development	1,179,078	-	-	-	(1,179,078)	-	(1,179,078)
Culture and recreation	685,106	116,844	-	-	(568,262)	-	(568,262)
Total governmental activities	7,876,955	1,142,697	40,877	-	(6,693,381)	-	(6,693,381)
Business-type activities:							
Water	3,444,412	1,659,401	-	1,000,000	-	(785,011)	(785,011)
Sewer	2,312,807	2,502,542	-	-	-	189,735	189,735
Sanitation	1,311,626	1,492,464	-	-	-	180,838	180,838
Internal services	856,177	221,580	-	-	-	(634,597)	(634,597)
Total business-type activities	7,925,022	5,875,987	-	1,000,000	-	(1,049,035)	(1,049,035)
Total government	\$ 15,801,977	\$ 7,018,684	\$ 40,877	\$ 1,000,000	\$ (6,693,381)	\$ (1,049,035)	\$ (7,742,416)
General Revenues:							
Property taxes					4,007,133	-	4,007,133
Franchise and other taxes					670,550	-	670,550
State shared revenue					1,046,092	-	1,046,092
Other taxes and receipts					233,125	145,430	378,555
Unrestricted investment earnings					630,125	505,013	1,135,138
Total general revenues					6,587,025	650,443	7,237,468
Interfund loan proceeds and repayments					81,500	-	81,500
Change in net position					(24,856)	(398,592)	(423,448)
Change in net position - internal service funds					98,107	-	98,107
					73,251	(398,592)	(325,341)
Net position - beginning					13,123,354	10,899,334	24,022,688
Net position - ending					\$ 13,196,605	\$ 10,500,742	\$ 23,697,347

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

CITY OF JUNCTION CITY, OREGON
Balance Sheet (Cash Basis) – Governmental Funds
June 30, 2025

	<u>General</u>	<u>Streets</u>	<u>Community Development Revolving Loan</u>	<u>Streets System Development</u>
ASSETS:				
Cash and investments	\$ 5,002,414	\$ 458,476	\$ 551,226	\$ 2,176,543
Total assets	<u>5,002,414</u>	<u>458,476</u>	<u>551,226</u>	<u>2,176,543</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Police evidence account	12,328	-	-	-
Municipal court trust account	<u>18,042</u>	-	-	-
Total liabilities	<u>30,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Streets and bicycle paths	-	458,476	-	-
Business development	-	-	551,226	-
Streets systems development	-	-	-	2,176,543
State revenue sharing	-	-	-	-
Special police programs	-	-	-	-
Committed:				
Viking Sal Senior Center	146,824	-	-	-
Health Insurance	61,815	-	-	-
Community services	238,836	-	-	-
Building/equipment	-	-	-	-
Budget stabilization fund	403,496	-	-	-
Unassigned	<u>4,121,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>4,972,044</u>	<u>458,476</u>	<u>551,226</u>	<u>2,176,543</u>
Total liabilities and fund balances	<u>\$ 5,002,414</u>	<u>\$ 458,476</u>	<u>\$ 551,226</u>	<u>\$ 2,176,543</u>

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

CITY OF JUNCTION CITY, OREGON
 Balance Sheet (Cash Basis) – Governmental Funds (Continued)
 June 30, 2025

	<u>Community Service Capital Projects Fund</u>	<u>Streets Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and investments	\$ 515,668	\$ 2,118,026	\$ 2,001,813	\$ 12,824,166
Total Assets	<u>515,668</u>	<u>2,118,026</u>	<u>\$ 2,001,813</u>	<u>\$ 12,824,166</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Police evidence account	-	-	-	12,328
Municipal court trust account	-	-	-	18,042
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,370</u>
Fund Balances:				
Restricted:				
Streets and bicycle paths	-	-	108,810	567,286
Business development	-	-	-	551,226
Streets systems development	-	-	1,052,150	3,228,693
State revenue sharing	-	-	111,848	111,848
Special police programs	-	-	21,621	21,621
Committed:				
Viking Sal Senior Center	-	-	-	146,824
Health Insurance	-	-	-	61,815
Community services	-	-	-	238,836
Building/equipment	-	-	705,367	705,367
Budget stabilization fund	-	-	-	403,496
Unassigned	<u>515,668</u>	<u>2,118,026</u>	<u>2,017</u>	<u>6,756,784</u>
Total fund balances	<u>515,668</u>	<u>2,118,026</u>	<u>2,001,813</u>	<u>12,793,796</u>
Total liabilities and fund balances	<u>\$ 515,668</u>	<u>\$ 2,118,026</u>	<u>\$ 2,001,813</u>	<u>\$ 12,824,166</u>
Reconciliation to the Statement of Net Position:				
The Internal Service fund is a proprietary fund and not reported with governmental funds. Because the Internal Service fund primarily benefits governmental activities, its assets, liabilities and net position are reported along with governmental activities in the Statement of Net Position.				<u>402,809</u>
Net position of governmental activities			\$	<u>13,196,605</u>

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

CITY OF JUNCTION CITY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) –
Governmental Funds
For the Year Ended June 30, 2025

	<u>General Fund Program</u>	<u>Streets Fund</u>	<u>Community Development Revolving Loan Fund</u>	<u>Streets System Development Fund</u>
REVENUES:				
Taxes and assessments				
Property	\$ 4,007,133	\$ -	\$ -	\$ -
Franchise	351,162	23,447	-	-
Other	21,509	-	-	-
Licenses and permits	191,197	1,125	-	-
Intergovernmental	276,008	595,482	-	-
Charges for services	1,510,965	-	-	-
Fines and penalties	85,444	-	-	-
Investment income	266,260	35,127	29,272	98,974
Donations and Special Events	21,377	-	-	-
Other	117,810	537	23,486	-
System Development Charges	19,840	-	-	29,825
Loan repayments	-	-	5,848	-
Total Revenues	<u>6,868,705</u>	<u>655,718</u>	<u>58,606</u>	<u>128,799</u>
EXPENDITURES:				
Current:				
General government	2,227,801	-	-	-
Public safety	3,187,088	-	-	-
Highway and streets	-	374,908	-	-
Economic development	-	-	100	-
Culture and recreation	532,487	-	-	-
Capital Outlay	-	-	-	6,815
Total expenditures	<u>5,947,376</u>	<u>374,908</u>	<u>100</u>	<u>6,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>921,329</u>	<u>280,810</u>	<u>58,506</u>	<u>121,984</u>
Other financing sources (uses):				
Interfund loan activity	25,000	-	(83,500)	-
Transfers in	65,000	-	-	-
Transfers out	<u>(1,060,000)</u>	<u>(797,800)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(970,000)</u>	<u>(797,800)</u>	<u>(83,500)</u>	<u>-</u>
Net change in fund balances	(48,671)	(516,990)	(24,994)	121,984
Beginning fund balance	5,020,715	975,466	576,220	2,054,559
Ending fund balance	<u>\$ 4,972,044</u>	<u>\$ 458,476</u>	<u>\$ 551,226</u>	<u>\$ 2,176,543</u>

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

CITY OF JUNCTION CITY, OREGON

Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) –
Governmental Funds (Continued)

June 30, 2025

	<u>Community Service Capital Projects Fund</u>	<u>Streets Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Taxes and assessments				
Property	\$ -	\$ -	\$ -	\$ 4,007,133
Franchise	-	274,432	-	649,041
Other	-	-	-	21,509
Licenses and permits	-	-	-	192,322
Intergovernmental	-	92,056	82,546	1,046,092
Charges for services	-	-	-	1,510,965
Fines and penalties	-	-	-	85,444
Investment income	32,710	77,256	90,526	630,125
Donations and Special Events	19,000	-	500	40,877
Other	-	-	-	141,833
System Development Charges	-	-	53,144	102,809
Loan repayments	-	-	-	5,848
Total Revenues	<u>51,710</u>	<u>443,744</u>	<u>226,716</u>	<u>8,433,998</u>
EXPENDITURES:				
Current:				
General government	-	-	-	2,227,801
Public safety	-	-	-	3,187,088
Highway and streets	-	-	-	374,908
Economic development	-	-	-	100
Culture and recreation	-	-	-	532,487
Capital Outlay	<u>1,075,839</u>	<u>471,950</u>	<u>663,366</u>	<u>2,217,970</u>
Total expenditures	<u>1,075,839</u>	<u>471,950</u>	<u>663,366</u>	<u>8,540,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,024,129)</u>	<u>(28,206)</u>	<u>(436,650)</u>	<u>(106,356)</u>
Other financing sources (uses):				
Interfund loan payments	140,000	-	-	81,500
Transfers in	490,000	787,800	570,000	1,912,800
Transfers out	<u>-</u>	<u>-</u>	<u>(55,000)</u>	<u>(1,912,800)</u>
Total other financing sources (uses)	<u>630,000</u>	<u>787,800</u>	<u>515,000</u>	<u>81,500</u>
Net change in fund balances	(394,129)	759,594	78,350	(24,856)
Beginning fund balance	909,797	1,358,432	1,923,463	
Ending fund balance	\$ <u>515,668</u>	\$ <u>2,118,026</u>	\$ <u>2,001,813</u>	
The Internal Service fund is used by management to charge the costs of certain activities to other benefiting funds. The net revenue over expenses of the Internal Service fund is reported with governmental activities.				<u>98,107</u>
Change in net position of governmental activities				\$ <u>73,251</u>

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

CITY OF JUNCTION CITY, OREGON
Statement of Net Position (Cash Basis) – Proprietary Funds
June 30, 2025

	<u>Business-Type Activities</u>				<u>Public Works Internal Service Fund</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total Enterprise Funds</u>	
ASSETS:					
Current assets:					
Cash and investments	\$ 1,711,518	\$ 7,729,042	\$ 652,496	10,093,056	345,172
Due from developers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,513</u>
Total assets	<u>1,711,518</u>	<u>7,729,042</u>	<u>652,496</u>	<u>10,093,056</u>	<u>345,172</u>
NET POSITION:					
Restricted for system development	1,264,472	6,678,235	-	7,942,707	-
Unrestricted	<u>447,046</u>	<u>1,050,807</u>	<u>652,496</u>	<u>2,150,349</u>	<u>407,685</u>
Total net position	<u>\$ 1,711,518</u>	<u>\$ 7,729,042</u>	<u>\$ 652,496</u>	<u>\$ 10,093,056</u>	<u>\$ 407,685</u>

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

CITY OF JUNCTION CITY, OREGON

Statement of Revenues, Expenses, and Changes in Net Position (Cash Basis) – Proprietary Funds
For the Year Ended June 30, 2025

	<u>Business-Type Activities</u>			Total Enterprise Funds	Public Works Internal Service Fund
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>		
Operating revenues:					
Charges for services & fees	\$ 1,629,701	\$ 2,257,303	\$ 1,492,464	\$ 5,379,468	\$ 858,980
Miscellaneous & other income	<u>1,138,537</u>	<u>3,342</u>	<u>3,184</u>	<u>1,145,063</u>	<u>367</u>
Total operating revenues	<u>2,768,238</u>	<u>2,260,645</u>	<u>1,495,648</u>	<u>6,524,531</u>	<u>859,347</u>
Operating expenses:					
Personnel services	756,692	792,715	406,810	1,956,217	552,446
Materials and supplies	<u>816,674</u>	<u>1,156,654</u>	<u>890,445</u>	<u>2,863,773</u>	<u>303,731</u>
Total operating expenses	<u>1,573,366</u>	<u>1,949,369</u>	<u>1,297,255</u>	<u>4,819,990</u>	<u>856,177</u>
Operating income (loss)	<u>1,194,872</u>	<u>311,276</u>	<u>198,393</u>	<u>1,704,541</u>	<u>3,170</u>
Nonoperating revenues (expenses):					
Investment earnings	98,757	360,564	30,076	489,397	15,616
Debt service	(81,500)	-	(135,071)	(216,571)	-
Capital outlay	<u>(1,993,346)</u>	<u>(614,838)</u>	<u>(61,500)</u>	<u>(2,669,684)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(1,976,089)</u>	<u>(254,274)</u>	<u>(166,495)</u>	<u>(2,396,858)</u>	<u>15,616</u>
Income (loss) before capital contributions and transfers	<u>(781,217)</u>	<u>57,002</u>	<u>31,898</u>	<u>(692,317)</u>	<u>18,786</u>
Capital contributions:					
System development charges	<u>29,700</u>	<u>245,239</u>	<u>-</u>	<u>274,939</u>	<u>-</u>
Change in net position	(751,517)	302,241	31,898	(417,378)	18,786
Total net position - beginning	<u>2,463,035</u>	<u>7,426,801</u>	<u>620,598</u>	<u>10,510,434</u>	<u>388,899</u>
Total net position - ending	\$ <u>1,711,518</u>	\$ <u>7,729,042</u>	\$ <u>652,496</u>	\$ <u>10,093,056</u>	\$ <u>407,685</u>

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

CITY OF JUNCTION CITY, OREGON
Statement of Cash Flows (Cash Basis) – Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Total Enterprise Funds	Public Works Internal Service Fund
	Water Fund	Sewer Fund	Sanitation Fund		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 2,768,238	\$ 2,260,645	\$ 1,495,648	6,524,531	146,447
Receipts from interfund services provided	-	-	-	-	712,900
Payments to suppliers	(896,730)	(1,156,654)	(890,470)	(2,943,854)	(310,085)
Payments to employees	(756,692)	(792,715)	(406,810)	(1,956,217)	(552,446)
Net cash provided (used) by operating activities	<u>1,114,816</u>	<u>311,276</u>	<u>198,368</u>	<u>1,624,460</u>	<u>(3,184)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital outlay	(1,993,346)	(614,838)	(61,500)	(2,669,684)	-
Loan payments	(81,500)	-	(135,071)	(216,571)	-
System development charges	29,700	245,239	-	274,939	-
Net cash provided (used) by capital and related financing activities	<u>(2,045,146)</u>	<u>(369,599)</u>	<u>(196,571)</u>	<u>(2,611,316)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	98,757	360,564	30,076	489,397	15,616
Net change in cash and cash equivalents	(831,573)	302,241	31,873	(497,459)	12,432
Cash and cash equivalents - beginning	2,543,091	7,426,801	620,623	10,590,515	332,740
Cash and cash equivalents - ending	<u>\$ 1,711,518</u>	<u>\$ 7,729,042</u>	<u>\$ 652,496</u>	<u>10,093,056</u>	<u>345,172</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,194,872	\$ 311,276	\$ 198,393	1,704,541	3,170
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Change in deposits	(80,056)	-	(25)	(80,081)	(6,354)
Net cash provided (used) by operating activities	<u>\$ 1,114,816</u>	<u>\$ 311,276</u>	<u>\$ 198,368</u>	<u>1,624,460</u>	<u>(3,184)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies

Description of government-wide financial statements and cash basis of accounting

Reporting entity

The City of Junction City ("City") was incorporated in 1872 pursuant to state laws and to the municipal home rule provisions of the state constitution. The City has a population of approximately 7,067, 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.

Basis of presentation – government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are presented using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Under this basis, revenues are recognized when received in cash and expenditures are recognized when paid. This basis differs from GAAP, primarily because it does not recognize receivables, payables, or other accrued items.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Other items presented on the Statement of Net Position include amounts due to or from other organizations for which the City will not recognize either a revenue or expense, as well as trust account payments held on behalf of individuals related to police and municipal court activity.

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Basis of presentation - fund financial statements

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

The City reports the following major governmental funds:

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

Streets Fund - this special revenue 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.

Community Development Revolving Loan Fund - this special revenue fund accounts for the administration and granting of loans. Revenue is generated from the repayment of the loans.

Streets System Development Fund - this capital project fund accounts for system development charges received for street development.

Community Services Capital Project Fund – this capital project fund serves as the main reserve fund for all community services departments, used to save for a broad range of replacement needs including equipment and building maintenance.

Streets Capital Project Fund – this fund is used to replace vehicles and equipment, make improvements to transportation systems and make repairs and improvements to Public Works facilities. The fund is supported with an allocation of franchise fees and transfers from the street fund.

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

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

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

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

Additionally, the City reports three Internal Service funds. Internal Service funds account for those activities and services furnished internally to other organizational units within the City on a cost reimbursement basis. The activities and services include IT services, vehicle maintenance and building maintenance. Charges are made to the various departments and funds to support these activities. Two of the Internal Service Funds primarily support governmental activity and are reported with the governmental activities on the government-wide statements. The third fund primarily serves public works enterprise funds and is reported within that function on the government-wide financial statements.

Cash and investments

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

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.

Fund balance

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

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

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

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. The City does not have any assigned fund balances at June 30, 2025.

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.

Net position flow assumption

When the City uses both restricted resources (such as restricted grant proceeds) and unrestricted resources to fund a specific purpose, it must determine the order in which these resources are applied. To accurately report restricted and unrestricted net positions in the government-wide and proprietary fund financial statements, a flow assumption is required. The City's policy is to apply restricted net position first, followed by unrestricted net position once the restricted resources have been fully used.

Fund balance flow assumptions

When the City uses both restricted and unrestricted resources (including committed, assigned, and unassigned fund balances) to fund expenditures for a specific purpose, it must determine the order in which these resources are applied. To accurately report restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption is required. The City's policy is to use restricted resources first. If unrestricted resources are also available for the same purpose, the City applies committed funds before assigned funds, and uses unassigned funds last.

Minimum fund balance/net position policy

The following fund balance policies were adopted by the City Council.

General Fund - Measurement of the General Fund ending balance will occur annually on June 30th. The minimum targeted unassigned General Fund balance shall be no less than 20% of next year's budgeted expenditures (exclusive of transfers and contingency). For purposes of this calculation, the expenditures shall be the budget as originally adopted for the subsequent year. The

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

unassigned fund balance amount shall be in addition to non-spendable, restricted, committed, or assigned fund balance amounts.

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

Internal Service Funds and Other Operating Funds - Measurement of the fund ending net position will occur annually on June 30th. The minimum targeted unrestricted fund net position shall be no less than 15% of next year's budgeted expenses (exclusive of transfers and contingency). For purposes of this calculation, the expenses shall be the budget as originally adopted for the subsequent year. The unrestricted net position amount shall be in addition to restricted, or committed amounts.

Program revenues

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

Proprietary funds operating and nonoperating revenues and expenses

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

Budgetary information

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. 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

CITY OF JUNCTION CITY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025

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 2: Cash and investments

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

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

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

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

Cash on hand	\$	900
Cash in banks		749,709
LGIP		23,459,070
Total	\$	24,209,679

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

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2025

are established by banking regulations and Oregon law. Where balances exceed the Federal Deposit Insurance amount of \$250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon Office of the State Treasurer in the Public Funds Collateralization Program (PFCP).

At June 30, 2025, the City's bank deposits were insured by federal depository insurance or collateralized under the PFCP.

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

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

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

Note 3: Interfund transfers

During the fiscal year ended June 30, 2025, the City's interfund transfer activity was as follows:

		Transfers in to:					
		General Fund Program	Nonmajor Governmental Funds	Community Development Revolving Loan Fund	Water Funds	Sewer Fund	Total
<u>Transfers out of:</u>							
Total	\$	\$	\$	\$	\$	\$	-

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 4: Debt

In May 2024, the City entered into the Full Faith and Credit Financing Agreement, Series 2024. Under the agreement, the City pledges its full faith and credit and taxing power to repay the obligations. The agreement carries an interest rate of 6.119% and requires semi-annual payments of \$67,535 and matures on May 21, 2031. During the year ended June 30, 2025, the City made payments totaling \$135,070. The loan proceeds were used in the Sanitation Fund to fund the purchase of two garbage trucks.

The outstanding principal balance as of June 30, 2025, is \$669,866. Future maturities of debt are as follows:

	<u>Principal</u>	<u>Interest</u>
2025-26	\$ 95,521	\$ 39,550
2026-27	101,455	33,615
2027-28	107,758	27,312
2028-29	114,453	20,618
2029-30	121,563	13,508
2030-31	129,115	5,955
	\$ 669,865	\$ 140,558

Note 5: Interfund Loans

At June 30, 2025, the City had outstanding interfund loans related to various capital projects. None of the loans included interest and all were made for the purpose of capital improvement in the various recipient funds.

<u>Source fund</u>	<u>Recipient Fund</u>	<u>Maturity</u>	<u>Amount Due at June 30, 2025</u>
Community Development Revolving Loan Fund	Water Fund	6/30/2025	21,500
Community Development Revolving Loan Fund	Water Fund	3/31/2034	315,000
General Fund	Water Fund	3/31/2034	225,000
Community Development Revolving Loan Fund	Community Service Capital Project Fund	6/30/2025	140,000

Note 6: 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, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 7: Tax abatements

The City enters into property tax abatement agreements with local businesses under the Oregon Enterprise Zone Act as authorized by Oregon Revised Statute 285C.050 - 285C.250 (the Act). Under the Act, localities may grant property tax abatements of up to 50 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

Property taxes are abated via an exemption of assessed value from applicable tax levies, typically for a period of three to five successive tax years from when the property is placed in service. Applicable tax levies include the permanent rate levies and operating levies for taxing districts that include the property, which may include city, county, school districts and other special districts depending on the location of the property within the Enterprise Zone.

The purpose of the Enterprise Zone program is to stimulate and protect economic success by providing tax incentives for employment, business, industry and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure. To be an eligible business firm, a business firm must be engaged, or proposing to engage, within the enterprise zone, in the business of providing goods, products or services to businesses or other organizations through activities including, but not limited to, manufacturing, assembly, fabrication, processing, shipping or storage. Qualified real and personal property owned or leased and newly placed into service by a qualified business in an enterprise zone is exempt from property tax for three years. The exemption period may be increased to a total of four or five consecutive years. For the basic, three-year enterprise zone exemption period, the business needs to:

1. Increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10 percent;
2. Generally have no concurrent job losses outside the zone boundary inside Oregon;
3. Maintain minimum employment level during the exemption period;
4. Enter into a first-source agreement with local job training providers; and
5. Satisfy any additional local condition that has been established (only) in an urban zone.

For the fiscal year ended June 30, 2025, the City of Junction City abated property taxes totaling \$635,116 under this program.

Note 8: Pension Plan

Plan Description: The District contributes to the Oregon Public Employee Retirement System (PERS) which is a cost sharing, multiple employer defined benefit pension plan (Plan) for units of state government, political subdivisions, community colleges and school districts, containing

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. Participation by most political subdivisions is mandatory, but irrevocable after election. As of June 30, 2024, the most recent figures available, there were 953 participating employers and state agencies.

PERS issues an independently audited Annual Comprehensive Financial Report, which is publicly available on their website.

PERS is administered in accordance with ORS Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System. All members of the Board are appointed by the Governor and confirmed by the State Senate. The Governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree and three members must have experience in business management, pension management, or investing.

Plan Membership: The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The most notable change being that, unlike Tier I members, Tier II members do not have guaranteed markets returns. The ORS Chapter 238 Defined Benefit Plan (Tier I and Tier II) is closed to new members hired on or after August 29, 2003.

The PERS benefit retirement allowance is payable monthly for life. PERS uses three methods to calculate Tier I retirement benefits: full formula, formula plus annuity (for members who made contributions prior to August 21, 1981), and money match. Only the full formula and money match methods are available to Tier II members. PERS uses the method for which the member is eligible that produces the highest benefit amount. The full formula method for Tier I and Tier II members is 1.67 percent and 2.0 percent for police and fire employees. The relevant percentage is multiplied by the final average salary, multiplied by the years of service of the member, which results in the annual benefit.

The District's employees include both general service and police and fire members. For general service members, normal retirement age is 58 for Tier I members and 60 for Tier II members. Alternatively, both Tier II and II members may retire upon completing 30 years of service. Normal retirement age for police and fire members is 55 or 25 years of service. Members become vested once they have been an active member in each of five calendar years. Reduced benefits are provided for members who retire prior to reaching normal retirement age or completing the required years of service.

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Contributions: PERS employers are required to make contributions to the Plan at an actuarially determined rate, as adopted by the PERS Board. The employer contribution is set and may be amended by the Retirement Board. The rate for Tier I and Tier II for the year ended June 30, 2025 was 25.61% of covered payroll, the rate for OPSRP general service members was 21.47% and the rate for police and fire members 26.26%

The District's statutorily required contributions to PERS for the defined benefit plan for the year ended June 30, 2025 were \$860,264.

Defined Contribution Plan: Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). The IAP is a defined contribution plan. Beginning January 1, 2004, PERS active Tier I and Tier II members became members of the IAP of OPSRP. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account.

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

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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

Contributions to the IAP: Employees of the District are required to contribute 6% of their covered payroll to the IAP. The District funds the employee contributions under the terms of various employment agreements. Contributions made by the District under employment contracts to the IAP were \$208,055 for the year ended June 30, 2025.

CITY OF JUNCTION CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 9: Lease commitment

In August 2024, the City entered into a non-cancelable lease agreement for copy machines for 36 months. Monthly payments of \$2,930 are required under the terms of the agreement.

SUPPLEMENTARY AND OTHER INFORMATION ACCOMPANYING THE BASIC
FINANCIAL STATEMENTS

CITY OF JUNCTION CITY, OREGON
Combining Balance Sheet (Cash Basis) – General Fund
For the Fiscal Year Ended June 30, 2025

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>
ASSETS:			
Cash and investments	\$ 4,151,443	\$ 146,824	\$ 61,815
Total assets	<u>4,151,443</u>	<u>146,824</u>	<u>61,815</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Due to others	<u>30,370</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>30,370</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Committed	-	146,824	61,815
Unassigned	<u>4,121,073</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>4,121,073</u>	<u>146,824</u>	<u>61,815</u>
Total liabilities and fund balances	<u>\$ 4,151,443</u>	<u>\$ 146,824</u>	<u>\$ 61,815</u>

CITY OF JUNCTION CITY, OREGON
Combining Balance Sheet (Cash Basis) - General Fund (continued)
June 30, 2025

	<u>Budget Stabilization Fund</u>	<u>Community Center Fund</u>	<u>Total General Fund Programs</u>
ASSETS:			
Cash and investments	\$ <u>403,496</u>	\$ <u>238,836</u>	\$ <u>5,002,414</u>
Total assets	\$ <u><u>403,496</u></u>	\$ <u><u>238,836</u></u>	\$ <u><u>5,002,414</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Due to others	\$ <u>-</u>	\$ <u>-</u>	\$ <u>30,370</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>30,370</u>
Fund Balances:			
Committed	403,496	238,836	850,971
Unassigned	<u>-</u>	<u>-</u>	<u>4,121,073</u>
Total fund balances	<u>403,496</u>	<u>238,836</u>	<u>4,972,044</u>
Total liabilities and fund balances	\$ <u><u>403,496</u></u>	\$ <u><u>238,836</u></u>	\$ <u><u>5,002,414</u></u>

CITY OF JUNCTION CITY, OREGON
Combining Statement of Revenues, Expense and Changes in Fund Balance (Cash Basis) –
General Fund
Year Ended June 30, 2025

	General Fund	Viking Sal Senior Center Fund	Health Insurance Fund
REVENUES:			
Taxes and assessments			
Property	\$ 3,772,658	\$ 14,819	\$ -
Franchise	324,902	1,731	-
Other	21,509	-	-
Licenses and permits	191,197	-	-
Intergovernmental	271,208	4,800	-
Charges for services	1,505,875	3,600	-
Fines and penalties	85,444	-	-
Investment income	230,729	6,462	2,838
Donations and Special Events	3,681	17,696	-
Other	110,206	50	-
SDC administrative fees	19,840	-	-
Total Revenues	6,537,249	49,158	2,838
EXPENDITURES:			
Current:			
General government	2,034,166	-	-
Public safety	3,187,088	-	-
Culture and recreation	501,158	31,329	-
Total expenditures	5,722,412	31,329	-
Excess of revenues over expenditures	814,837	17,829	2,838
Other financing sources (uses):			
Transfers in	25,000	-	-
Transfers out	(1,053,000)	(2,000)	-
Total other financing sources (uses)	(1,028,000)	(2,000)	-
Net change in fund balances	(213,163)	15,829	2,838
Fund balances - beginning	4,334,236	130,995	58,977
Fund balances - ending	\$ 4,121,073	\$ 146,824	\$ 61,815

CITY OF JUNCTION CITY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Balance (Cash Basis) –
General Fund (continued)
June 30, 2025

	Budget Stabilization Fund	Community Center Fund	Eliminations	Total General Fund Programs
REVENUES:				
Taxes and assessments				
Property	\$ -	\$ 219,656	\$ -	\$ 4,007,133
Franchise	-	24,529	-	351,162
Other	-	-	-	21,509
Licenses and permits	-	-	-	191,197
Intergovernmental	-	-	-	276,008
Charges for services	-	1,490	-	1,510,965
Fines and penalties	-	-	-	85,444
Investment income	16,626	9,605	-	266,260
Donations and Special Events	-	-	-	21,377
Other	-	7,554	-	117,810
SDC administrative fees	-	-	-	19,840
Total Revenues	<u>16,626</u>	<u>262,834</u>	<u>-</u>	<u>6,868,705</u>
EXPENDITURES:				
Current:				
General government	-	193,635	-	2,227,801
Public safety	-	-	-	3,187,088
Culture and recreation	-	-	-	532,487
Total expenditures	<u>-</u>	<u>193,635</u>	<u>-</u>	<u>5,947,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,626</u>	<u>69,199</u>	<u>-</u>	<u>921,329</u>
Other financing sources (uses):				
Transfers in	50,000	15,000	-	90,000
Transfers out	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>(1,060,000)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>10,000</u>	<u>-</u>	<u>(970,000)</u>
Net change in fund balances	66,626	79,199	-	(48,671)
Fund balances - beginning	<u>336,870</u>	<u>159,637</u>	<u>-</u>	<u>5,020,715</u>
Fund balances - ending	<u>\$ 403,496</u>	<u>\$ 238,836</u>	<u>\$ -</u>	<u>\$ 4,972,044</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – General Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes and assessments				
Property	\$ 3,629,200	\$ 3,681,300	\$ 3,772,658	\$ 91,358
Franchise	418,800	418,800	324,902	(93,898)
Other	31,000	31,000	21,509	(9,491)
Licenses and permits	276,100	276,100	191,197	(84,903)
Intergovernmental	187,200	187,200	271,208	84,008
Charges for services	1,530,100	1,530,100	1,505,875	(24,225)
Fines and penalties	60,200	60,200	85,444	25,244
Investment income	189,100	189,100	230,729	41,629
Donations and special events	-	-	3,681	3,681
Other	-	-	110,206	110,206
SDC administrative fees	-	-	19,840	19,840
Total revenues	6,321,700	6,373,800	6,537,249	163,449
Expenditures:				
Salaries and wages	4,174,400	4,226,400	3,764,999	(461,401)
Materials and services	1,983,800	2,141,800	1,957,413	(184,387)
Contingency	248,100	125,400	-	(125,400)
Total expenditures	6,406,300	6,493,600	5,722,412	(771,188)
Excess (deficiency) of revenues over (under) expenditures	(84,600)	(119,800)	814,837	934,637
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Transfers out	(1,071,000)	(1,053,000)	(1,053,000)	-
Total other financing sources (uses)	(1,046,000)	(1,028,000)	(1,028,000)	-
Net change in fund balance	(1,130,600)	(1,147,800)	(213,163)	934,637
Beginning fund balance	4,107,800	4,107,800	4,334,236	226,436
Ending fund balance	\$ 2,977,200	\$ 2,960,000	\$ 4,121,073	\$ 1,161,073

* Transfers in and transfers out include transfers between departments within the general fund.

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Viking Sal Senior Center Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes and assessments				
Property	\$ 14,300	\$ 14,300	\$ 14,819	\$ 519
Franchise	1,700	1,700	1,731	31
Intergovernmental	4,800	4,800	4,800	-
Charges for services	1,800	1,800	3,600	1,800
Investment income	5,800	5,800	6,462	662
Donations and special events	20,000	20,000	17,696	(2,304)
Other	500	500	50	(450)
Total revenues	<u>48,900</u>	<u>48,900</u>	<u>49,158</u>	<u>258</u>
Expenditures:				
Personal services	800	800	-	(800)
Materials and services	45,100	45,100	31,329	(13,771)
Contingency	900	900	-	(900)
Total expenditures	<u>46,800</u>	<u>46,800</u>	<u>31,329</u>	<u>(15,471)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,100</u>	<u>2,100</u>	<u>17,829</u>	<u>15,729</u>
Other financing sources (uses):				
Transfers out	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net change in fund balance	100	2,100	15,829	13,729
Beginning fund balance	<u>128,200</u>	<u>102,200</u>	<u>130,995</u>	<u>28,795</u>
Ending fund balance	<u>\$ 128,300</u>	<u>\$ 104,300</u>	<u>\$ 146,824</u>	<u>\$ 42,524</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Health Insurance Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 2,600	\$ 2,600	\$ 2,838	\$ 238
Total revenues	<u>2,600</u>	<u>2,600</u>	<u>2,838</u>	<u>238</u>
Expenditures:				
Personal services	60,000	60,000	-	(60,000)
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,400)</u>	<u>(57,400)</u>	<u>2,838</u>	<u>60,238</u>
Net change in fund balance	(57,400)	(57,400)	2,838	60,238
Beginning fund balance	<u>58,800</u>	<u>58,800</u>	<u>58,977</u>	<u>177</u>
Ending fund balance	\$ <u>1,400</u>	\$ <u>1,400</u>	\$ <u>61,815</u>	\$ <u>60,415</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Budget Stabilization Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes and assessments				
Investment income	\$ 13,000	\$ 13,000	\$ 16,626	\$ 3,626
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>16,626</u>	<u>3,626</u>
Other financing sources (uses):				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	63,000	63,000	66,626	3,626
Beginning fund balance	<u>335,000</u>	<u>335,000</u>	<u>336,870</u>	<u>1,870</u>
Ending fund balance	<u>\$ 398,000</u>	<u>\$ 398,000</u>	<u>\$ 403,496</u>	<u>\$ 5,496</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Community Center Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes and assessments				
Property	\$ 206,800	\$ 206,800	\$ 219,656	\$ 12,856
Franchise	24,400	24,400	24,529	129
Charges for services	4,200	4,200	1,490	(2,710)
Investment income	3,400	3,400	9,605	6,205
Donations and special events	700	700	-	(700)
Other	22,500	22,500	7,554	(14,946)
Total revenues	<u>262,000</u>	<u>262,000</u>	<u>262,834</u>	<u>834</u>
Expenditures:				
Personal services	161,700	161,700	120,589	(41,111)
Materials and services	84,600	94,600	73,046	(21,554)
Contingency	24,700	-	-	-
Total expenditures	<u>271,000</u>	<u>256,300</u>	<u>193,635</u>	<u>(62,665)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,000)</u>	<u>5,700</u>	<u>69,199</u>	<u>63,499</u>
Other financing sources (uses):				
Transfers in	15,000	15,000	15,000	-
Transfers out	(5,000)	(5,000)	(5,000)	-
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	1,000	15,700	79,199	63,499
Beginning fund balance	<u>159,400</u>	<u>159,400</u>	<u>159,637</u>	<u>237</u>
Ending fund balance	<u>\$ 160,400</u>	<u>\$ 175,100</u>	<u>\$ 238,836</u>	<u>\$ 63,736</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Streets Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes and assessments				
Franchise	\$ 20,000	\$ 20,000	\$ 23,447	\$ 3,447
Licenses and permits	2,500	2,500	1,125	(1,375)
Intergovernmental	661,800	661,800	595,482	(66,318)
Investment income	36,500	36,500	35,127	(1,373)
Other	500	500	537	37
Total revenues	<u>721,300</u>	<u>721,300</u>	<u>655,718</u>	<u>(65,582)</u>
Expenditures:				
Personnel services	54,100	74,100	58,950	(15,150)
Materials and services	335,100	335,100	315,958	(19,142)
Contingency	7,800	-	-	-
Total expenditures	<u>397,000</u>	<u>409,200</u>	<u>374,908</u>	<u>(34,292)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>324,300</u>	<u>312,100</u>	<u>280,810</u>	<u>(31,290)</u>
Other financing sources (uses):				
Transfers out	<u>(810,000)</u>	<u>(797,800)</u>	<u>(797,800)</u>	<u>-</u>
Net change in fund balance	(485,700)	(485,700)	(516,990)	(31,290)
Beginning fund balance	<u>955,700</u>	<u>955,700</u>	<u>975,466</u>	<u>19,766</u>
Ending fund balance	<u>\$ 470,000</u>	<u>\$ 470,000</u>	<u>\$ 458,476</u>	<u>\$ (11,524)</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Community Development Revolving Loan Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Loan principal repayments	\$ 5,800	\$ 5,800	\$ 5,848	\$ 48
Grant revenue	14,500	-	23,486	23,486
Investment income	45,400	45,400	29,272	(16,128)
Total revenues	<u>65,700</u>	<u>51,200</u>	<u>58,606</u>	<u>7,406</u>
Expenditures:				
Materials and services	<u>328,000</u>	<u>188,000</u>	<u>100</u>	<u>(187,900)</u>
Total expenditures	<u>328,000</u>	<u>188,000</u>	<u>100</u>	<u>(187,900)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(262,300)</u>	<u>(136,800)</u>	<u>58,506</u>	<u>195,306</u>
Other financing sources (uses):				
Loan repayments	56,500	56,500	56,500	
Loans to other funds	-	(140,000)	(140,000)	-
	<u>56,500</u>	<u>(83,500)</u>	<u>(83,500)</u>	<u>-</u>
Net change in fund balance	(205,800)	(220,300)	(24,994)	195,306
Beginning fund balance	<u>588,800</u>	<u>588,800</u>	<u>576,220</u>	<u>(12,580)</u>
Ending fund balance	<u>\$ 383,000</u>	<u>\$ 368,500</u>	<u>\$ 551,226</u>	<u>\$ 182,726</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Streets System Development Fund
June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 87,600	\$ 87,600	\$ 98,974	\$ 11,374
System development charges	50,000	50,000	29,825	(20,175)
Total revenues	<u>137,600</u>	<u>137,600</u>	<u>128,799</u>	<u>(8,801)</u>
Expenditures:				
Capital outlay	200,000	200,000	6,815	(193,185)
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>6,815</u>	<u>(193,185)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,400)</u>	<u>(62,400)</u>	<u>121,984</u>	<u>184,384</u>
Net change in fund balance	(62,400)	(62,400)	121,984	184,384
Beginning fund balance	<u>2,056,200</u>	<u>2,056,200</u>	<u>2,054,559</u>	<u>(1,641)</u>
Ending fund balance	\$ <u>1,993,800</u>	\$ <u>1,993,800</u>	\$ <u>2,176,543</u>	\$ <u>182,743</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Community Services Capital Projects Fund
June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 25,500	\$ 25,500	\$ 32,710	\$ 7,210
Donations and special events	15,700	15,700	19,000	3,300
Total revenues	41,200	41,200	51,710	10,510
Expenditures:				
Capital outlay	930,500	1,417,200	1,075,839	(341,361)
Total expenditures	930,500	1,417,200	1,075,839	(341,361)
Excess (deficiency) of revenues over (under) expenditures	(889,300)	(1,376,000)	(1,024,129)	351,871
Other financing sources (uses):				
Interfund loan payment	-	140,000	140,000	-
Transfers in	458,000	498,000	490,000	8,000
Total other financing sources (uses)	458,000	638,000	630,000	8,000
Net change in fund balance	(431,300)	(738,000)	(394,129)	359,871
Beginning fund balance	704,400	996,400	909,797	(86,603)
Ending fund balance	\$ 273,100	\$ 258,400	\$ 515,668	\$ 273,268

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Streets Capital Projects Fund
June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
General revenue	\$ 273,000	\$ 273,000	\$ 274,432	\$ 1,432
Intergovernmental	50,000	50,000	92,056	42,056
Investment income	47,100	47,100	77,256	30,156
Total revenues	<u>370,100</u>	<u>370,100</u>	<u>443,744</u>	<u>73,644</u>
Expenditures:				
Capital Outlay	<u>1,150,000</u>	<u>1,150,000</u>	<u>471,950</u>	<u>(678,050)</u>
Total expenditures	<u>1,150,000</u>	<u>1,150,000</u>	<u>471,950</u>	<u>(678,050)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(779,900)</u>	<u>(779,900)</u>	<u>(28,206)</u>	<u>751,694</u>
Other financing sources (uses):				
Transfers in	<u>800,000</u>	<u>800,000</u>	<u>787,800</u>	<u>(12,200)</u>
Total other financing sources (uses)	<u>800,000</u>	<u>800,000</u>	<u>787,800</u>	<u>(12,200)</u>
Net change in fund balance	20,100	20,100	759,594	739,494
Beginning fund balance	<u>1,411,100</u>	<u>1,411,100</u>	<u>1,358,432</u>	<u>(52,668)</u>
Ending fund balance	<u>\$ 1,431,200</u>	<u>\$ 1,431,200</u>	<u>\$ 2,118,026</u>	<u>\$ 686,826</u>

CITY OF JUNCTION CITY, OREGON
 Combining Balance Sheet (Cash Basis) - Nonmajor Governmental Funds
 Year Ended June 30, 2025

	Capital Project Funds				
	Capital Projects Fund	Police Capital Projects Fund	Prairie Road Street Improvement Reserve Fund	Bike Path Reserve Fund	Park System Development Fund
ASSETS:					
Cash and cash equivalent:	\$ 79,246	\$ 321,675	\$ 304,446	\$ 108,810	\$ 1,052,150
FUND BALANCES					
Restricted	-	-	-	108,810	1,052,150
Committed	79,246	321,675	304,446	-	-
Total fund balances	\$ 79,246	\$ 321,675	\$ 304,446	\$ 108,810	\$ 1,052,150

CITY OF JUNCTION CITY, OREGON
 Combining Balance Sheet (Cash Basis) – Nonmajor Governmental Funds (continued)
 June 30, 2025

	<u>Capital Project</u>	<u>Special Revenue Funds</u>		
	Building Replacement Reserve Fund	Special Police Programs Fund	State Revenue Sharing Fund	Total Nonmajor Project Funds
ASSETS:				
Cash and cash equivalent: \$	\$ <u>2,017</u>	\$ <u>21,621</u>	\$ <u>111,848</u>	<u>2,001,813</u>
FUND BALANCES				
Restricted	-	21,621	111,848	1,294,429
Committed	<u>2,017</u>	<u>-</u>	<u>-</u>	<u>707,384</u>
Total fund balances	\$ <u>2,017</u>	\$ <u>21,621</u>	\$ <u>111,848</u>	<u>2,001,813</u>

CITY OF JUNCTION CITY, OREGON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) –
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Capital Project Funds				
	Capital	Police Capital	Prairie Road Street Improvement	Bike Path	Park System
	Projects Fund	Projects Fund	Reserve Fund	Reserve Fund	Development Fund
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 6,015	\$ -
System development charges	-	-	-	-	53,144
Investment income	5,901	7,244	13,977	5,024	51,670
Other	-	-	-	-	-
Total revenues	5,901	7,244	13,977	11,039	104,814
EXPENDITURES					
Capital Outlay	130,799	253,319	-	15,482	189,308
Total expenditures	130,799	253,319	-	15,482	189,308
Excess (deficiency) of revenues over (under) expenditures	(124,898)	(246,075)	13,977	(4,443)	(84,494)
OTHER FINANCING SOURCES (USES)					
Transfers in	65,000	445,000	-	10,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	65,000	445,000	-	10,000	-
Net change in fund balances	(59,898)	198,925	13,977	5,557	(84,494)
Fund balances - beginning	139,144	122,750	290,469	103,253	1,136,645
Fund balances - ending	\$ 79,246	\$ 321,675	\$ 304,446	\$ 108,810	\$ 1,052,151

CITY OF JUNCTION CITY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Cash Basis) –
Nonmajor Governmental Funds (continued)
June 30, 2025

	<u>Capital Projects</u>	<u>Special Revenue Funds</u>		<u>Eliminations</u>	<u>Total Nonmajor Project Funds</u>
	Building Replacement Reserve Fund	Special Police Programs Fund	State Revenue Sharing Fund		
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 76,531	\$ -	\$ 82,546
System development charges	-	-	-	-	53,144
Investment income	243	980	5,487	-	90,526
Other	-	500	-	-	500
Total revenues	<u>243</u>	<u>1,480</u>	<u>82,018</u>	<u>-</u>	<u>226,716</u>
EXPENDITURES					
Capital Outlay	<u>50,147</u>	<u>-</u>	<u>24,311</u>	<u>-</u>	<u>663,366</u>
Total expenditures	<u>50,147</u>	<u>-</u>	<u>24,311</u>	<u>-</u>	<u>663,366</u>
Excess (deficiency) of revenues over (under) expenditures	(49,904)	1,480	57,707	-	(436,650)
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	-	-	-	570,000
Transfers out	<u>-</u>	<u>-</u>	<u>(55,000)</u>	<u>-</u>	<u>(55,000)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>(55,000)</u>	<u>-</u>	<u>515,000</u>
Net change in fund balances	96	1,480	2,707	-	78,350
Fund balances - beginning	<u>1,921</u>	<u>20,141</u>	<u>109,141</u>	<u>-</u>	<u>1,923,464</u>
Fund balances - ending	<u>\$ 2,017</u>	<u>\$ 21,621</u>	<u>\$ 111,848</u>	<u>\$ -</u>	<u>\$ 2,001,814</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Capital Projects Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 4,900	\$ 4,900	\$ 5,901	\$ 1,001
Total revenues	<u>4,900</u>	<u>4,900</u>	<u>5,901</u>	<u>1,001</u>
Expenditures:				
Capital Outlay	<u>166,500</u>	<u>166,500</u>	<u>130,799</u>	<u>(35,701)</u>
Total expenditures	<u>166,500</u>	<u>166,500</u>	<u>130,799</u>	<u>(35,701)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(161,600)</u>	<u>(161,600)</u>	<u>(124,898)</u>	<u>36,702</u>
Other financing sources (uses):				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>65,000</u>	<u>10,000</u>
Total other financing sources (uses)	<u>75,000</u>	<u>75,000</u>	<u>65,000</u>	<u>10,000</u>
Net change in fund balance	(86,600)	(86,600)	(59,898)	46,702
Beginning fund balance	<u>110,600</u>	<u>110,600</u>	<u>139,144</u>	<u>28,544</u>
Ending fund balance	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 79,246</u>	<u>\$ 75,246</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Police Capital Projects Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 12,700	\$ 12,700	\$ 7,244	\$ (5,456)
Total revenues	<u>12,700</u>	<u>12,700</u>	<u>7,244</u>	<u>(5,456)</u>
Expenditures:				
Capital Outlay	<u>560,000</u>	<u>560,000</u>	<u>253,319</u>	<u>(306,681)</u>
Total expenditures	<u>560,000</u>	<u>560,000</u>	<u>253,319</u>	<u>(306,681)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(547,300)</u>	<u>(547,300)</u>	<u>(246,075)</u>	<u>301,225</u>
Other financing sources (uses):				
Transfers in	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>-</u>
Total other financing sources (uses)	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>-</u>
Net change in fund balance	(102,300)	(102,300)	198,925	301,225
Beginning fund balance	<u>111,400</u>	<u>111,400</u>	<u>122,750</u>	<u>11,350</u>
Ending fund balance	<u>\$ 9,100</u>	<u>\$ 9,100</u>	<u>\$ 321,675</u>	<u>\$ 312,575</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Prairie Road Street Improvement Reserve Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 12,600	\$ 12,600	\$ 13,977	\$ 1,377
Total revenues	<u>12,600</u>	<u>12,600</u>	<u>13,977</u>	<u>1,377</u>
Expenditures:				
Capital Outlay	<u>218,000</u>	<u>218,000</u>	-	(218,000)
Total expenditures	<u>218,000</u>	<u>218,000</u>	-	(218,000)
Excess (deficiency) of revenues over (under) expenditures	<u>(205,400)</u>	<u>(205,400)</u>	<u>13,977</u>	<u>219,377</u>
Net change in fund balance	(205,400)	(205,400)	13,977	219,377
Beginning fund balance	<u>289,500</u>	<u>61,000</u>	<u>290,469</u>	<u>229,469</u>
Ending fund balance	<u>\$ 84,100</u>	<u>\$ (144,400)</u>	<u>\$ 304,446</u>	<u>\$ 448,846</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Bike Path Reserve Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ 6,700	\$ 6,700	\$ 6,015	\$ (685)
Investment income	4,200	4,200	5,024	824
Total revenues	<u>10,900</u>	<u>10,900</u>	<u>11,039</u>	<u>139</u>
Expenditures:				
Capital Outlay	<u>60,000</u>	<u>60,000</u>	<u>15,482</u>	<u>(44,518)</u>
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>15,482</u>	<u>(44,518)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,100)</u>	<u>(49,100)</u>	<u>(4,443)</u>	<u>44,657</u>
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(39,100)	(39,100)	5,557	44,657
Beginning fund balance	<u>92,600</u>	<u>92,600</u>	<u>103,253</u>	<u>10,653</u>
Ending fund balance	<u>\$ 53,500</u>	<u>\$ 53,500</u>	<u>\$ 108,810</u>	<u>\$ 55,310</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Park System Development Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
System development charges	\$ 65,000	\$ 65,000	\$ 53,144	\$ (11,856)
Investment income	46,700	46,700	51,670	4,970
Total revenues	<u>111,700</u>	<u>111,700</u>	<u>104,814</u>	<u>(6,886)</u>
Expenditures:				
Capital Outlay	<u>1,000,100</u>	<u>1,000,100</u>	<u>189,308</u>	<u>(810,792)</u>
Total expenditures	<u>1,000,100</u>	<u>1,000,100</u>	<u>189,308</u>	<u>(810,792)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(888,400)</u>	<u>(888,400)</u>	<u>(84,494)</u>	<u>803,906</u>
Net change in fund balance	(888,400)	(888,400)	(84,494)	803,906
Beginning fund balance	<u>1,111,900</u>	<u>1,111,900</u>	<u>1,136,645</u>	<u>24,745</u>
Ending fund balance	<u>\$ 223,500</u>	<u>\$ 223,500</u>	<u>\$ 1,052,151</u>	<u>\$ 828,651</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Cash Basis) – Building Replacement Reserve Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 200	\$ 200	\$ 243	\$ 43
Total revenues	200	200	243	43
Expenditures:				
Capital outlay	35,000	35,000	50,147	15,147
Total expenditures	35,000	35,000	50,147	15,147
Excess (deficiency) of revenues over (under) expenditures	(34,800)	(34,800)	(49,904)	(15,104)
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	-
Total other financing sources (uses)	50,000	50,000	50,000	-
Net change in fund balance	15,200	15,200	96	(15,104)
Beginning fund balance	1,800	1,800	1,921	121
Ending fund balance	\$ 17,000	\$ 17,000	\$ 2,017	\$ (14,983)

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual (Cash Basis) – Special Police Programs Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 1,000	\$ 1,000	\$ 980	\$ (20)
Other	-	-	500	500
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,480</u>	<u>480</u>
Expenditures:				
Public safety	<u>13,500</u>	<u>13,500</u>	-	(13,500)
Total expenditures	<u>13,500</u>	<u>13,500</u>	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>(12,500)</u>	<u>(12,500)</u>	<u>1,480</u>	<u>480</u>
Net change in fund balance	(12,500)	(12,500)	1,480	480
Beginning fund balance	<u>19,100</u>	<u>19,100</u>	<u>20,141</u>	<u>1,041</u>
Ending fund balance	<u>\$ 6,600</u>	<u>\$ 6,600</u>	<u>\$ 21,621</u>	<u>\$ 1,521</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Cash Basis) – State Revenue Sharing Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ 93,800	\$ 93,800	\$ 76,531	\$ (17,269)
Investment income	7,800	7,800	5,487	(2,313)
Total revenues	<u>101,600</u>	<u>101,600</u>	<u>82,018</u>	<u>(19,582)</u>
Expenditures:				
Culture and recreation	2,000	2,000	-	(2,000)
Capital Outlay	78,000	78,000	24,311	(53,689)
Total expenditures	<u>78,000</u>	<u>78,000</u>	<u>24,311</u>	<u>(53,689)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,600</u>	<u>23,600</u>	<u>57,707</u>	<u>34,107</u>
Other financing sources (uses):				
Transfers out	(55,000)	(55,000)	(55,000)	-
Total other financing sources (uses)	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Net change in fund balance	(31,400)	(31,400)	2,707	34,107
Beginning fund balance	<u>83,700</u>	<u>66,100</u>	<u>109,140</u>	<u>43,040</u>
Ending fund balance	<u>\$ 52,300</u>	<u>\$ 34,700</u>	<u>\$ 111,847</u>	<u>\$ 77,147</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Net Position (Cash Basis) – Water Funds
Year Ended June 30, 2025

	<u>Water Fund</u>	<u>Water System Development Fund</u>	<u>Water Capital Projects Fund</u>	<u>Total Water Funds</u>
ASSETS:				
Cash and cash equivalents	\$ 447,046	\$ 118,549	\$ 1,145,923	\$ 1,711,518
Due from developers	-	-	-	-
	<u>447,046</u>	<u>118,549</u>	<u>1,145,923</u>	<u>1,711,518</u>
NET POSITION:				
Restricted	-	118,549	1,145,923	1,264,472
Unrestricted	<u>447,046</u>	<u>-</u>	<u>-</u>	<u>447,046</u>
Total net position	<u>447,046</u>	<u>118,549</u>	<u>1,145,923</u>	<u>1,711,518</u>
Total liabilities and net position	<u>\$ 447,046</u>	<u>\$ 118,549</u>	<u>\$ 1,145,923</u>	<u>\$ 1,711,518</u>

CITY OF JUNCTION CITY, OREGON

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position (Cash Basis) –
Water Fund
Year Ended June 30, 2025

	Water Fund	Water System Development Fund	Water Capital Projects Fund	Total Water Funds
Operating revenues:				
Charges for services	\$ 1,595,516	\$ -	\$ 34,185	\$ \$ 1,629,701
Capital grants	-	-	1,000,000	1,000,000
Other	121,315	-	17,222	138,537
Total operating revenues	<u>1,716,831</u>	<u>-</u>	<u>1,051,407</u>	<u>2,768,238</u>
Operating expenses:				
Personal services	756,692	-	-	756,692
Materials and services	816,674	-	-	816,674
Total operating expenditures	<u>1,573,366</u>	<u>-</u>	<u>-</u>	<u>1,573,366</u>
Operating income (loss)	<u>143,465</u>	<u>-</u>	<u>1,051,407</u>	<u>1,194,872</u>
Nonoperating revenues (expenses):				
Investment earnings	29,913	7,432	61,412	98,757
Debt Service	-	-	(81,500)	(81,500)
Capital outlay	-	(256,444)	(1,736,902)	(1,993,346)
Total nonoperating revenues (expenses)	<u>29,913</u>	<u>(249,012)</u>	<u>(1,756,990)</u>	<u>(1,976,089)</u>
Income (loss) before capital contributions and transfers	<u>173,378</u>	<u>(249,012)</u>	<u>(705,583)</u>	<u>(781,217)</u>
Capital contributions:				
System development charges	-	29,700	-	29,700
Transfers in	-	-	188,400	188,400
Transfers out	(188,400)	-	-	(188,400)
Total transfers	<u>(188,400)</u>	<u>-</u>	<u>188,400</u>	<u>-</u>
Change in net position	(15,022)	(219,312)	(517,183)	(751,517)
Total net position - beginning	<u>462,068</u>	<u>337,861</u>	<u>1,663,106</u>	<u>2,463,035</u>
Total net position - ending	<u>\$ 447,046</u>	<u>\$ 118,549</u>	<u>\$ 1,145,923</u>	<u>\$ 1,711,518</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Cash Flows (Cash Basis) – Water Funds
Year Ended June 30, 2025

	Water Fund	Water System Development Fund	Water Capital Projects Fund	Total Water Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 1,716,831	\$ -	\$ 1,051,407	\$ 2,768,238
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(896,730)	-	-	(896,730)
Payments to employees	(756,692)	-	-	(756,692)
Net cash provided (used) by operating activities	<u>63,409</u>	<u>-</u>	<u>1,051,407</u>	<u>1,114,816</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	188,400	188,400
Transfers out	(188,400)	-	-	(188,400)
Net cash provided (used) by noncapital financing activities	<u>(188,400)</u>	<u>-</u>	<u>188,400</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets	-	(256,444)	(1,736,902)	(1,993,346)
Payments on interfund loans	-	-	(81,500)	(81,500)
System development charges	-	29,700	-	29,700
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(226,744)</u>	<u>(1,818,402)</u>	<u>(2,045,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	29,913	7,432	61,412	98,757
Net change in cash and cash equivalents	(95,078)	(219,312)	(517,183)	(831,573)
Cash and cash equivalents - beginning	542,124	337,861	1,663,106	2,543,091
Cash and cash equivalents - ending	<u>\$ 447,046</u>	<u>\$ 118,549</u>	<u>\$ 1,145,923</u>	<u>\$ 1,711,518</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (Loss)	\$ 143,465	\$ -	\$ 1,051,407	\$ 1,194,872
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Change in developer deposits	-	-	-	-
Change in due from developer	-	-	-	-
Change in due to others	(80,056)	-	-	(80,056)
Net cash provided (used) by operating activities	<u>\$ 63,409</u>	<u>\$ -</u>	<u>\$ 1,051,407</u>	<u>\$ 1,114,816</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Water Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Charges for services	\$ 1,652,300	\$ 1,652,300	\$ 1,595,516	\$ (56,784)
Investment income	29,800	29,800	29,913	113
Other	10,000	10,000	121,315	111,315
Total revenues	<u>1,692,100</u>	<u>1,692,100</u>	<u>1,746,744</u>	<u>54,644</u>
Expenditures:				
Personal services	759,700	779,200	756,692	(22,508)
Materials and services	775,300	878,500	816,674	(61,826)
Contingency	31,100	-	-	-
Total expenditures	<u>1,566,100</u>	<u>1,657,700</u>	<u>1,573,366</u>	<u>(84,334)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>126,000</u>	<u>34,400</u>	<u>173,378</u>	<u>138,978</u>
Other financing sources (uses):				
Transfers out	(280,000)	(188,400)	(188,400)	-
Total other financing sources (uses)	<u>(280,000)</u>	<u>(188,400)</u>	<u>(188,400)</u>	<u>-</u>
Net change in net position	(154,000)	(154,000)	(15,022)	138,978
Beginning net position	<u>661,000</u>	<u>661,000</u>	<u>462,068</u>	<u>(198,932)</u>
Ending net position	<u>\$ 507,000</u>	<u>\$ 507,000</u>	<u>\$ 447,046</u>	<u>\$ (59,954)</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget an Actual (Cash Basis) – Water System Development Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 13,300	\$ 13,300	\$ 7,432	\$ (5,868)
System development charges	45,000	45,000	29,700	(15,300)
Total revenues	<u>58,300</u>	<u>58,300</u>	<u>37,132</u>	<u>(21,168)</u>
Expenditures:				
Capital outlay	256,900	256,900	256,444	(456)
Total expenditures	<u>256,900</u>	<u>256,900</u>	<u>256,444</u>	<u>(456)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(198,600)</u>	<u>(198,600)</u>	<u>(219,312)</u>	<u>(20,712)</u>
Net change in net position	(198,600)	(198,600)	(219,312)	(20,712)
Beginning net position	<u>198,600</u>	<u>198,600</u>	<u>337,861</u>	<u>139,261</u>
Ending net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,549</u>	<u>\$ 118,549</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash) – Water Capital Projects Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Charges for services	\$ 43,500	\$ 43,500	\$ 34,185	\$ (9,315)
Investment income	71,100	71,100	61,412	(9,688)
Grant revenue	-	1,000,000	1,000,000	-
Other	-	-	17,222	17,222
Total revenues	<u>114,600</u>	<u>1,114,600</u>	<u>1,112,819</u>	<u>(1,781)</u>
Expenditures:				
Capital outlay	1,845,600	2,845,600	1,736,902	(1,108,698)
Debt service	<u>81,500</u>	<u>81,500</u>	<u>81,500</u>	-
Total expenditures	<u>1,927,100</u>	<u>2,927,100</u>	<u>1,818,402</u>	<u>(1,108,698)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,812,500)</u>	<u>(1,812,500)</u>	<u>(705,583)</u>	<u>1,106,917</u>
Other financing sources (uses):				
Transfers in	<u>280,000</u>	<u>280,000</u>	<u>188,400</u>	<u>(91,600)</u>
Net change in net position	(1,532,500)	(1,532,500)	(517,183)	1,015,317
Beginning net position	<u>1,818,000</u>	<u>1,818,000</u>	<u>1,663,106</u>	<u>(154,894)</u>
Ending net position	<u>\$ 285,500</u>	<u>\$ 285,500</u>	<u>\$ 1,145,923</u>	<u>\$ 860,423</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Net Position (Cash Basis) – Sewer Funds
Year Ending June 30, 2025

	<u>Sewer Fund</u>	<u>Sewer Capital Project Fund</u>	<u>Utility Assistance Fund</u>	<u>Sewer System Development Fund</u>	<u>Total Sewer Funds</u>
ASSETS:					
Cash and cash equivalents	\$ 982,528	\$ 2,196,128	\$ 68,279	\$ 4,482,107	\$ 7,729,042
LIABILITIES AND NET POSITION:					
Net position:					
Restricted	-	2,196,128	-	4,482,107	6,678,235
Unrestricted	<u>982,528</u>	<u>-</u>	<u>68,279</u>	<u>-</u>	<u>1,050,807</u>
Total net position	<u>982,528</u>	<u>2,196,128</u>	<u>68,279</u>	<u>4,482,107</u>	<u>7,729,042</u>
Total liabilities and net position	<u>\$ 982,528</u>	<u>\$ 2,196,128</u>	<u>\$ 68,279</u>	<u>\$ 4,482,107</u>	<u>\$ 7,729,042</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Revenues, Expenses, and Changes in Net Position (Cash Basis) –
Sewer Funds
Year Ended June 30, 2025

	Sewer Fund	Sewer Capital Project Fund	Utility Assistance Fund	Sewer System Development Fund	Total Sewer Funds
Operating revenues:					
Charges for services	\$ 2,257,303	\$ -	\$ -	\$ -	\$ 2,257,303
Other	3,342	-	-	-	3,342
Total operating revenues	<u>2,260,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,260,645</u>
Operating expenses:					
Personal services	792,715	-	-	-	792,715
Materials and services	1,106,995	49,659	-	-	1,156,654
Total operating expenditures	<u>1,899,710</u>	<u>49,659</u>	<u>-</u>	<u>-</u>	<u>1,949,369</u>
Operating income (loss)	<u>360,935</u>	<u>(49,659)</u>	<u>-</u>	<u>-</u>	<u>311,276</u>
Nonoperating revenues (expenses):					
Investment earnings	47,664	99,692	3,134	210,074	360,564
Capital outlay	-	(314,926)	-	(299,912)	(614,838)
Total nonoperating revenues (expenses)	<u>47,664</u>	<u>(215,234)</u>	<u>3,134</u>	<u>(89,838)</u>	<u>(254,274)</u>
Income (loss) before capital contributions and transfers	<u>408,599</u>	<u>(264,893)</u>	<u>3,134</u>	<u>(89,838)</u>	<u>57,002</u>
Capital contributions:					
System development charges	-	-	-	245,239	245,239
Transfers in	-	400,500	-	-	400,500
Transfers out	(400,500)	-	-	-	(400,500)
Total transfers	<u>(400,500)</u>	<u>400,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	8,099	135,607	3,134	155,401	302,241
Total net position - beginning	<u>974,429</u>	<u>2,060,521</u>	<u>65,145</u>	<u>4,326,706</u>	<u>7,426,801</u>
Total net position - ending	<u>\$ 982,528</u>	<u>\$ 2,196,128</u>	<u>\$ 68,279</u>	<u>\$ 4,482,107</u>	<u>\$ 7,729,042</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Cash Flows (Cash Basis) – Sewer Funds
Year Ended June 30, 2025

	Sewer Fund	Sewer Capital Project Fund	Utility Assistance Fund	Sewer System Development Fund	Total Sewer Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 2,260,645	\$ -	\$ -	\$ -	\$ 2,260,645
Payments to suppliers	(1,106,995)	(49,659)	-	-	(1,156,654)
Payments to employees	(792,715)	-	-	-	(792,715)
Net cash provided (used) by operating activities	<u>360,935</u>	<u>(49,659)</u>	<u>-</u>	<u>-</u>	<u>311,276</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	400,500	-	-	400,500
Transfers out	(400,500)	-	-	-	(400,500)
Net cash provided (used) by noncapital financing activities	<u>(400,500)</u>	<u>400,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of capital assets	-	(314,926)	-	(299,912)	(614,838)
System development charges	-	-	-	245,239	245,239
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(314,926)</u>	<u>-</u>	<u>(54,673)</u>	<u>(369,599)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	47,664	99,692	3,134	210,074	360,564
Net change in cash and cash equivalents	8,099	135,607	3,134	155,401	302,241
Cash and cash equivalents - beginning	974,429	2,060,521	65,145	4,326,706	7,426,801
Cash and cash equivalents - ending	<u>\$ 982,528</u>	<u>\$ 2,196,128</u>	<u>\$ 68,279</u>	<u>\$ 4,482,107</u>	<u>\$ 7,729,042</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 360,935	\$ -	\$ -	\$ -	\$ 360,935
Net cash provided (used) by operating activities	<u>\$ 360,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,935</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Sewer Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Charges for services	\$ 2,203,000	\$ 2,203,000	\$ 2,257,303	\$ 54,303
Investment income	37,800	37,800	47,664	9,864
Other	1,000	1,000	3,342	2,342
Total revenues	<u>2,241,800</u>	<u>2,241,800</u>	<u>2,308,309</u>	<u>66,509</u>
Expenditures:				
Personal services	805,600	805,600	792,715	(12,885)
Materials and services	1,105,000	1,178,600	1,106,995	(71,605)
Contingency	238,200	164,600	-	(164,600)
Total expenditures	<u>2,148,800</u>	<u>2,148,800</u>	<u>1,899,710</u>	<u>(249,090)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>93,000</u>	<u>93,000</u>	<u>408,599</u>	<u>315,599</u>
Other financing sources (uses):				
Transfers out	<u>(400,500)</u>	<u>(400,500)</u>	<u>(400,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(400,500)</u>	<u>(400,500)</u>	<u>(400,500)</u>	<u>-</u>
Net change in net position	(307,500)	(307,500)	8,099	315,599
Beginning net position	<u>863,700</u>	<u>863,700</u>	<u>974,429</u>	<u>110,729</u>
Ending net position	<u>\$ 556,200</u>	<u>\$ 556,200</u>	<u>\$ 982,528</u>	<u>\$ 426,328</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Sewer Capital Projects Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 113,600	\$ 113,600	\$ 99,692	\$ (13,908)
Total revenues	<u>113,600</u>	<u>113,600</u>	<u>99,692</u>	<u>(13,908)</u>
Expenditures:				
Materials and services	50,100	50,100	49,659	(441)
Capital outlay	<u>1,003,100</u>	<u>1,003,100</u>	<u>314,926</u>	<u>(688,174)</u>
Total expenditures	<u>1,053,200</u>	<u>1,053,200</u>	<u>364,585</u>	<u>(688,615)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(939,600)</u>	<u>(939,600)</u>	<u>(264,893)</u>	<u>674,707</u>
Other financing sources (uses):				
Transfers in	<u>400,500</u>	<u>400,500</u>	<u>400,500</u>	<u>-</u>
Total other financing sources (uses)	<u>400,500</u>	<u>400,500</u>	<u>400,500</u>	<u>-</u>
Net change in net position	(539,100)	(539,100)	135,607	674,707
Beginning net position	<u>1,507,800</u>	<u>1,507,800</u>	<u>2,060,521</u>	<u>552,721</u>
Ending net position	<u>\$ 968,700</u>	<u>\$ 968,700</u>	<u>\$ 2,196,128</u>	<u>\$ 1,227,428</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Utility Assistance Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 2,800	\$ 2,800	\$ 3,134	\$ 334
Net change in net position	2,800	2,800	3,134	334
Beginning net position	64,900	64,900	65,145	245
Ending net position	<u>\$ 67,700</u>	<u>\$ 67,700</u>	<u>\$ 68,279</u>	<u>\$ 579</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures, and Changes in Net Position –
Budget and Actual (Cash Basis) – Sewer System Development Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 182,200	\$ 182,200	\$ 210,074	\$ 27,874
System development charges	300,000	300,000	245,239	(54,761)
Total revenues	<u>482,200</u>	<u>482,200</u>	<u>455,313</u>	<u>(26,887)</u>
Expenditures:				
Capital outlay	4,000,000	4,000,000	299,912	(3,700,088)
Total expenditures	<u>4,000,000</u>	<u>4,000,000</u>	<u>299,912</u>	<u>(3,700,088)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,517,800)</u>	<u>(3,517,800)</u>	<u>155,401</u>	<u>3,673,201</u>
Beginning net position	<u>4,428,600</u>	<u>4,428,600</u>	<u>4,326,706</u>	<u>(101,894)</u>
Ending net position	<u>\$ 910,800</u>	<u>\$ 910,800</u>	<u>\$ 4,482,107</u>	<u>\$ 3,571,307</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Net Position (Cash Basis) – Sanitation Funds
Year Ended June 30, 2025

	<u>Sanitation Fund</u>	<u>Sanitation Capital Projects Fund</u>	<u>Total Sanitation Funds</u>
ASSETS:			
Cash and cash equivalents	\$ <u>638,042</u>	\$ <u>14,454</u>	\$ <u>652,496</u>
LIABILITIES AND NET POSITION:			
Liabilities:			
Due to others	<u>-</u>	<u>-</u>	<u>-</u>
Net position:			
Restricted	-	-	-
Unrestricted	<u>638,042</u>	<u>14,454</u>	<u>652,496</u>
Total net position	<u>638,042</u>	<u>14,454</u>	<u>652,496</u>
Total liabilities and net position	\$ <u>638,042</u>	\$ <u>14,454</u>	\$ <u>652,496</u>

CITY OF JUNCTION CITY, OREGON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Cash Basis) –
Sanitation Funds

Year Ended June 30, 2025

	Sanitation Fund	Sanitation Capital Projects Fund	Total Sanitation Funds
Operating revenues:			
Charges for services	\$ 1,492,464	\$ -	\$ 1,492,464
Other	3,184	-	3,184
Total operating revenues	1,495,648	-	1,495,648
Operating expenses:			
Personal services	406,810	-	406,810
Materials and services	889,525	920	890,445
Total operating expenditures	1,296,335	920	1,297,255
Operating income (loss)	199,313	(920)	198,393
Nonoperating revenues (expenses):			
Investment earnings	27,953	2,123	30,076
Debt Service	-	(135,071)	(135,071)
Capital outlay	-	(61,500)	(61,500)
Total nonoperating revenues (expenses)	27,953	(194,448)	(166,495)
Income (loss) before transfers	227,266	(195,368)	31,898
Other financing sources (uses):			
Transfers in	-	180,000	180,000
Transfers out	(180,000)	-	(180,000)
Total transfers	(180,000)	180,000	-
Change in net position	47,266	(15,368)	31,898
Total net position - beginning	590,776	29,822	620,598
Total net position - ending	\$ 638,042	\$ 14,454	\$ 652,496

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Cash Flows (Cash Basis) – Sanitation Funds
Year Ended June 30, 2025

	Sanitation Fund	Sanitation Capital Projects Fund	Total Sanitation Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 1,495,648	\$ -	\$ 1,495,648
Receipts from interfund services provided	-	-	-
Payments to suppliers	(889,550)	(920)	(890,470)
Payments to employees	(406,810)	-	(406,810)
Net cash provided (used) by operating activities	199,288	(920)	198,368
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	180,000	180,000
Transfers out	(180,000)	-	(180,000)
Net cash provided (used) by noncapital financing activities	(180,000)	180,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	-	(61,500)	(61,500)
Loan payments	-	(135,071)	(135,071)
Net cash provided (used) by capital and related financing activities	-	(196,571)	(196,571)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	27,953	2,123	30,076
Net change in cash and cash equivalents	47,241	(15,368)	31,873
Cash and cash equivalents - beginning	590,801	29,822	620,623
Cash and cash equivalents - ending	\$ 638,042	\$ 14,454	\$ 652,496
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (Loss)	\$ 199,313	\$ (920)	\$ 198,393
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Change in developer deposits	-	-	-
Change in due from developer	-	-	-
Change in due to others	(25)	-	(25)
Net cash provided (used) by operating activities	\$ 199,288	\$ (920)	\$ 198,368

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures, and Changes in Net Position –
Budget and Actual (Cash Basis) – Sanitation Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Charges for services	\$ 1,687,200	\$ 1,687,200	\$ 1,492,464	\$ (194,736)
Investment income	24,800	24,800	27,953	3,153
Other	-	-	3,184	3,184
Total revenues	<u>1,712,000</u>	<u>1,712,000</u>	<u>1,523,601</u>	<u>(188,399)</u>
Expenditures:				
Personal services	588,000	588,000	406,810	(181,190)
Materials and services	954,700	954,700	889,525	(65,175)
Total expenditures	<u>1,542,700</u>	<u>1,542,700</u>	<u>1,296,335</u>	<u>(246,365)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>169,300</u>	<u>169,300</u>	<u>227,266</u>	<u>57,966</u>
Other financing sources (uses):				
Transfers out	<u>(180,000)</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(180,000)</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
Net change in net position	(10,700)	(10,700)	47,266	57,966
Beginning net position	<u>635,900</u>	<u>635,900</u>	<u>590,776</u>	<u>(45,124)</u>
Ending net position	<u>\$ 625,200</u>	<u>\$ 625,200</u>	<u>\$ 638,042</u>	<u>\$ 12,842</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Sanitation Capital Projects Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 3,700	\$ 3,700	\$ 2,123	\$ (1,577)
Total revenues	<u>3,700</u>	<u>3,700</u>	<u>2,123</u>	<u>(1,577)</u>
Expenditures:				
Materials and services	1,000	1,000	920	(80)
Capital outlay	70,000	70,000	61,500	(8,500)
Debt service	135,000	135,000	135,071	71
Total expenditures	<u>206,000</u>	<u>206,000</u>	<u>197,491</u>	<u>(8,509)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(202,300)</u>	<u>(202,300)</u>	<u>(195,368)</u>	<u>6,932</u>
Other financing sources (uses):				
Transfers in	180,000	180,000	180,000	-
Total other financing sources (uses)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net change in net position	(22,300)	(22,300)	(15,368)	6,932
Beginning net position	59,500	59,500	29,822	(29,678)
Ending net position	<u>\$ 37,200</u>	<u>\$ 37,200</u>	<u>\$ 14,454</u>	<u>\$ (22,746)</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Net Position (Cash Basis) – Internal Service Funds
Year Ended June 30, 2025

	<u>Governmental Activities Internal Service Funds</u>	<u>Business-type Activities Public Works Administration</u>	<u>Total Internal Service Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 402,809	\$ 345,172	\$ 747,981
Due from developers	-	62,513	62,513
Total assets	<u>402,809</u>	<u>407,685</u>	<u>810,494</u>
LIABILITIES AND NET POSITION:			
Net position:			
Restricted	-	-	-
Unrestricted	<u>402,809</u>	<u>407,685</u>	<u>810,494</u>
Total net position	<u>402,809</u>	<u>407,685</u>	<u>810,494</u>
Total liabilities and net position	<u>\$ 402,809</u>	<u>\$ 407,685</u>	<u>\$ 810,494</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Revenues, Expenses, and Changes in Net Position (Cash Basis) –
Internal Service Funds
Year Ended June 30, 2025

	<u>Governmental Activities Internal Service Funds</u>	<u>Business-type Activities Public Works Administration</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 570,732	\$ 858,980	\$ 1,429,712
Other	19	367	386
Total operating revenues	<u>570,751</u>	<u>859,347</u>	<u>1,430,098</u>
Operating expenses:			
Personal services	158,998	552,446	711,444
Materials and services	299,630	303,731	603,361
Total operating expenditures	<u>458,628</u>	<u>856,177</u>	<u>1,314,805</u>
Operating income (loss)	<u>112,123</u>	<u>3,170</u>	<u>115,293</u>
Nonoperating revenues (expenses):			
Investment earnings	15,984	15,616	31,600
Capital outlay	(30,000)	-	(30,000)
Total nonoperating revenues (expenses)	<u>(14,016)</u>	<u>15,616</u>	<u>1,600</u>
Change in net position	98,107	18,786	116,893
Total net position - beginning	<u>304,702</u>	<u>388,900</u>	<u>693,602</u>
Total net position - ending	<u>\$ 402,809</u>	<u>\$ 407,686</u>	<u>\$ 810,495</u>

CITY OF JUNCTION CITY, OREGON
Combining Schedule of Cash Flows (Cash Basis) – Internal Service Funds
Year Ended June 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Internal Service Funds</u>
	<u>Internal Service Funds</u>	<u>Public Works Administration</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 570,751	\$ 865,701	\$ 1,436,452
Receipts from interfund services provided	-	-	-
Payments to suppliers	(299,630)	(303,731)	(603,361)
Payments to employees	(158,998)	(552,446)	(711,444)
Net cash provided (used) by operating activities	<u>112,123</u>	<u>9,524</u>	<u>121,647</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	22,500	-	22,500
Transfers out	(22,500)	-	(22,500)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(30,000)	-	(30,000)
System development charges	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	15,984	15,616	31,600
Net change in cash and cash equivalents	98,107	9,524	107,631
Cash and cash equivalents - beginning	304,702	322,741	627,443
Cash and cash equivalents - ending	<u>\$ 402,809</u>	<u>\$ 332,265</u>	<u>\$ 735,074</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (Loss)	\$ 112,123	\$ 3,170	\$ 115,293
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Change in developer deposits	-	-	-
Change in due from developer	-	6,354	6,354
Change in due to others	-	-	-
Net cash provided (used) by operating activities	<u>\$ 112,123</u>	<u>\$ 9,524</u>	<u>\$ 121,647</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Internal Service Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Charges for services	\$ 647,500	\$ 647,500	\$ 570,732	\$ (76,768)
Investment income	7,400	7,400	15,225	7,825
Other	-	-	19	19
Total revenues	<u>654,900</u>	<u>654,900</u>	<u>585,976</u>	<u>(68,924)</u>
Expenditures:				
Personal services	220,300	220,300	158,998	(61,302)
Materials and services	394,600	394,600	299,630	(94,970)
Contingency	12,300	12,300	-	(12,300)
Total expenditures	<u>627,200</u>	<u>627,200</u>	<u>458,628</u>	<u>(168,572)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,700</u>	<u>27,700</u>	<u>127,348</u>	<u>99,648</u>
Other financing sources (uses):				
Transfers out	<u>(22,500)</u>	<u>(22,500)</u>	<u>(22,500)</u>	<u>-</u>
Net change in net position	5,200	5,200	104,848	99,648
Beginning net position	<u>251,600</u>	<u>251,600</u>	<u>285,754</u>	<u>34,154</u>
Ending net position	<u>\$ 256,800</u>	<u>\$ 256,800</u>	<u>\$ 390,602</u>	<u>\$ 133,802</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenses, and Changes in Net Position –
Budget and Actual (Cash Basis) – Internal Services Capital Projects Fund
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment income	\$ 300	\$ 300	\$ 759	\$ 459
Total revenues	<u>300</u>	<u>300</u>	<u>759</u>	<u>459</u>
Expenditures:				
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,700)</u>	<u>(29,700)</u>	<u>(29,241)</u>	<u>459</u>
Other financing sources (uses):				
Transfers in	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>-</u>
Net change in net position	<u>(7,200)</u>	<u>(7,200)</u>	<u>(6,741)</u>	<u>459</u>
Beginning net position	<u>23,100</u>	<u>23,100</u>	<u>18,948</u>	<u>(4,152)</u>
Ending net position	<u>\$ 15,900</u>	<u>\$ 15,900</u>	<u>\$ 12,207</u>	<u>\$ (3,693)</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Revenues, Expenditures, and Changes in Net Position –
Budget and Actual (Cash Basis) – Public Works Administration
Year Ended June 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Charges for services	\$ 847,200	\$ 879,200	\$ 858,980	\$ (20,220)
Investment income	10,700	10,700	15,616	4,916
Other	5,000	-	367	367
Total revenues	<u>862,900</u>	<u>889,900</u>	<u>874,963</u>	<u>(14,937)</u>
Expenditures:				
Personal services	554,800	559,800	552,446	(7,354)
Materials and services	283,900	308,700	303,731	(4,969)
Contingency	16,800	14,000	-	(14,000)
Total expenditures	<u>855,500</u>	<u>882,500</u>	<u>856,177</u>	<u>(26,323)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,400</u>	<u>7,400</u>	<u>18,786</u>	<u>11,386</u>
Beginning net position	<u>422,400</u>	<u>422,400</u>	<u>388,900</u>	<u>(33,500)</u>
Ending net position	<u>\$ 429,800</u>	<u>\$ 429,800</u>	<u>\$ 407,686</u>	<u>\$ (22,114)</u>

CITY OF JUNCTION CITY, OREGON
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

<u>Federal Grantor and Pass-through Agency</u>	<u>Assistance Listing Number</u>	<u>Pass-through Agency Number</u>	<u>Federal Expenditures</u>
Department of the Treasury Coronavirus Relief Fund	21.019		\$ 770,347
Department of the Treasury Oregon Department of Administrative Services COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	8186	<u>491,599</u>
Total federal financial assistance			<u>\$ 1,261,946</u>

Note 1 – Basis of Presentation

The schedule of expenditures of federal awards (SEFA) includes federal awards activity for the year ended June 30, 2025. The information presented in this schedule is presented in accordance with the requirements of title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements or Federal Awards (Uniform Guidance) and does not present the financial position, change in net position or cash flows of the City. The schedule is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than US GAAP.

Note 2 – Indirect Cost Rate

The City did not charge indirect costs to its federal programs.



INDEPENDENT AUDITORS' REPORT

To the Governing Body
City of Junction City, Oregon

We have audited the basic financial statements of the City of Junction City as of and for the year ended June 30, 2025 and have issued our report thereon dated December 30, 2025. 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 of Junction City's financial statements are free of material mis-statement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of 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, noncompliance with which could have a direct and material effect on the determination of financial statements 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 and roads.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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 provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 internal control over financial reporting.

During the course of our audit procedures, we identified deficiencies in internal control that we consider to be significant deficiencies which were reported to the governing body in our *Governmental Accounting Standards* report on internal control.

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

Respectfully,

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, slightly slanted style.

Sensiba LLP
Bend, OR

December 30, 2025



INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City Council and Management
City of Junction City, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Junction City, Oregon (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 City's financial statements will not be prevented or detected and corrected on a timely basis. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

City of Junction City, Oregon's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,



Sensiba LLP
Bend, OR

December 30, 2025

CITY OF JUNCTION CITY, OREGON
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies?	Yes
Noncompliance material to the financial statements noted?	No

Section II – Financial Statement Findings

Criteria: Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition and context: During the planning of our audit, we noted the City has documented processes for review of journal entries assigned to Finance Director and that journal entry initiation is limited to users in the finance department. We noted that journal entries are not required to be entered through the packet process and could be entered as transactions with a direct posting to the general ledger.

Cause: Tyler Technologies' security roles have not been fully implemented to control journal entry procedures and user access.

Effect: Journal entries could be used to obscure fraud or errors in the financial statements.

Recommendation: As the City continues to improve its internal control structure, the security function in the accounting software should be evaluated to ensure its capabilities are fully integrated with the internal control framework. We recommend removing the option for journal entries to be posted outside of the packet approval process.

Views of Responsible Officials: The City agrees with this finding. General ledger journal entry permission is limited to finance department staff and standard operating procedures require entry via a processing packet which is routed through Finance Director for final approval. Currently, the accounting set up does not restrict direct posting to the general ledger outside of the packet system.

CITY OF JUNCTION CITY, OREGON
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

The City is taking steps to refine its accounting system procedures and setup, and until posting can be limited within the accounting system, will implement additional journal entry review by the City Administrator.

Finding 2025-002

Criteria: Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition and context: During the planning of our audit, we noted the City's process for setting up new employees and user access to the accounting system was not always limited to only access necessary to perform their job duties. Additionally, the City had no monitoring process to ensure that employees who have access to the accounting system is appropriate.

Cause: The security module within the accounting software has not been set up to take full advantage of its functionality.

Effect: Employees have access to the accounting system, potentially leading to fraud or errors in the financial statements.

Recommendation: The City should evaluate the access employees have to the accounting system and compare this with the access necessary to perform their job duties. After this initial assessment, access within the system should be revised and monitored annually to ensure that roles are appropriate based on job duties.

Views of Responsible Officials: The City agrees with this finding, noting that security role setup within the accounting system is utilized, periodic reviews have not been completed. Management is working to establish documentation for accounting system security, including regular review of user access.

CITY OF JUNCTION CITY

185 W 8th AVE | P.O. BOX 250

JUNCTION CITY, OREGON 97448-0250

TELEPHONE 541-998-2153 | FAX 541-998-3140

Corrective Action Plan

Finding 2025-001 description: Journal entries are not limited by accounting system controls to entry via the packet approval process and those with access may post entries directly to the general ledger.

Cause analysis: General ledger journal entry is limited to Finance Department staff. Standard operating procedure requires journal entry transactions to be entered as part of a Tyler processing packet. Packet is reassigned by staff to Finance Director who reviews for completeness and accuracy before approval. The current setup does not restrict general ledger entries to processing through packets allowing potential for a transaction to be posted directly to the general ledger. This is a result of City's adoption of the Tyler ERP system and way set-up by vendor which differs from prior system.

Corrective action: Management is reviewing security setup functionality for general ledger journal entry in Tyler and is working to establish packet only entry. Finance team is updating procedure documents to reflect this finding and to highlight the critical nature of packets for proper internal controls and will be further updated once Tyler setup is refined. Finance Director will continue monthly review of journal entries and until transaction entry is limited all non-packet transactions will be forwarded to City Administrator for review and follow-up with staff and management as needed.

Responsible parties: Jason Knope, City Administrator and Christina Green, Finance Director

Timeline: The City expects to complete implementation of Tyler set up by May 2026.

CITY OF JUNCTION CITY

185 W 8th AVE | P.O. BOX 250

JUNCTION CITY, OREGON 97448-0250

TELEPHONE 541-998-2153 | FAX 541-998-3140

Finding 2025-002 description: Accounting system access is not regularly monitored to ensure alignment with employees' job descriptions.

Cause analysis: While the City does utilize security role setup in Tyler a periodic review of individual user access to the accounting system has not been completed to ensure allowed access is current and correct. The City recently implemented Tyler ERP and the key staff member that received training on set-up and security retired which has resulted in a loss of institutional and software knowledge leading the security module to not be utilized to the best of its capabilities.

Corrective action: Current staff is working to reconcile users and access, establish City specific documentation for accounting system security, and implement regular reviews of not just users but also user access.

Responsible parties: Jason Knope, City Administrator and Christina Green, Finance Director

Timeline: The City expects to complete reconciliation and documentation related to user access by May 2026.