

CITY OF JUNCTION CITY, KANSAS

Comprehensive Annual Financial Report

Year Ended December 31, 2019

Prepared By
Lindsay Miller - Finance Director
Allen Dinkel - City Manager

CITY OF JUNCTION CITY, KANSAS
 Financial Statements With Independent Auditors' Report
 For the Year Ended December 31, 2019

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July 7, 2020

To the Citizens of the City of Junction City:

The comprehensive annual financial report of the City of Junction City, Kansas (the "City") for the year ended December 31, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of all various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements including the combining statements, individual fund and account group statements and schedules, and the independent auditors report on the financial statements and schedules and a management narrative that provides an introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with the section. The City's MD&A can be found immediately following the Auditor's report in the financial section. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

This report includes all funds of the City. The City provides a full range of services which include law enforcement, fire protection, building and codes enforcement, construction and maintenance of streets, airport, recreation, and cultural operations. In addition to general government activities, the City provides water, wastewater, solid waste, and storm water utility services.

ECONOMIC CONDITION AND OUTLOOK

Fort Riley United States Military Post, adjacent to the City, remains the area's top employer. The federal government has invested millions of dollars on service and infrastructure upgrades at Fort Riley. This investment positions the Fort well in the event a BRAC review. The sequestration plan did have a minor impact on the number of soldiers assigned to Fort Riley with an estimated reduction of 600-700 military personnel. However, Fort Riley officials have indicated that closures or reduction of forces at other facilities in the U.S. could result in an increase in soldiers assigned to Fort Riley. The opening of the new military hospital in the past two years has increased civilian workers on base. Deployments of troops does have a short term impact on sales tax revenue, but to date this has been manageable. The City has been conservative in sales tax revenue forecasts and with that have been able to meet projections. As troops return from deployment there is an increase in sales tax revenue.

The City continues to support the military base through the Junction City Military Affairs Council, Kansas Military Affairs Commission, and participation in the Government Support Partnership task group.

In 2015 the Walmart Neighborhood Market and Ace Hardware construction was completed on the west side of town. In addition major road construction improvements were started for US 77 and K-18, which will continue through 2016 and 2017. The Advanced Call Center Technology (ACCT) is on track to hire 300-400 additional employees. In 2016, the major, new commercial addition was a new VA Clinic. Camso Manufacturing opened a manufacturing plant in Junction City late last year and the numbers of jobs increases as more equipment is shipped and put into production at the site. We are very optimistic about the future of Camso and the economic impact it will have on our community.

Aldi's grocery store opened later this year and certainly add to the economic base. In conjunction with the Junction City Area Chamber of Commerce prospects for business and industry are being sought on an aggressive basis.

A new \$100 million dollar plus high school is currently being constructed and this improvement should help to draw more businesses and people to the community. The building is scheduled to be completed and opened by August of 2021.

HOUSING DEVELOPMENT

From 2006 through 2008 the City aggressively approved the creation of subdivisions for housing development to prepare for Fort Riley's expansion. The market crash in 2008 and a less than expected placement of soldiers and their families at Fort Riley led to the failure of more than half of the lots not being developed or sold, and ultimately the financial failure of the developments. This equated to approximately 1,000 existing empty lots that was in a state of flux; some ready for sale, some tied up in bankruptcy proceedings with FDIC, and many in foreclosure or tax sale proceedings. Geary County had Sheriff Tax sales on these lots in 2013, 2014, and 2015.

To deal with land that went through tax sale with no resale, the City adopted a resolution to form the Junction City Land Bank and the ownership of the land was transferred to the Land Bank. Then, a plan of action was developed to maintain and market the empty lots. In January 2015, the Junction City Land Bank took possession of 940 lots. The land bank has taken the necessary steps to clear title, resize, or restructure the subdivisions as needed to make these lots ready for development. This was an important step to continue housing development in Junction City with existing infrastructure. In 2015 the first lots were sold for development. Although housing construction has significantly reduced in 2016, the land bank is slowly selling lots to local developers for building new homes. The Land Bank continues to search for ways to market these lots and encourage more construction of residential units.

In 2013 the City Commission reorganized the codes enforcement department to address housing blight issues to improve neighborhoods. Blight control has been recognized by the City Commission as a priority to improve the quality of life for its citizens. In 2014 1.5 FTE's were approved for blight enforcement and increased in 2015 to 2 FTE's for this purpose. The City is working diligently to

improve the image of the community. This year changes were made in the department to increase the quality of construction in Junction City and to put more emphasis on code enforcement.

TRANSPORTATION

Many of the City's transportation improvement plans were shelved following its' financial crisis. However, the financial crisis did force the city to review all operations and it was determined that the contract service operation and management of its streets was not functioning well. Therefore, on June 23, 2012, the City took back the day-to-day operation and maintenance of streets, traffic control, building maintenance, water system, and wastewater system. The 2012 review of this take back determined the move was very successful.

The City is now providing basic street maintenance that had been absent for many years. All streets have been inventoried, evaluated, and programmed in a long-term maintenance program. The biggest challenge will be providing sufficient funding to meet the expensive maintenance and repair needs of the streets and bridges. Each year the city has increased the amount of funds allocated for street maintenance. Even though there is no lack of streets needing improvements, there continues to be an emphasis in aggressively addressing street issues.

The City has now completed several KLINK grant projects for street improvements, a KDOT Geometric Grant for a new stop light at 6th & Franklin, and has participated in all of the new street improvements along US77/K18, which includes a new intersection and stop lights at Rucker Road and Golden Belt, a new diversion diamond interchange at I-70, a new interchange and bridge at K-18 and US77, and widening of US 77 through Junction City. The City utilized Federal Exchange Funds for street improvements on Goldenbelt Drive and other streets. A KDOT CCLIP Grant will be used to make repairs in 2020 on 18th Street and a Community Development Block Grant was awarded in 2019 for phase 1 of Spring Valley Road improvements. KDOT funding was secured for a roundabout on Highway 18 near the new High School and a BUILD Grant has been applied for to fund additional road improvements.

The City utilized KDOT Grant to establish a walking path along K-18 on the new K-18 and US 77 interchange as part of these US 77 improvements. Additional improvements in the walking trail infrastructure will be made in 2020 and plans are in the works for additional walking trails. Additional KDOT funds will be utilized for a street improvement on 18th Street this year.

GRANT AWARDS

The City continues to be successful in qualifying for Department of Justice grants for police officer bullet proof vests and other safety equipment and securing funds through drug forfeitures along I-70.

In 2016 the City received an FAA grant for updating the Airport Master Plan, which will be completed in late 2017. The City was awarded an \$11 million KDHE Revolving Loan for improvements to its' two wastewater plants with construction beginning in 2016 ending in 2019. The City was awarded a \$13 million KDHE Revolving Loan for improvements to the water plant with construction beginning in 2017 and ending in 2019.

A 2018 Community Development Block Grant provided funding for an outstanding Playground near the Swimming Pool and a 2019 Community Development Block Grant is providing funding for a major street improvement on Spring Valley Road and Ash Street.

FINANCIAL PICTURE

The City's assessed property valuation continues to be stable. The City's financial management has stabilized, and its recovery plan is on track. The City's bond rating improved from A- to A in 2013 and to A+ in 2014. The City took advantage of low interest rates and refinanced bonds that could be called for such purpose and refinanced its' Certificate of Participation loan. The City has been able to provide basic services such as fire and police protection with good statistical results and maintain its' quality of life services with dedicated employees working hard to maintain those services.

The City completed a water, wastewater, and storm water system independent analysis to determine the needs of each treatment facility and each utility system. A rate analysis of each utility was completed in 2014 with rate increases adopted for water, wastewater, and solid waste. The City was awarded an \$11 million-dollar KDHE Wastewater Revolving Loan for improvements at the two wastewater treatment plants and has applied for a \$12 million KDHE Water Revolving Loan for water plant improvements. Plans are being made for Phase 2 improvements to all three plants. A rate structure for water and wastewater was implemented in 2014 and provides funds for these projects. In addition, cash balances have increased in water and waste water funds and other needs will be addressed. A storm water utility rate increase was made in 2018 to provide needed funds for storm water projects.

The City's residential solid waste service was also taken back from contract services in 2012. At the time of the take back the services were operating with a negative balance. By the end of 2013, the solid waste fund had a positive balance and it continues to be an enterprise fund profit center. Cash balances in this fund have increased and new equipment can be purchased without adding to City debt.

DEBT MANAGEMENT

The City suffered a financial crisis in 2010 and 2011. The City developed a financial recovery plan, fully activated its' recovery plan in 2011 and 2012, and reached stability in 2013. However, due to its' high debt load the City must continue to be budget wisely and carefully monitor its' revenue sources to prevent any disruption in cash flows and debt management.

The City continues to meet all debt payments on time and continues to build cash reserves to protect its ability to make all payments in the future. The City is on track to meet its debt reduction goals financially and statutorily. The City has dedicated staff hours to meeting bond requirements for federal and state regulatory requirements.

Special assessment collections have continued to improve, which reduces the tax burden. The City continues to improve its' debt ratios and debt per capita.

In 2010, City voters passed a 1% sales tax for debt service. This sales tax ends on December 31, 2020, however voters have already approved the continuation of this sales tax to December 31, 2030. These funds are a key in addressing the repayment of the City debt.

FINANCIAL INFORMATION

The City adopted a new fiscal policy in 2011, which is a comprehensive policy that provides proper guidelines for good fiscal management. Although the City suffered a fiscal crisis in 2010 and 2011, the City has now stabilized with growing cash balances and reserves. However, the City, like many cities across the United States, struggles to find revenue to adequately invest in capital improvements needed for aging infrastructure. Staff and the City Commission continues to review all options for new revenue sources. The City adopted Sunday liquor sales in April 2015 as one new revenue source. In 2019 a licensing fee has been implemented for non-city waste management firms operating in the City. The City Commission and staff continues to look for cost effective methods for providing services while maintaining high quality delivery of services.

The City employed consultants to develop a business plan for its water, wastewater and storm water utilities, which were completed in 2014 and 2015. The final reports provided the long-term capital plans with recommended rate structures to ensure that the City can make the needed improvements.

The City has added staff to 'right size' departments that would provide a return on investment. For example a part-time clerk was added to the city prosecutor's office, which has allowed them to catch up on case load, which long-term should increase cash flow from municipal court. The City continues to upgrade its' computer systems to shorten 'down time' and improve efficiency.

BUDGETARY CONTROLS

Recent changes have been made with the hiring of a new Finance Director and a new City Treasurer. Both are addressing issues that have risen from past practices

The City adopted new, stricter fiscal policies in 2011, which are utilized daily by staff. The purchasing policy is followed with purchase orders required for any purchase greater than \$999. The City uses purchase cards with a very strict system for receipt tracking and purchase review.

The budgets are reviewed monthly by staff, management, and the City Commission

CASH MANAGEMENT

The City continues to build cash reserves to reinforce financial stability. In the past three years cash reserves have averaged more than \$28,000,000 as compared to December 31, 2010, of \$2,924,346. The City hired Columbia Capital Consultants at the end of 2013 to manage its investments. The City utilizes point of sale systems for all revenue generating stations, which provides a good cash management tool for protecting cash intake. An additional staff member was added to the Treasurer's office in 2012 to provide adequate staff for separation of duties, particularly regarding cash management, accounts receivable and accounts payable. The City fiscal policy also requires a mandatory week vacation for any employee that handles cash or accounts receivables.

RISK MANAGEMENT

In 2013 the City changed general liability coverage from Traveler's Insurance to the Midwest Public Risk (a municipal risk pool) which expanded and improved coverage and lowered the insurance premium. The City continues to participate in the KERIT workers' compensation risk pool for workers' compensation coverage. All City deposits were insured per standards and code or collateralized. Both companies provide a claims tracking and communications system that has improved claims management, which has improved financial losses.

The City of Junction City has stabilized Health Insurance costs and recently have renewed for the fifth straight years with no increase in costs. The City is also seeing a decrease in worker's compensation costs due to various practices being employed by the City.

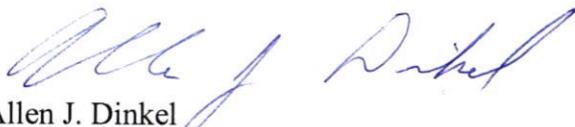
INDEPENDENT AUDIT

Kansas Statutes Annotated 75-1122 requires an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Commission. This requirement has been compiled with and the auditor's opinion has been included in this report.

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the City employees. The City Commission and City Administration appreciate the hard work of the City's dedicated employees with regard to fiscal responsibility and transparency.

Respectively submitted,

A handwritten signature in blue ink, appearing to read "Allen J. Dinkel".

Allen J. Dinkel
City Manager



Certified
Public
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of Junction City, Kansas
Junction City, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Junction City, Kansas**, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statement based on our audit. We did not audit the financial statements of the Dorothy Bramlage Public Library (the Library), a discretely presented component unit of the City of Junction City, Kansas, which represents 100% of the assets and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Units	Adverse
Each Major Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Discretely Presented Component Unit

The financial statements of the Dorothy Bramlage Public Library, a discretely presented component unit of the **City of Junction City, Kansas**, are prepared to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the Dorothy Bramlage Public Library, a discretely presented component unit of the **City of Junction City, Kansas**, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion

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, each major fund and the aggregate remaining fund information of the **City of Junction City, Kansas**, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, the City adopted GASB Statement No. 89, “*Accounting for Interest Cost Incurred Before the End of a Construction Period*”. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedules of revenues, expenditures and changes in fund balance – actual and budget, schedule of the City's proportionate share of the collective net pension liability, schedule of City contributions, and other postemployment benefit schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted

of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 introductory section, combining nonmajor fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, based on our audit and the procedures performed as described above, the information as noted above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 them.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

July 29, 2020

CITY OF JUNCTION CITY, KANSAS
Management's Discussion and Analysis
(Unaudited)

December 31, 2019

As management of the City of Junction City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City continues to lower the amount of debt owed by the City. Refinancing of General Obligation in 2016 has offered a great savings in interest costs and will allow great financial savings to the City.
- The City has been able to stabilize property taxes yet continue to provide services and take care of debt retirement.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions for the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the City include the general fund, special revenue funds, capital projects fund,

and the debt service fund. The business-type activities of the City include Water and Sewer Utility, Solid Waste Utility, and Storm Water Utility.

Fund financial statements

A fund is a grouping or related account that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and business-type activity funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and government activities.

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and debt service fund. Data from the governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds (special revenues funds and capital projects fund) is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the various governmental funds that are required to have a budget. This is to demonstrate compliance with the annually adopted budget.

Proprietary funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater operation, storm water operation, and solid waste operation.

Proprietary fund financial statements provide the same type of information as the government wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater fund, solid waste fund, and storm water fund.

Notes to the basic financial statements

The notes to the basic financial statements begin on page 23. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$76,230,307 at the close of 2019. The City's net position decreased by \$5,925,443. The governmental activities increased by \$1,464,810. The business type activities increased by \$4,460,633.

City of Junction City
Government-Wide Financial Statements

	Governmental Activities		Business-type Activities	
	2018	2019	2018	2019
Current Assets	\$ 50,476,327	\$ 47,381,657	\$ 18,023,246	\$ 20,507,100
Capital Assets	73,155,646	70,682,443	80,201,777	80,560,844
Deferred Outflows of Resources	3,179,596	2,701,116	151,055	118,896
Total Assets and Deferred Outflows	<u>\$ 126,811,569</u>	<u>\$ 120,765,216</u>	<u>\$ 98,376,078</u>	<u>\$ 101,186,840</u>
Current Liabilities	\$ 12,334,848	\$ 12,450,622	\$ 2,066,779	\$ 2,022,724
Long-Term Liabilities	105,400,775	97,621,167	26,002,133	24,394,469
Deferred Inflows of Resources	9,003,733	9,156,404	74,515	76,363
Total Liabilities and Deferred Inflows	<u>\$ 126,739,356</u>	<u>\$ 119,228,193</u>	<u>\$ 28,143,427</u>	<u>\$ 26,493,556</u>
Net Position				
Net Investment in Capital Assets	\$ [31,384,052]	\$ [10,002,423]	\$ 34,217,403	\$ 55,971,316
Restricted	19,572,461	17,469,658	-	-
Unrestricted	11,883,804	(5,930,212)	36,015,248	18,721,968
Total Net Position	<u>\$ 72,213</u>	<u>\$ 1,537,023</u>	<u>\$ 70,232,651</u>	<u>\$ 74,693,284</u>

By far the largest portion of the City's net position reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$17,469,658, represents resources that are subject to external restrictions on how they may be used. There was a decrease of \$2,102,803 in restricted net assets reported in connection with the City's governmental activities.

City of Junction City
Changes in Net Position

	Governmental Activities		Business-type Activities	
	2018	2019	2018	2019
Revenues				
Program Revenues				
Charges for Services	\$ 3,269,321	3,662,968	14,044,046	14,680,823
Operating Grants and Contributions	3,899,360	2,537,153	-	-
Capital Grants and Contributions	641,136	617,458	-	-
General Revenues				
Property Taxes	9,259,840	9,475,876	-	-
Sales Taxes	10,905,654	10,822,585	-	-
Franchise Taxes	1,903,630	1,750,282	-	-
Other	5,100,202	2,862,832	1,014,157	695,156
Total Revenue	34,979,143	31,729,154	15,058,203	15,375,979
Expenses				
General Government	5,087,215	2,985,520	-	-
Public Safety	11,099,497	11,875,862	-	-
Public Works	5,820,618	6,310,351	-	-
Culture and Recreation	2,458,268	2,440,722	-	-
Economic Development	881,207	1,372,758	-	-
Public Health and Sanitation	3,485,194	3,576,872	-	-
Interest on Long-term Debt	4,094,142	3,732,873	-	-
Payments on Other Obligations	-	-	-	-
Water	-	-	4,577,366	3,299,778
Sewer	-	-	4,616,729	4,616,295
Stormwater	-	-	570,214	462,706
Sanitation	-	-	1,210,990	1,166,632
Total Expenses	32,926,141	32,294,958	10,975,299	9,545,411
Change in Net Position				
Before Transfers	2,053,002	[565,804]	4,082,904	5,830,568
Transfers	1,630,000	2,030,614	[1,630,000]	[2,030,614]
Change in Net Position	3,683,002	1,464,810	2,452,904	3,799,954
Net Position, Beginning of Year	37,763,372	41,326,352	67,779,747	70,232,651
Prior Period Adjustment	[120,022]	[41,254,139]	-	660,679
Net Position, Beginning of Year, Restated	37,643,350	72,213	67,779,747	70,893,330
Net Position, End of Year	\$ 41,326,352	1,537,023	70,232,651	74,693,284

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing

requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the main operating fund of the City. At the end of 2019, unreserved fund balance of the general fund was \$3,946,045.

Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The change in net assets for the proprietary funds includes both the current year activity and restatement of prior year fund balance. The City split the Water/Wastewater Fund in 2017 to a Water Fund and a Sewer Fund.

Unrestricted fund balance of the Water Fund amounted to \$8,338,231, the Sewer Fund at the end of 2019 amounted to \$5,634,546, and the Stormwater Fund at the end of 2019 amounted to \$1,309,255. The non-major proprietary fund balance for Solid Waste Fund was the amount \$3,439,936. The total change in net position from 2018 to 2019 for the water, sewer and stormwater funds was an increase of \$1,956,840, \$1,112,027, and \$333,030, respectively. The nonmajor proprietary fund had an increase of \$398,057.

General Fund Budgetary Highlights

The City continues to be impacted by the Fort Riley, the adjacent military installation, home of the First Division of the Big Red One, which reached 'full nest' in 2012, but threatens to be decreased by federal reduction in forces. Military actions has and may further change due to recent elections and a Republican controlled federal government. More troops are being sent over seas, which reduces city population, which impact city revenues with a decrease in sales tax.

The City's revenues have remained stable overall for the last three years. Sales tax revenue in 2019 was \$10,833,693, which was close to steady from the prior year. Franchise fees remain stable. The tax mill value is also stable.

Residential construction grew rapidly from 2006-2009, and from 2010 to 2012 single family new home construction averaged 116 per year, in addition to 19 multiplex projects. However, in 2013 single family home construction dropped to 47 new homes and 1 duplex project; in 2014 there were 20 single family home construction projects and 1 duplex project; in 2015 there were 32 single family home construction projects and no duplex project; in 2017 there was only 12 single family homes constructed; in 2018 there were 13 single family homes constructed; and in 2019 there were 17 single family homes constructed. This was offset with an increase in residential remodel projects that had averaged 280 projects per year to 386 in 2015, 427 in 2016, 348 in 2017, 349 in 2018, and 735 in 2019. The total number building permits issued in 2019 was 1,478 as compared to a three-year average of 1,143. The City did form the Junction City Land Bank in 2014 and accepted ownership of 940 lots that had not sold at tax sales to bring developable lots back into the market and accepted an additional 159 lots in 2018.

Capital Asset and Debt Administration

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$151,243,287 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, buildings, streets, water and sewer lines, storm sewers, equipment and improvements. See detailed capital asset information in note 3 of the notes to these financial statements.

City of Junction City Capital Assets				
	Governmental Activities		Business-type Activities	
	2018	2019	2018	2019
Construction in Progress	\$ 693,988	\$ 98,302	\$ 19,999,401	\$ 21,475,948
Land	13,994,622	14,007,622	442,563	442,563
Buildings	20,605,821	21,030,536	25,219,140	25,219,140
Infrastructure	97,620,013	97,620,013	79,424,441	80,040,352
Machinery and Equipment	15,937,219	17,980,400	10,838,547	8,839,102
Less Accumulated Depreciation	[75,696,017]	[80,054,430]	[55,722,315]	[55,456,261]
Total Capital Assets, Net	\$ 73,155,646	\$ 70,682,443	\$ 80,201,777	\$ 80,560,844

Long-Term Debt

At the end of 2019, the City had total bonded debt outstanding of \$83,637,425 backed by full faith and credit of the city, no temporary notes, and \$27,401,930 of State of Kansas Revolving Loan fund debt. In 2010 and 2011, the City experienced a cash flow crisis which had to be addressed to make the second half bond payments in 2011. The crisis was averted by the implementation of several immediate cutbacks as well as significant increases in revenues. Ultimately, a *Fiscal Transformation Plan* was developed to ensure complete recovery. Some of the actions taken to respond and recover included the following:

1. Debt restructuring to improve cash flow position.
2. Increase in property taxes by 2.068 mills in 2011 and subsequently reduced the next year and remained steady as follows: 2010-48.282; 2011-50.35; 2012-47.841; 2013-47.938; 2014-47.666; 2015-47.667; 2016-48.089; 2017-48.066; and 2018-48.115.
3. Requested and received by a vote of the citizens, a one cent sales tax restricted for debt payments. This was with a 10-year sunset, and voters voted in favor of renewal of this tax for another 10 years starting January 1, 2021.
4. Worked with Standards & Poor’s to retain an A bond rating and since improved the bond rating; 2010 – A-, 2012 – A, and 2014 – A+.
5. Multiple community meetings and forums to engage public in discussions of organizational structure, prioritization of services, and education.

6. Kept open communications with Fort Riley, which is the cities' largest employer.
7. Worked with legislative delegations to extend debt limit revisions for Junction City and was successful in 2012 legislature. We also requested assistance from congressional delegates to lessen the local burden created by Fort Riley.
8. A complete review of all contract services was done to ensure contracts were viable and actions were taken to revise or cancel if contracts were found insufficient. This has led to cancellation of contract for services for operating public works through a private contractor. Contract errors that were found have been corrected.
9. A complete city staff organization plan was analyzed, and changes made to develop efficiencies and eliminated services no longer in demand or deemed a high priority.
10. Administration and franchise fees were established for all utility funds.
11. The policy on Special Assessment practices was changed to ensure that a project developer is responsible for the cost of development.
12. Economic development debt was halted and policy changes to be changed for future projects. Spirit of '76 transactions were reorganized, and controls put in place to reduce city liability.
13. All organizational expenditures were analyzed and limited to operational priorities.
14. The City accounting and fund management practices revised. A new Fiscal Policy was adopted, and multiple checks and balances implemented. The City hired a new audit firm and continues to work with auditors to improve accounting system to meet GAAP and GASB standards.
15. All debt payments have been made, in full and on time, since the 2010 financial crisis.

More detailed information about the City's long-term debt is presented in Note 9 to the basic financial statements.

City of Junction City
Outstanding Debt
General Obligation, Revenue and State of Kansas Revolving Loans

	Governmental Activities		Business-type Activities	
	2018	2019	2018	2019
General Obligation Bonds	\$ 71,602,747	\$ 66,440,806	\$ 4,575,683	\$ 4,404,886
Special Assessment Debt	15,062,463	12,791,733	-	-
State of KS Revolving Loans	8,351,491	7,598,780	21,052,186	19,803,150
Certificates of Participation	1,040,000	785,000	-	-
Notes Payable	50,123	-	-	-
Capital Lease Obligations	808,332	1,763,227	319,950	381,492
Total	\$ 96,915,156	\$ 89,379,546	\$ 25,947,819	\$ 24,589,528

The City's total debt decreased by a net amount of \$8,893,901 during 2019.

The State of Kansas statutes limit the amount of general obligation debt a government entity may issue up to 40 percent of its total assessed valuation. Certain types of debt do not count in the State of Kansas calculation. Exemptions exist for water and sewer infrastructure projects.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City Manager's Office, 700 N. Jefferson, Junction City, Kansas or by email at allen.dinkel@jcks.com

CITY OF JUNCTION CITY, KANSAS

Statement of Net Position

December 31, 2019

	Primary Government			Component Unit
	Total	Total	Total	Dorothy
	Governmental	Business-Type	Primary	Bramlage
	Activities	Activities	Government	Public Library
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash and Investments	\$ 9,146,515	18,160,437	27,306,952	857,334
Receivables, Net of Allowance for Uncollectibles				
Accounts	740,313	2,258,493	2,998,806	-
Taxes	10,489,797	-	10,489,797	-
Special Assessments	18,138,544	-	18,138,544	-
Interest	35,889	88,170	124,059	-
Prepaid Expenses	135,919	-	135,919	-
Assets Held for Sale	8,694,680	-	8,694,680	-
Capital Assets, Nondepreciable				
Land	14,007,622	442,563	14,450,185	-
Construction in Progress	98,302	21,475,948	21,574,250	-
Equipment Not in Use	465,910	-	465,910	-
Capital Assets, Depreciable	136,165,039	114,098,594	250,263,633	-
Less: Accumulated Depreciation	(80,054,430)	(55,456,261)	(135,510,691)	-
Total Assets	118,064,100	101,067,944	219,132,044	857,334
Deferred Outflows of Resources				
Pension Liability	2,674,459	118,896	2,793,355	-
KPERS Other Postemployment Benefits Liability	20,764	-	20,764	-
Other Postemployment Benefits Liability	5,893	-	5,893	-
Total Deferred Outflows of Resources	2,701,116	118,896	2,820,012	-
Total Assets and Deferred Outflows of Resources	120,765,216	101,186,840	221,952,056	857,334
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts Payable	1,076,554	293,633	1,370,187	-
Accrued Liabilities	513,998	56,110	570,108	-
Interest Payable	1,084,547	125,763	1,210,310	-
Court Bonds Payable	146,988	-	146,988	-
Meter Deposits Payable	-	446,782	446,782	-
Current Portion of Compensated Absences Payable	1,289,238	51,262	1,340,500	-
Current Portion of Loans Payable	782,306	583,286	1,365,592	-
Current Portion of General Obligation Bonds Payable	5,979,371	312,800	6,292,171	-
Current Portion of Special Assessments Bonds Payable	869,100	-	869,100	-
Current Portion of Certificate of Participation	260,000	-	260,000	-
Current Portion of Capital Lease Payable	448,520	153,088	601,608	-
Net Pension Liability	13,665,827	854,115	14,519,942	-
Net OPEB liability	363,048	-	363,048	-
Net KPERS OPEB liability	110,735	-	110,735	-
Loans Payable	6,816,474	19,219,864	26,036,338	-
Spirit Loans Payable	2,441,308	-	2,441,308	-
General Obligation Bonds Payable	60,461,435	4,092,086	64,553,521	-
Special Assessments Bonds Payable	11,922,633	-	11,922,633	-
Certificates of Participation Payable	525,000	-	525,000	-
Capital Lease Payable	1,314,707	228,404	1,543,111	-
Total Liabilities	110,071,789	26,417,193	136,488,982	-
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	8,283,493	-	8,283,493	-
KPERS Other Postemployment Benefits Liability	26,230	-	26,230	-
Other Postemployment Benefits Liability	16,135	-	16,135	-
Pension Liability	830,546	76,363	906,909	-
Total Deferred Inflows of Resources	9,156,404	76,363	9,232,767	-
Total Liabilities and Deferred Inflows of Resources	119,228,193	26,493,556	145,721,749	-
Net Position				
Net Investment in Capital Assets	(10,002,423)	55,971,316	45,968,893	-
Restricted for				
Revolving Funds	221,809	-	221,809	-
Equipment	193,852	-	193,852	-
Debt Service	17,053,997	-	17,053,997	-
Unrestricted	(5,930,212)	18,721,968	12,791,756	857,334
Total Net Position	\$ 1,537,023	74,693,284	76,230,307	857,334

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

CITY OF JUNCTION CITY, KANSAS

Balance Sheet
Governmental Funds
December 31, 2019

	<u>General</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Land Bank</u>	<u>Spirit of '76</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Investments	\$ 3,540,418	373,047	884,334	174,390	2,945	4,171,381	9,146,515
Receivables, Net							
Accounts	585,494	-	-	-	-	154,819	740,313
Taxes	6,058,635	-	3,084,606	-	-	1,346,556	10,489,797
Special Assessments	-	-	18,138,544	-	-	-	18,138,544
Accrued Interest	20,059	1,772	4,201	-	-	9,857	35,889
Total Assets	\$ 10,204,606	374,819	22,111,685	174,390	2,945	5,682,613	38,551,058
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 933,028	-	-	-	-	143,526	1,076,554
Court Bonds Payable	146,988	-	-	-	-	-	146,988
Accrued Liabilities	510,407	-	-	-	-	3,591	513,998
Total Liabilities	1,590,423	-	-	-	-	147,117	1,737,540
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	3,924,432	-	3,030,270	-	-	1,328,791	8,283,493
Unavailable Revenue - Special Assessments	-	-	18,138,544	-	-	-	18,138,544
Total Deferred Inflows of Resources	3,924,432	-	21,168,814	-	-	1,328,791	26,422,037
Fund Balance							
Restricted	743,706	-	942,871	-	-	3,224,837	4,911,414
Committed	-	-	-	174,390	2,945	978,680	1,156,015
Unassigned	3,946,045	374,819	-	-	-	3,188	4,324,052
Total Fund Balance	4,689,751	374,819	942,871	174,390	2,945	4,206,705	10,391,481
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,204,606	374,819	22,111,685	174,390	2,945	5,682,613	38,551,058

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

CITY OF JUNCTION CITY, KANSAS
Reconciliation of the Total Governmental Fund Balances to
Net Position in the Governmental Activities
December 31, 2019

Total Governmental Fund Balances	\$	10,391,481
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
The cost of capital assets is	150,736,873	
Accumulated depreciation is	<u>(80,054,430)</u>	70,682,443
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
		26,833,224
<p>Pension and OPEB contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.</p>		
		2,701,116
<p>Pension and OPEB fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.</p>		
		(872,911)
<p>The following assets and liabilities are not due and payable in the current period and therefore are not reported as assets and liabilities in the funds.</p>		
Prepaid expenses	135,919	
Compensated absences	(1,289,238)	
Net pension liability	(13,665,827)	
Net OPEB obligation	(363,048)	
Net KPERS OPEB obligation	(110,735)	
Loans payable	(7,598,780)	
General obligation bonds payable	(66,440,806)	
Special assessment bonds payable	(12,791,733)	
Spirit loans payable	(2,441,308)	
Certificates of participation payable	(785,000)	
Capital lease payable	(1,763,227)	
Accrued interest on the bonds	<u>(1,084,547)</u>	<u>(108,198,330)</u>
Net Position of Governmental Activities	\$	<u><u>1,537,023</u></u>

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

CITY OF JUNCTION CITY, KANSAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Capital Improvement	Debt Service	Land Bank	Spirit of '76	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes							
Property	\$ 4,604,968	322	3,236,111	-	-	1,634,475	9,475,876
Sales	6,921,482	-	3,901,103	-	-	-	10,822,585
Franchise	1,750,282	-	-	-	-	-	1,750,282
In Lieu of Taxes	17,810	-	-	-	-	-	17,810
Charges for Services	2,564,346	-	-	-	-	-	2,564,346
Intergovernmental	1,562,347	-	-	-	403,546	1,091,368	3,057,261
Licenses and Permits	462,924	-	-	-	-	-	462,924
Fines and Fees	635,698	-	-	-	-	-	635,698
Special Assessments	39,197	-	2,337,688	-	-	-	2,376,885
Use of Money and Property	259,823	10,671	20,526	-	-	464,278	755,298
Miscellaneous	762,947	-	225,215	125,479	-	846,846	1,960,487
Total Revenues	19,581,824	10,993	9,720,643	125,479	403,546	4,036,967	33,879,452
Expenditures							
General Government	1,310,244	-	-	124,634	-	990,924	2,425,802
Public Safety	9,703,247	-	-	-	-	1,346,623	11,049,870
Public Works	3,385,147	-	-	-	-	307,464	3,692,611
Public Health and Sanitation	3,402,441	-	-	-	-	-	3,402,441
Culture and Recreation	2,430,251	-	-	-	-	4,223	2,434,474
Economic Development	528,544	-	-	-	-	457,387	985,931
Miscellaneous	333	-	20,878	-	-	-	21,211
Debt Service							
Principal	319,396	-	7,877,330	-	260,571	641,772	9,099,069
Interest and Other Charges	(13,364)	-	3,571,973	-	142,975	161,859	3,863,443
Total Expenditures	21,066,239	-	11,470,181	124,634	403,546	3,910,252	36,974,852
Excess (Deficiency) of Revenues Over Expenditures	(1,484,415)	10,993	(1,749,538)	845	-	126,715	(3,095,400)
Other Financing Sources (Uses)							
Transfers In	1,130,000	150,000	800,000	-	-	400,614	2,480,614
Transfers Out	(150,000)	-	-	-	-	(300,000)	(450,000)
Total Other Financing Sources (Uses)	980,000	150,000	800,000	-	-	100,614	2,030,614
Net Change in Fund Balance	(504,415)	160,993	(949,538)	845	-	227,329	(1,064,786)
Fund Balance - Beginning of Year	4,975,366	(172,908)	2,021,151	173,545	4,149,934	4,269,403	15,416,491
Prior Period Adjustment	218,800	386,734	(128,742)	-	(4,146,989)	(290,027)	(3,960,224)
Fund Balance - Beginning of Year, Restated	5,194,166	213,826	1,892,409	173,545	2,945	3,979,376	11,456,267
Fund Balance - End of Year	\$ 4,689,751	374,819	942,871	174,390	2,945	4,206,705	10,391,481

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

CITY OF JUNCTION CITY, KANSAS
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in
 Fund Balances to the Governmental Activities in the Statement of Activities
 For the Year Ended December 31, 2019

Total Net Change In Fund Balances - Governmental Funds	\$	(1,064,786)
<p>Amounts reported for governmental activities in the statement of activities are different because</p> <p>Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.</p>		
Capital outlays		1,742,779
Depreciation expense	<u>(4,358,412)</u>	(2,615,633)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.</p>		
		99,571
<p>Revenues for long-term special assessment receivables are recorded in the statement of activities that do not provide current financial resources are not recorded in the governmental funds.</p>		
		(2,347,254)
<p>Some expenses reported in the statement of activities, such as compensated absences and other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Compensated absences		165,747
Prepaid expense		135,919
Net OPEB liability		(28,785)
Net KPERS OPEB liability		(4,094)
<p>Long-term debt proceeds are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Capital lease proceeds		(1,449,536)
<p>Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.</p>		
		(677,733)
<p>Repayment of bond principal and amortization of bond premium is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
General obligation debt		5,161,941
Special assessment debt		2,270,730
Notes		50,123
Spirit loan		266,250
Loans		752,711
Capital leases		494,639
Certificates of participation		<u>255,000</u>
Changes in Net Position of Governmental Activities	\$	<u>1,464,810</u>

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

CITY OF JUNCTION CITY, KANSAS

Statement of Net Position

Proprietary Funds

December 31, 2019

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current Assets					
Cash and Investments	\$ 8,447,512	5,074,952	1,186,425	3,451,548	18,160,437
Receivables, Net of Allowances for Uncollectible					
Accounts	829,359	970,532	187,129	271,473	2,258,493
Accrued Interest	41,121	25,017	5,636	16,396	88,170
Total Current Assets	<u>9,317,992</u>	<u>6,070,501</u>	<u>1,379,190</u>	<u>3,739,417</u>	<u>20,507,100</u>
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets					
Land	428,683	13,880	-	-	442,563
Construction in Progress	10,215,678	11,260,270	-	-	21,475,948
Depreciable Capital Assets					
Capital Assets	43,883,134	55,904,607	12,953,947	1,356,906	114,098,594
Accumulated Depreciation	(22,966,407)	(28,721,245)	(2,685,005)	(1,083,604)	(55,456,261)
Total Noncurrent Assets	<u>31,561,088</u>	<u>38,457,512</u>	<u>10,268,942</u>	<u>273,302</u>	<u>80,560,844</u>
Total Assets	<u>40,879,080</u>	<u>44,528,013</u>	<u>11,648,132</u>	<u>4,012,719</u>	<u>101,067,944</u>
Deferred Outflows of Resources					
Pension Liability	39,077	38,099	9,296	32,424	118,896
Total Assets and Deferred Outflows of Resources	<u>40,918,157</u>	<u>44,566,112</u>	<u>11,657,428</u>	<u>4,045,143</u>	<u>101,186,840</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current Liabilities					
Accounts Payable	173,600	75,805	1,940	42,288	293,633
Accrued Liabilities	16,924	18,245	4,543	16,398	56,110
Interest Payable	45,677	80,086	-	-	125,763
Meter Deposits Payable	453,413	(6,631)	-	-	446,782
Current Portion of Compensated Absences Payable	23,406	8,383	-	19,473	51,262
Current Portion of Loans Payable	60,108	523,178	-	-	583,286
Current Portion of Capital Lease Payable	-	14,864	47,412	90,812	153,088
Current Portion of General Obligation Bonds Payable	125,120	187,680	-	-	312,800
Total Current Liabilities	<u>898,248</u>	<u>901,610</u>	<u>53,895</u>	<u>168,971</u>	<u>2,022,724</u>
Noncurrent Liabilities					
Net Pension Liability	280,720	273,696	66,778	232,921	854,115
Loans Payable	7,402,616	11,817,248	-	-	19,219,864
Capital Lease Payable	-	30,796	148,066	49,542	228,404
General Obligation Bonds Payable	1,630,884	2,461,202	-	-	4,092,086
Total Noncurrent Liabilities	<u>9,314,220</u>	<u>14,582,942</u>	<u>214,844</u>	<u>282,463</u>	<u>24,394,469</u>
Total Liabilities	<u>10,212,468</u>	<u>15,484,552</u>	<u>268,739</u>	<u>451,434</u>	<u>26,417,193</u>
Deferred Inflows of Resources					
Pension Liability	25,098	24,470	5,970	20,825	76,363
Total Liabilities and Deferred Inflows of Resources	<u>10,237,566</u>	<u>15,509,022</u>	<u>274,709</u>	<u>472,259</u>	<u>26,493,556</u>
NET POSITION					
Net Investment in Capital Assets	22,342,360	23,422,544	10,073,464	132,948	55,971,316
Unrestricted	8,338,231	5,634,546	1,309,255	3,439,936	18,721,968
Total Net Position	<u>\$ 30,680,591</u>	<u>29,057,090</u>	<u>11,382,719</u>	<u>3,572,884</u>	<u>74,693,284</u>

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

CITY OF JUNCTION CITY, KANSAS
Statement of Revenues, Expenses and Change in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 5,800,617	6,193,996	1,062,066	1,624,144	14,680,823
Miscellaneous	8,539	191,181	-	635	200,355
Total Operating Revenues	<u>5,809,156</u>	<u>6,385,177</u>	<u>1,062,066</u>	<u>1,624,779</u>	14,881,178
Operating Expenses					
Personnel Services	509,224	510,915	128,539	446,718	1,595,396
Contractual Services	1,685,087	2,739,531	32,529	439,220	4,896,367
Commodities	123,535	70,519	32,495	124,878	351,427
Depreciation and Amortization	737,106	902,603	262,291	151,979	2,053,979
Total Operating Expense	<u>3,054,952</u>	<u>4,223,568</u>	<u>455,854</u>	<u>1,162,795</u>	8,897,169
Operating Income	<u>2,754,204</u>	<u>2,161,609</u>	<u>606,212</u>	<u>461,984</u>	5,984,009
Nonoperating Revenues (Expense)					
Interest Income	232,769	128,452	33,670	99,910	494,801
Interest Expense	(244,826)	(392,727)	(6,852)	(3,837)	(648,242)
Total Nonoperating Revenues (Expense)	<u>(12,057)</u>	<u>(264,275)</u>	<u>26,818</u>	<u>96,073</u>	(153,441)
Net Income Before Transfers	2,742,147	1,897,334	633,030	558,057	5,830,568
Transfers Out	(785,307)	(785,307)	(300,000)	(160,000)	(2,030,614)
Change in Net Position	<u>1,956,840</u>	<u>1,112,027</u>	<u>333,030</u>	<u>398,057</u>	3,799,954
Net Position, Beginning	28,845,754	28,245,314	11,180,230	1,961,353	70,232,651
Prior Period Restatement	<u>(122,003)</u>	<u>(300,251)</u>	<u>(130,541)</u>	<u>1,213,474</u>	660,679
Net Position, Beginning, as Restated	<u>28,723,751</u>	<u>27,945,063</u>	<u>11,049,689</u>	<u>3,174,827</u>	70,893,330
Net Position, Ending	<u>\$ 30,680,591</u>	<u>29,057,090</u>	<u>11,382,719</u>	<u>3,572,884</u>	74,693,284

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

CITY OF JUNCTION CITY, KANSAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
Cash Flows From Operating Activities					
Cash Received From Customers and Users	\$ 5,725,515	6,143,305	1,017,799	1,535,774	14,422,393
Cash Paid to Suppliers of Goods and Services	(1,836,773)	(2,907,388)	(71,021)	(556,979)	(5,372,161)
Cash Paid to Employees	(584,127)	(567,716)	(142,867)	(441,395)	(1,736,105)
Other Operating Receipts	8,539	191,181	-	635	200,355
Net Cash Provided by Operating Activities	<u>3,313,154</u>	<u>2,859,382</u>	<u>803,911</u>	<u>538,035</u>	<u>7,514,482</u>
Cash Flows From Capital and Related Financing Activities					
Purchase and Construction of Capital Assets	(1,651,942)	(552,487)	(241,000)	-	(2,445,429)
Principal Payments - Capital Lease	(11,075)	(1,163)	(45,522)	(121,698)	(179,458)
Principal Payments - General Obligation Bonds	(69,869)	(105,698)	-	-	(175,567)
Interest Payments	(227,146)	(380,989)	(6,852)	(3,837)	(618,824)
Principal Payments - Loans Payable	(711,743)	(990,134)	-	-	(1,701,877)
Proceeds - Capital Lease	-	580,483	241,000	-	821,483
Net Cash Used for Capital and Related Financing Activities	<u>(2,671,775)</u>	<u>(1,449,988)</u>	<u>(52,374)</u>	<u>(125,535)</u>	<u>(4,299,672)</u>
Cash Flows From Noncapital Financing Activities					
Transfers Out	(785,307)	(785,307)	(300,000)	(160,000)	(2,030,614)
Cash Flows From Investing Activities					
Interest Received	226,055	137,525	30,982	90,132	484,694
Net Increase in Cash and Investments	82,127	761,612	482,519	342,632	1,668,890
Cash and Investments, Beginning of Year	8,487,388	5,143,626	834,447	1,895,442	16,360,903
Prior Period Restatement	(122,003)	(830,286)	(130,541)	1,213,474	130,644
Cash and Investments, Beginning, Restated	8,365,385	4,313,340	703,906	3,108,916	16,491,547
Cash and Investments, End of Year	<u>\$ 8,447,512</u>	<u>5,074,952</u>	<u>1,186,425</u>	<u>3,451,548</u>	<u>18,160,437</u>

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

CITY OF JUNCTION CITY, KANSAS
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2019

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities					
Operating Income	2,754,204	2,161,609	606,212	461,984	5,984,009
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Bond Amortization Expense	737,106	902,603	262,291	151,979	2,053,979
(Increase) Decrease in Accounts Receivable	(95,123)	(44,060)	(44,267)	(88,370)	(271,820)
(Increase) Decrease in Deferred Outflows	15,430	12,096	411	4,222	32,159
Increase (Decrease) in Meter Deposits Payable	20,021	(6,631)	-	-	13,390
Increase (Decrease) in Accounts Payable	(31,084)	(103,276)	(6,996)	6,150	(135,206)
Increase (Decrease) in Accrued Liabilities	2,933	5,938	999	5,032	14,902
Increase (Decrease) in Accrued Compensated Absences	435	1,466	-	334	2,235
Increase (Decrease) in Net Pension Liability	(90,525)	(68,156)	(14,005)	(4,265)	(176,951)
Increase (Decrease) in Deferred Inflows	(243)	(2,207)	(734)	969	(2,215)
Net Cash Provided by Operating Activities	\$ 3,313,154	2,859,382	803,911	538,035	7,514,482

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

CITY OF JUNCTION CITY, KANSAS
Statement of Net Position
Fiduciary Funds
For the Year Ended December 31, 2019

	Custodial Funds
Assets	
Cash	\$ <u>2,521</u>
Total Assets	\$ <u><u>2,521</u></u>
Liabilities	
Due To Others	\$ <u>2,521</u>
Total Liabilities	\$ <u><u>2,521</u></u>

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

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of **City of Junction City, Kansas**, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments (GASB 34 Edition), and by the Financial Accounting Standards Board, when applicable. The following is a summary of such significant policies.

Reporting Entity

City of Junction City, Kansas (the City) was incorporated in 1859 and became a City of the first class on January 1, 1962. The City operates under a City Commission–Manager form of government. The accompanying basic financial statements present the City (the primary government) and its component units, Dorothy Bramlage Public Library and Spirit of '76, entities for which the City is considered to be financially accountable. The Public Library is a discretely presented component unit that is reported in a separate column in the government-wide financial statements to emphasize that the Public Library is legally separate from the City. Spirit of '76 is a blended component unit that is reported as a governmental fund of the City to emphasize that Spirit of '76 is part of the City.

Discretely Presented Component Unit

The Dorothy Bramlage Public Library (the Library) is operated by a Library Board which is appointed by the City Commission. The City levies and collects a special library tax to subsidize the Library's operations. The Library's mill levy can be capped by charter ordinance of the City Commission. Bond issuances must also be approved by the City. Separately issued financial statements for the Library are available at the Library.

Blended Component Unit

Spirit of '76, a Kansas not-for-profit 501(c)(4) corporation, is operated by an eleven-member Board appointed by the Mayor and the Chairman of the Board of County Commissioners. The City has issued several series of Industrial Revenue Bonds (IRB's) for economic development projects within the City for which Spirit of '76 is the tenant under separate financing leases. In relation to these IRB's the City and Spirit of '76 have entered into economic development grant agreements whereby the City agrees to provide Spirit with an economic development grant in an amount necessary for Spirit of '76 to make basic rental payments required by the leases. Spirit of '76 is presented as a governmental fund type. Separately issued financial statements for Spirit of '76 are not available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Government-Wide and Fund Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water/sewer function and

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 water/sewer and stormwater funds are charges to customers for sales and services. Operating expenses for the water/sewer and stormwater funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental fund revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by deferred revenue accounts.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The City reports the following major governmental funds:

General Fund - The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including public safety, public works, parks, recreation, and administration.

Capital Improvement Fund - The capital improvement fund was established to provide a financing mechanism for the repair, restoration and rehabilitation of existing public facilities.

Debt Service Fund - The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Land Bank Fund - The land bank fund accounts for proceeds received from the sale of land bank properties.

Spirit of '76 Fund - The Spirit of '76 fund accounts for several economic development projects of the City.

The City reports the following major proprietary funds:

Water Fund - The water fund accounts for the operation and maintenance activities of the City's water distribution systems.

Sewer Fund - The sewer fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment systems.

Stormwater Fund - The stormwater fund accounts for the operation and maintenance activities of the City's stormwater collection and treatment systems.

Statement of Cash Flows

For purposes of the cash flows statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable.

Property Taxes and Receivable

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the Geary County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore, are not susceptible to accrual. At December 31, such taxes are recorded as taxes receivable, net of anticipated delinquencies with a

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

corresponding amount recorded as deferred inflows of resources on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes at the end of the year and, further, the amounts are not material in relationship to the primary government financial statements.

Recognized state-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year end are not due and receivable until the ensuing year.

Kansas statutes require that projects financed in part by special assessments to be paid in installments must be financed through the issuance of general obligation bonds or temporary notes which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate capital project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund. Further, Kansas statutes require levying additional general and ad valorem property taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's Debt Service Fund. Special assessments as levied over a 15 to 20-year period, and annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. On December 31st, the special assessment taxes levied are a lien on the property are recorded as special assessments receivable in the Debt Service Fund with a corresponding amount recorded as a deferred inflow of resources.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost between \$1,000-\$100,000 depending on asset type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings and systems	50 years
Improvements	7 - 50 years
Machinery and equipment	3 - 15 years
Infrastructure	15 - 50 years

Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. Employees are allowed to accumulate vacation leave not to exceed 240 hours. Fire department employees may accumulate up to 480 hours. The policy prohibits payment for vacation in lieu of time off. Upon termination or retirement, vacation is paid to employees up to the maximum accumulations noted above.

All regular full-time employees employed by the City on or before December 31, 1994 who have an accumulation of more than 1,040 sick leave hours, or more than 1,452 sick leave hours for Fire department shift captains, may accumulate up to the accrued balance of the sick leave hours as of December 31, 1994 which then will become their accumulated maximum. All regular full-time employees employed by the City

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

after December 31, 1994 may accumulate up to 1,040 sick leave hours, with no maximum sick leave hours for Fire department shift captains. Upon retirement from the City, employees are paid one quarter of their accumulated sick leave up to a maximum amount of 240 hours for employees and 480 hours for fire department shift captains. To be eligible for the sick leave payout, the retiring employee must be eligible to receive retirement benefits for service with the City through the Kansas Public Employees Retirement System (KPERS) or Kansas Police and Firemen's Retirement System (KP&F).

All vacation pay is accrued when incurred and the varying amounts of accumulated sick leave are accrued upon employees becoming KPERS or KP&F retirement eligible in the government-wide and proprietary financial statements. In the governmental fund financial statements, a liability is accrued when it has matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a collective deferred outflow of resources related to pensions and OPEB, which is described in more detail in Note 4 – Defined Benefit Pension Plan, Note 5 – Other Post Employment Healthcare Benefits and Note 6 - Other Post Employment Benefits (KPERS).

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Additionally, the City reports collective deferred inflow of resources related to pensions and OPEB, which is described in more detail in Note 4 – Defined Benefit Pension Plan, Note 5 – Other Post Employment Healthcare Benefits and Note 6 - Other Post Employment Benefits (KPERS).

Net Position and Fund Balance

In the government-wide and proprietary fund financial statements net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the governmental fund financial statements, fund balance is comprised of five different classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The fund balance is classified as follows:

- Non-spendable: Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted: Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- Committed: Assets with a purpose formally imposed by resolution by the City Commission, binding unless modified or rescinded by the City Commission.
- Assigned: Comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) a body or official to whom the City Commission has delegated the authority to assign amounts to be used for specific purposes as prescribed by the City's fund balance and cash policy.
- Unassigned: All amounts not included in the other fund balance classifications. The general fund shall be the only fund required to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General	Capital Improvement	Debt Service	Land Bank	Spirit of '76		
Fund Balances							
Restricted for							
Economic Development	\$ -	-	-	-	-	933,989	933,989
Public Works	-	-	-	-	-	765,302	765,302
Public Safety	-	-	-	-	-	989,520	989,520
Debt Service	-	-	942,871	-	-	536,026	1,478,897
Encumbrances	743,706	-	-	-	-	-	743,706
Committed for							
Employee Benefits	-	-	-	-	-	957,070	957,070
Economic Development	-	-	-	-	2,945	-	2,945
Capital Improvements	-	-	-	174,390	-	-	174,390
Culture and Recreation	-	-	-	-	-	21,610	21,610
Unassigned	<u>3,946,045</u>	<u>374,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,188</u>	<u>4,324,052</u>
Total Fund Balances	<u>\$ 4,689,751</u>	<u>374,819</u>	<u>942,871</u>	<u>174,390</u>	<u>2,945</u>	<u>4,206,705</u>	<u>10,391,481</u>

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2019

Concentrations of Credit Risk

Loans are extended and secured with a lien on the property and a personal guaranty to local industries under the revolving loan program. Unsecured credit is extended to customers for water and sewer fees and charges for services. Intergovernmental receivables include unsecured amounts due from federal, state and county agencies for various grant programs. Credit is extended to citizens for special assessments levied by the City for capital improvements. These assessments are secured by liens on the related properties.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments in the Debt Service Fund and Law Enforcement Training Fund the year ended December 31, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute liabilities because the commitments will be honored during subsequent years.

A legal operating budget is not required for capital project funds, fiduciary funds and the following special revenue funds: Spirit of '76 Fund, Sundown Salute Fund, Grants Fund, Rural Housing District Fund, Special Projects Fund and PSAP 911 Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Accounting Pronouncements Adopted

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". The statement requires that

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The guidance is effective for reporting periods beginning after December 15, 2019 and was early adopted by the City on January 1, 2019. Changes adopted to conform to the provisions of this Statement were applied prospectively.

NOTE 2 – DEPOSITS AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the combined balance sheet.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The rating of the City's investments is noted above.

As of December 31, 2019, the City had the following investments:

Investment Type	December 31, 2019	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets Level 1	Moody Rating
U.S. Agencies	\$ 3,507,260	3,507,260	Aaa

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Several of the above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

Concentration of credit risk. Kansas statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not use "peak periods" during 2019. All deposits were legally secured at December 31, 2019.

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For the Year Ended December 31, 2019

At December 31, 2019, The City's carrying amount of deposits were \$27,309,473 and the bank balance was \$24,272,627. The bank balance was held by four banks, resulting in a concentration of credit risk. Of the bank balance, \$537,848 was covered by federal depository insurance, \$6,705,355 was secured by letters of credit in the City's name, and \$17,029,424 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Kansas statutes require investments to be adequately secured.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 13,994,622	13,000	-	14,007,622
Equipment Not in Use	-	465,910	-	465,910
Construction in Progress	693,989	7,583	603,270	98,302
Total Capital Assets Not Being Depreciated	<u>14,688,611</u>	<u>486,493</u>	<u>603,270</u>	14,571,834
Capital Assets Being Depreciated				
Buildings and Improvements	20,605,821	424,715	-	21,030,536
Infrastructure	97,620,013	-	-	97,620,013
Machinery and Equipment	15,937,219	1,607,651	30,380	17,514,490
Total Capital Assets Being Depreciated	<u>134,163,053</u>	<u>2,032,366</u>	<u>30,380</u>	136,165,039
Less Accumulated Depreciation for				
Buildings and Improvements	11,236,443	399,739	-	11,636,182
Infrastructure	53,049,792	2,736,331	-	55,786,123
Machinery and Equipment	11,409,783	1,222,342	-	12,632,125
Total Accumulated Depreciation	<u>75,696,018</u>	<u>4,358,412</u>	<u>-</u>	80,054,430
Total Capital Assets Being Depreciated, Net	<u>58,467,035</u>	<u>(2,326,046)</u>	<u>30,380</u>	56,110,609
Governmental Activities Capital Assets, Net	<u>\$ 73,155,646</u>	<u>(1,839,553)</u>	<u>633,650</u>	70,682,443

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2019

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 442,563	-	-	442,563
Construction in Progress	19,999,401	1,476,547	-	21,475,948
Total Capital Assets Not Being Depreciated	20,441,964	1,476,547	-	21,918,511
Capital Assets Being Depreciated				
Buildings and Improvements	25,219,140	-	-	25,219,140
Machinery and Equipment	10,838,547	383,359	2,352,425	8,869,481
Infrastructure	79,424,441	585,532	-	80,009,973
Total Capital Assets Being Depreciated	115,482,128	968,891	2,352,425	114,098,594
Less Accumulated Depreciation for				
Buildings and Improvements	10,352,983	416,459	-	10,769,442
Machinery and Equipment	8,834,802	343,797	2,352,425	6,826,174
Infrastructure	36,534,530	1,326,116	-	37,860,646
Total Accumulated Depreciation	55,722,315	2,086,372	2,352,425	55,456,261
Total Capital Assets Being Depreciated, Net	59,759,813	(1,117,481)	-	58,642,333
Business-type Activities Capital Assets, Net	\$ 80,201,777	359,066	-	80,560,844

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

Governmental Activities		Business-type Activities	
General government	\$ 457,686	Water	\$ 749,704
Public safety	958,658	Sewer	922,401
Public works	2,795,068	Stormwater	262,292
Parks and recreation	147,000	Nonmajor	151,979
Total	\$ 4,358,412	Total	\$ 2,086,376

NOTE 4 – DEFINED BENEFIT PENSION PLAN

Plan Description

City of Junction City, Kansas participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERs), a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public Employees, which includes
 - State/School employees
 - Local employees

CITY OF JUNCTION CITY, KANSAS
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- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the Library are included in the Local employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits

Benefits are established by statute and may only be changed by the Legislature. Members with ten or more years of credited service, may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 "points". Police and firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new cash balance retirement plan (KPERS 3) was created for new hires starting after January 1, 2015. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2019.

CITY OF JUNCTION CITY, KANSAS
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The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for local government employees are both 8.89%. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for police and firemen employees are both 22.13%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2019 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan for the City were \$378,928 for local government and \$1,409,563 for police and firemen for the year ended December 31, 2019.

Employer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Fireman
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2019 were based on the ratio of each employer's contributions to the total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2019.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

Net Pension Liability

Net pension liability activity for the year ended December 31, 2019 was as follows:

	Local Government	Police and Firemen
Net Pension Liability	\$2,795,639	\$11,724,303
Measurement Date	June 30, 2019	June 30, 2019
Valuation Date	December 31, 2018	December 31, 2018
City's Proportion	0.200%	1.158%
Change in Proportion	-0.011%	-0.060%

Actuarial Assumptions

The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.50 to 12.00%, including inflation
Investment rate of return net of investment expense, including price inflation	7.75%

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Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement mortality tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the three year period January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	47.00%	6.85%
Fixed Income	13.00	1.25
Yield Driven	8.00	6.55
Real Return	11.00	1.71
Real Estate	11.00	5.05
Alternatives	8.00	9.85
Short-term Investments	2.00	(0.25)
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Local Employees	\$ 4,175,345	\$ 2,795,639	\$ 1,641,540
Police and Firemen	16,637,637	11,724,303	7,610,901

Pension Expense

For the year ended December 31, 2019, the City recognized pension expense of \$2,420,578, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

CITY OF JUNCTION CITY, KANSAS
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Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for local employees and police and firemen:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 668,469	92,136
Net differences between projected and actual earnings on investments	301,753	-
Changes in assumptions	500,767	18,647
Changes in proportion	429,322	796,126
City contributions subsequent to measurement date	893,044	-
Total	\$ 2,793,355	906,909

The \$893,044 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending		
2020	\$	629,367
2021		78,717
2022		224,934
2023		68,503
2024		(8,119)
Thereafter		-

NOTE 5 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The City offers postemployment health insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to early retirees with at least ten years of service and their dependents until the individuals become eligible for Medicare at 65. The plan does not issue a stand-alone financial report.

Funding Policy

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the composite premium cost of active employees to maintain coverage. The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In 2019, the City did not contribute to the plan.

CITY OF JUNCTION CITY, KANSAS
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As of the January 1, 2019 census, the following employees were covered by the benefit terms:

Active Employees	155
Retirees and Covered Spouses	<u>7</u>
Total	<u><u>162</u></u>

Total OPEB Liability

At December 31, 2019, the total OPEB liability was \$363,048. The OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation performed as of January 1, 2019 using the participant census as of January 1, 2019.

Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation Date	January 1, 2019
Actuarial Cost Method	Individual Entry Age Normal as a level % of payroll
Inflation	2.50%
Salary Increases	3.50%
Discount Rate	3.64%
Healthcare Cost Trend Rates	Medical & Pharmacy: 8% decreasing 1% per year to an ultimate rate of 4.5% Dental: 4.5%
Retiree's Share of Benefit Related Costs	100% of premium equivalent rates

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

Changes in the total OPEB liability are as follows:

Total OPEB Liability – Beginning of Year	\$	<u>351,242</u>
Service Cost		9,263
Interest Cost		12,342
Net Benefits Paid by Employer		8,012
Ad Hoc Postemployment Benefit Changes		-
Differences Between Expected and Actual Experience		(16,579)
Changes in Assumptions		<u>(1,232)</u>
Net Changes		<u>11,806</u>
Total OPEB Liability – End of Year	\$	<u><u>363,048</u></u>

Sensitivity of the City's OPEB Liability to Changes in the Discount Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.64%) or one percentage point higher (4.64%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.64%)</u>	<u>Discount</u> <u>Rate (3.64%)</u>	<u>1% Increase</u> <u>(4.64%)</u>
Total OPEB Liability	\$ 384,483	363,048	343,491

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The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Health Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 336,602	363,048	394,007

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$20,773. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	15,019
Changes in assumptions	5,893	1,116
Total	\$ 5,893	16,135

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
2020	\$ (832)
2021	(832)
2022	(832)
2023	(832)
2024	(832)
Thereafter	(6,082)

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS (KPERs)

Plan Description

The City participates in a single-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERs). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERs members, as provided by K.S.A. 74-4925. The Plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits

Benefits are established by statute and may be amended by the KPERs Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERs retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

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For the Year Ended December 31, 2019

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Active Employees	83
Disabled Employees	1
Total	84

Total OPEB Liability

The City's total KPERS OPEB liability of \$110,735 reported as of December 31, 2019, was measured as of June 30, 2019, and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price Inflation	2.75%
Payroll Growth	3.00%
Salary Increases, Including Inflation	3.5% to 10%
Discount Rate	3.50%
Actuarial Cost Method	Entry Age Normal

The discount rate was based on the bond buyer general obligation 20-bond municipal index. The discount rate increased from 2.85% in 2016 to 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2019.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2015. Other

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2019

demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2018 KPERS pension valuation.

Changes in the Total OPEB Liability

The following table shows the changes of the City's total OPEB liability:

Total OPEB Liability – Beginning of Year	\$	115,764
Service Cost		12,671
Interest Cost		4,803
Effect on Plan Changes		-
Effect on Economic/Demographic Gains or Losses		(15,333)
Effect of Assumptions Changes or Inputs		1,542
Benefit Payments		(8,712)
Net Changes		<u>(5,029)</u>
Total OPEB Liability – End of Year	\$	<u>110,735</u>

Sensitivity of the total KPERS OPEB Liability to Changes in the Discount Rate

The following presented the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 114,812	110,735	106,534

Sensitivity of the Total KPERS OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

	<u>1% Decrease</u>	<u>Health Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 110,735	110,735	110,735

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$14,387. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	22,772
Changes in assumptions	1,384	3,458
Contributions subsequent to measurement date	<u>19,380</u>	<u>-</u>
Total	<u>\$ 20,764</u>	<u>26,230</u>

\$19,380 was reported as deferred outflows of resources related to OPEB resulting from City contributions respectively, subsequent to the measurement date will be recognized as a reduction of the OPEB liability

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2019

in the year ended December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
2020	\$ (3,087)
2021	(3,087)
2022	(3,087)
2023	(3,087)
2024	(3,087)
Thereafter	(9,411)

NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation

There are a number of claims and/or lawsuits to which the City is a party as a result of the ordinary course of City activities. The City management and legal counsel anticipate that the potential claims against the City not covered by insurance; if any, resulting from such matters would not materially affect the financial position of the City.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of December 31, 2019, industrial revenue bonds of \$7,444,083 are outstanding.

The City has issued several series of industrial revenue bonds (IRB's) for economic development projects within the City for which Spirit of '76, Inc, a Kansas not-for-profit 501(c)(41) corporation, is the tenant under separate financing leases that provide for basic rental payments in amounts sufficient to pay debt service on the IRB's. For each of the projects, Spirit of '76 has entered into a sublease agreement with an entity that occupies and operates the project. The entities occupying and operating the projects are Capgemini, Inc. and the Junction City Opera House. The City has guaranteed IRB's in the form of grant payments with outstanding balances as of December 31, 2019, of \$2,441,308 and is recorded as Spirit loans payable in the government-wide statements of the City, as Spirit of '76 is blended with the City financial statements.

In relation to these IRB's the City and Spirit of '76 have entered into economic development grant agreements whereby the City agrees to provide Spirit with an economic development grant in an amount necessary for Spirit of '76 to make the basic rental payments required by the leases. Pursuant to its home rule powers, the City has adopted an ordinance authorizing the issuance of general obligation bonds in amounts necessary to fulfill the City's obligations under each of the grant agreements, thus making the City's obligations to Spirit of '76 pursuant to the grant agreements binding obligations not subject to appropriation. The City does not intend to issue such general

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

obligation bonds, but to make the payments on the dates necessary for Spirit of '76 to make the basic rent payments.

NOTE 9 – LONG-TERM DEBT

Changes in long-term debt outstanding are as follows:

	Beginning Balance	Restatement	Beginning Balance Restated	Additions	Reductions	Ending Balance	Amounts Due Due Within One Year
Governmental Activities							
General Obligation Bonds	\$ 67,914,320	-	67,914,320	-	4,803,703	63,110,617	5,979,371
Less: Unamortized Bond Discount	(329,902)	-	(329,902)	-	(26,045)	(303,857)	-
Plus: Unamortized Bond Premium	4,448,532	(430,203)	4,018,329	-	384,283	3,634,046	-
Special Assessment Debt with City Commitment	15,062,463	-	15,062,463	-	2,270,730	12,791,733	869,100
KDOT Loans Payable	8,351,491	-	8,351,491	-	752,711	7,598,780	782,306
Certificates of Participation	1,040,000	-	1,040,000	-	255,000	785,000	260,000
Capital Leases Payable	828,996	(20,664)	808,332	1,449,357	494,462	1,763,227	448,520
Notes Payable	50,123	-	50,123	-	50,123	-	-
Compensated Absences	1,454,985	-	1,454,985	-	165,747	1,289,238	1,289,238
Net Pension Liability	13,621,641	-	13,621,641	44,186	-	13,665,827	-
Total OPEB Liability	351,242	-	351,242	11,806	-	363,048	-
Total OPEB Liability - KPERS	115,764	-	115,764	-	5,029	110,735	-
Total Long-Term Debt	\$ 112,909,655	(450,867)	112,458,788	1,505,349	9,155,743	104,808,394	9,628,535
Business-type Activities							
General Obligation Bonds	\$ 4,224,004	-	4,224,004	-	138,413	4,085,591	312,800
Plus: Unamortized Bond Premium	388,833	(37,154)	351,679	-	32,384	319,295	-
KDHE Loans Payable	21,052,186	-	21,052,186	452,842	1,701,878	19,803,150	583,286
Capital Leases Payable	319,950	-	319,950	241,000	179,458	381,492	153,088
Compensated Absences	49,027	-	49,027	2,235	-	51,262	51,262
Net Pension Liability	1,031,066	-	1,031,066	-	176,951	854,115	-
Total Long-Term Debt	\$ 27,065,066	(37,154)	27,027,912	696,077	2,229,084	25,494,905	1,100,436

For the governmental activities, compensated absences are generally liquidated by the general fund.

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

General obligation bonds payable at December 31, 2019 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Outstanding December 31, 2019
Governmental Activities				
Series 2007-DP	4.00% to 5.00%	\$ 9,039,606	9/1/2027	\$ 204,168
Series 2008-DS	4.125%	382,000	9/15/2028	210,202
Series 2008-DT	5.25%	1,995,000	9/1/2024	842,728
Series 2010-DW	2.00% to 4.50%	32,681,738	9/1/2031	10,162,163
Series 2010-DX	2.40% to 6.20%	5,690,000	9/1/2031	3,296,104
Series 2011A	4.50% to 5.00%	4,017,074	9/1/2034	2,500,000
Series 2011C	5.00% to 5.75%	410,000	9/1/2026	410,000
Series 2013A	2.00% to 3.00%	8,247,988	9/1/2024	3,570,000
Series 2015A	2.25% to 3.00%	3,815,000	9/1/2025	2,410,000
Series 2016A	2.125% to 5.00%	35,407,217	9/1/2029	32,930,252
Series 2016B	2.00% to 3.00%	7,460,000	9/1/2028	6,575,000
				63,110,617
Business-type Activities				
Series 2007-DP	4.00% to 5.00%	\$ 4,205,000	9/1/2027	\$ 35,832
Series 2011B	5.50%	847,465	9/1/2036	825,000
Series 2016A	2.125% to 5.00%	3,552,784	9/1/2029	3,224,759
				4,085,591
				\$ 67,196,208

Annual debt service requirements for general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2020	\$ 8,424,530	\$ 483,742	\$ 8,908,272
2021	8,386,731	481,539	8,868,270
2022	8,347,167	483,145	8,830,312
2023	8,254,673	483,854	8,738,527
2024	7,887,246	484,414	8,371,660
2025 - 2029	30,529,699	1,848,180	32,377,879
2030 - 2034	5,329,153	293,300	5,622,453
2035 - 2036	-	817,150	817,150
Total Principal and Interest	77,159,199	5,375,324	82,534,523
Total Interest	14,048,582	1,289,733	15,338,315
Total Principal	\$ 63,110,617	\$ 4,085,591	\$ 67,196,208

Special Assessment Bonds

The City's special assessment debt was issued to provide funds for the construction of infrastructure in new commercial and residential developments. These bonds will be repaid from amounts levied against the property owners benefitted by this construction. In the event that a deficiency exists because of

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

unpaid or delinquent special assessments at the time the debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

Special assessment bonds at December 31, 2019 are comprised of the following issues:

	Interest <u>Rates</u>	Original <u>Issue</u>	Final Maturity <u>Date</u>	Outstanding December 31, <u>2019</u>
Governmental activities				
Series 2010-DW	2.00% to 4.50%	\$ 17,984,037	9/1/2031	\$ 12,027,837
Series 2010-DX	2.40% to 6.20%	1,073,596	9/1/2031	<u>763,896</u>
				<u>\$ 12,791,733</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 869,100	553,854
2021	901,650	522,683
2022	937,850	485,793
2023	978,500	447,391
2024	1,016,450	407,315
2025 - 2029	5,782,650	1,340,721
2030 - 2031	<u>2,305,533</u>	<u>149,074</u>
	<u>\$ 12,791,733</u>	<u>\$ 3,906,831</u>

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases and therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The following is a schedule of future minimum lease payments for capital leases as of December 31, 2019:

	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	449,969	42,282	151,638	9,831
2021	426,979	33,268	113,666	4,865
2022	368,079	20,428	64,486	3,908
2023	355,697	10,249	51,702	1,996
2024	<u>162,503</u>	<u>2,701</u>	-	-
	<u>\$ 1,763,227</u>	<u>\$ 108,928</u>	<u>\$ 381,492</u>	<u>\$ 20,600</u>

Revolving Loans Payable

The City has engaged in loans with the Kansas Public Water Supply Revolving Fund, the Kansas Water Pollution Control Revolving Fund, and the Kansas Department of Transportation. The following displays annual debt service requirements to maturity for the loans outstanding at December 31, 2019:

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Year Ending December 31	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2020	782,306	302,715	583,286	88,093
2021	813,344	271,676	601,796	69,626
2022	845,618	239,402	384,645	52,385
2023	879,178	205,842	368,688	41,919
2024	914,074	170,946	378,901	31,755
2025 - 2029	3,364,260	308,934	838,979	36,771
2030	-	-	17,751	464
Total	<u>\$ 7,598,780</u>	<u>\$ 1,499,515</u>	<u>\$ 3,174,046</u>	<u>\$ 321,013</u>

The amortization schedules for two revolving loans have not been finalized as of December 31, 2019, and therefore, have not been included in the future annual debt service requirements above. The outstanding balance as of December 31, 2019 on these loans is \$16,629,104.

Certificates of Participation

The City issued Series 2015 Certificates of Participation in the amount of \$1,795,000 on September 9, 2015 to refund series 2007 Certificates of Participation. The interest rate on the certificates is 0.35% to 2.00% and has a final maturity of December 31, 2022.

Future maturities of the certificates of participation are as follows:

	Governmental Activities	
	Principal	Interest
2020	\$ 260,000	\$ 13,230
2021	260,000	9,590
2022	265,000	5,300
	<u>\$ 785,000</u>	<u>\$ 28,120</u>

NOTE 10 – SPECIAL ASSESSMENTS

Kansas statutes require special benefit district projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Further, state statutes permit levying additional general ad valorem taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem taxes. At December 31, 2019, the special assessment taxes levied are a lien on the property and are recorded as a special assessment receivable in the debt service fund with a corresponding amount recorded as deferred revenue. Special assessments receivable, net of allowance at December 31, 2019 was \$18,138,544.

NOTE 11 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas statutes. The City's operating transfers and statutory authority for the year ended December 31, 2019 were as follows:

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Capital Improvements	\$ 150,000	K.S.A. 12-1,118
Sewer	General	485,000	K.S.A. 12-825d
Water	General	485,000	K.S.A. 12-825d
Sanitation	General	160,000	K.S.A. 12-825d
Sewer	Debt Service	100,000	K.S.A. 12-825d
Water	Debt Service	100,000	K.S.A. 12-825d
Stormwater	Debt Service	300,000	K.S.A. 12-825d
Special Highway	Debt Service	300,000	Bond agreement
Water	Grants	200,307	K.S.A. 12-825d
Sewer	Grants	200,307	K.S.A. 12-825d
		<u>\$ 2,480,614</u>	

In the governmental fund financial statements, total transfers in of \$2,030,614 tie to the total transfers out of \$2,030,614 from the proprietary funds.

NOTE 12 – TAX ABATEMENTS

Neighborhood Revitalization Areas. The City has an established neighborhood revitalization plan as of December 31, 2019. NRAs are established under K.S.A. 12-17,114 and are subject to City policy. NRAs are provided to assist with spurring investment and revitalization of properties which can benefit a neighborhood and the general public. The program works by rebating a portion of the incremental increase in property taxes resulting from improvements back to the property owner. To qualify for an NRA rebate, property owners must submit an application to be reviewed by City staff and approved by the City Commission. Applicants must also provide verification that they are current on all real or personal property taxes.

The percentage of the increase in property taxes rebated back to the property owners depends on the type and location of the property. Commercial and industrial properties receive a 95% rebate for a maximum of 10 years. Multi-family residential properties receive a 95% rebate for a maximum of five years. Single-family residential properties receive a 95% rebate for the first two years, 75% rebate in year three, 50% rebate in year four and 25% rebate in the fifth and final year.

During the year ended December 31, 2019, the City paid \$104,597 to various property owners under the Neighborhood Revitalization Program.

No other governments have entered into tax abatement agreements that reduce the City's tax revenues.

NOTE 13 – LAND HELD FOR SALE

During 2015, the City took possession of 942 lots of land that failed to sell at tax-foreclosure auctions. These lots include infrastructure improvements (streets, water and sewer lines, etc.) paid for by special assessments levied by the City. In 2018, the City took possession of an additional 159 lots. These lots were then placed in the City's Land Bank and will be listed for sale. Kansas statutes allow the re-amortization of the special assessments levied on each property over a twenty-year period starting when a lot is sold. Proceeds from the sale of the properties will be used to retire the outstanding special assessment bonds, as authorized by Kansas statutes. At December 31, 2019, the value of the land held for sale totaled \$8,694,680.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 – PRIOR PERIOD RESTATEMENT

The City has determined that certain transactions were recorded incorrectly in a prior year. Due to/Due From was an entry created several years prior that was never adjusted. The City no longer had support for the entry and elected to remove it. Pension Liability was an error in the allocation between funds. Bond premium amortization was calculated incorrectly over the life of the bond. Taxes receivable was adjusted to include a delinquent percentage. Special Assessments Receivable was overstated due to the receivable not being adjusted when the land lots were acquired back by the City. Utility Accounts Receivable were adjusted to tie to the subsidiary ledgers and allocated appropriately by fund. Allowance for Doubtful Accounts were overstated due to the City using the direct write-off method. Capital Assets were understated due to unrecorded construction in process and overstated due to a building that was transferred in 2015. Capital leases were understated per the lease agreement. Spirit of '76 - Assets Held for Sale was overstated due to the omission of the assets being transferred in 2015. Spirit of '76 - Accounts Receivable was overstated due to an entry posted incorrectly on the blended component unit financial statements. The restatements had the following changes for each opinion:

	Total Governmental Activities	Total Business-type Activities
Due to/Due From	\$ (260,036)	530,035
Pension Liability	(135,248)	135,251
Bond Premium	430,205	37,155
Taxes Receivable	379,132	-
Special Assessments Receivable	(29,929,128)	-
Utility Accounts Receivable	-	(126,160)
Allowance for Doubtful Accounts	67,667	84,398
Capital Assets	(506,729)	-
Capital Leases	20,664	-
Spirit of '76 - Assets Held for Sale	(7,173,677)	-
Spirit of '76 - Accounts Receivable	(4,146,989)	-
Total	(41,254,139)	660,679
Beginning Net Position	41,326,352	70,232,651
Beginning Net Position, as Restated	\$ 72,213	70,893,330

Governmental Funds

	General	Capital Improvement	Debt Service	Spirit of '76	Employee Benefits	Grants	Economic Development	Library	Special Highway	Fire Equipment	Total
Due to/Due From	\$ 20,000	386,734	(303,625)	-	-	(20,000)	-	-	(343,144)	-	(260,035)
Taxes Receivable	148,365	-	174,883	-	-	-	8,033	32,688	-	15,164	379,133
Allowance for Doubtful Accounts	50,435	-	-	-	17,232	-	-	-	-	-	67,667
Spirit of '76 - Accounts Receivable	-	-	-	(4,146,989)	-	-	-	-	-	-	(4,146,989)
Total	218,800	386,734	(128,742)	(4,146,989)	17,232	(20,000)	8,033	32,688	(343,144)	15,164	(3,960,224)
Beginning Fund Balance	4,975,366	(172,908)	2,021,151	4,149,934	702,739	(794,839)	980,237	5,010	1,177,445	63,208	15,416,491
Beginning Fund Balance, as Restated	\$ 5,194,166	213,826	1,892,409	2,945	719,971	(814,839)	988,270	37,698	834,301	78,372	11,456,267

Proprietary Funds

	Water	Sewer	Stormwater	Sanitation	Total
Due to/Due From	\$ -	530,035	-	-	530,035
Pension Liability	66,553	61,675	19,041	(12,018)	135,251
Bond Premium	14,505	22,650	-	-	37,155
Utility Accounts Receivable	(203,061)	(927,652)	(168,806)	1,173,359	(126,160)
Allowance for Doubtful Accounts	-	13,041	19,224	52,133	84,398
Total	(122,003)	(300,251)	(130,541)	1,213,474	660,679
Beginning Net Position	28,845,754	28,245,314	11,180,230	1,961,353	70,232,651
Beginning Net Position, as Restated	\$ 28,723,751	27,945,063	11,049,689	3,174,827	70,893,330

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

City of Junction City, Kansas did not remit or provide a certificate to the state fiscal agent stating that funds are on deposit and held in trust for the payment of interest and principal at least 20 days prior to maturity of the bonds, which is a violation of K.S.A. 10-130.

The City exceeded its budget authority by \$70,182 in the Debt Service Fund, which is a violation of K.S.A. 79-2935.

NOTE 16 – SUBSEQUENT EVENT

Subsequent to year end, the United States experienced a nationwide pandemic from the novel coronavirus known as COVID-19. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact the entire United States economy. As of the date of this financial statement, management is unable to reasonably determine the effects of this virus on the operations of the City. Management has evaluated subsequent events through July 29, 2020, which is the date the financial statement was available to be issued.

CITY OF JUNCTION CITY, KANSAS

Required Supplementary Information

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
General Fund
For the Year Ended December 31, 2019

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	\$ 13,300,590	12,994,083	12,994,083	306,507
Charges for Services	2,523,994	4,004,278	4,004,278	(1,480,284)
Special Assessments	39,197	-	-	39,197
Intergovernmental	1,562,347	814,321	814,321	748,026
Licenses and Permits	462,924	228,000	228,000	234,924
Fines and Fees	635,698	625,000	625,000	10,698
Use of Money and Property	255,862	110,000	110,000	145,862
Miscellaneous	762,947	722,000	722,000	40,947
Total Revenues	19,543,559	19,497,682	19,497,682	45,877
Expenditures				
Administration	880,817	684,264	684,264	196,553
Building Maintenance	191,418	217,712	217,712	(26,294)
Information Systems	196,143	232,392	232,392	(36,249)
Airport	236,794	74,800	74,800	161,994
Court	370,594	373,422	373,422	(2,828)
Legal	239,047	388,967	388,967	(149,920)
Ambulance	3,402,441	3,867,165	3,867,165	(464,724)
Animal Shelter	146,007	169,346	169,346	(23,339)
Planning and Development	579,042	490,921	490,921	88,121
County Inspection	20,867	-	-	20,867
Police	6,020,726	6,217,382	6,217,382	(196,656)
Fire	2,926,874	2,786,927	2,786,927	139,947
Parks	1,001,582	853,772	853,772	147,810
Recreation	865,537	844,656	844,656	20,881
Spin City	216,369	237,492	237,492	(21,123)
Streets	3,788,694	3,494,734	3,494,734	293,960
Engineering	2,988	65,603	65,603	(62,615)
Opera House	157,521	172,000	172,000	(14,479)
Swimming Pool	218,253	219,092	219,092	(839)
Miscellaneous	332	605,000	605,000	(604,668)
Debt Service				
Principal	319,396	-	-	319,396
Interest and Other Charges	28,503	-	-	28,503
Total Expenditures	21,809,945	21,995,647	21,995,647	(185,702)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,266,386)	(2,497,965)	(2,497,965)	231,579

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
General Fund (Continued)
For the Year Ended December 31, 2019

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Other Financing Sources (Uses)				
Transfer In	\$ 1,130,000	1,130,000	1,130,000	-
Transfer Out	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	980,000	980,000	980,000	-
Net Change in Fund Balance	(1,286,386)	(1,517,965)	(1,517,965)	231,579
Budgetary Basis				
Fund Balance, Beginning	2,422,240			
Prior Period Restatement	70,435			
Fund Balance, Beginning, as restated	<u>2,492,675</u>			
Budgetary Basis Fund Balance, Ending	1,206,289			
GAAP Adjustments				
Encumbrances	743,706			
Accounts Receivable	585,494			
Taxes Receivable	2,134,203			
Accrued Interest Receivable	<u>20,059</u>			
Fund Balance, Ending	\$ <u>4,689,751</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Capital Improvement Fund
For the Year Ended December 31, 2019

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	\$ 322	-	-	322
Use of Money and Property	9,741	-	-	9,741
Total Revenues	10,063	-	-	10,063
Expenditures				
Contractual	-	150,000	150,000	(150,000)
Excess Deficiency of Revenues Over (Under) Expenditures	10,063	(150,000)	(150,000)	160,063
Other Financing Sources (Uses)				
Transfers in	150,000	150,000	150,000	-
Net Change in Fund Balance	160,063	-	-	160,063
Budgetary Basis				
Fund Balance, Beginning	(173,750)			
Prior Period Restatement	386,734			
Fund Balance, Beginning, as Restated	212,984			
Budgetary Basis				
Fund Balance, Ending	373,047			
GAAP Adjustments				
Accrued Interest Receivable	1,772			
Fund Balance, Ending	\$ 374,819			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Land Bank Fund
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 125,479	200,000	200,000	(74,521)
Expenditures				
Contractual	<u>124,634</u>	<u>200,000</u>	<u>200,000</u>	<u>(75,366)</u>
Net Change in Fund Balance	845	<u>-</u>	<u>-</u>	<u>845</u>
Fund Balance, Beginning	<u>173,545</u>			
Fund Balance, Ending	\$ <u>174,390</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2019

KPERS PENSION PLAN

Schedule of the City's Proportionate Share of the Collective Net Pension Liability
 Last Ten Fiscal Years*

Fiscal Year-End Measurement Date	December 31, 2019 June 30, 2019	December 31, 2018 June 30, 2018	December 31, 2017 June 30, 2017	December 31, 2016 June 30, 2016	December 31, 2015 June 30, 2015
KPERS					
City's proportion of the net pension liability	0.200%	0.211%	0.205%	0.210%	0.217%
City's proportionate share of the net pension liability	\$ 2,795,639	\$ 2,934,890	\$ 2,968,813	\$ 3,249,381	\$ 2,853,521
City's covered-employee payroll	\$ 3,672,092	\$ 3,673,329	\$ 3,661,174	\$ 3,654,639	\$ 3,570,008
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	76.13%	79.90%	81.09%	88.91%	79.93%
Plan fiduciary net position as a percentage of the total pension liability	75.02%	74.22%	72.15%	68.55%	71.98%
KP&F					
City's proportion of the net pension liability	1.158%	1.218%	1.158%	1.207%	1.233%
City's proportionate share of the net pension liability	\$ 11,724,303	\$ 11,717,817	\$ 10,861,684	\$ 11,209,981	\$ 8,951,992
City's covered-employee payroll	\$ 6,228,404	\$ 6,235,516	\$ 5,955,667	\$ 5,686,971	\$ 5,367,327
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	188.24%	187.92%	182.38%	197.12%	166.79%
Plan fiduciary net position as a percentage of the total pension liability	71.22%	71.53%	70.99%	69.30%	74.60%

* The amounts presented for each fiscal year were determined as of 12/31. GASB No. 68 requires presentation of ten years. Until a full 10 year trend is compiled, the City will present information for those years for which information is available.

Changes of assumptions and other inputs

- Price inflation lowered from 3% to 2.75%
- Investment return was lowered from 8% to 7.75%
- General wage growth was lowered from 4% to 3.5%
- Payroll growth was lowered from 4% to 3%

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2019

KPERS PENSION PLAN

Schedule of the City's Contributions
 Last Ten Fiscal Years*

	2019	2018	2017	2016	2015
KPERS					
Contractually required contribution	\$ 319,579	\$ 308,192	\$ 309,735	\$ 329,651	\$ 346,460
Contributions in relation to the contractually required contribution	<u>319,579</u>	<u>308,192</u>	<u>309,735</u>	<u>329,651</u>	<u>346,460</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered-employee payroll	\$ 3,672,092	\$ 3,673,329	\$ 3,661,174	\$ 3,590,968	\$ 3,654,639
Contributions as a percentage of covered employee payroll	8.70%	8.39%	8.46%	9.18%	9.48%
KP&F					
Contractually required contribution	\$ 1,309,322	\$ 1,252,715	\$ 1,133,364	\$ 1,181,953	\$ 1,214,737
Contributions in relation to the contractually required contribution	<u>1,309,322</u>	<u>1,252,715</u>	<u>1,133,364</u>	<u>1,181,953</u>	<u>1,214,737</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered-employee payroll	\$ 6,228,404	\$ 6,235,516	\$ 5,955,667	\$ 5,788,214	\$ 5,686,971
Contributions as a percentage of covered employee payroll	21.02%	20.09%	19.03%	20.42%	21.36%

* GASB No. 68 requires presentation of ten years. Until a full 10 year trend is compiled, the City will present information for those years for which information is available.

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2019

OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Schedule of Changes in the City's Total Other
 Post-Employment Benefits and Related Ratios
 Last Two Fiscal Years*

Total OPEB Liability	2019	2018	2017
Service Cost	\$ 9,263	5,684	4,986
Interest Cost	12,342	11,265	11,897
Differences Between Expected and Actual Experience	(16,579)	-	-
Changes in Assumptions	(1,232)	-	8,425
Employer Contributions (Benefit Payments)	8,012	(35,494)	45,896
Net Changes in Total OPEB Liability	11,806	(18,545)	71,204
Total OPEB Liability – Beginning of Year	351,242	369,787	298,583
Total OPEB Liability – End of Year	\$ 363,048	351,242	369,787
 Covered-Employee Payroll	 \$ 7,649,954	 6,640,607	 6,416,045
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 4.75%	 5.29%	 5.76%

Notes to Schedule

Changes of assumptions and other inputs

Changes in assumptions and other inputs reflect a change in the discount rate from 3.70% in 2017, 3.20% in 2018, and 3.64% in 2019.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2019

OTHER POSTEMPLOYMENT BENEFITS – DEATH AND DISABILITY

Schedule of Changes in the City's Death and Disability
 Total OPEB Liability and Related Ratios
 Last Two Fiscal Years*

Total OPEB Liability	2019	2018
Service Cost	\$ 12,671	12,554
Interest Cost	4,803	4,591
Effect of Plan Changes	-	-
Effect of Economic/Demographic Gains or Losses	(15,333)	(11,359)
Effect of Assumptions Changes or Inputs	1,542	(1,332)
Employer Contributions (Benefit Payments)	(8,712)	(8,712)
Net Changes in Total OPEB Liability	(5,029)	(4,258)
Total OPEB Liability – Beginning of Year	115,764	120,022
Total OPEB Liability – End of Year	\$ 110,735	115,764
 Covered-Employee Payroll	 \$ 3,299,627	 3,577,688
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 3.36%	 3.24%

Notes to Schedule

Changes of assumptions and other inputs

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017, 3.87% in 2018, and 3.50% in 2019.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining and Individual Fund Financial Statements and Schedules
December 31, 2019

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The special revenue funds used by the City of Junction City, Kansas are:

Economic Development Fund – To account for the joint City/County department that promotes retail and industrial development within or near Junction City and Geary County.

Employee Benefits Fund - To account for all payroll-related benefit expenses including the City's costs of workers' compensation, social security, retirement, unemployment and health insurance.

Library Fund - To account for the levying of ad valorem property tax on behalf of the Dorothy Bramlage Library Board.

Special Highway Fund - To account for monies levied by the State of Kansas which produces revenues the City can use to defray, in whole or in part, the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways.

Fire Equipment Fund - To account for revenues and expenses for the purchase of rolling stock equipment for the fire department.

Drug and Alcohol Fund - To account for the monies provided by as state liquor tax on private clubs which are to be expended for the purchase, establishment, maintenance or expansion of services or programs for alcoholism prevention and education. The City used this fund to support the D.A.R.E. program in the public school system.

Sundown Salute Fund - To account for the collection of donations used for the City's annual 4th of July community celebration.

CDBG Revolving Loans Fund – To account for CDBG grant proceeds received.

Grants Fund – To account for grant proceeds received from various funding sources.

Rural Housing District Fund – To account for the taxes received to pay the debt on the Bluffs Park.

Law Enforcement Trust Fund – To account for funds collected through drug forfeitures. The funds can only be used for additional technical equipment or expertise, matching funds for federal grants or to defray the costs of protracted or complex investigation for local police.

Law Enforcement Training Fund – To account for funds collected through tickets issued by the police department. The funds can only be used for training of law enforcement personnel.

Federal Equitable Sharing Fund – To account for forfeiture of assets received by the City in connection with criminal prosecutions under federal law.

Treasury Forfeiture Fund – To account for forfeiture of assets received by the City in connection with other criminal prosecutions.

Special Projects Fund – To account for special projects including donation contributions and related expenses.

PSAP 911 Fund – To account for 911 fees including costs associated with 911 services.

CITY OF JUNCTION CITY, KANSAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	<u>Economic Development</u>	<u>Employee Benefits</u>	<u>Library</u>	<u>Special Highway</u>	<u>Fire Equipment</u>
ASSETS					
Cash and Investments	\$ 668,019	1,076,035	9,897	862,489	187,984
Receivables					
Property Tax	172,986	-	825,573	-	347,997
Accounts	38,880	18,274	-	-	-
Accrued Interest	<u>3,173</u>	<u>-</u>	<u>-</u>	<u>4,097</u>	<u>893</u>
Total Assets	\$ <u>883,058</u>	<u>1,094,309</u>	<u>835,470</u>	<u>866,586</u>	<u>536,874</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	137,239	-	4,544	-
Accrued Liabilities	<u>6</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>
Total Liabilities	<u>6</u>	<u>137,239</u>	<u>-</u>	<u>4,559</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	<u>170,872</u>	<u>-</u>	<u>814,897</u>	<u>-</u>	<u>343,022</u>
Fund Balance					
Restricted	712,180	-	-	862,027	193,852
Committed	-	957,070	20,573	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>712,180</u>	<u>957,070</u>	<u>20,573</u>	<u>862,027</u>	<u>193,852</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>883,058</u>	<u>1,094,309</u>	<u>835,470</u>	<u>866,586</u>	<u>536,874</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2019

	Drug and Alcohol	Sundown Salute	CDBG Revolving Loans	Grants	Rural Housing District
ASSETS					
Cash and Investments	\$ 9,828	742	166,399	(96,654)	536,026
Receivables					
Property Tax	-	-	-	-	-
Accounts	-	295	55,410	-	-
Accrued Interest	47	-	-	-	-
Total Assets	\$ 9,875	1,037	221,809	(96,654)	536,026
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	-	-	-	-
Accrued Liabilities	3,398	-	-	71	-
Total Liabilities	3,398	-	-	71	-
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	-	-	-	-	-
Fund Balance					
Restricted	6,477	-	221,809	(96,725)	536,026
Committed	-	1,037	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	6,477	1,037	221,809	(96,725)	536,026
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,875	1,037	221,809	(96,654)	536,026

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2019

	Law Enforcement Trust	Law Enforcement Training	Federal Equitable Sharing	Treasury Forfeiture	Special Projects	PSAP 911	Totals
ASSETS							
Cash and Investments	\$ 144,957	1,681	403,835	19,438	1,979	178,726	4,171,381
Receivables							
Property Tax	-	-	-	-	-	-	1,346,556
Accounts	-	-	-	-	1,200	40,760	154,819
Accrued Interest	689	8	-	92	9	849	9,857
Total Assets	\$ 145,646	1,689	403,835	19,530	3,188	220,335	5,682,613
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 1,743	-	-	-	-	-	143,526
Accrued Liabilities	101	-	-	-	-	-	3,591
Total Liabilities	1,844	-	-	-	-	-	147,117
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	1,328,791
Fund Balance							
Restricted	143,802	1,689	403,835	19,530	-	220,335	3,224,837
Committed	-	-	-	-	-	-	978,680
Unassigned	-	-	-	-	3,188	-	3,188
Total Fund Balance (Deficit)	143,802	1,689	403,835	19,530	3,188	220,335	4,206,705
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 145,646	1,689	403,835	19,530	3,188	220,335	5,682,613

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	<u>Economic Development</u>	<u>Employee Benefits</u>	<u>Library</u>	<u>Special Highway</u>	<u>Fire Equipment</u>
Revenues					
Taxes	\$ 80,893	807	782,875	-	374,761
Intergovernmental	-	-	-	617,458	-
Use of Money and Property	441,870	(23,434)	-	23,257	5,534
Miscellaneous	<u>62,080</u>	<u>436,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>584,843</u>	<u>413,741</u>	<u>782,875</u>	<u>640,715</u>	<u>380,295</u>
Expenditures					
General Government	-	176,642	800,000	-	-
Public Safety	-	-	-	-	137,244
Public Works	-	-	-	312,989	-
Recreation	-	-	-	-	-
Economic Development	457,387	-	-	-	-
Debt Service					
Principal	260,571	-	-	-	126,201
Interest and Other Charges	<u>142,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370</u>
Total Expenditures	<u>860,933</u>	<u>176,642</u>	<u>800,000</u>	<u>312,989</u>	<u>264,815</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(276,090)</u>	<u>237,099</u>	<u>(17,125)</u>	<u>327,726</u>	<u>115,480</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(276,090)</u>	<u>237,099</u>	<u>(17,125)</u>	<u>27,726</u>	<u>115,480</u>
Fund Balance, Beginning of the Year	980,237	702,739	5,010	1,177,445	63,208
Prior Period Adjustment	<u>8,033</u>	<u>17,232</u>	<u>32,688</u>	<u>(343,144)</u>	<u>15,164</u>
Fund Balance, Beginning of the Year, Restated	<u>988,270</u>	<u>719,971</u>	<u>37,698</u>	<u>834,301</u>	<u>78,372</u>
Fund Balance, End of Year	\$ <u>712,180</u>	<u>957,070</u>	<u>20,573</u>	<u>862,027</u>	<u>193,852</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2019

	Drug and Alcohol	Sundown Salute	CDBG Revolving Loans	Grants	Rural Housing District	Law Enforcement Trust
Revenues						
Taxes	\$ 61,032	-	-	-	334,107	-
Intergovernmental	-	-	-	331,782	-	142,128
Use of Money and Property	(677)	-	(518)	-	-	2,205
Miscellaneous	-	4,228	14,755	-	-	97,536
Total Revenues	<u>60,355</u>	<u>4,228</u>	<u>14,237</u>	<u>331,782</u>	<u>334,107</u>	<u>241,869</u>
Expenditures						
General Government	-	-	-	14,282	-	-
Public Safety	81,194	-	-	-	-	849,975
Public Works	-	-	-	-	-	-
Recreation	-	4,223	-	-	-	-
Economic Development	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	255,000	-
Interest and Other Charges	-	-	-	-	17,514	-
Total Expenditures	<u>81,194</u>	<u>4,223</u>	<u>-</u>	<u>14,282</u>	<u>272,514</u>	<u>849,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,839)</u>	<u>5</u>	<u>14,237</u>	<u>317,500</u>	<u>61,593</u>	<u>(608,106)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	400,614	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,614</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(20,839)</u>	<u>5</u>	<u>14,237</u>	<u>718,114</u>	<u>61,593</u>	<u>(608,106)</u>
Fund Balance, Beginning of the Year	27,316	1,032	207,572	(794,839)	474,433	751,908
Prior Period Adjustment	-	-	-	(20,000)	-	-
Fund Balance, Beginning of the Year, Restated	<u>27,316</u>	<u>1,032</u>	<u>207,572</u>	<u>(814,839)</u>	<u>474,433</u>	<u>751,908</u>
Fund Balance, End of Year	<u>\$ 6,477</u>	<u>1,037</u>	<u>221,809</u>	<u>(96,725)</u>	<u>536,026</u>	<u>143,802</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2019

	Law Enforcement Training	Federal Equitable Sharing	Treasury Forfeiture	Special Projects	PSAP 911	Totals
Revenues						
Taxes	\$ -	-	-	-	-	1,634,475
Intergovernmental	-	-	-	-	-	1,091,368
Use of Money and Property	32	9,832	600	61	5,516	464,278
Miscellaneous	<u>11,807</u>	<u>2,735</u>	<u>-</u>	<u>2,518</u>	<u>214,819</u>	846,846
Total Revenues	<u>11,839</u>	<u>12,567</u>	<u>600</u>	<u>2,579</u>	<u>220,335</u>	4,036,967
Expenditures						
General Government	-	-	-	-	-	990,924
Public Safety	18,878	259,332	-	-	-	1,346,623
Public Works	-	-	-	(5,525)	-	307,464
Recreation	-	-	-	-	-	4,223
Economic Development	-	-	-	-	-	457,387
Debt Service						
Principal	-	-	-	-	-	641,772
Interest and Other Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	161,859
Total Expenditures	<u>18,878</u>	<u>259,332</u>	<u>-</u>	<u>(5,525)</u>	<u>-</u>	3,910,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,039)</u>	<u>(28,157)</u>	<u>600</u>	<u>8,104</u>	<u>220,335</u>	126,715
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	400,614
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(300,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	100,614
Net Change in Fund Balance	<u>(7,039)</u>	<u>(246,765)</u>	<u>600</u>	<u>8,104</u>	<u>220,335</u>	227,329
Fund Balance, Beginning of the Year	8,728	650,600	18,930	(4,916)	-	4,269,403
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(290,027)
Fund Balance, Beginning of the Year, Restated	<u>8,728</u>	<u>650,600</u>	<u>18,930</u>	<u>(4,916)</u>	<u>-</u>	3,979,376
Fund Balance, End of Year	\$ <u>1,689</u>	<u>403,835</u>	<u>19,530</u>	<u>3,188</u>	<u>220,335</u>	4,206,705

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Economic Development Fund
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 86,811	75,380	75,380	11,431
Use of Money and Property	442,245	464,760	464,760	(22,515)
Miscellaneous	62,080	-	-	62,080
Total Revenues	591,136	540,140	540,140	50,996
Expenditures				
Contractual Services	457,387	630,813	630,813	(173,426)
Commodities	-	10,000	10,000	(10,000)
Debt Service				-
Principal	260,571	355,719	355,719	(95,148)
Interest and Other Charges	142,975	-	-	142,975
Total Expenditures	860,933	996,532	996,532	(135,599)
Net Change in Fund Balance	(269,797)	(456,392)	(456,392)	186,595
Budgetary Basis				
Fund Balance, Beginning	976,690			
Budgetary Basis				
Fund Balance, Ending	706,893			
GAAP Adjustments				
Taxes Receivable	2,114			
Accrued Interest Receivable	3,173			
Fund Balance, Ending	\$ 712,180			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Employee Benefits Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 807	-	-	807
Use of Money and Property	-	250	250	(250)
Miscellaneous	<u>436,368</u>	<u>250,000</u>	<u>250,000</u>	<u>186,368</u>
Total Revenues	437,175	250,250	250,250	186,925
Expenditures				
Contractual Services	<u>176,642</u>	<u>300,000</u>	<u>300,000</u>	<u>(123,358)</u>
Net Change in Fund Balance	<u>260,533</u>	<u>(49,750)</u>	<u>(49,750)</u>	<u>310,283</u>
Budgetary Basis				
Fund Balance, Beginning	679,305			
Prior Period Restatement	<u>17,232</u>			
Fund Balance, Beginning, as Restated	<u>696,537</u>			
Fund Balance, Ending	\$ <u>957,070</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Library Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 804,887	781,681	781,681	23,206
Expenditures				
Contractual Services	800,000	800,000	800,000	-
Net Change in Fund Balance	4,887	<u>(18,319)</u>	<u>(18,319)</u>	<u>23,206</u>
Budgetary Basis				
Fund Balance, Beginning	<u>5,010</u>			
Budgetary Basis				
Fund Balance, Ending	9,897			
GAAP Adjustments				
Taxes Receivable	<u>10,676</u>			
Fund Balance, Ending	\$ <u>20,573</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Special Highway Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 617,458	655,560	655,560	(38,102)
Use of Money and Property	22,522	6,000	6,000	16,522
Total Revenues	639,980	661,560	661,560	(21,580)
Expenditures				
Contractual Services	312,989	870,000	870,000	(557,011)
Excess (Deficiency) of Revenues Over (Under) Expenditures	326,991	(208,440)	(208,440)	535,431
Other Financing Sources (Uses)				
Transfer Out	(300,000)	(300,000)	(300,000)	-
Net Change in Fund Balance	26,991	<u>(508,440)</u>	<u>(508,440)</u>	<u>535,431</u>
Budgetary Basis				
Fund Balance, Beginning	1,174,083			
Prior Period Restatement	(343,144)			
Fund Balance, Beginning, as Restated	830,939			
Budgetary Basis				
Fund Balance, Ending	857,930			
GAAP Adjustments				
Accrued Interest Receivable	4,097			
Fund Balance, Ending	\$ 862,027			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Fire Equipment Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 384,950	373,735	373,735	11,215
Use of Money and Property	4,909	1,025	1,025	3,884
Total Revenues	389,859	374,760	374,760	15,099
Expenditures				
Commodities	-	10,000	10,000	(10,000)
Capital Outlay	137,244	419,549	419,549	(282,305)
Debt Service				
Principal	126,201	2,267	2,267	123,934
Interest and Other Charges	1,370	-	-	1,370
Total Expenditures	264,815	431,816	431,816	(167,001)
Net Change in Fund Balance	125,044	(57,056)	(57,056)	182,100
Budgetary Basis				
Fund Balance, Beginning	62,940			
Budgetary Basis				
Fund Balance, Ending	187,984			
GAAP Adjustments				
Taxes Receivable	4,975			
Accrued Interest Receivable	893			
Fund Balance, Ending	\$ 193,852			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Drug and Alcohol Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 61,032	59,321	59,321	1,711
Use of Money and Property	256	-	-	256
Total Revenues	61,288	59,321	59,321	1,967
Expenditures				
Personnel Services	79,608	77,054	77,054	2,554
Contractual Services	-	25,000	25,000	(25,000)
Miscellaneous	1,586	-	-	1,586
Total Expenditures	81,194	102,054	102,054	(20,860)
Net Change in Fund Balance	(19,906)	<u>(42,733)</u>	<u>(42,733)</u>	<u>22,827</u>
Budgetary Basis				
Fund Balance, Beginning	<u>26,336</u>			
Budgetary Basis				
Fund Balance, Ending	6,430			
GAAP Adjustments				
Accrued Interest Receivable	<u>47</u>			
Fund Balance, Ending	\$ <u>6,477</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Law Enforcement Trust Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 142,129	500,000	500,000	(357,871)
Miscellaneous	97,536	-	-	97,536
Use of Money and Property	3,785	3,000	3,000	785
Total Revenues	243,450	503,000	503,000	(259,550)
Expenditures				
Commodities	529,295	300,000	300,000	229,295
Contractual Services	687	100,000	100,000	(99,313)
Capital Outlay	319,994	500,000	500,000	(180,006)
Total Expenditures	849,976	900,000	900,000	(50,024)
Net Change in Fund Balance	(606,526)	(397,000)	(397,000)	(209,526)
Budgetary Basis				
Fund Balance, Beginning	749,639			
Budgetary Basis				
Fund Balance, Ending	143,113			
GAAP Adjustments				
Accrued Interest Receivable	689			
Fund Balance, Ending	\$ 143,802			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Law Enforcement Training Fund

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 11,807	15,000	11,000	807
Use of Money and Property	44	-	-	44
Total Revenues	11,851	15,000	11,000	851
Expenditures				
Contractual Services	18,878	15,000	19,000	(122)
Net Change in Fund Balance	(7,027)	<u>-</u>	<u>(8,000)</u>	<u>973</u>
Budgetary Basis				
Fund Balance, Beginning	8,708			
Budgetary Basis				
Fund Balance, Ending	1,681			
GAAP Adjustments				
Accrued Interest Receivable	8			
Fund Balance, Ending	\$ 1,689			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Federal Equitable Sharing Fund
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 2,735	-	-	2,735
Use of Money and Property	9,832	-	-	9,832
Total Revenues	<u>12,567</u>	<u>-</u>	<u>-</u>	<u>12,567</u>
Expenditures				
Contractual Services	<u>259,332</u>	<u>260,000</u>	<u>260,000</u>	<u>(668)</u>
Net Change in Fund Balance	<u>(246,765)</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>13,235</u>
Fund Balance, Beginning	<u>650,600</u>			
Fund Balance, Ending	\$ <u>403,835</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Treasury Forfeiture Fund

For the Year Ended December 31, 2019

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Miscellaneous	\$ 508	50,000	50,000	(49,492)
Expenditures	-	-	-	-
Net Change in Fund Balance	508	<u>50,000</u>	<u>50,000</u>	<u>(49,492)</u>
Budgetary Basis				
Fund Balance, Beginning	<u>18,930</u>			
Budgetary Basis				
Fund Balance, Ending	19,438			
GAAP Adjustments				
Accrued Interest Receivable	<u>92</u>			
Fund Balance, Ending	\$ <u>19,530</u>			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget
Debt Service Fund
For the Year Ended December 31, 2019

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	\$ 3,356,658	3,218,855	3,253,017	103,641
Special Assessments	2,347,255	2,225,000	2,347,441	(186)
Sales Tax	3,901,103	3,500,000	3,500,000	401,103
Use of Money and Property	23,093	-	-	23,093
Miscellaneous	225,215	175,000	225,215	-
Total Revenues	9,853,324	9,118,855	9,325,673	527,651
Expenditures				
Debt Service				
Principal	7,877,330	11,331,837	11,379,121	(3,501,791)
Interest and Other Charges	3,571,973	26,000	20,879	3,551,094
Other	20,879	-	-	20,879
Total Expenditures	11,470,182	11,357,837	11,400,000	70,182
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,616,858)	(2,238,982)	(2,074,327)	457,469
Other Financing Sources (Uses)				
Bond Proceeds	-	18,000	18,000	(18,000)
Transfer In	800,000	800,000	800,000	-
Total Other Financing Sources	800,000	818,000	818,000	(18,000)
Net Change in Fund Balance	(816,858)	(1,420,982)	(1,256,327)	439,469
Budgetary Basis				
Fund Balance, Beginning	2,014,383			
Prior Period Restatement	(303,625)			
Fund Balance, Beginning, as Restated	1,710,758			
Budgetary Basis				
Fund Balance, Ending	893,900			
GAAP Adjustments				
Taxes Receivable	44,770			
Accrued Interest Receivable	4,201			
Fund Balance, Ending	\$ 942,871			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining and Individual Fund Financial Statements and Schedules
December 31, 2019

NONMAJOR ENTERPRISE FUNDS

Sanitation Fund – To account for the operation and maintenance of the sanitation system operated within the City.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Sanitation	Total Nonmajor Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and Investments	\$ 3,451,548	3,451,548
Receivables, Net of Allowance for Uncollectibles		
Accounts	271,473	271,473
Accrued Interest	16,396	16,396
Total Current Assets	3,739,417	3,739,417
Noncurrent Assets		
Capital Assets		
Depreciable Capital Assets	1,356,906	1,356,906
Accumulated Depreciation	(1,083,604)	(1,083,604)
Total Noncurrent Assets	273,302	273,302
Total Assets	4,012,719	4,012,719
Deferred Outflows of Resources		
Pension Liability	32,424	32,424
Total Assets and Deferred Outflows of Resources	4,045,143	4,045,143
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts Payable	42,288	42,288
Accrued Liabilities	16,398	16,398
Current Portion of Compensated Absences Payable	19,473	19,473
Current Portion of Leases Payable	90,812	90,812
Total Current Liabilities	168,971	168,971
Noncurrent Liabilities		
Net Pension Liability	232,921	232,921
Leases Payable	49,542	49,542
Total Noncurrent Liabilities	282,463	282,463
Total Liabilities	451,434	451,434
Deferred Inflows of Resources		
Pension Liability	20,825	20,825
Total Liabilities and Deferred Inflows of Resources	472,259	472,259
NET POSITION		
Net Investment in Capital Assets	132,948	132,948
Unrestricted	3,439,936	3,439,936
Total Net Position	\$ 3,572,884	3,572,884

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2019

	<u>Sanitation</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenues		
Charges for Services	\$ 1,624,144	1,624,144
Miscellaneous	635	635
Total Operating Revenues	<u>1,624,779</u>	<u>1,624,779</u>
Operating Expenses		
Personal Services	446,718	446,718
Commodities	124,878	124,878
Contractual Services	439,220	439,220
Depreciation	151,979	151,979
Total Operating Expenses	<u>1,162,795</u>	<u>1,162,795</u>
Operating Income	<u>461,984</u>	<u>461,984</u>
Nonoperating Revenues (Expense)		
Interest Expense	(3,837)	(3,837)
Interest Income	99,910	99,910
Total Nonoperating Revenues (Expense)	<u>96,073</u>	<u>96,073</u>
Net Income Before Transfers	558,057	558,057
Transfers Out	<u>(160,000)</u>	<u>(160,000)</u>
Change in Net Position	<u>398,057</u>	<u>398,057</u>
Net Position, Beginning of Year	1,961,353	1,961,353
Prior Period Restatement	<u>1,213,474</u>	<u>1,213,474</u>
Net Position, Beginning of Year, as Restated	<u>3,174,827</u>	<u>3,174,827</u>
Net Position, End of Year	\$ <u><u>3,572,884</u></u>	<u><u>3,572,884</u></u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Sanitation	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities		
Cash Received From Customers and Users	\$ 1,535,774	1,535,774
Cash Paid to Suppliers of Goods and Services	(556,979)	(556,979)
Cash Paid to Employees	(441,395)	(441,395)
Other Operating Receipts	635	635
Net Cash Provided by Operating Activities	<u>538,035</u>	<u>538,035</u>
Cash Flows From Capital and Related Financing Activities		
Interest Payments	(3,837)	(3,837)
Principal Payments - Capital Lease	(121,698)	(121,698)
Net Cash Used by Capital and Related Financing Activities	<u>(125,535)</u>	<u>(125,535)</u>
Cash Flows From Noncapital Financing Activities		
Transfer Out	(160,000)	(160,000)
Cash Flows From Investing Activities		
Interest Received	90,132	90,132
Net Increase in Cash and Cash Equivalents	<u>342,632</u>	<u>342,632</u>
Cash and Investments, Beginning	1,895,442	1,895,442
Prior Period Restatement	<u>1,213,474</u>	<u>1,213,474</u>
Cash and Investments, Beginning, as Restated	<u>3,108,916</u>	<u>3,108,916</u>
Cash and Investments, Ending	<u>\$ 3,451,548</u>	<u>3,451,548</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Year Ended December 31, 2019

	<u>Sanitation</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 461,984	461,984
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation Expense	151,979	151,979
(Increase) Decrease in Accounts Receivable	(88,370)	(88,370)
(Increase) Decrease in Deferred Outflows	4,222	4,222
Increase (Decrease) in Accounts Payable	6,150	6,150
Increase (Decrease) in Accrued Compensated Absences	334	334
Increase (Decrease) in Net Pension Liability	(4,265)	(4,265)
Increase (Decrease) in Accrued Liabilities	969	969
Increase (Decrease) in Deferred Inflows	5,032	5,032
Net Cash Provided by Operating Activities	\$ 538,035	538,035

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Combining Statement of Net Position

Fiduciary Funds

December 31, 2019

	Trust and Agency Fund	Olivia Farms Development Fund	Insurance Disaster Fund	Total Custodial Funds
ASSETS				
Cash	\$ 2,409	-	112	2,521
Total Assets	\$ <u>2,409</u>	<u>-</u>	<u>112</u>	<u>2,521</u>
Liabilities				
Due to Others	\$ 2,409	-	112	2,521
Total Liabilities	\$ <u>2,409</u>	<u>-</u>	<u>112</u>	<u>2,521</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2019

<u>Trust and Agency Fund</u> ASSETS	Balance January 1, 2019	Restatement	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Cash	\$ 2,409	-	2,409	-	-	2,409
Total Assets	\$ 2,409	-	2,409	-	-	2,409
LIABILITIES						
Due to Others	\$ 2,409	-	2,409	-	-	2,409
Total Liabilities	\$ 2,409	-	2,409	-	-	2,409
<u>Olivia Farms Development Fund</u> ASSETS	Balance January 1, 2019	Restatement	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Due From Other Funds	\$ 270,000	(270,000)	-	-	-	-
Total Assets	\$ 270,000	(270,000)	-	-	-	-
LIABILITIES						
Due To Other Funds	\$ 270,000	(270,000)	-	-	-	-
Total Liabilities	\$ 270,000	(270,000)	-	-	-	-
<u>Insurance Disaster Fund</u> ASSETS	Balance January 1, 2019	Restatement	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Cash	\$ 73	-	73	763	724	112
Total Assets	\$ 73	-	73	763	724	112
LIABILITIES						
Due To Others	\$ 73	-	73	763	724	112
Total Liabilities	\$ 73	-	73	763	724	112

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Statistical Section (Unaudited)

December 31, 2019

This part of **City of Junction City, Kansas**' financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue source, water and wastewater revenues, as well as its property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year.

City of Junction City, Kansas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Governmental Activities</u>										
Net investment in capital assets	\$ (52,187,139)	\$ (54,665,937)	\$ (51,875,398)	\$ (47,479,333)	\$ (42,071,227)	\$ (26,982,525)	\$ (34,673,724)	\$ (28,929,834)	\$ (31,384,052)	\$ (10,002,423)
Restricted	45,735,080	49,923,874	49,923,152	47,659,856	47,133,957	45,298,451	47,262,307	51,094,342	19,572,461	17,469,658
Unrestricted	<u>3,481,307</u>	<u>8,472,499</u>	<u>10,048,563</u>	<u>10,177,293</u>	<u>10,843,958</u>	<u>1,503,427</u>	<u>6,880,515</u>	<u>15,598,864</u>	<u>11,883,804</u>	<u>\$ (5,930,212)</u>
Total governmental activities net position	<u>\$ (2,970,752)</u>	<u>\$ 3,730,436</u>	<u>\$ 8,096,317</u>	<u>\$ 10,357,816</u>	<u>\$ 15,906,688</u>	<u>\$ 19,819,353</u>	<u>\$ 19,469,098</u>	<u>\$ 37,763,372</u>	<u>\$ 72,213</u>	<u>\$ 1,537,023</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 51,460,342	\$ 50,146,497	\$ 50,626,121	\$ 49,048,348	\$ 49,249,853	\$ 50,335,663	\$ 49,098,164	\$ 38,852,077	\$ 34,217,403	\$ 55,971,316
Unrestricted	<u>1,070,137</u>	<u>3,915,856</u>	<u>6,123,942</u>	<u>7,096,226</u>	<u>8,786,568</u>	<u>9,005,441</u>	<u>15,544,505</u>	<u>28,927,670</u>	<u>36,015,248</u>	<u>18,721,968</u>
Total business-type activities net position	<u>\$ 52,530,479</u>	<u>\$ 54,062,353</u>	<u>\$ 56,750,063</u>	<u>\$ 56,144,574</u>	<u>\$ 58,036,421</u>	<u>\$ 59,341,104</u>	<u>\$ 64,642,669</u>	<u>\$ 67,779,747</u>	<u>\$ 70,232,651</u>	<u>\$ 74,693,284</u>
<u>Primary government</u>										
Net investment in capital assets	\$ (726,797)	\$ (4,519,440)	\$ (1,249,277)	\$ 1,589,015	\$ 7,178,626	\$ 23,353,138	\$ 14,424,440	\$ 9,922,243	\$ 2,833,351	\$ 45,968,893
Restricted	45,735,080	49,923,874	49,923,152	47,659,856	47,133,957	45,298,451	47,262,307	51,094,342	19,572,461	17,469,658
Unrestricted	<u>4,551,444</u>	<u>12,388,355</u>	<u>16,172,505</u>	<u>17,273,519</u>	<u>19,630,526</u>	<u>10,508,868</u>	<u>22,425,020</u>	<u>44,526,534</u>	<u>\$ 47,899,052</u>	<u>\$ 12,791,756</u>
Total primary government net position	<u>\$ 49,559,727</u>	<u>\$ 57,792,789</u>	<u>\$ 64,846,380</u>	<u>\$ 66,522,390</u>	<u>\$ 73,943,109</u>	<u>\$ 79,160,457</u>	<u>\$ 84,111,767</u>	<u>\$ 105,543,119</u>	<u>\$ 70,304,864</u>	<u>\$ 76,230,307</u>

City of Junction City, Kansas
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis accounting)

Expenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General government	\$ 5,078,582	\$ 3,216,686	\$ 2,972,338	\$ 2,818,453	\$ 2,564,763	\$ 2,583,982	\$ 5,233,594	\$ 2,831,910	\$ 5,087,215	\$ 2,985,520
Public safety	7,016,947	8,094,613	7,466,537	9,247,065	10,515,859	8,543,841	10,445,544	10,628,985	11,099,497	11,875,862
Public works	8,924,171	4,756,348	6,220,145	5,013,275	5,348,714	6,522,980	7,602,497	6,072,476	5,820,618	6,310,351
Culture and recreation	654,829	1,030,077	1,414,550	1,284,881	2,927,200	1,895,285	1,895,645	1,821,822	2,458,268	2,440,722
Economic Development	742,286	735,663	975,615	1,264,637	1,823,290	1,257,753	589,757	1,260,150	881,207	1,372,758
Public health and sanitation	1,134,918	1,803,687	2,034,862	2,053,932	2,160,507	2,560,853	2,871,981	2,996,894	3,485,194	3,576,872
Payments on other obligations (see note)	-	1,516,382	1,855,634	655,548	98,604	98,382	-	-	-	-
Interest long term debt	5,721,931	6,698,600	6,771,428	6,568,899	5,524,717	4,629,537	8,748,963	4,423,563	4094142	3732873
Total governmental expenses	\$ 29,273,664	\$ 27,852,056	\$ 29,711,109	\$ 28,906,690	\$ 30,963,654	\$ 28,092,613	\$ 37,387,981	\$ 30,035,800	\$ 32,926,141	\$ 32,294,958
Business-type activities										
Water/sewer	\$ 7,210,683	\$ 7,356,961	\$ 7,207,927	\$ 7,740,690	\$ 7,455,346	\$ 7,596,112	\$ -	\$ -	\$ -	\$ -
Water	-	-	-	-	-	-	3,211,650	3,330,993	4,577,366	3,299,778
Sewer	-	-	-	-	-	-	4,022,608	4,216,058	4,616,729	4,616,295
Rolling Meadows golf	477,042	332,836	-	-	-	-	-	-	-	-
Sanitation	1,366,544	1,440,358	1,268,602	1,084,085	1,016,260	1,072,567	1,402,381	1,096,946	1,210,990	1,166,632
Storm water	246,341	408,349	462,200	498,018	546,754	545,779	438,112	452,520	570,214	462,706
Spin City	192,967	179,062	257,592	164,748	-	-	-	-	-	-
Total business-type activities expenses	\$ 9,493,577	\$ 9,717,566	\$ 9,196,321	\$ 9,487,541	\$ 9,018,360	\$ 9,214,458	\$ 9,074,751	\$ 9,096,517	\$ 10,975,299	\$ 9,545,411
Total primary government expenses	\$ 38,767,241	\$ 37,569,622	\$ 38,907,430	\$ 38,394,231	\$ 39,982,014	\$ 37,307,071	\$ 46,462,732	\$ 39,132,317	\$ 43,901,440	\$ 41,840,369
Program Revenues										
Governmental activities:										
Charges for services	\$ 2,505,036	\$ 3,032,305	\$ 3,693,576	\$ 3,460,191	\$ 3,553,426	\$ 3,841,165	\$ 3,492,201	\$ 3,504,359	\$ 3,269,321	\$ 3,662,968
Operating grants and contributions	1,669,496	1,626,703	1,634,111	1,769,732	3,168,858	11,265,285	1,943,858	3,018,944	3,899,360	2,537,153
Other	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	4,875,055	6,432,843	2,518,706	481,939	996,975	982,671	2,343,810	1,778,195	641,136	617,458
Total govern'tal activities program revenue	\$ 9,049,587	\$ 11,091,851	\$ 7,846,393	\$ 5,711,862	\$ 7,719,259	\$ 16,089,121	\$ 7,779,869	\$ 8,301,498	\$ 7,809,817	\$ 6,817,579
Business-type activities:										
Charges for services										
Water/sewer	\$ 7,857,651	\$ 8,527,278	\$ 9,747,283	\$ 9,356,857	\$ 9,708,263	\$ 10,375,233	\$ -	\$ -	\$ -	\$ -
Water	-	-	-	-	-	-	5,324,962	5,570,696	5,575,484	5,800,617
Sewer	-	-	-	-	-	-	5,513,814	5,581,828	5,971,026	6,193,996
Rolling Meadows Golf	437,633	378,200	-	-	-	-	-	-	-	-
Sanitation	1,263,252	1,457,127	1,461,004	1,455,036	1,505,555	1,534,395	1,526,242	1,537,200	1,577,636	1,624,144
Storm water	722,161	836,450	781,779	780,995	855,654	771,705	773,532	766,720	919,900	1,062,066
Spin City	167,643	143,004	143,203	121,183	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities prgrm revenue	\$ 10,448,340	\$ 11,342,059	\$ 12,133,269	\$ 11,714,071	\$ 12,069,472	\$ 12,681,333	\$ 13,138,550	\$ 13,456,444	\$ 14,044,046	\$ 14,680,823
Total primary government program revenue	\$ 19,497,927	\$ 22,433,910	\$ 19,979,662	\$ 17,425,933	\$ 19,788,731	\$ 28,770,454	\$ 20,918,419	\$ 21,757,942	\$ 21,853,863	\$ 21,498,402
Net (Expense) Revenue										
Governmental activities	\$ (20,224,077)	\$ (16,760,205)	\$ (21,864,716)	\$ (23,194,828)	\$ (23,244,395)	\$ (12,003,492)	\$ (29,608,112)	\$ (21,734,302)	\$ (25,116,324)	\$ (25,477,379)
Business-type activities	954,763	1,624,493	2,936,948	2,226,530	3,051,112	3,466,875	4,063,799	4,359,927	3,068,747	5,135,412
Total primary government net expenses	\$ (19,269,314)	\$ (15,135,712)	\$ (18,927,768)	\$ (20,968,298)	\$ (20,193,283)	\$ (8,536,617)	\$ (25,544,313)	\$ (17,374,375)	\$ (22,047,577)	\$ (20,341,967)
Gen Revenues & other Changes Net position										
Governmental activities:										
Taxes										
Property taxes	\$ 8,892,436	\$ 9,027,993	\$ 9,937,633	\$ 9,470,337	\$ 9,668,455	\$ 9,641,838	\$ 9,566,983	\$ 9,974,398	\$ 9,259,840	\$ 9,475,876
Sales taxes	6,790,642	10,578,965	10,915,013	11,143,399	10,918,894	10,746,724	10,611,641	10,345,095	10,905,654	10,822,585
Franchise taxes	1,807,406	1,769,991	1,833,692	1,882,737	1,967,710	1,829,821	1,834,814	1,820,583	1,903,630	1,750,282
Special assessments	-	-	-	-	-	-	4,113,971	6,861,942	739,550	29,630
Payment in lieu of property tax	18,080	15,537	16,406	14,137	13,052	14,335	21,232	22,852	-	17,810
Investment earnings	487,162	115,395	586,731	481,805	215,382	770,359	728,903	1,131,277	1,424,232	755,298
Gain on sale of capital assets	1,226,273	1,564,746	2,268,414	-	-	-	-	-	-	-
Miscellaneous	-	-	-	2,342,981	4,183,466	1,849,293	1,298,313	1,187,479	2,936,420	2,060,094
Transfers	159,000	389,185	1,452,824	1,522,500	1,522,500	1,505,000	1,530,000	1,630,000	1,630,000	2,030,614
Total governmental activities	\$ 19,380,999	\$ 23,461,812	\$ 27,010,713	\$ 26,857,896	\$ 28,489,459	\$ 26,357,370	\$ 29,705,857	\$ 32,973,626	\$ 28,799,326	\$ 26,942,189
Business-type activities										
Investment earnings	\$ 305,358	\$ 296,566	\$ 408,889	\$ -	\$ 1,332	\$ 23,177	\$ 47,293	\$ 106,590	\$ 141,136	\$ 494,801
Miscellaneous	-	-	-	253,963	222,018	387,675	2,720,473	300,561	873,021	200,355
Transfers	(159,000)	(389,185)	(1,452,824)	(1,522,500)	(1,522,500)	(1,505,000)	(1,530,000)	(1,630,000)	(1,630,000)	(2,030,614)
Total business-type activities	\$ 146,358	\$ (92,619)	\$ (1,043,935)	\$ (1,268,537)	\$ (1,299,150)	\$ (1,094,148)	\$ 1,237,766	\$ (1,222,849)	\$ (615,843)	\$ (1,335,458)
Total primary government	\$ 19,527,357	\$ 23,369,193	\$ 25,966,778	\$ 25,589,359	\$ 27,190,309	\$ 25,263,222	\$ 30,943,623	\$ 31,750,777	\$ 28,183,483	\$ 25,606,731
Change in Net position										
Governmental activities	\$ (843,078)	\$ 6,701,607	\$ 5,145,997	\$ 3,663,068	\$ 5,245,064	\$ 14,353,878	\$ 97,745	\$ 11,239,324	\$ 3,683,002	\$ 1,464,810
Business-type activities	1,101,121	1,531,874	1,893,013	957,993	1,751,962	2,372,727	5,301,565	3,137,078	2,452,904	3,799,954
Total primary government	\$ 258,043	\$ 8,233,481	\$ 7,039,010	\$ 4,621,061	\$ 6,997,026	\$ 16,726,605	\$ 5,399,310	\$ 14,376,402	\$ 6,135,906	\$ 5,264,764

Note: The Water and Sewer Fund was split to two separate funds during the year ended December 31, 2016.

City of Junction City, Kansas
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Unassigned	\$ -	\$ 3,993,315	\$ 4,808,908	\$ 5,186,893	\$ 5,479,409	\$ 5,728,814	\$ 5,661,462	\$ 5,971,682	\$ 4,975,366	\$ 3,946,045
Restricted	-	-	-	-	-	-	-	-	-	743,706
Unreserved	1,190,569	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	218,800	-
Total general fund	\$ 1,190,569	\$ 3,993,315	\$ 4,808,908	\$ 5,186,893	\$ 5,479,409	\$ 5,728,814	\$ 5,661,462	\$ 5,971,682	\$ 5,194,166	\$ 4,689,751
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	5,051,315	5,223,204	6,522,254	8,055,770	8,387,112	6,703,683	5,865,885	6,381,528	4,167,708
Committed	-	28,704	297,329	717,710	521,194	184,473	453,959	4,285,376	5,032,260	1,156,015
Unassigned	-	(938,126)	(164,901)	-	-	(46,123)	(1,282,276)	(317,356)	(972,663)	378,007
Unreserved, reported to:										
Special revenue funds	605,269	-	-	-	-	-	-	-	-	-
Capital projects funds	(925,046)	-	-	-	-	-	-	-	-	-
Debt service funds	2,050,646	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	(4,179,024)	-
Total all other governmental funds	\$ 1,730,869	\$ 4,141,893	\$ 5,355,632	\$ 7,239,964	\$ 8,576,964	\$ 8,525,462	\$ 5,875,366	\$ 9,833,905	\$ 6,262,101	\$ 5,701,730

CITY OF JUNCTION CITY, KANSAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 14,662,708	\$ 15,480,091	\$ 16,231,050	\$ 17,508,564	\$ 21,392,486	\$ 22,702,744	\$ 22,510,610	\$ 22,528,108	\$ 22,232,718	\$ 22,034,670
Licenses and permits	756,896	300,193	357,056	338,229	372,856	335,164	269,865	215,096	345,903	246,051
Intergovernmental	1,881,970	5,648,140	4,581,294	1,812,306	1,626,703	1,634,111	1,769,732	3,168,858	11,265,285	4,287,668
Charges for service	558,398	916,784	869,244	1,250,530	1,688,547	2,096,506	2,133,342	2,244,575	2,545,381	2,517,489
Fines and fees	665,595	807,395	856,831	916,275	970,902	1,261,909	1,056,984	1,093,755	949,881	728,661
Special assessments	242,965	987,788	1,174,124	1,845,972	2,258,286	2,900,364	2,304,567	2,373,750	2,339,693	2,336,794
Use of money & property	968,300	65,441	78,974	487,162	115,395	586,731	481,805	215,382	770,359	728,903
Miscellaneous	1,469,300	1,901,684	847,308	1,226,273	1,558,744	2,268,414	2,343,777	5,988,271	2,085,289	1,214,613
Total revenues	\$ 21,206,132	\$ 26,107,516	\$ 24,995,881	\$ 25,385,311	\$ 29,983,919	\$ 33,785,943	\$ 32,870,682	\$ 37,827,795	\$ 42,534,509	\$ 34,094,849
Expenditures										
General government	\$ 6,504,762	\$ 6,046,231	\$ 5,867,437	\$ 4,751,387	\$ 2,916,596	\$ 2,630,079	\$ 2,441,196	\$ 2,200,394	\$ 11,154,437	\$ 5,459,427
Public safety	6,736,805	7,043,074	7,529,777	6,567,932	7,672,222	7,581,904	8,806,794	11,815,167	10,126,551	10,781,855
Public works	6,713,919	12,973,947	5,979,284	5,922,418	1,856,020	3,698,812	2,368,331	3,279,179	3,554,234	3,528,336
Public health & sanitation	-	-	-	1,134,918	1,803,687	1,991,829	2,053,932	2,160,507	2,854,895	2,816,623
Culture & recreation	2,048,855	1,676,106	937,124	508,603	962,373	1,443,330	1,553,195	2,854,406	1,830,773	1,920,453
Economic development	-	-	238,548	742,137	735,663	975,615	1,264,637	1,823,290	1,257,753	589,757
Capital outlay	45,032,503	11,295,030	10,950,068	953,775	45,599	32,427	1,424	-	-	-
Debt service principal	1,035,000	1,714,133	62,020,310	36,602,730	4,847,347	6,135,149	13,578,026	6,997,015	12,618,600	7,291,695
Debt service interest & fees	624,262	2,181,625	5,349,260	7,523,380	6,794,931	6,679,307	6,686,399	5,861,176	5,688,196	5,605,844
Payment contractual obligations	-	-	-	-	1,516,382	1,855,634	655,548	98,604	98,382	-
Bond issuance costs	-	297,051	888,425	-	149,625	-	-	-	-	-
Miscellaneous	-	-	-	-	335,987	185,128	358,809	631,041	337,606	883,890
Total Expenditures	\$ 68,696,106	\$ 43,227,197	\$ 99,760,233	\$ 64,707,280	\$ 29,636,432	\$ 33,209,214	\$ 39,768,291	\$ 37,720,779	\$ 49,521,427	\$ 38,877,880
Excess revenues over (under) expenditures	\$ (47,489,974)	\$ (17,119,681)	\$ (74,764,352)	\$ (39,321,969)	\$ 347,487	\$ 576,729	\$ (6,897,609)	\$ 107,016	\$ (6,986,918)	\$ (4,783,031)
Other Financing Sources (Uses)										
Bonds issued	\$ 24,225,000	\$ 15,283,057	\$ 34,280,000	\$ 38,910,000	\$ 4,427,074	\$ -	\$ 8,247,988	\$ -	\$ 5,667,850	\$ 47,446,979
Capital leases	-	-	671,138	-	-	-	-	-	-	-
Temporary note proceeds	60,940,000	57,690,000	33,525,000	-	-	-	-	-	-	-
Revolving loan fund proceeds	1,551,088	4,703,920	7,984,482	1,293,895	50,443	-	-	-	-	-
Certificate of participation proceeds	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond	-	-	360,311	-	-	-	-	-	-	(46,911,396)
Loan repayments	(43,617,396)	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	15,575	-	-	-	-	-	-	-
Transfers in	-	1,950,000	6,673,895	232,000	1,100,000	1,857,306	1,522,918	1,722,500	2,105,000	2,164,000
Transfers out	-	-	(5,116,205)	(73,000)	(710,815)	(404,482)	(418)	(200,000)	(600,000)	(634,000)
Total other financing sources (uses)	\$ 43,098,692	\$ 79,626,977	\$ 78,394,196	\$ 40,362,895	\$ 4,866,702	\$ 1,452,824	\$ 9,770,488	\$ 1,522,500	\$ 7,172,850	\$ 2,065,583
Net change in fund balances	\$ (4,391,282)	\$ 62,507,296	\$ 3,629,844	\$ 968,926	\$ 5,214,189	\$ 2,029,553	\$ 2,872,879	\$ 1,629,516	\$ 185,932	\$ (2,717,448)
Debt service as a percentage of noncapital expenditures	7.01%	12.20%	75.86%	68.84%	39.34%	40.05%	52.21%	34.09%	36.97%	33.17%

**City of Junction City, Kansas
Water Produced/Consumed and Wastewater Treated
Last Ten Fiscal Years**

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated East Plant	Gallons of Wastewater Treated SW Plant	Total Direct Rate				
							Water			Sewer	
							Base Rate (1)	Usage Rate (2)	Usage Rate (3)	Base Rate (4)	Usage Rate (5)
2006	1,133,636,000	1,187,666,000	242,621,000	21.40%	514,292,000	245,718,000	\$ 10.53	\$ 1.28	\$ 1.61	\$ 22.00	\$ 0.90
2007	1,411,572,000	1,119,829,000	291,743,000	20.67%	514,292,000	245,718,000	\$ 10.78	\$ 1.31	\$ 1.64	\$ 22.00	\$ 0.90
2008	1,374,244,000	1,035,790,000	338,454,000	24.63%	535,010,000	248,662,000	\$ 11.38	\$ 1.38	\$ 1.73	\$ 22.00	\$ 0.90
2009	1,314,941,000	713,063,000	241,933,000	18.40%	620,500,000	248,820,000	\$ 11.38	\$ 1.38	\$ 1.73	\$ 22.00	\$ 0.90
2010	1,503,161,000	1,502,905,925	255,075,000	16.97%	683,645,000	271,925,000	\$ 11.38	\$ 1.39	\$ 1.75	\$ 22.00	\$ 0.90
							\$ 23.51	\$ 1.29	\$ 1.75	\$ 22.00	\$ 0.90
2011	1,644,257,000	1,263,581,000	380,676,000	23.46%	618,104,000	298,639,000	\$ 15.51	\$ 2.00	\$ 2.30	\$ 25.50	\$ 1.90
2012	1,682,167,000	1,096,078,000	586,089,000	34.80%	602,250,000	260,975,000	\$ 15.72	\$ 2.02	\$ 2.33	\$ 25.50	\$ 1.90
2013	1,436,404,000	1,081,639,000	354,765,000	24.70%	595,267,000	260,641,000	\$ 15.72	\$ 2.02	\$ 2.33	\$ 25.50	\$ 1.90
2014	1,531,362,000	1,084,990,000	446,372,000	29.15%	573,511,000	328,075,000	\$ 16.03	\$ 2.06	\$ 2.37	\$ 25.50	\$ 1.90
							\$ 17.07	\$ 2.22	\$ 2.55	\$ 26.90	\$ 2.00
2015	1,508,578,000	1,053,697,000	454,881,000	30.15%	552,069,000	332,744,000	\$ 18.27	\$ 2.36	\$ 2.72	\$ 28.65	\$ 2.13
2016	1,583,177,000	1,068,745,000	514,432,000	32.49%	54,693,200	381,866,000	\$ 19.36	\$ 2.51	\$ 2.89	\$ 30.37	\$ 2.26
2017	1,427,400,400	1,204,712,400	222,688,000	18.00%	529,758,000	291,700,000	\$ 20.62	\$ 2.68	\$ 3.08	\$ 32.19	\$ 2.40
2018	1,461,342,020	1,035,511,854	425,830,166	29.14%	563,584,000	284,254,000	\$ 21.96	\$ 2.85	\$ 3.28	\$ 34.12	\$ 2.54
2019	1,487,270,000	935,666,000	551,604,000	37.08%	590,620,000	281,820,000	\$ 23.39	\$ 3.04	\$ 3.49	\$ 36.17	\$ 2.70

1/1 to 9/10
9/10 to 12/31
1/1 to 6/16
6/17 to 12/31

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- (1) Water rate is for 1" or less size meter and includes 200 cubic feet of water consumption
- (2) Water rate for over 200 cubic feet but not more than 1,000 cubic feet of water consumption
- (3) Water rate for above 1,000 cubic feet of water consumption and above
- (4) Sewer Base Rate includes the first 200 cubic feet of water consumption
- (5) Sewer usage rate is for usage over 200 cubic feet - charge per 100 cubic feet

City of Junction City, Kansas
Annual Water and Wastewater Tap Sales
Last Ten Fiscal Years

Fiscal Year	Water Meter Taps Sold	Wastewater Taps Sold	Total Taps
2009	127	123	250
2010	126	125	251
2011	98	100	198
2012	100	99	199
2013	28	23	51
2014	21	17	38
2015	15	13	28
2016	9	8	17
2017	6	10	16
2018	3	0	3
2019	5	3	8

City of Junction City, Kansas
Number of Water and Wastewater Customers by Type
Last Ten Fiscal Years

Fiscal Year	WATER		WASTEWATER		TOTAL	
	RESIDENTIAL	COMMERCIAL	RESIDENTIAL	COMMERCIAL	WATER	WASTEWATER
2009	9,123	693	9,123	693	9,816	9,816
2010	8,810	782	8,547	767	9,592	9,314
2011	9,060	781	8,801	761	9,841	9,562
2012	9,915	878	8,781	812	10,793	9,593
2013	10,091	818	8,708	812	10,909	9,520
2014	10,141	835	8,767	813	10,976	9,575
2015	10,148	856	8,503	803	11,004	9,306
2016	10,150	849	8,640	810	10,999	9,450
2017	10,140	853	8,532	805	10,993	9,337
2018	10,206	798	8,534	813	11,004	9,347
2019	10,158	850	8,403	807	11,008	9,210

City of Junction City, Kansas
Water and Wastewater Rates
Last Ten Fiscal Years

WATER - (per month inside or outside city limits (1))	2009	2010*	2011	2012	2013	2014		2015	2016	2017	2018	2019
						1/1 to 6/16	6/17-12/31					
1. Minimum charge, Not in excess of 200 cubic feet 1" meter or less	\$ 11.38	\$ 23.51	\$ 15.51	\$ 15.72	\$ 15.72	\$ 16.03	\$ 17.07	\$ 18.27	\$ 19.36	\$ 20.62	\$ 21.96	\$ 23.39
2. Minimum charge, Not in excess of 200 cubic feet Over 1" and up to and including 1.5" meters	\$ 92.09	\$ 105.19	\$ 97.19	\$ 98.55	\$ 98.55	\$ 100.52	\$ 107.05	\$ 114.55	\$ 124.42	\$ 129.32	\$ 137.72	\$ 146.67
3. Minimum charge, Not in excess of 200 cubic feet Over 1.5" and up to and including 2" meters	\$ 185.99	\$ 200.22	\$ 192.22	\$ 194.91	\$ 194.91	\$ 198.80	\$ 211.72	\$ 226.54	\$ 240.14	\$ 255.75	\$ 272.37	\$ 290.08
4. Minimum charge, Not in excess of 200 cubic feet Over 2" and up to and including 3" meters	\$ 276.90	\$ 292.22	\$ 284.22	\$ 288.19	\$ 288.19	\$ 293.95	\$ 313.06	\$ 334.97	\$ 355.08	\$ 378.16	\$ 402.74	\$ 428.92
5. Minimum charge, Not in excess of 200 cubic feet Over 3" and up to and including 4" meters	\$ 368.39	\$ 384.81	\$ 376.81	\$ 382.08	\$ 382.08	\$ 389.72	\$ 415.05	\$ 444.11	\$ 470.76	\$ 501.36	\$ 533.94	\$ 568.66
6. Minimum charge, Not in excess of 200 cubic feet 4" meter and over	\$ 464.33	\$ 481.90	\$ 473.90	\$ 480.53	\$ 480.53	\$ 490.14	\$ 522.00	\$ 558.54	\$ 592.07	\$ 630.55	\$ 671.54	\$ 715.19
7. 300 cubic feet to 1,000 cubic feet, per 100 cubic feet	\$ 1.38	\$ 1.39	\$ 2.00	\$ 2.02	\$ 2.02	\$ 2.06	\$ 2.22	\$ 2.36	\$ 2.51	\$ 2.68	\$ 2.85	\$ 3.04
8. All above 1,000 cubic feet, per 100 cubic feet	\$ 1.73	\$ 1.75	\$ 2.30	\$ 2.33	\$ 2.33	\$ 2.37	\$ 2.55	\$ 2.72	\$ 2.89	\$ 3.08	\$ 3.28	\$ 3.49

WASTEWATER - rates per month (2)+A14:M22	2009	2010*	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1. Minimum charge, not in excess of 200 cubic feet	\$ 22.00	\$ 29.00	\$ 25.50	\$ 25.50	\$ 25.50	\$ 25.50	\$ 26.90	\$ 28.65	\$ 30.37	\$ 32.19	\$ 34.12	\$ 36.17
2. 300 cubic feet and above, per 100 cubic feet	\$ 0.90	\$ 0.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 2.00	\$ 2.13	\$ 2.26	\$ 2.40	\$ 2.54	\$ 2.70
3. For users contributing wastewater which is greater strength than normal domestic sewage, the following surcharge is added:												
\$0.16 per pound BOD (biological oxygen demand)												
\$0.18 per pound SS (suspended solids)												
Large contributor (over 500,000 gallons) \$0.104 per pound BOD (biological oxygen demand)												
\$0.117 per pound SS (suspended solids)												

STORM WATER	2009	2010*	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1. Developed residential assessment per living unit	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 7.00	\$ 7.00
2. For each living unit served by more than one water meter, \$3.00 per month per additional meter	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 5.00	\$ 5.00
3. Undeveloped residential property per month per lot or tract	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 5.00	\$ 5.00

(1) Residential users are billed based on average monthly water usage during the months of January, February, and March. Commercial users are billed based on water consumption each month.

(2) Storm water utility became effective in 2009

*Two rate changes in 2010, second rate increase 9/10/10 to 12/31/10.

CITY OF JUNCTION CITY, KANSAS
TEN LARGEST WATER AND WASTEWATER UTILITY CUSTOMERS
AS OF DECEMBER 31, 2016

Customer	Water Revenue		Sewer Revenue	
	Amount	Percent	Amount	Percent
ARMOUR EXKRICH	\$268,788.37	5.24%	ARMOUR ECKRICH	\$739,290.13 13.42%
CITY OF GRANDVIEW PLAZA	\$145,309.01	2.83%	GEARY COMMUNITY HOSPITAL	\$55,465.00 1.01%
PENN ENTERPRISES	\$80,100.06	1.52%	PENN ENTERPRISES	\$55,685.12 1.01%
GEARY COMMUNITY HOSPITAL	\$78,022.03	1.56%	HODGDON POWDER COMPANY	\$33,120.00 0.60%
JUNGHANS AGENCY	\$41,089.90	0.80%	JUNGHANS AGENCY	\$26,714.47 0.48%
GREEN PARK APARTMENTS	\$26,796.06	0.52%	CEDAR POINT CAR WASH	\$16,112.62 0.29%
CEDAR POINT CAR WASH	\$26,080.28	0.51%	GREEN PARK APARTMENTS	\$15,827.29 0.29%
USD 475	\$26,241.53	0.51%	NORTHWOOD AMERICAN LC	\$15,764.72 0.29%
NORTHWOOD AMERICAN LODGING	\$25,587.93	0.49%	USD 475 - HIGH SCHOOL	\$15,397.87 0.28%
RURAL WATER DISTRIC # 1	\$24,986.44	0.50%	WINEGARDNER & HAMMONS	\$13,078.70 0.24%
Subtotal (10 largest)	\$718,015.17	13.99%		\$986,455.92 17.90%
Balance from other customers	\$4,270,976.62	83.23%	Balance from other customers	\$4,425,005.79 80.30%
Grand Total	\$5,131,712.55	100.00%	Grand Total	\$5,510,834.03 100.00%

City of Junction City, Kansas
Assessed and
Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Utilities	Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed to Total Estimated Actual Value
2009	\$ 150,132,743	\$ 6,036,910	\$ 5,364,037	\$ 165,026,671	48.474	\$ 1,112,580,891	14.83%
2010	\$ 156,333,878	\$ 5,341,390	\$ 5,329,524	\$ 167,004,792	48.282	\$ 1,128,182,386	14.80%
2011	\$ 159,395,617	\$ 4,542,902	\$ 5,702,414	\$ 169,640,933	50.257	\$ 1,152,876,108	14.71%
2012	\$ 160,411,817	\$ 4,426,706	\$ 7,073,239	\$ 171,911,762	47.841	\$ 1,155,720,247	14.87%
2013	\$ 161,129,693	\$ 4,218,203	\$ 7,662,284	\$ 173,010,180	47.635	\$ 1,164,604,565	14.90%
2014	\$ 162,987,182	\$ 3,087,175	\$ 8,302,106	\$ 174,376,463	47.666	\$ 1,177,486,959	14.81%
2015	\$ 165,518,313	\$ 3,478,915	\$ 8,934,896	\$ 177,932,124	47.714	\$ 1,183,325,319	15.04%
2016	\$ 166,521,128	\$ 2,961,204	\$ 9,248,288	\$ 178,730,620	48.089	\$ 1,197,845,374	14.92%
2017	\$ 163,847,940	\$ 2,776,258	\$ 9,066,607	\$ 175,690,805	48.089	\$ 1,168,918,812	15.03%
2018	\$ 160,761,225	\$ 2,638,894	\$ 9,355,482	\$ 172,755,601	48.115	\$ 1,147,833,059	15.05%
2019	\$ 161,891,264	\$ 2,489,853	\$ 9,877,208	\$ 174,258,325	48.345	\$ 1,159,514,895	15.03%

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Source: Geary County Clerk
Note: Does not include penalty amounts.

CITY OF JUNCTION CITY, KANSAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	Basic Rate	Debt Service	Library	Total Direct Rate	USD 475	Geary County	State of Kansas	Total
2007	38.653	14.961	3.78	47.394	44.695	50.468	1.5	144.057
2008	27.911	17.032	3.329	48.272	43.261	46.663	1.5	139.696
2009	24.314	20.494	3.666	48.474	45.566	49.598	1.5	145.138
2010	26.84	16.75	4.708	48.282	45.445	53.126	1.5	148.353
2011	10.589	35.138	4.623	50.35	45.499	53.39	1.5	150.605
2012	10.233	33.172	4.436	47.841	45.823	52.205	1.5	147.369
2013	14.324	28.87	4.436	47.635	45.961	54.084	1.5	149.180
2014	18.578	24.865	4.223	47.666	43.525	60.827	1.5	153.518
2015	21.98	21.545	4.189	47.714	43.525	67.478	1.5	160.217
2016	22.258	21.742	4.089	48.089	43.525	73.614	1.5	166.728
2017	17.148	23.651	4.299	48.095	43.525	72.005	1.5	165.125
2018	25.173	16.424	4.162	48.115	43.528	70.470	1.5	162.613
2019	22.98	17.744	4.61	48.345	43.584	70.949	1.5	209.712

Source: Geary County Clerk

City of Junction City, Kansas
Ten Largest Tax Payers
Ten Year Comparison

2019				2008			
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
1	Westar Energy	\$ 6,715,669.00	3.85%	1	Bluffs LLC	\$ 3,573,225	6.71%
2	F.W. Woolworth Co.	\$ 3,801,225.00	2.18%	2	F.W. Woolworth Co.	\$ 3,000,000	3.40%
3	Bluffs - Capital Solutions	\$ 3,290,245.00	1.89%	3	Armour-Eckrich	\$ 2,625,651	2.92%
4	Armour-Eckrich	\$ 2,339,123.00	1.34%	4	Hammons, John Q	\$ 2,375,000	2.69%
5	Wal-Mart Real Estate	\$ 2,164,921.00	1.34%	5	Westar Energy	\$ 2,268,238	2.30%
6	Kansas Gas Service	\$ 1,871,344.00	1.24%	6	Wal-Mart Real Estate	\$ 1,916,954	1.70%
7	Hammons, John Q.	\$ 1,711,055.00	1.04%	7	Patriot Group	\$ 1,725,943	1.62%
8	Edwards, Richard	\$ 1,812,181.00	0.98%	8	Kansas Gas Service	\$ 1,455,674	1.53%
9	Kansas Point Apartments	\$ 1,577,873.00	1.07%	9	United Telephone	\$ 1,406,965	1.14%
10	Arsenault, Investments	\$ 1,077,114.00	0.62%	10	Foot Locker Retail/Venator	\$ 1,207,655	0.70%
Total Taxable Assessed Value in 2019		\$174,258,325		Total Taxable Assessed Value in 2008		\$181,870,589	

Source: Geary County Clerk

CITY OF JUNCTION CITY, KANSAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year	*Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	**Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Tax Levy	Outstanding Delinquent Tax	Outstanding Delinquent Taxes as a Percent of Current Levy
2009	\$ 7,946,869	\$ 7,434,184	93.55%	\$ 206,332	\$ 7,604,516	96.14%	\$ 443,429	5.58%
2010	\$ 8,036,437	\$ 7,593,081	94.48%	\$ 291,900	\$ 7,884,981	98.12%	\$ 443,149	5.51%
2011**	\$ 8,473,519	\$ 8,206,048	96.84%	\$ 720,804	\$ 8,926,852	105.35%	\$ 267,322	3.15%
2012	\$ 8,361,778	\$ 8,034,670	96.09%	\$ -	\$ 8,034,670	96.09%	\$ 278,919	3.34%
2013	\$ 8,381,011	\$ 8,027,870	95.79%	\$ 375,117	\$ 8,402,987	100.26%	\$ 315,106	3.76%
2014	\$ 8,562,672	\$ 7,983,131	93.23%	\$ 243,076	\$ 8,226,207	96.07%	\$ 583,424	6.81%
2015	\$ 8,722,531	\$ 8,022,142	91.97%	\$ 30,979	\$ 8,053,121	92.33%	\$ 692,484	7.94%
2016	\$ 8,802,881	\$ 8,233,155	93.53%	\$ 86,474	\$ 8,319,629	94.51%	\$ 483,252	5.49%
2017	\$ 8,585,333	\$ 8,124,986	94.64%	\$ 182,992	\$ 8,307,978	96.77%	\$ 460,345	5.36%
2018	\$ 8,540,150	\$ 7,978,511	93.42%	\$ 194,170	\$ 8,172,681	95.70%	\$ 561,639	6.58%
2019	\$ 8,593,755	\$ 7,741,571	90.08%	\$ 195,506	\$ 7,937,077	92.36%	\$ 852,184	9.92%

Source: Geary County Treasurer

*Total tax levied includes adds and abates. Excludes large trucks and special assessments.

**May reflect 0 amount at which time, collections undistributed.

City of Junction City, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Per Capita
	General Obligation Bonds	Special Assessment Debt	KDOT Revolving Loans	Capital Lease Obligations	Notes Payable	Temporary Notes	General Obligation Bonds	K.D.H.E. Revolving Loan	Notes Payable	Capital Lease Obligations		
2007	\$ 41,270,000	\$ -	\$ 3,394,389	\$ 65,840,000	\$ -	\$ 6,002,444	\$ 10,465,000	\$ 8,415,417	\$ -	\$ 525,813	\$ 135,913,063	\$ 6,776
2008	\$ 53,762,000	\$ -	\$ 7,866,803	\$ 57,690,000	\$ -	\$ 5,728,874	\$ 11,835,000	\$ 8,028,480	\$ -	\$ 912,547	\$ 145,823,704	\$ 7,055
2009	\$ 41,251,463	\$ 45,022,874	\$ 14,941,048	\$ 5,837,604	\$ -	\$ 32,435,000	\$ 11,730,000	\$ 7,902,304	\$ 789,870	\$ 306,703	\$ 160,216,866	\$ 7,979
2010	\$ 59,636,939	\$ 62,658,956	\$ 15,265,655	\$ 5,104,950	\$ -	\$ -	\$ 10,875,000	\$ 7,740,887	\$ 719,446	\$ 245,408	\$ 162,247,241	\$ 6,948
2011	\$ 61,866,529	\$ 60,970,581	\$ 14,497,537	\$ 749,234	\$ -	\$ -	\$ 10,765,000	\$ 7,299,593	\$ 645,233	\$ 167,344	\$ 156,961,051	\$ 7,324
2012	\$ 59,348,137	\$ 58,529,603	\$ 13,661,758	\$ 1,366,638	\$ 567,814	\$ -	\$ 9,800,000	\$ 6,785,481	\$ -	\$ 654,551	\$ 150,713,982	\$ 6,276
2013	\$ 57,853,046	\$ 55,615,724	\$ 12,783,257	\$ 968,153	\$ 487,031	\$ -	\$ 8,869,586	\$ 6,316,556	\$ -	\$ 513,261	\$ 143,406,614	\$ 5,555
2014	\$ 54,967,596	\$ 53,050,057	\$ 11,877,072	\$ 1,808,113	\$ 431,277	\$ -	\$ 7,826,597	\$ 5,832,674	\$ -	\$ 628,566	\$ 136,421,952	\$ 5,284
2015	\$ 52,055,296	\$ 50,391,760	\$ 10,935,283	\$ 3,329,844	\$ 787,185	\$ -	\$ 6,748,608	\$ 5,333,523	\$ -	\$ 632,140	\$ 130,213,639	\$ 5,322
2016	\$ 81,521,495	\$ 19,358,528	\$ 9,956,488	\$ 2,701,812	\$ 469,011	\$ -	\$ 5,826,502	\$ 8,369,575	\$ -	\$ 627,904	\$ 128,831,315	\$ 5,328
2017	\$ 77,220,225	\$ 17,247,374	\$ 9,075,508	\$ 2,128,877	\$ 148,675	\$ -	\$ 4,939,712	\$ 17,754,391	\$ -	\$ 469,693	\$ 134,375,951	\$ 5,845
2018	\$ 67,914,320	\$ 15,062,463	\$ 8,351,491	\$ 828,996	\$ 50,123	\$ -	\$ 4,224,004	\$ 29,726,662	\$ -	\$ 319,950	\$ 131,869,505	\$ 5,962
2019	\$ 62,884,665	\$ 12,791,733	\$ 7,599,035	\$ 1,340,115	\$ -	\$ -	\$ 3,889,519	\$ 28,789,437	\$ -	\$ 155,997	\$ 117,450,501	\$ 5,310

Debt listed as of December 31

July 1, 2017 estimated population from US Census = 22,988

City of Junction City, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2017:

Assessed Valuation (1)

Legal Debt Limit at 37% of AV (2)

General Obligation Bonds Outstanding

Outstanding GO Debt Applicable to Debt Limit

Legal Debt Margin

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 73,413,489	\$ 68,796,606	\$ 69,454,577	\$ 69,918,259	\$ 70,486,430	\$ 72,017,789	\$ 72,522,779	\$ 66,781,502	\$ 66,642,553	\$ 59,247,831
Total Net Debt Applicable to Limit	\$ 68,910,263	\$ 67,860,839	\$ 64,843,235	\$ 62,640,908	\$ 59,410,241	\$ 56,091,866	\$ 52,748,992	\$ 48,959,557	\$ 45,038,304	\$ 40,986,855
Legal Debt Margin	\$ 4,503,226	\$ 935,767	\$ 4,611,342	\$ 7,277,351	\$ 11,076,189	\$ 15,925,923	\$ 19,773,787	\$ 17,821,945	\$ 21,604,249	\$ 18,260,976
⌘ Total net debt applicable to the limit as a percentage of debt limit	94%	99%	93%	90%	84%	78%	73%	73%	68%	69%

(1) Includes motor vehicle valuation.

(2) Debt limit is set at 30% of assessed valuation per state statute. In 2009 the statute was amended for the City of Junction City scheduled to decline to 37% in 2011, 34% in 2013 and 30% in 2015. In early 2012, the statute was amended a second time and the decline in limit was revised to remain at 37% until July 1, 2016, 34% until July 1, 2020 and 30% thereafter.

City of Junction City, Kansas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal	General	Less		Actual	Percent of		
Year	Bonds (1)	Amount	Total	Taxable	Actual	Population (3)	Per
		Available		Value of	Taxable		Capita
		in Debt		Property	Value of		
		Service					
		Fund (2)					
2007	\$ 41,270,000	\$ 963,655	\$ 40,306,345	\$ 141,512,401	28.48%	20,059	\$ 2,009
2008	\$ 53,762,000	\$ 435,817	\$ 53,326,183	\$ 163,662,593	32.58%	20,671	\$ 2,580
2009	\$ 52,981,463	\$ -	\$ 60,225,000	\$ 165,153,442	29.13%	21,931	\$ 2,746
2010	\$ 128,035,896	\$ -	\$ 128,035,896	\$ 167,004,792	76.67%	23,353	\$ 5,483
2011	\$ 123,993,559	\$ 2,290,853	\$ 121,702,706	\$ 169,325,891	71.87%	24,440	\$ 4,980
2012	\$ 120,207,668	\$ 2,085,600	\$ 118,122,068	\$ 171,911,762	74.70%	25,817	\$ 4,575
2013	\$ 117,842,419	\$ 2,949,451	\$ 114,892,968	\$ 173,010,180	66.41%	25,817	\$ 4,450
2014	\$ 108,950,876	\$ 3,016,451	\$ 105,934,425	\$ 174,367,463	60.75%	25,388	\$ 4,173
2015	\$ 103,967,787	\$ 3,131,394	\$ 100,836,393	\$ 177,932,124	56.67%	24,665	\$ 4,088
2016	\$ 100,880,023	\$ 2,304,121	\$ 98,575,902	\$ 178,730,620	55.15%	24,180	\$ 4,077
2017	\$ 94,467,599	\$ 2,591,112	\$ 91,876,487	\$ 175,690,805	52.29%	22,988	\$ 3,997
2018	\$ 83,801,783	\$ 2,021,151	\$ 81,780,632	\$ 172,755,601	47.34%	22,120	\$ 3,697
2019	\$ 76,885,301	\$ 861,241	\$ 76,024,060	\$ 174,258,325	43.63%	21,482	\$ 3,539

(1) Does not include GO bonds that are paid by utility funds.

(2) Cash As of December 31st

(3) As of July 1 prior year from US Census Bureau

City of Junction City, Kansas
Direct and
Overlapping Governmental Debt Activities

As of December 31, 2016

Government Unit:	Debt Outstanding	Estimated Percentage Applicable**	Estimated Share of Direct and Overlapping Debt
Geary County	\$ 25,975,000	67.9%	\$ 17,637,025
U.S.D. #475 School District	<u>121,900,000</u>	67.9%	<u>82,770,100</u>
Total Estimated Overlapping Debt	\$ 147,875,000		\$ 100,407,125
DIRECT DEBT			
City of Junction City	<u>\$ 117,450,501</u>	100.0%	<u>\$ 117,450,501</u>
DIRECT & ESTIMATED OVERLAPPING DEBT	<u><u>\$ 265,325,501</u></u>		<u><u>\$ 217,857,626</u></u>

Source: Office of Geary County Clerk

*Numbers provided by County were for June 30, 2018

**Per person within city limits based on July 1, 2018 estimated population.

Junction City = 22120 Geary County = 32,549

(1) Information represents the share of the respective debt which are obligations of the citizens of Junction City.

City of Junction City, Kansas
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal & Interest	Coverage
2009	\$ 7,665,298	\$ 6,131,616	\$ 1,533,682	\$ 1,915,830	80%
2010	\$ 8,009,136	\$ 7,712,856	\$ 1,974,702	\$ 1,678,422	118%
2011	\$ 8,719,225	\$ 5,180,850	\$ 3,538,375	\$ 896,655	395%
2012*	\$ 10,004,859	\$ 5,935,892	\$ 4,068,967	\$ 1,323,232	307%
2013	\$ 9,580,170	\$ 6,445,000	\$ 3,135,170	\$ 2,049,426	153%
2014	\$ 9,950,736	\$ 6,405,590	\$ 3,545,146	\$ 2,032,415	174%
2015	\$ 9,939,474	\$ 6,763,085	\$ 3,176,389	\$ 2,034,982	156%
	WATER:				
2016**	\$ 5,294,769	\$ 3,018,168	\$ 2,276,601	\$ 640,872	355%
	WASTEWATER				
2016**	\$ 5,538,928	\$ 3,384,443	\$ 2,154,485	\$ 1,419,476	152%
	WATER:				
2017	\$ 5,636,854	\$ 3,228,918	\$ 2,407,936	\$ 868,562	277%
	WASTEWATER				
2017	\$ 5,810,768	\$ 3,898,489	\$ 1,912,279	\$ 883,674	216%
	WATER:				
2018	\$ 5,747,108	\$ 3,529,185	\$ 2,217,923	\$ 1,047,617	212%
	WASTEWATER				
2018	\$ 6,150,387	\$ 3,913,457	\$ 2,236,929	\$ 1,513,594	148%
	WATER:				
2019	5,543,406	3,676,695	1,866,711	\$ 963,691	194%
	WASTEWATER				
2019	5,372,257	3,893,892	1,478,365	\$ 1,398,522	106%

*City took over operations of water & wastewater distribution system in 2012.

**In 2016 water and wastewater utility budget split to form separate utilities.

City of Junction City
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Income (3)	Public School Enrollment (4)	Unemployment Rate (5)	Median Age (6)
2009	21,931	\$ 954,371,327	\$43,517	6,983	3.4	30.4
2010	23,353	\$ 960,812,479	\$41,143	7,868	7.9	n/a
2011	24,440	\$ 1,070,936,360	\$43,819	8,151	6.7	n/a
2012	25,817	\$ 1,076,078,377	\$41,681	7,905	7.3	n/a
2013	25,817	\$ 1,091,336,224	\$42,272	8,089	6.9	26.6
2014	25,388	\$ 1,100,645,964	\$43,353	8,172	6.5	29.3
2015	24,621	n/a	n/a	7,732	5.5	29
2016	24,180	n/a	\$44,203	7,686	5.1	26.8
2017	22,988	n/a	\$45,106	7,302	4.9	26.5
2018	22,120	n/a	\$47,217	6,834	4.8	27
2019	21,482	n/a	\$50,463	7,407	4.7	27.2

- (1) US Census Bureau as of July 1, 2018
- (2 & 3) US Census Bureau Fact Finder based on 2018 surveys
- (4) Unified School District #475, 920 count for YR2017-2018
- (5) Home Facts
- (6) US Census Bureau Fact Finder based on 2018 surveys

**City of Junction City
Principal Employers**

Employers	2018	Employers	2006*
	Estimated Number of Employees		Estimated Number of Employees
Fort Riley Civil Service (1) Civilian employees	5400	Fort Riley Civil Service Civilian employees	2591
U.S.D. #475 School District	1,671	U.S.D. #475 School District	1,235
Foot Locker Distribution Center	600	Foot Locker Inc.	867
Smithfield Foods	500	Geary Community Hospital	419
Geary Community Hospital	500	Armour Eckrich	450
Advanced Call Center Technolo	350	Geary County	200
Geary County	210	City of Junction City	182
City of Junction City	227	Kaw Valley Engineering	126
Dillons	140	Central National Bank	103
Valley View Senior Life	145		

(1) Information Provided by Junction City/Geary County Economic Development
Fort Riley spans two counties (Geary and Riley).

2019 Numbers were not available at the time this was put together

City of Junction City, Kansas
Full-time Employees by Department
Last Ten Fiscal Years

	2007		2008		2009		2010		2011		2012**		2013		2014		2015		2016		2017		2018		2019	
Governmental Activities:	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
General Government																										
General Administration	6	3.17	6	3.01	6	3.04	4	4.43	4	5.09	4	2.07	4	2.07	4	2.05	4	2.01	4	2.00	4	2.01	5	2.48	3	1.49
Human Resources	2.5	1.32	2.5	1.25	2	1.01	1	0.63	1	0.64	1	0.52	1	0.52	1	0.51	1.5	0.75	1.5	0.75	1.5	0.75	2.5	1.24	3	1.49
Information Services	5	2.65	4	2.01	4	2.03	2	1.27	2	0.64	1	0.52	1	0.52	2	1.03	2	1.00	2	1.00	2	1.01	2	0.99	2	0.99
Economic Development	3	1.59	3	1.50	3	1.52	2	1.27	2	1.27	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Building Maintenance	1	0.53	1	0.50	1	0.51	1	0.63	1	0.637	3	1.55	3	1.55	3	1.54	3	1.50	3	1.50	3	1.51	3	1.49	3	1.49
Public Safety																										
Police Department	74	39.15	77	38.60	73	36.96	73	39.87	73	40.13	73	37.82	75	38.76	75	38.46	76.5	38.35	77	38.40	77	38.69	69	34.24	69	34.24
Fire/EMS Department	49	25.93	51	25.56	55	27.85	53	31.65	53	31.85	53	27.46	53	27.39	53	27.18	53	26.57	53	26.43	53	26.63	47	23.33	47	23.33
Codes/Inspection	7	3.70	7	3.51	5	2.53	3	1.58	3	1.59	3	1.55	3	1.55	4	2.05	5	2.51	5	2.49	5	2.51	5	2.48	5	2.48
Municipal Court	5	2.65	5		5		5		5		6	3.11	6	3.10	5	2.56	6.5	3.26	6.5	3.24	6.5	3.27	6	2.98	6	2.98
Public Works																										
Engineering	3	1.59	3	1.50	2	1.01	2	1.58	2	1.59	2	1.04	3.5	1.81	4	2.05	3	1.50	1	0.50	1	1.00	0	1.00	0	0.00
Self Help Housing	3	1.59	3.5	1.75	3	1.52	3	1.90	3	1.91	3	1.55	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Streets **	0	0.00	0	0.00	0	0.00	0	0.00	0	0	12	6.22	12	6.20	12	6.15	12	6.02	13	6.48	12	6.03	12	5.96	12	5.96
Culture & Recreation																										
Recreation	2.5	1.32	3	1.50	3	1.52	2	1.27	1	0.64	1	0.52	1	0.52	1	0.51	1	0.50	1.5	0.75	1.5	0.75	5	2.48	5	2.48
Parks	7	3.70	10.5	5.26	10.5	5.32	7	4.43	7	4.46	6	3.11	6	3.10	6	3.08	6	3.01	6	2.99	7	3.52	8	3.97	8.5	4.22
Junction City Arts	0	0	2	1.00	2	1.01	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Spin City	0	0	0	0	2	1.01	2	0.63	1	0.64	2	1.04	1	0.52	1	0.51	1	0.50	1	0.50	1	0.50	7.5	0.50	7.5	3.72
Rolling Meadows Golf Course	5	2.65	5	2.51	5	2.53	5	3.16	5	3.18	2	1.04	3	1.55	3	1.54	3	1.50	3	1.50	2.5	1.26	9.5	4.71	10.5	5.21
Total for Gov't-type Activities	173	91.53	184	91.98	181.5	91.90	149	94.3	148	94.27	172	89.12	173	89.15	174	89.23	178	88.97	178	88.53	177	88.94	182	90.07	182	90.07
Business-type Activities																										
Solid Waste	0		0		0		0		0		6	3.11	6	3.10	6	3.08	6	3.01	6	2.99	6	3.02	4	1.99	4	1.99
Storm Water	0		0		0		0		0		0		0		0		1	0.50	1	0.50	1	0.50	1	0.50	1	0.50
Water/Sewer	16	8.47	16	8.02	16	8.10	16	5.70	16	16	15	7.77	15	7.75	15	7.69	15	7.52	16	7.98	15	7.54	15	7.44	15	7.44
Total Business-type Activities	16	8.47	16	8.02	16	8.10	9	5.70	9	5.73	21	10.88	21	10.85	21	10.77	22	11.03	23	11.47	22	11.06	20	9.93	20	9.93
Total Full-time Employees	189		200		197.5		158		157		193		194		195		200		201		199		202		202	

*2012 to 2016 Full-time equivalent for regularly scheduled employees with 25 hrs/week or more. Regular part-time is designated as .5.

**2012 the city took over public works operations that had been contract services since 1999.

Worksheet revised 2016 to correct historical numbers.

City of Junction City, Kansas
Operating Indicators by Function / Program
Last Ten Fiscal Years

Function/Program:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government												
Building Permits Issued	348	1,209	1,042	1,022	958	994	1,090	1,174	1,304	1,126	824	1,478
Building Inspections Conducted	13,547	8,322	7,987	4,675	4,572	3,637	3,700	4,340	2,195	2,087	826	2,876
Police												
Physical Arrests	2,069	2,086	2,321	2,444	2,396	1,708	2,431	3,032	2,886	2,994	2,339	1,920
Traffic Violations	10,848	7,332	7,867	7,724	8,232	6,314	6,678	5,743	5,337	6,234	6,127	6,881
Fire												
Fire Calls	1,235	1,736	1,693	1,625	1,712	1,683	1,559	1,691	1,832	1,859	1,704	1,456
Emergency Medical Service Calls	2,726	2,705	2,627	2,652	2,804	2,815	2,921	3,188	3,120	3,115	3,094	3,231
Parks & Recreation												
Golf course (Rounds of Golf)	21,513	21,575	17,567	14,468	17,016	12,952	15,678	17,346	15,359	15,427	12,881	13,274
Golf course (Rounds per Special Events)	1,763	2,198	2,160	1,431	808	1,077	571	1,564	1,263	1,506	1,093	880
Water												
Average daily consumption (gallons x 1,000)	2,860,000	2,939,748	3,419,414	3,268,000	3,190,000	2,904,667	2,973,000	2,888,000	2,928,000	2,924,000	2,837,019	2,563,468
Peak daily consumption (gallons x 1000)	4,516,000	4,358,000	5,734,000	6,216,000	5,620,000	5,229,000	6,331,000	5,719,000	5,260,000	4,705,000	4,003,677	4,074,712
Wastewater												
East Plant Average daily sewage treatment (gallons)	1,462,000	1,493,000	1,873,000	1,694,000	1,650,000	1,630,000	1,572,000	1,513,000	1,494,000	1,451,000	1,544,066	1,618,137
SW Plant Average daily sewage treatment (gallons)	672,000	689,000	745,000	818,166	715,000	770,000	816,000	831,000	855,000	799,000	778,778	772,110

City of Junction City, Kansas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Police</u>											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	7	7	7	7	7	7	7	9	9	9
<u>Fire Stations</u>											
	2	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>											
Streets (miles)	149	149	149	149	149	149	149	150	150	150	150
Streetlights	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,647	502	502
Traffic Signals	15	19	18	18	18	18	18	18	22	21	21
<u>Parks & Recreation</u>											
Public Parks	18	18	19	19	19	19	19	19	19	19	19
Swimming Pools	1	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Fields	5/6	5/6	7	7	7	7	7	7	10	10	10
Tennis Courts	7	7	6	6	6	6	6	6	6	6	6
Community Centers	2	1*	1	1	1	1	1	1	1	1	1
Spin City Recreation Complex	1	1	1	1	1	1	1	1	1	1	1
Rathert Stadium									1	1	1
<u>Water</u>											
Water mains (miles)	123.3	123.3	123.3	123.3	123.3	123.3	123.3	123.3	123.3	123.3	123.3
Storage capacity (gallons)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	3,500,000	3,500,000	3,500,000
<u>Wastewater</u>											
Sanitary sewers (miles)	107	107	107	107	107	107	107	130.9	130.9	130.9	130.9
Treatment daily capacity (gallons)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<u>Storm water</u>											
Storm sewers (miles)	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	51.4	51.4	51.4

Source: City of Junction City, Kansas Departments

*Summer Fun Club Building is no longer used.