

CITY OF JUNCTION CITY, KANSAS

Annual Comprehensive Financial Report

Year Ended December 31, 2022

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, 2022

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July 7, 2023

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, 2022, 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 the 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 opening of the new military hospital in the past five 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. This was very true in the fall of 2019 when troops returned to Fort Riley after being deployed. Sales tax receipts sky-rocketed and fortunately have continued to do so. With the current world situation, there is continued deployments, but this community understands that the role of Fort Riley is to prepare soldiers to defend our Country.

Efforts continue in the area of Economic Development. Camso/Michelin established a plant to manufacture rubberized tracks for the agriculture industry. This plant has exceeded all projections for growth in the number of employees which began with about 20 in 2020 and has grown to more than 200 employees in 2023. Recently a major expansion of that firm has been announced and future employment growth is anticipated.

In conjunction with the Junction City Area Chamber of Commerce prospects for business and industry are being sought on an aggressive basis with a number of prospects very active at this time.

A new \$155 million dollar plus high school is has constructed and this improvement should help to draw more businesses and people to the community. The building was opened in August of 2021.

Sales tax revenue has shown a continuous growth beginning in 2020. A good indication of a strong local economy.

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.

Recently sales of these lots have improved as the demand for houses is increasing and supply has decreased. The location of these lots near the new High School has been advantageous and demand is increasing.

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 City is now providing basic street maintenance that has 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 utilized a number of KDOT grants to provide funds for street improvements and transportation enhancements. The City has is now emphasizing alley and sidewalks improvements as well.

GRANT AWARDS

The City continues to seek grant opportunities through a number of programs such as Community Development Block Grants and the Kansas Department of Transportation (KDOT). These programs have allowed for more public improvements. The City has also secured low interest loans through the Kansas Department of Health and Environment (KDHE) for water and wastewater improvements.

The Covid-19 Pandemic has allowed more grant funds to be available to the City. This includes funding for Police, EMS, Airport as well as the SPARKS and ARPA programs. The impact of these funds will be positive for a number of years.

FINANCIAL PICTURE

The City's assessed property valuation remained stable with a major uptick in 2022 and 2023. 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 a 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. This analysis has been reviewed twice to take in account other needed improvements. The City was awarded a KDHE Wastewater Revolving Loan for improvements at the two wastewater treatment plants and has water plant improvements. Phase 2 improvements to all three plants are underway. 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 wastewater funds and other needs will be addressed.

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 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 ended 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. The recent increases in sales tax revenue also allow more flexibility in addressing the 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. This policy was updated in late 2021 to reflect needed adjustments and changes. 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. 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. This business plan was readdressed and adjusted in 2020 to provide the long-term capital plans with recommended rate structures to ensure that the City can make the needed improvements.

BUDGETARY CONTROLS

The City adopted new, stricter fiscal policies in 2011, which are utilized daily by staff. This plan has been recently updated. 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 four years cash reserves have averaged more than \$30,000,000 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.

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 built a cash reserve to help to stabilize these cost in future years. The City is also seeing a decrease in worker's compensation costs due to various practices being employed by the City.

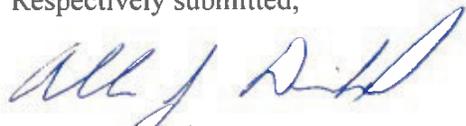
INDEPENDENT AUDIT

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,



Allen J. Dinkel
City Manager

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **City of Junction City, Kansas**, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit of **City of Junction City, Kansas** as of December 31, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund and Aggregate Remaining Fund Information

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 **City of Junction City, Kansas**, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements of the Dorothy Bramlage Public Library, a discretely presented component unit of **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 statements 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of Junction City, Kansas'** basic financial statements. The statements and schedules under the supplementary information section in the accompanying table of contents and other information including the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

July 18, 2023

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

December 31, 2022

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, 2022. 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, 2020, and 2021 has offered a great savings in interest costs and will allow great financial savings to the City.
- The City continues 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 22. 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 \$107,617,726 at the close of 2022. The City's net position increased by \$8,252,643. The governmental activities increased by \$7,312,577. The business type activities increased by \$940,066.

City of Junction City
Government-Wide Financial Statements

	Governmental Activities		Business-Type Activities	
	2021	2022	2021	2022
Current Assets	\$ 48,167,418	\$ 50,599,334	\$ 22,126,951	\$ 17,755,691
Capital Assets	70,769,800	70,095,739	86,497,860	91,279,269
Deferred Outflows of Resources	3,975,579	6,355,944	299,266	470,055
Total Assets and Deferred Outflows	<u>\$ 122,912,797</u>	<u>\$ 127,051,017</u>	<u>\$ 108,924,077</u>	<u>\$ 109,505,015</u>
Current Liabilities	\$ 14,114,657	\$ 15,832,045	\$ 2,819,694	\$ 4,546,215
Long-Term Liabilities	81,250,016	78,948,410	21,554,855	19,745,218
Deferred Inflows of Resources	12,445,602	9,855,463	286,967	10,955
Total Liabilities and Deferred Inflows	<u>\$ 107,810,275</u>	<u>\$ 104,635,918</u>	<u>\$ 24,661,516</u>	<u>\$ 24,302,388</u>
Net Position				
Net Investment in Capital Assets	\$ 1,855,384	\$ 3,601,578	\$ 64,523,334	\$ 69,992,097
Restricted	15,197,503	13,294,631	-	-
Unrestricted	(1,950,365)	5,518,890	19,739,227	15,210,530
Total Net Position	<u>\$ 15,102,522</u>	<u>\$ 22,415,099</u>	<u>\$ 84,262,561</u>	<u>\$ 85,202,627</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 total net position of \$22,415,099 represents resources that are subject to external restrictions on how they may be used. There was a decrease of \$1,902,872 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	
	2021	2022	2021	2022
Revenues				
Program Revenues				
Charges for Services	4,053,054	4,399,164	16,213,576	16,264,592
Operating Grants and Contributions	3,434,135	5,612,846	-	-
Capital Grants and Contributions	628,878	599,062	-	-
General Revenues				
Property Taxes	9,864,739	9,577,484	-	-
Sales Taxes	13,218,727	13,828,670	-	-
Franchise Taxes	1,799,530	2,138,190	-	-
Other	2,817,815	3,163,741	470,135	995,169
Total Revenue	<u>35,816,878</u>	<u>39,319,157</u>	<u>16,683,711</u>	<u>17,259,761</u>
Expenses				
General Government	3,367,670	4,449,278	-	-
Public Safety	10,444,315	13,101,924	-	-
Public Works	6,720,426	6,474,142	-	-
Culture and Recreation	2,391,099	2,964,967	-	-
Economic Development	1,330,034	882,476	-	-

Public Health and Sanitation	3,587,360	4,110,952	-	-
Interest on Long-term Debt	2,802,849	2,642,841	-	-
Water	-	-	3,887,776	6,104,910
Sewer	-	-	4,048,592	5,079,911
Stormwater	-	-	593,597	1,241,884
Sanitation	-	-	1,196,465	1,272,990
Total Expenses	<u>30,643,753</u>	<u>34,626,580</u>	<u>9,726,430</u>	<u>13,699,695</u>
Change in Net Position				
Before Transfers	5,173,125	4,692,577	6,957,281	3,560,066
Transfers	<u>1,892,928</u>	<u>2,620,000</u>	<u>[1,892,928]</u>	<u>[2,620,000]</u>
Change in Net Position	7,066,053	7,312,577	5,064,353	940,066
Net Position, Beginning of Year	<u>8,036,469</u>	<u>15,102,522</u>	<u>79,198,208</u>	<u>84,262,561</u>
Net Position, End of Year	<u>\$ 15,102,522</u>	<u>22,415,099</u>	<u>84,262,561</u>	<u>85,202,627</u>

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 2022 and 2021, unreserved fund balance of the general fund was \$5,770,925 and \$6,030,561, respectively.

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 City split the Water/Wastewater Fund in 2017 to a Water Fund and a Sewer Fund.

In 2022 and 2021, unrestricted fund balance of the Water Fund amounted to \$3,697,301 and \$8,333,951, the Sewer Fund amounted to \$5,934,612 and \$5,442,830, and the Stormwater Fund amounted to \$1,645,387 and \$1,888,349, respectively. In 2022 and 2021, the non-major proprietary fund balance for Solid Waste Fund amounted to \$3,933,230 and \$4,074,097, respectively. The total change in net position from 2022 to 2021 for the water fund was a decrease of \$4,636,650 due to a pending reimbursement from KDHE. The Sewer Fund increased by \$491,782 and the Stormwater Fund decreased by \$242,962. The nonmajor proprietary fund had a decrease of \$140,867.

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 2022 was \$13,828,670, which was an increase of \$609,943 from the prior year. Franchise fees have seen growth as well. 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, 17 single family homes in 2019, 42 in 2020, 47 in 2021, 35 for 2022 new 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, 735 in 2019, 823 in 2020, 925 in 2021, and 1053 in 2022. The total number building permits issued in 2022 was 1,890 as compared to a three-year average of 2,033. 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.

The COVID-19 pandemic started to show an impact in our City in early 2020; however, local shopping increased which resulted in an upward tick for our sales tax revenues. We know at some point the growth will slow down and level off, so we continue to spend responsibly and hold budgeted revenues steady.

The community voted to renew the 1% sales tax for debt service for another ten years which started in 2020. This gives us more flexibility in our general fund for other projects.

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, 2022, amounts to \$161,375,008 (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 5 of the notes to the financial statements.

City of Junction City Capital Assets

	Governmental Activities		Business-Type Activities	
	2021	2022	2021	2022
Construction in Progress	\$ 2,926,728	\$ 4,858,582	\$ 28,373,786	\$ 12,371,618
Land	14,007,622	14,007,622	442,563	452,563
Buildings	21,064,063	21,272,464	25,219,140	25,219,140
Infrastructure	101,730,064	101,730,064	82,818,456	105,822,656
Machinery and Equipment	19,234,927	20,173,881	9,049,524	9,384,333
Right to Use	-	17,081	-	38,785
Not in Use	-	331,188	-	-
Less Accumulated Depreciation	[88,193,604]	[92,295,143]	[59,405,609]	[62,009,826]
Total Capital Assets, Net	<u>\$ 70,769,800</u>	<u>\$ 70,095,739</u>	<u>\$ 86,497,860</u>	<u>\$ 91,279,269</u>

Long-Term Debt

At the end of 2022, the City had total bonded debt outstanding of \$61,008,857 backed by full faith and credit of the city, \$1,850,000 temporary notes, and \$20,979,119 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; and 2017-48.066.
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.
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 12 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	
	2021	2022	2021	2022
General Obligation Bonds	\$ 55,391,810	\$ 48,363,226	\$ 3,793,118	\$ 3,408,771
Special Assessment Debt	10,162,596	9,236,860	-	-
State of KS Revolving Loans	6,002,668	5,156,845	16,903,802	15,822,274
Certificates of Participation	265,000	-	-	-
Temporary Notes	2,500,000	1,885,000	-	-
Lease Purchases - Direct Borrowing	1,391,542	1,704,453	1,277,605	1,267,918
Right-to-Use Equipment Liability	-	17,081	-	37,185
Total	\$ 75,713,616	\$ 66,363,465	\$ 21,974,525	\$ 20,536,148

The City's total debt decreased by a net amount of \$10,788,528 during 2022.

The State of Kansas statutes limit the amount of general obligation debt a government entity may issue up to 30 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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	Dorothy Bramlage Public Library
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
Assets				
Cash and Investments	\$ 15,638,897	14,773,016	30,411,913	997,958
Receivables, Net of Allowance for Uncollectible				
Accounts	3,854,850	2,883,485	6,738,335	-
Taxes	11,738,061	-	11,738,061	-
Special Assessments	12,533,949	-	12,533,949	-
Interest	49,781	99,190	148,971	-
Leases	143,129	-	143,129	-
Other	295,000	-	295,000	-
Prepaid Expenses	146,697	-	146,697	-
Assets Held for Sale	6,198,970	-	6,198,970	-
Capital Assets, Nondepreciable				
Land	14,007,622	452,563	14,460,185	-
Construction in Progress	4,858,582	12,371,618	17,230,200	-
Asset Not In Use	331,188	-	331,188	-
Capital Assets, Depreciable	143,176,409	140,426,129	283,602,538	-
Right to Use Equipment	17,081	38,785	55,866	-
Less: Accumulated Depreciation and Amortization	(92,295,143)	(62,009,826)	(154,304,969)	-
Total Assets	120,695,073	109,034,960	229,730,033	997,958
Deferred Outflows of Resources				
Pension Liability	6,183,876	430,943	6,614,819	-
KPERS Other Postemployment Benefits Liability	56,896	-	56,896	-
Other Postemployment Benefits Liability	23,148	-	23,148	-
Unamortized Loss on Refunding	92,024	39,112	131,136	-
Total Deferred Outflows of Resources	6,355,944	470,055	6,825,999	-
Total Assets and Deferred Outflows of Resources	127,051,017	109,505,015	236,556,032	997,958
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Liabilities				
Accounts Payable	1,539,582	1,704,552	3,244,134	-
Accrued Liabilities	433,995	23,406	457,401	-
Interest Payable	620,361	220,992	841,353	-
Court Bonds Payable	144,466	-	144,466	-
Meter Deposits Payable	-	557,429	557,429	-
Unearned Revenue - Grant Proceeds	3,117,806	-	3,117,806	-
Noncurrent Liabilities				
Due Within One Year	9,975,835	2,039,836	12,015,671	-
Due in More Than One Year	78,948,410	19,745,218	98,693,628	-
Total Liabilities	94,780,455	24,291,433	119,071,888	-
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	9,179,600	-	9,179,600	-
Leases	141,981	-	141,981	-
KPERS Other Postemployment Benefits Liability	98,417	-	98,417	-
Other Postemployment Benefits Liability	111,168	-	111,168	-
Pension Liability	324,297	10,955	335,252	-
Total Deferred Inflows of Resources	9,855,463	10,955	9,866,418	-
Total Liabilities and Deferred Inflows of Resources	104,635,918	24,302,388	128,938,306	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	3,601,578	69,992,097	73,593,675	-
Restricted for Expendable				
Revolving Funds	223,253	-	223,253	-
Equipment	1,157,790	-	1,157,790	-
Debt Service	11,913,588	-	11,913,588	-
Unrestricted	5,518,890	15,210,530	20,729,420	997,958
Total Net Position	\$ 22,415,099	85,202,627	107,617,726	997,958

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

CITY OF JUNCTION CITY, KANSAS
Balance Sheet
Governmental Funds
December 31, 2022

	General	Capital Improvement	Debt Service	Land Bank	Spirit of '76	ARPA	Other Governmental Funds	Total Governmental Funds
ASSETS								
Assets								
Cash and Investments	\$ 1,497,895	737,439	3,327,466	560,968	2,962	3,075,707	6,436,460	15,638,897
Receivables, Net								
Accounts	740,240	-	150,000	-	-	-	2,964,610	3,854,850
Taxes	8,014,080	-	2,339,708	-	-	-	1,384,273	11,738,061
Special Assessments	-	-	12,533,949	-	-	-	-	12,533,949
Leases	143,129	-	-	-	-	-	-	143,129
Due From Other Funds	2,214,368	-	-	-	-	-	-	2,214,368
Prepaid Expenses	-	-	-	-	-	-	100,559	100,559
Accrued Interest	16,477	3,268	14,822	-	-	-	15,214	49,781
Total Assets	\$ 12,626,189	740,707	18,365,945	560,968	2,962	3,075,707	10,901,116	46,273,594
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
Liabilities								
Accounts Payable	\$ 812,888	-	-	164	-	-	859,000	1,672,052
Court Bonds Payable	144,466	-	-	-	-	-	-	144,466
Accrued Liabilities	300,310	-	-	-	-	-	1,207	301,517
Due to Other Funds	-	-	-	-	-	-	2,214,368	2,214,368
Unearned Revenue - Grant Proceeds	-	-	-	-	-	3,075,707	42,099	3,117,806
Total Liabilities	1,257,664	-	-	164	-	3,075,707	3,116,674	7,450,209
Deferred Inflows of Resources								
Unavailable Revenue - Property Taxes	5,455,619	-	2,339,708	-	-	-	1,384,273	9,179,600
Unavailable Revenue - Special Assessments	-	-	12,533,949	-	-	-	-	12,533,949
Leases	141,981	-	-	-	-	-	-	141,981
Total Deferred Inflows of Resources	5,597,600	-	14,873,657	-	-	-	1,384,273	21,855,530
Total Liabilities and Deferred Inflows of Resources	6,855,264	-	14,873,657	164	-	3,075,707	4,500,947	29,305,739
Fund Balance								
Restricted	-	-	3,492,288	-	-	-	4,875,958	8,368,246
Committed	-	-	-	560,804	2,962	-	1,199,080	1,762,846
Assigned	827,813	740,707	-	-	-	-	325,131	1,893,651
Unassigned	4,943,112	-	-	-	-	-	-	4,943,112
Total Fund Balance	5,770,925	740,707	3,492,288	560,804	2,962	-	6,400,169	16,967,855
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,626,189	740,707	18,365,945	560,968	2,962	3,075,707	10,901,116	46,273,594

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 of Governmental Activities
 December 31, 2022

Total Governmental Fund Balances		\$ 16,967,855
<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	162,390,882	
Insurance receivable is	295,000	
Accumulated depreciation is	<u>(92,295,143)</u>	70,390,739
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
		18,732,919
<p>Unamortized early retirement on debt, which results in a consumption of net position applicable to a future reporting period is recognized as deferred outflows in the governmental activities in the statement of net position.</p>		
		92,024
<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>		
		6,263,920
<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>		
		(533,882)
<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	46,131	
Compensated absences	(774,958)	
Net pension liability	(19,681,425)	
Net OPEB obligation	(344,676)	
Net KPERS OPEB obligation	(105,716)	
Loans payable	(5,156,846)	
General obligation bonds payable	(50,248,226)	
Special assessment bonds payable	(9,236,860)	
Spirit loans payable	(1,654,005)	
Right to use equipment liability	(17,081)	
Lease purchase payable	(1,704,453)	
Interest payable	<u>(620,361)</u>	<u>(89,498,476)</u>
Net Position of Governmental Activities		\$ <u><u>22,415,099</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, 2022

	<u>General</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Land Bank</u>	<u>Spirit of '76</u>	<u>ARPA</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Taxes								
Property	\$ 4,989,713	-	2,734,808	-	-	-	1,852,966	9,577,487
Sales	8,562,737	-	5,265,933	-	-	-	-	13,828,670
Franchise	2,138,190	-	-	-	-	-	-	2,138,190
In Lieu of Taxes	45,750	-	-	-	-	-	-	45,750
Charges for Services	2,929,413	-	-	-	-	-	-	2,929,413
Intergovernmental	1,649,020	-	-	-	375,099	202,643	3,985,147	6,211,909
Licenses and Permits	421,027	-	-	-	-	-	-	421,027
Fines and Fees	1,048,724	-	-	-	-	-	-	1,048,724
Special Assessments	11,654	-	2,308,459	-	-	-	-	2,320,113
Use of Money and Property	(686)	8,406	38,388	-	-	-	854,073	900,181
Miscellaneous	920,565	-	150,000	285,000	-	-	800,389	2,155,954
Total Revenues	<u>22,716,107</u>	<u>8,406</u>	<u>10,497,588</u>	<u>285,000</u>	<u>375,099</u>	<u>202,643</u>	<u>7,492,575</u>	<u>41,577,418</u>
Expenditures								
General Government	2,083,710	6,975	-	28,574	-	202,643	3,216,321	5,538,223
Public Safety	11,064,811	-	-	-	-	-	1,518,149	12,582,960
Public Works	3,858,784	73,866	-	-	-	-	184,691	4,117,341
Public Health and Sanitation	4,300,079	-	-	-	-	-	-	4,300,079
Culture and Recreation	3,100,783	-	-	-	-	-	2,503	3,103,286
Economic Development	512,766	-	-	-	-	-	370,222	882,988
Miscellaneous	-	32,549	-	-	-	-	-	32,549
Debt Service								
Principal	612,069	559,660	8,265,768	-	283,161	-	283,161	10,003,819
Interest and Other Charges	37,721	8,076	2,136,791	-	91,938	-	362,238	2,636,764
Cost of Issuance	-	630	-	-	-	-	-	630
Total Expenditures	<u>25,570,723</u>	<u>681,756</u>	<u>10,402,559</u>	<u>28,574</u>	<u>375,099</u>	<u>202,643</u>	<u>5,937,285</u>	<u>43,198,639</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,854,616)</u>	<u>(673,350)</u>	<u>95,029</u>	<u>256,426</u>	<u>-</u>	<u>-</u>	<u>1,555,290</u>	<u>(1,621,221)</u>
Other Financing Sources (Uses)								
Debt Proceeds	924,980	-	-	-	-	-	-	924,980
Transfers In	1,820,000	150,000	800,000	-	-	-	-	2,770,000
Transfers Out	(150,000)	-	-	-	-	-	-	(150,000)
Net Other Financing Sources (Uses)	<u>2,594,980</u>	<u>150,000</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,544,980</u>
Net Change in Fund Balance	<u>(259,636)</u>	<u>(523,350)</u>	<u>895,029</u>	<u>256,426</u>	<u>-</u>	<u>-</u>	<u>1,555,290</u>	<u>1,923,759</u>
Fund Balance - Beginning of Year	<u>6,030,561</u>	<u>1,264,057</u>	<u>2,597,259</u>	<u>304,378</u>	<u>2,962</u>	<u>-</u>	<u>4,844,879</u>	<u>15,044,096</u>
Fund Balance - End of Year	<u>\$ 5,770,925</u>	<u>740,707</u>	<u>3,492,288</u>	<u>560,804</u>	<u>2,962</u>	<u>-</u>	<u>6,400,169</u>	<u>16,967,855</u>

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, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	1,923,759
<p>Amounts reported for governmental activities in the statement of activities are different because 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	2,913,541	
Depreciation expense	<u>(4,204,916)</u>	(1,291,375)
<p>Capital asset related insurance receivable reported for governmental activities in the statement of activities but not reported in governmental funds.</p>		
		295,000
<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>		
		106,392
<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>		
		(2,246,085)
<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		(20,425)
Prepaid expense		(29,927)
Net OPEB liability		(6,686)
Net KPERS OPEB liability		(3,935)
<p>Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.</p>		
		(1,048,559)
<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		7,643,584
Special assessment debt		925,737
Spirit loan		283,161
Loans		845,823
Lease purchase		(312,911)
Certificates of participation		265,000
Unamortized loss on refunding		<u>(15,976)</u>
Change in Net Position of Governmental Activities	\$	<u><u>7,312,577</u></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, 2022

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>					
Current Assets					
Cash and Investments	\$ 3,809,849	5,183,160	1,948,782	3,831,225	14,773,016
Receivables, Net of Allowances for Uncollectible Accounts	1,127,903	1,234,545	189,791	331,246	2,883,485
Accrued Interest	33,428	38,012	9,356	18,394	99,190
Total Current Assets	4,971,180	6,455,717	2,147,929	4,180,865	17,755,691
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets					
Land	438,683	13,880	-	-	452,563
Construction in Progress	9,376,016	2,995,602	-	-	12,371,618
Depreciable Capital Assets					
Capital Assets	56,941,795	68,533,199	13,331,775	1,619,360	140,426,129
Right to Use Equipment	15,920	15,703	-	7,162	38,785
Accumulated Depreciation	(25,555,583)	(31,576,271)	(3,524,319)	(1,353,653)	(62,009,826)
Total Noncurrent Assets	41,216,831	39,982,113	9,807,456	272,869	91,279,269
Total Assets	46,188,011	46,437,830	11,955,385	4,453,734	109,034,960
Deferred Outflows of Resources					
Pension Liability	137,442	142,899	34,319	116,283	430,943
Unamortized Loss on Refunding	19,799	19,313	-	-	39,112
Total Deferred Outflows of Resources	157,241	162,212	34,319	116,283	470,055
Total Assets and Deferred Outflows of Resources	46,345,252	46,600,042	11,989,704	4,570,017	109,505,015
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>					
Current Liabilities					
Accounts Payable	1,008,046	251,965	437,469	7,072	1,704,552
Accrued Liabilities	8,559	7,102	1,723	6,022	23,406
Interest Payable	107,997	112,995	-	-	220,992
Meter Deposits Payable	557,429	-	-	-	557,429
Current Portion of Loans Payable	354,267	857,613	-	-	1,211,880
Current Portion of Lease Purchase Payable	399,934	-	52,522	-	452,456
Current Portion of General Obligation Bonds Payable	148,133	219,691	-	-	367,824
Current Portion of Right to Use Equipment Leases Payable	3,322	3,290	-	1,064	7,676
Total Current Liabilities	2,587,687	1,452,656	491,714	14,158	4,546,215
Noncurrent Liabilities					
Net Pension Liability	387,650	403,039	96,796	327,967	1,215,452
Loans Payable	5,738,047	8,872,347	-	-	14,610,394
Lease Purchase Payable	815,462	-	-	-	815,462
General Obligation Bonds Payable	1,215,380	1,825,567	-	-	3,040,947
Right to Use Asset Leases Payable	12,054	11,885	-	5,570	29,509
Compensated Absences Payable	13,553	-	-	19,901	33,454
Total Noncurrent Liabilities	8,182,146	11,112,838	96,796	353,438	19,745,218
Total Liabilities	10,769,833	12,565,494	588,510	367,596	24,291,433
Deferred Inflows of Resources					
Pension Liability	3,494	3,632	873	2,956	10,955
Total Liabilities and Deferred Inflows of Resources	10,773,327	12,569,126	589,383	370,552	24,302,388
<u>NET POSITION</u>					
Net Position					
Net Investment in Capital Assets	31,874,624	28,096,304	9,754,934	266,235	69,992,097
Unrestricted	3,697,301	5,934,612	1,645,387	3,933,230	15,210,530
Total Net Position	\$ 35,571,925	34,030,916	11,400,321	4,199,465	85,202,627

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

CITY OF JUNCTION CITY, KANSAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 6,307,534	7,072,457	1,033,220	1,845,391	16,258,602
Fines and Fees	5,990	-	-	-	5,990
Miscellaneous	714,295	20,894	1,276	4,088	740,553
Total Operating Revenues	7,027,819	7,093,351	1,034,496	1,849,479	17,005,145
Operating Expenses					
Personnel Services	516,770	524,340	141,657	413,898	1,596,665
Contractual Services	4,036,461	2,967,566	788,740	584,522	8,377,289
Commodities	326,003	142,254	18,804	181,355	668,416
Depreciation and Amortization	1,046,405	1,175,645	289,217	92,954	2,604,221
Total Operating Expense	5,925,639	4,809,805	1,238,418	1,272,729	13,246,591
Net Operating Income (Loss)	1,102,180	2,283,546	(203,922)	576,750	3,758,554
Nonoperating Revenues (Expenses)					
Interest Income	82,224	101,911	24,116	46,365	254,616
Interest Expense	(179,271)	(270,106)	(3,466)	(261)	(453,104)
Net Nonoperating Revenues (Expenses)	(97,047)	(168,195)	20,650	46,104	(198,488)
Net Income (Loss) Before Transfers	1,005,133	2,115,351	(183,272)	622,854	3,560,066
Transfers Out	(735,000)	(985,000)	(300,000)	(600,000)	(2,620,000)
Change in Net Position	270,133	1,130,351	(483,272)	22,854	940,066
Net Position - Beginning of Year	35,301,792	32,900,565	11,883,593	4,176,611	84,262,561
Net Position - End of Year	\$ 35,571,925	34,030,916	11,400,321	4,199,465	85,202,627

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, 2022

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
Cash Flows From Operating Activities					
Cash Received From Customers and Users	\$ 6,517,856	7,173,294	1,068,825	1,896,424	16,656,399
Cash Paid to Suppliers of Goods and Services	(3,683,495)	(3,342,789)	(424,297)	(846,786)	(8,297,367)
Cash Paid to Employees	(498,569)	(515,955)	(120,078)	(344,387)	(1,478,989)
Other Operating and Non Operating Receipts	714,295	20,894	1,276	4,088	740,553
Net Cash Provided by Operating Activities	<u>3,050,087</u>	<u>3,335,444</u>	<u>525,726</u>	<u>709,339</u>	<u>7,620,596</u>
Cash Flows From Investing Activities					
Interest Received	64,592	73,448	18,078	35,540	191,658
Cash Flows From Capital and Related Financing Activities					
Purchase and Construction of Capital Assets	(6,002,300)	(1,088,393)	-	(256,147)	(7,346,840)
Proceeds - Lease Purchase	449,623	-	-	-	449,623
Principal Payments - Lease Purchase	(394,824)	(15,579)	(48,907)	-	(459,310)
Principal Payments - General Obligation Bonds	(153,735)	(230,612)	-	-	(384,347)
Interest Payments	(187,899)	(281,362)	(3,467)	(261)	(472,989)
Proceeds - Loans Payable	216,006	274,681	-	-	490,687
Principal Payments - Loans Payable	(723,015)	(849,200)	-	-	(1,572,215)
Principal Payments - Right to Use	(545)	(528)	-	(528)	(1,601)
Net Cash Used for Capital and Related Financing Activities	<u>(6,796,689)</u>	<u>(2,190,993)</u>	<u>(52,374)</u>	<u>(256,936)</u>	<u>(9,296,992)</u>
Cash Flows From Noncapital Financing Activities					
Transfers Out	(735,000)	(985,000)	(300,000)	(600,000)	(2,620,000)
Net Change in Cash and Investments	(4,417,010)	232,899	191,430	(112,057)	(4,104,738)
Cash and Investments - Beginning of Year	<u>8,226,859</u>	<u>4,950,261</u>	<u>1,757,352</u>	<u>3,943,282</u>	<u>18,877,754</u>
Cash and Investments - End of Year	<u>\$ 3,809,849</u>	<u>5,183,160</u>	<u>1,948,782</u>	<u>3,831,225</u>	<u>14,773,016</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, 2022

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
Reconciliation of Net Operating Income (Loss) to					
Net Cash Provided by Operating Activities					
Net Operating Income (Loss)	\$ 1,102,180	2,283,546	(203,922)	576,750	3,758,554
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation and Bond Amortization Expense	1,046,405	1,175,645	289,217	92,954	2,604,221
(Increase) Decrease in Accounts Receivable	142,004	100,837	35,605	51,033	329,479
(Increase) Decrease in Deferred Outflows	(56,931)	(59,506)	(20,177)	(39,064)	(175,678)
Increase (Decrease) in Meter Deposits Payable	62,333	-	-	-	62,333
Increase (Decrease) in Accounts Payable	678,969	(232,969)	383,247	2,943	832,190
Increase (Decrease) in Accrued Liabilities	2,740	1,193	786	(83,852)	(79,133)
Increase (Decrease) in Accrued Compensated Absences	1,555	(8,056)	-	2,196	(4,305)
Increase (Decrease) in Net Pension Liability	155,378	162,456	55,996	105,196	479,026
Increase (Decrease) in Deferred Inflows	(84,541)	(87,702)	(15,026)	1,183	(186,086)
Net Cash Provided by Operating Activities	<u>\$ 3,050,092</u>	<u>3,335,444</u>	<u>525,726</u>	<u>709,339</u>	<u>7,620,601</u>
Schedule of Noncash Capital and Related Financing Activities					
Lease Obligations Incurred for Lease Assets	\$ 545	528	-	528	1,601

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

CITY OF JUNCTION CITY, KANSAS
Statement of Fiduciary Net Position
Combined Fiduciary Funds
December 31, 2022

	<u>ASSETS</u>	<u>Custodial Funds</u>
Cash		\$ <u><u>5,135</u></u>
	<u>LIABILITIES</u>	
Due To Others		\$ <u><u>5,135</u></u>

CITY OF JUNCTION CITY, KANSAS
Statement of Changes in Fiduciary Net Position
Combined Fiduciary Funds
For the Year Ended December 31, 2022

	<u>Custodial Funds</u>
Revenues	\$ -
Expenditures	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	-
Fund Balance - Beginning of Year	<u>-</u>
Fund Balance - End of Year	\$ <u><u>-</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, 2022

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 deferred outflows of resources and liabilities and deferred inflows of resources 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 nonfiduciary 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.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 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.

Fiduciary funds are used to account for assets held on behalf of outside parties. The City uses custodial funds to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and 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 and fiduciary fund 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

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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.

ARPA Fund - The ARPA fund accounts for federal aid received from Coronavirus State and Local Fiscal Recover Funds and the associated expenditures.

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.

The City also reports the following fund types:

Custodial Funds – The Trust and Agency Fund and Insurance Disaster Fund are used to account for resources held by the City as custodian or fiscal agent.

Statement of Cash Flows

For purposes of the statement of cash flows, 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

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 uncollectible. 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 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.

Special Assessment Receivable

Kansas statutes require that projects financed in part by special assessments to be financed through the issuance of general obligation bonds or temporary notes that 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. At December 31, 2022, 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. Special assessments receivable, net of allowance at December 31, 2022, was \$12,533,949.

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 greater than \$5,000 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 acquisition 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.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset in service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Prepaid Expenses

Payments made to vendors for goods or services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

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 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

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 assets 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, OPEB and unamortized loss on refunding of debt, which is described in more detail in Note 6 – Defined Benefit Pension Plan, Note 7 – Other Post Employment Healthcare Benefits and Note 8 – 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 assets 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 three sources: property taxes, special assessments, and deferred inflows of resources related to the City's leasing activities as a lessor. 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 taxes and leasing activities. Additionally, the City reports collective deferred inflow of resources related to pensions and OPEB, which is described in more detail in Note 6 – Defined Benefit Pension Plan, Note 7 – Other Post Employment Healthcare Benefits and Note 8 - 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.
- 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.

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- 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. Encumbrances are included in assigned fund balances. Additional information on encumbrance balances is provided in Note 11 – Encumbrances.
- 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	\$ -	-	-	-	-	566,292	566,292
Public Works	-	-	-	-	-	1,888,925	1,888,925
Public Safety	-	-	-	-	-	1,660,572	1,660,572
Debt Service	-	-	3,492,288	-	-	653,649	4,145,937
Culture and Recreation	-	-	-	-	-	106,520	106,520
Committed for							
Employee Benefits	-	-	-	-	-	1,199,028	1,199,028
Economic Development	-	-	-	-	2,962	-	2,962
Capital Improvements	-	-	-	560,804	-	-	560,804
Culture and Recreation	-	-	-	-	-	52	52
Assigned for							
General Government	827,813	-	-	-	-	-	827,813
Public Works	-	-	-	-	-	189,575	189,575
Public Safety	-	-	-	-	-	111,341	111,341
Capital Improvements	-	740,707	-	-	-	24,215	764,922
Unassigned	4,943,112	-	-	-	-	-	4,943,112
Total Fund Balances	\$ 5,770,925	740,707	3,492,288	560,804	2,962	6,400,169	16,967,855

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:

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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.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing this year.

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 no budget amendments for the year ended December 31, 2022.

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 governmental fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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, Special Projects Fund, PSAP 911 Fund, Freedom Fest Fund, ARPA Fund, and Opioid Settlement Funds 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.

Adoption of New Governmental Accounting Standards Board Statements

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For more information on the effects of this statement, see Notes 3 and 12. The adoption of this statement did not materially impact the prior period. As such, the prior period was not restated.

GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by classifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional

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commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. For more information on the effects of this statement, see Note 12.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The adoption of this statement had no effect on previously reported amounts.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this statement did not have a material impact on the financial statements.

GASB issued Statement No. 99, *Omnibus 2022*, provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement has been partially adopted as only paragraphs 26-32 were effective for the current year. All the applicable changes have been made to the financial statements.

Pending Governmental Accounting Standards Board Statements

At December 31, 2022, the Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The effect of these statements has not yet been determined. The statements that might impact the City are as follows:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation

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costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Part of the requirements of this statement are effective for periods beginning after June 15, 2022 and June 15, 2023.

GASB issued Statement No. 99, *Omnibus 2022*, provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements for this statement are effective for periods beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements for this statement are effective for periods beginning after December 15, 2023.

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 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, 2022, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (Less Than 1 Year)	Moody Rating
U.S. Agency Securities	\$ 19,724,802	19,724,802	Aaa
Treasury Bonds	236,598	236,598	Aaa
Treasury Notes	3,764,496	3,764,496	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. The U.S. Agency Securities are valued using quoted matrix pricing models (Level 2 inputs) and the Treasury Bonds and Notes are valued based on quoted market prices in active markets (Level 1 inputs).

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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 2022. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's and Fiduciary's carrying amount of deposits were \$30,411,913 and \$5,135, respectively. The bank balance was \$6,686,017. The bank balance was held by three banks, resulting in a concentration of credit risk. Of the bank balance, \$548,142 was covered by federal depository insurance, \$1,787,913 was secured by a letter of credit in the City's name, and \$4,349,962 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 – LEASES RECEIVABLE

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources.

On July 17, 2012, the City entered into a 66 month lease as the lessor for the use of a water tower. An initial lease receivable was recorded in the amount of \$119,592. As of December 31, 2022, the value of the lease receivable is \$99,226. The lessee is required to make monthly fixed payments of \$1,650. The lease has an interest rate of 0.258%. The value of the deferred inflow of resources as of December 31, 2022 was \$98,108, and the City recognized lease revenue of \$21,484 during the fiscal year. The lessee has 4 extension options, each for 60 months. The lessee had a termination period of 3 months as of the lease commencement.

On November 4, 2014, the City entered into a 34 month lease as the lessor for the use of a water tower. An initial lease receivable was recorded in the amount of \$52,316. As of December 31, 2022, the value of the lease receivable is \$33,920. The lessee is required to make monthly fixed payments of \$1,549. The lease has an interest rate of 0.476%. The value of the deferred inflow of resources as of December 31, 2022 was \$33,906, and the City recognized lease revenue of \$18,410 during the fiscal year. The lessee has 3 extension options, each for 60 months.

On November 20, 2018, the City entered into a 22 month lease as the lessor for the use of 540 Airport Road. An initial lease receivable was recorded in the amount of \$21,927. As of December 31, 2022, the value of the lease receivable is \$9,983. The lessee is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 0.380%. The value of the deferred inflow of resources as of December

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31, 2022 was \$9,967, and the City recognized lease revenue of \$11,960 during the fiscal year. The lessee had a termination period of 2 months as of the lease commencement.

Future minimum lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities			
2023	\$ 49,997	369	50,366
2024	37,060	209	37,269
2025	21,661	119	21,780
2026	21,717	63	21,780
2027	<u>12,694</u>	<u>11</u>	<u>12,705</u>
	<u>\$ 143,129</u>	<u>771</u>	<u>143,900</u>

NOTE 4 – 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, 2022, the value of the land held for sale totaled \$6,198,970.

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NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 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	\$ 14,007,622	-	-	14,007,622
Equipment Not in Use	-	331,188	-	331,188
Construction in Progress	2,926,728	1,953,847	21,993	4,858,582
Total Capital Assets Not Being Depreciated	16,934,350	2,285,035	21,993	19,197,392
Capital Assets Being Depreciated				
Buildings and Improvements	21,064,063	208,401	-	21,272,464
Infrastructure	101,730,064	-	-	101,730,064
Machinery and Equipment	19,234,927	1,293,386	354,432	20,173,881
Right To Use Equipment	-	17,081	-	17,081
Total Capital Assets Being Depreciated	142,029,054	1,518,868	354,432	143,193,490
Less Accumulated Depreciation for				
Buildings and Improvements	12,462,450	442,606	-	12,905,056
Infrastructure	60,762,206	2,608,657	-	63,370,863
Machinery and Equipment	14,968,947	1,153,297	103,376	16,018,868
Right To Use Equipment	-	356	-	356
Total Accumulated Depreciation	88,193,603	4,204,916	103,376	92,295,143
Total Capital Assets Being Depreciated, Net	53,835,451	(2,686,048)	251,056	50,898,347
Governmental Activities Capital Assets, Net	\$ 70,769,801	(401,013)	273,049	70,095,739

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	<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	10,000	-	452,563
Construction in Progress	<u>28,373,786</u>	<u>7,002,032</u>	<u>23,004,200</u>	<u>12,371,618</u>
Total Capital Assets Not Being Depreciated	<u>28,816,349</u>	<u>7,012,032</u>	<u>23,004,200</u>	<u>12,824,181</u>
Capital Assets Being Depreciated				
Buildings and Improvements	25,219,140	-	-	25,219,140
Machinery and Equipment	9,049,523	334,810	-	9,384,333
Infrastructure	82,818,456	23,004,200	-	105,822,656
Right To Use Equipment	<u>-</u>	<u>38,785</u>	<u>-</u>	<u>38,785</u>
Total Capital Assets Being Depreciated	<u>117,087,119</u>	<u>23,377,795</u>	<u>-</u>	<u>140,464,914</u>
Less Accumulated Depreciation for				
Buildings and Improvements	11,599,162	411,973	-	12,011,135
Machinery and Equipment	7,171,630	257,721	-	7,429,351
Infrastructure	40,634,813	1,932,547	-	42,567,360
Right To Use Equipment	<u>-</u>	<u>1,980</u>	<u>-</u>	<u>1,980</u>
Total Accumulated Depreciation	<u>59,405,605</u>	<u>2,604,221</u>	<u>-</u>	<u>62,009,826</u>
Total Capital Assets Being Depreciated, Net	<u>57,681,514</u>	<u>20,773,574</u>	<u>-</u>	<u>78,455,088</u>
Business-type Activities Capital Assets, Net	<u>\$ 86,497,863</u>	<u>27,785,606</u>	<u>23,004,200</u>	<u>91,279,269</u>

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

Governmental Activities		Business-type Activities	
General government	\$ 552,741	Water	\$ 1,046,405
Public safety	583,956	Sewer	1,175,645
Public works	2,763,605	Stormwater	289,217
Parks and recreation	<u>304,614</u>	Nonmajor	<u>92,954</u>
Total	<u>\$ 4,204,916</u>	Total	<u>\$ 2,604,221</u>

NOTE 6 – 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:

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- Public Employees, which includes
 - State/School employees
 - Local employees
- 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 City are included in the Local employees and Police and Firemen group.

KPERS issues a stand-alone annual comprehensive 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 Kansas Legislature. Member employees (except police and firemen) 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 an employee's combined age and years of credited 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, member employees may withdraw their contributions from their individual accounts, including interest. Member employees 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.

Member employees 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 employee'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 KPERS 3 cash balance retirement plan for new hires starting after January 1, 2015, was created. 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.

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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, 2022.

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 8.87%. 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 22.99%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2022 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan for the City were \$402,950 for local government and \$1,584,255 for police and firemen for the year ended December 31, 2022.

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, 2022 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, 2022.

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, 2022 was as follows:

	Local Government	Police and Firemen
Net Pension Liability	\$4,210,917	\$16,685,960
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	December 31, 2021	December 31, 2021
City's Proportion	0.212%	1.157%
Change in Proportion	0.004%	0.025%

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For the Year Ended December 31, 2022

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	7.00%

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.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the three year period January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

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 January 7, 2020, 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>	
U.S. Equities	23.50	%	5.20	%
Non-U.S. Equities	23.50		6.40	
Private Equity	8.00		9.50	
Private Real Estate	11.00		4.45	
Yield Driven	8.00		4.70	
Real Return	11.00		3.25	
Fixed Income	11.00		1.55	
Short-term Investments	4.00		0.25	
Total	100.00	%		

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local groups and Kansas Police and Firemen are contributing at the full actuarial contribution rate. Based on legislation first 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 7.00%, as well as what the City's proportionate share of the net pension liability would be if

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2022

it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Local Employees	\$ 6,049,118	\$ 4,210,917	\$ 2,679,428
Police and Firemen	22,887,235	16,685,960	11,526,140

Pension Expense

For the year ended December 31, 2022, the City recognized pension expense of \$3,015,914, 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.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, 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	\$ 867,358	7,548
Net differences between projected and actual earnings on investments	1,501,633	-
Changes in assumptions	2,817,344	-
Changes in proportion	340,213	327,704
City contributions subsequent to measurement date	1,088,271	-
Total	\$ 6,614,819	335,252

The \$1,088,271 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, 2023. 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		
2023	\$	1,428,763
2024		1,351,238
2025		675,584
2026		1,664,862
2027		70,849
Thereafter		-

NOTE 7 – 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.

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For the Year Ended December 31, 2022

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 2022, the City did not contribute to the plan. As of the January 1, 2021 census, the following employees were covered by the benefit terms:

Active Employees	177
Retirees and Covered Spouses	9
Total	<u><u>186</u></u>

Total OPEB Liability

At December 31, 2022, the total OPEB liability was \$344,676. The OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation performed as of January 1, 2021 using the participant census as of January 1, 2021.

Actuarial Assumptions

The total OPEB liability in the January 1, 2021 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, 2021
Actuarial Cost Method	Individual Entry Age Normal as a level % of payroll	
Inflation		2.50%
Salary Increases		3.50%
Discount Rate		4.31%
Healthcare Cost Trend Rates	Medical & Pharmacy: 7.5% decreasing .5% per year to an ultimate rate of 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>389,814</u>
Service Cost			12,165
Interest Cost			8,998
Net Benefits Paid by Employer			(4,194)
Ad Hoc Postemployment Benefit Changes			-
Differences Between Expected and Actual Experience			(42,739)
Changes in Assumptions			<u>(19,368)</u>
Net Changes			<u>(45,138)</u>
Total OPEB Liability – End of Year		\$	<u><u>344,676</u></u>

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2022

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 (3.31%) or one percentage point higher (5.31%) than the current discount rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	\$ 367,814	344,676	323,612

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	\$ 314,076	344,676	380,490

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$10,880. 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	\$ -	53,254
Changes in assumptions	23,148	57,914
Total	\$ 23,148	111,168

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	
2023	\$(10,283)
2024	(10,283)
2025	(10,283)
2026	(10,298)
2027	(11,127)
Thereafter	(35,746)

NOTE 8 – 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.

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2022

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of 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, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2022 totaled \$23,368.

Employees Covered by Benefit Terms

As of the valuation date of December 31, 2021, the following employees were covered by the benefit terms:

Active Members	90	
Disabled Members	2	
Total	92	

Total OPEB Liability

The total KPERS OPEB liability of \$105,716 reported as of December 31, 2022, was measured as of June 30, 2022, and was determined by an actuarial valuation performed as of December 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Discount Rate	3.54%
Implicit Inflation Rate	2.75%
Mortality Rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021 Post-disability mortality rates are included in long-term disability claim termination rates.
Salary Increases	3.50% to 10.00% based on years of service
Payroll Growth	3.00%
Actuarial Cost Method	Entry Age Normal

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

CITY OF JUNCTION CITY, KANSAS
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The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2016 through December 31, 2018.

There were no significant changes between the valuation date and the fiscal year end.

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	\$	181,603
Service Cost		15,515
Interest Cost		4,146
Effect on Economic/Demographic Gains or Losses		(63,047)
Effect of Assumptions Changes or Inputs		(22,029)
Benefit Payments		(10,472)
Net Changes		<u>(75,887)</u>
Total OPEB Liability – End of Year	\$	<u>105,716</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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.54%)</u>	<u>Discount</u> <u>Rate (3.54%)</u>	<u>1% Increase</u> <u>(4.54%)</u>
Total OPEB Liability	\$ 109,183	105,716	102,253

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</u> <u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 105,716	105,716	105,716

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$14,407. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between actual and expected experience	\$	50,443	76,611
Changes in assumptions		6,453	21,806
Total	\$	<u>56,896</u>	<u>98,417</u>

CITY OF JUNCTION CITY, KANSAS
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For the Year Ended December 31, 2022

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	
2023	\$ (5,254)
2024	(5,254)
2025	(5,254)
2026	(5,134)
2027	(4,495)
Thereafter	(16,130)

NOTE 9 - RISK MANAGEMENT

City of Junction City, Kansas 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.

The City has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other public entities in the State of Kansas and Missouri to participate in the Midwest Public Risk Pool (MPR), a public entity risk pool currently operating as a common risk management and insurance program for 163 participating members. The agreement to participate provides that MPR will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. During 2022, the City contributed \$407,358 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by MPR management.

The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Eastern Region Insurance Trust (KERIT), a public entity risk pool currently operating as a common risk management and insurance program for 18 participating members. The agreement to participate provides that KERIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. During 2022, the City contributed \$160,315 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERIT management.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three calendar years.

Health Reimbursement Arrangement

The City entered into a Health Reimbursement Arrangement (HRA) during 2016 and continued this arrangement through 2022. The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year through BCBS is \$6,350 for employee only, \$12,700 for employee and spouse, employee and children and employee and family. Of this amount the employee is responsible for \$3,500 for employee only and \$7,000 for employee and spouse, employee and children and employee and family on the \$2,500 deductible plan. For employees who choose the \$1,000 deductible plan, the maximum out-of-pocket expense is \$2,000 for employee only and \$4,000 for employee and spouse, employee and children and employee and family. The City is responsible for the difference. The amount the City paid in HRA reimbursements was \$143,888 for the year ended December 31, 2022.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 – 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.

Conduit Debt – 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, 2022, industrial revenue bonds of \$8,483,361 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, 2022, of \$1,654,005 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 obligation bonds, but to make the payments on the dates necessary for Spirit of '76 to make the basic rent payments.

		Governmental Activities	
		Principal	Interest
2023	\$	206,399	65,831
2024		328,875	79,470
2025		349,576	58,769
2026		371,581	36,764
2027		397,574	13,375
Total Industrial Revenue Bonds		\$ 1,654,005	254,209

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 11 – ENCUMBRANCES

Encumbrances included in fund balances as of December 31, 2022 are reported in the accompanying table:

Fund	Encumbrances
Major Funds	
General Fund	\$ 827,813
Water Fund	7,709,578
Sewer Fund	61,162
Stormwater Fund	684,611
Nonmajor Governmental Funds	1,097,721
Nonmajor Proprietary Funds	395,620
Total Reporting Entity	\$ 10,776,505

NOTE 12 – LONG-TERM DEBT

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. General obligation bonds payable at December 31, 2022 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Outstanding December 31, 2022
Governmental Activities				
Series 2008-DS	4.125%	\$ 382,000	9/15/2028	\$ 148,502
Series 2008-DT	5.25%	1,895,000	9/1/2024	363,485
Series 2015A	2.25% to 3.00%	3,815,000	9/1/2025	1,250,000
Series 2016A	2.125% to 5.00%	35,407,218	9/1/2029	23,546,499
Series 2016B	2.00% to 3.00%	7,460,000	9/1/2028	4,580,000
Series 2020A	3.00%	8,937,306	9/1/2031	7,451,059
Series 2020B	1.20% to 2.10%	3,401,691	9/1/2031	2,862,447
Series 2021A	1.5% to 2.00%	4,530,000	9/1/2034	3,685,000
Series 2021-1 Temporary Notes	0.71%	2,500,000	3/1/2025	1,885,000
Total Governmental Activities				45,771,992
Business-Type Activities				
Series 2016A	2.125% to 5.00%	3,552,784	9/1/2029	2,253,519
Series 2020A	3.00%	34,339	9/1/2031	24,635
Series 2020B	1.20% to 2.10%	905,000	9/1/2036	895,000
Total Business-Type Activities				3,173,154
Total General Obligation Bonds Payable				\$ 48,945,146

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Year Ending December 31,	Governmental Activities	Business-Type Activities	Total
2023	\$ 8,573,386	461,870	9,035,256
2024	8,202,473	461,651	8,664,124
2025	7,710,893	461,267	8,172,160
2026	6,676,000	461,130	7,137,130
2027	6,540,687	465,860	7,006,547
2028-2032	12,086,767	447,851	12,534,618
2033-2036	1,150,550	865,567	2,016,117
Total Principal and Interest	50,940,756	3,625,196	54,565,952
Less Total Interest	5,168,764	452,042	5,620,806
Total Principal	\$ 45,771,992	3,173,154	48,945,146

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 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, 2022 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Outstanding December 31, 2022
Governmental Activities				
Series 2020A	3.00%	\$ 10,318,355	9/1/2031	\$ 8,629,307
Series 2020B	1.20% to 2.10%	728,309	9/1/2031	607,553
				\$ 9,236,860

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

	Governmental Activities	
	Principal	Interest
2023	\$ 956,455	269,587
2024	981,760	241,526
2025	1,013,421	212,714
2026	1,040,489	182,972
2027	1,072,151	152,418
2028-2031	4,172,584	287,229
Total Special Assessments	\$ 9,236,860	1,346,446

Lease Purchase Agreements – Direct Borrowing

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

The assets acquired through purchase agreements are as follows:

Equipment	\$ 7,411,631
Less Accumulated Depreciation	(1,378,535)
Net Book Value	\$ 6,033,096

The following is a schedule of future minimum lease payments for capital leases as of December 31, 2022:

Year Ending	Governmental Activities		Business-Type Activities		
	December 31,	Principal	Interest	Principal	Interest
2023	\$	714,111	40,903	452,456	16,388
2024		528,286	25,894	405,110	9,218
2025		287,706	15,529	410,352	3,974
2026		248,175	8,962	-	-
2027		126,554	4,561	-	-
Total	\$	1,904,832	95,849	1,267,918	29,580

* \$200,379 in the governmental activities was not drawn down until 2023, but is included in this schedule.

Revolving Loans Payable – Direct Borrowing

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, 2022:

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 879,362	205,339	1,211,880	341,802
2024	914,237	170,464	1,239,728	314,926
2025	950,499	134,202	1,269,702	286,172
2026	988,206	96,496	1,300,409	256,713
2027	1,011,520	57,288	936,433	229,192
2028-2032	413,021	19,654	4,976,254	835,505
2033-2037	-	-	5,161,296	285,527
Total	\$ 5,156,845	683,443	16,095,702	2,549,837

* \$273,428 in the business-type activities has not been drawn down,
but is included in this schedule.

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 had a final maturity of December 31, 2022.

Right to Use Leased Equipment Liabilities

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset.

On August 10, 2022, the City entered into a 63 month lease as lessee for the use of a folder inserter. An initial lease liability was recorded in the amount of \$21,704. As of December 31, 2022, the value of the lease liability is \$20,104. The City is required to make monthly fixed payments of \$598. The lease has an interest rate of 11.53%. The value of the right to use asset as of December 31, 2022 of \$21,704 with accumulated amortization of \$1,624 is included with Right to Use Equipment in Note 5.

On December 1, 2022, the City entered into a 48 month lease as lessee for the use of Bobcat E-50 R2 Series. An initial lease liability was recorded in the amount of \$34,162. As of December 31, 2022, the value of the lease liability is \$34,162. The City is required to make annual fixed payments of \$9,000. The lease has an interest rate of 3.409%. The value of the right to use asset as of December 31, 2022 of \$34,162 with accumulated amortization of \$712 is included with Right to Use Equipment in Note 5.

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 4,451	49	7,676	2,203
2024	4,069	431	7,687	2,193
2025	4,208	292	8,266	1,614
2026	4,353	148	8,903	977
2027	-	-	4,653	265
Total	\$ 17,081	920	37,185	7,252

Changes in long-term debt outstanding are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 50,325,860	-	6,438,868	43,886,992	6,595,057
Temporary Notes	2,500,000	-	615,000	1,885,000	620,000
Plus: Unamortized Bond Premium	5,065,950	-	589,716	4,476,234	-
Special Assessment Debt with City Commitment	10,162,596	-	925,736	9,236,860	956,455
KDOT Loans Payable - Direct Borrowing	6,002,668	-	845,823	5,156,845	879,362
Spirit Loans Payable	1,937,165	-	283,160	1,654,005	206,399
Certificates of Participation	265,000	-	265,000	-	-
Lease Purchases - Direct Borrowing	1,391,542	924,980	612,069	1,704,453	714,111
Right-to-Use Equipment Liability	-	17,081	-	17,081	4,451
Compensated Absences	754,533	20,425	-	774,958	-
Net Pension Liability	12,550,635	7,130,790	-	19,681,425	-
Total OPEB Liability	389,814	-	45,138	344,676	-
Total OPEB Liability - KPERS	181,603	-	75,887	105,716	-
Total Long-Term Debt	\$ 91,527,366	8,093,276	10,696,397	88,924,245	9,975,835
Business-Type Activities					
General Obligation Bonds	\$ 3,523,047	-	349,893	3,173,154	367,824
Plus: Unamortized Bond Premium	270,071	-	34,454	235,617	-
KDHE Loans Payable - Direct Borrowing	16,903,802	490,687	1,572,215	15,822,274	1,211,880
Lease Purchases - Direct Borrowing	1,277,605	449,623	459,310	1,267,918	452,456
Right-to-Use Equipment Liability	-	38,785	1,600	37,185	7,676
Compensated Absences	37,760	-	4,306	33,454	-
Net Pension Liability	736,426	479,026	-	1,215,452	-
Total Long-Term Debt	\$ 22,748,711	1,458,121	2,421,778	21,785,054	2,039,836

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

NOTE 13 – 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, 2022 were as follows:

CITY OF JUNCTION CITY, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Capital Improvement	\$ 150,000	K.S.A. 12-1,118
Sewer	General	735,000	K.S.A. 12-825d
Water	General	485,000	K.S.A. 12-825d
Sanitation	General	600,000	K.S.A. 12-825d

In the governmental fund financial statements, net transfers in of \$2,620,000 tie to the total transfers out of \$2,620,000 from the proprietary funds.

NOTE 14 – TAX ABATEMENTS

Neighborhood Revitalization Areas. The City has an established neighborhood revitalization plan as of December 31, 2022. 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, 2022, the City paid \$89,915 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 15 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures exceeded budget authority in the Law Enforcement Trust Fund, which is in violation of K.S.A. 79-2935.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2023, which is the date the financial statements were available to be issued.

On June 6, 2023, the City approved an ordinance authorizing the execution of a loan agreement with KDHE from the Kansas Water Pollution Control Revolving Fund for \$78,528,000.

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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	\$ 15,440,267	13,641,057	13,641,057	1,799,210
Charges for Services	2,929,413	4,331,806	4,331,806	(1,402,393)
Special Assessments	11,654	-	-	11,654
Intergovernmental	1,649,020	767,693	767,693	881,327
Licenses and Permits	421,027	245,000	245,000	176,027
Fines and Fees	1,048,724	625,000	625,000	423,724
Use of Money and Property	(13,161)	75,000	75,000	(88,161)
Prior Year Cancelled Encumbrance	102,053	-	-	102,053
Lease Proceeds	924,980	-	-	924,980
Miscellaneous	920,563	750,000	750,000	170,563
Total Revenues	23,434,540	20,435,556	20,435,556	2,998,984
Expenditures				
Administration	1,558,609	1,523,255	1,523,255	35,354
Building Maintenance	184,864	215,078	215,078	(30,214)
Information Technology	340,236	526,828	526,828	(186,592)
Airport	339,150	133,360	133,360	205,790
Court	415,241	418,350	418,350	(3,109)
Legal	224,350	303,091	303,091	(78,741)
Ambulance	4,300,079	4,456,487	4,456,487	(156,408)
Animal Shelter	331,872	293,776	293,776	38,096
Building and Codes	482,335	563,314	563,314	(80,979)
Planning and Zoning	30,271	30,000	30,000	271
Police	6,701,346	6,815,952	6,815,952	(114,606)
Fire	3,371,486	3,149,847	3,149,847	221,639
Parks	1,134,922	1,060,128	1,060,128	74,794
Recreation	1,343,565	631,229	631,229	712,336
Spin City	31,543	127,129	127,129	(95,586)
Streets	3,882,836	3,551,641	3,551,641	331,195
Engineering	160	-	-	160
Opera House	125,319	172,000	172,000	(46,681)
Swimming Pool	144,156	214,888	214,888	(70,732)
Miscellaneous	-	500,000	500,000	(500,000)
Debt Service				
Principal	572,025	-	-	572,025
Interest and Other Charges	37,721	-	-	37,721
(a) Adjustment for Qualifying Budget Credit	-	-	924,980	(924,980)
Total Expenditures	25,552,086	24,686,353	25,611,333	(59,247)
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ (2,117,546)	(4,250,797)	(5,175,777)	3,058,231

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

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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Other Financing Sources (Uses)				
Transfer In	\$ 1,820,000	1,820,000	1,820,000	-
Transfer Out	(150,000)	(150,000)	(150,000)	-
Net Other Financing Sources (Uses)	1,670,000	1,670,000	1,670,000	-
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(447,546)	(2,580,797)	(3,505,777)	3,058,231
Budgetary Basis Fund Balance - Beginning of Year	2,074,332			
Budgetary Basis Fund Balance - End of Year	1,626,786			
GAAP Adjustments				
Encumbrances	827,813			
Accounts Receivable	740,240			
Taxes Receivable	2,558,461			
Leases, Net	1,148			
Accrued Interest Receivable	16,477			
Fund Balance - End of Year	\$ 5,770,925			
(a) Adjustment for Qualifying Budget Credit				
Lease Proceeds Over Amount Budgeted			\$ 924,980	

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

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Use of Money and Property	\$ <u>6,314</u>	<u>-</u>	<u>-</u>	<u>6,314</u>
Expenditures				
Contractual	<u>6,975</u>	609,989	609,989	(603,014)
Capital Outlay	<u>21,863</u>	<u>-</u>	<u>-</u>	<u>(21,863)</u>
Total Expenditures	<u>28,838</u>	<u>609,989</u>	<u>609,989</u>	<u>(624,877)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>(22,524)</u>	<u>(609,989)</u>	<u>(609,989)</u>	<u>609,328</u>
Other Financing Sources				
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Excess Revenues and Other Financing Sources Over (Under) Expenditures	<u>127,476</u>	<u>(459,989)</u>	<u>(459,989)</u>	<u>609,328</u>
Budgetary Basis Fund Balance - Beginning of Year	<u>553,182</u>			
Budgetary Basis Fund Balance - End of Year	<u>680,658</u>			
GAAP Adjustments				
Accrued Interest Receivable	<u>3,268</u>			
Fund Balance - End of Year - Capital Improvement Fund Only	<u>683,926</u>			
Fund Balances for Budgeted Funds Included with the Capital Improvement Fund on GAAP Basis Financials				
Temporary Notes Fund	<u>56,781</u>			
Fund Balance - End of Year	\$ <u><u>740,707</u></u>			

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

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 285,000	50,000	50,000	235,000
Expenditures				
Commodities	4,865	-	-	4,865
Contractual	23,709	250,000	250,000	(226,291)
Total Expenditures	28,574	250,000	250,000	(221,426)
Excess Revenues Over (Under) Expenditures	256,426	<u>(200,000)</u>	<u>(200,000)</u>	<u>461,291</u>
Fund Balance - Beginning of Year	304,378			
Fund Balance - End of Year	\$ 560,804			

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

CITY OF JUNCTION CITY, KANSAS
Required Supplementary Information
December 31, 2022

KPERS PENSION PLAN

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

Fiscal Year-End Measurement Date	December 31, 2022 June 30, 2022	December 31, 2021 June 30, 2021	December 31, 2020 June 30, 2020	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	0.212%	0.207%	0.206%	0.200%	0.211%	0.205%	0.210%	0.217%
City's proportionate share of the net pension liability	\$ 4,210,917	\$ 2,489,670	\$ 3,575,263	\$ 2,795,639	\$ 2,934,890	\$ 2,968,813	\$ 3,249,381	\$ 2,853,521
City's covered-employee payroll	\$ 3,861,885	\$ 4,011,516	\$ 3,885,874	\$ 3,672,092	\$ 3,673,329	\$ 3,590,968	\$ 3,654,639	\$ 3,570,008
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	109.04%	62.06%	92.01%	76.13%	79.90%	82.67%	88.91%	79.93%
KP&F								
City's proportion of the net pension liability	1.157%	1.132%	1.163%	1.158%	1.218%	1.158%	1.207%	1.233%
City's proportionate share of the net pension liability	\$ 16,685,960	\$ 10,797,391	\$ 14,338,472	\$ 11,724,303	\$ 11,717,817	\$ 10,861,684	\$ 11,209,981	\$ 8,951,992
City's covered-employee payroll	\$ 6,318,276	\$ 6,339,858	\$ 6,384,551	\$ 6,228,404	\$ 5,955,667	\$ 5,788,214	\$ 5,686,971	\$ 5,367,327
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.09%	170.31%	224.58%	188.24%	196.75%	187.65%	197.12%	166.79%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

* The amounts presented for each fiscal year were determined as of December 31st. 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.

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2022

KPEERS PENSION PLAN								
Schedule of the City's Contributions Last Eight Fiscal Years*								
	2022	2021	2020	2019	2018	2017	2016	2015
KPEERS								
Contractually required contribution	\$ 378,246	349,580	340,751	319,579	308,192	309,735	329,651	346,460
Contributions in relation to the contractually required contribution	<u>378,246</u>	<u>349,580</u>	<u>340,751</u>	<u>319,579</u>	<u>308,192</u>	<u>309,735</u>	<u>329,651</u>	<u>346,460</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
City's covered payroll	\$ 4,260,749	4,056,019	4,049,332	3,834,349	3,673,329	3,661,174	3,590,968	3,654,639
Contributions as a percentage of covered payroll	8.88%	8.62%	8.41%	8.33%	8.39%	8.46%	9.18%	9.48%
KP&F								
Contractually required contribution	\$ 1,573,158	1,417,586	1,407,286	1,309,322	1,252,715	1,133,364	1,181,953	1,214,737
Contributions in relation to the contractually required contribution	<u>1,573,158</u>	<u>1,417,586</u>	<u>1,407,286</u>	<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)	\$ -	-	-	-	-	-	-	-
City's covered payroll	\$ 6,890,360	6,387,209	6,650,840	6,369,466	6,235,516	5,955,667	5,788,214	5,686,971
Contributions as a percentage of covered payroll	22.83%	22.19%	21.16%	20.56%	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.

CITY OF JUNCTION CITY, KANSAS
Required Supplementary Information
December 31, 2022

Notes to Schedule

Changes in assumptions.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1- year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.00%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.

CITY OF JUNCTION CITY, KANSAS
Required Supplementary Information
December 31, 2022

- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2022

OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Schedule of Changes in the City's Total Other
 Postemployment Benefits and Related Ratios
 Last Six Fiscal Years*

Total OPEB Liability	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	\$ 12,165	12,526	10,324	9,263	5,684	4,986
Interest Cost	8,998	8,369	12,260	12,342	11,265	11,897
Differences Between Expected and Actual Experience	(42,739)	(5,714)	-	(16,579)	-	-
Changes in Assumptions	(19,368)	(49,978)	27,566	(1,232)	-	8,425
Employer Contributions (Benefit Payments)	(4,194)	6,039	5,374	8,012	(35,494)	45,896
Net Changes in Total OPEB Liability	(45,138)	(28,758)	55,524	11,806	(18,545)	71,204
Total OPEB Liability - Beginning of Year	389,814	418,572	363,048	351,242	369,787	298,583
Total OPEB Liability - End of Year	\$ 344,676	389,814	418,572	363,048	351,242	369,787
Covered Payroll	\$ 9,796,068	9,106,181	11,232,627	7,649,954	6,640,607	6,416,045
Total OPEB Liability as a Percentage of Covered Payroll	3.52%	4.28%	3.73%	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, 3.64% in 2019, 3.26% in 2020, 2.25% in 2021, and 4.31% in 2022.

*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.

CITY OF JUNCTION CITY, KANSAS
 Required Supplementary Information
 December 31, 2022

OTHER POSTEMPLOYMENT BENEFITS – DEATH AND DISABILITY

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

Total OPEB Liability	2022	2021	2020	2019	2018
Service Cost	\$ 15,515	15,009	11,975	12,671	12,554
Interest Cost	4,146	2,751	4,144	4,803	4,591
Effect of Economic/Demographic Gains or Losses	(63,047)	62,961	(7,610)	(15,333)	(11,359)
Effect of Assumptions Changes or Inputs	(22,029)	273	7,643	1,542	(1,332)
Employer Contributions (Benefit Payments)	(10,472)	(17,566)	(8,712)	(8,712)	(8,712)
Net Changes in Total OPEB Liability	(75,887)	63,428	7,440	(5,029)	(4,258)
Total OPEB Liability - Beginning of Year	181,603	118,175	110,735	115,764	120,022
Total OPEB Liability - End of Year	\$ 105,716	181,603	118,175	110,735	115,764
Covered Payroll	\$ 3,847,495	3,830,010	3,741,420	3,299,627	3,577,688
Total OPEB Liability as a Percentage of Covered Payroll	2.75%	4.74%	3.16%	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 3.87% in 2018, 3.50% in 2019, 2.21% in 2020, 2.16% in 2021, and 3.54% in 2022.

*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.

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.

Special Parks and Recreation Fund - to account for the state shared tax and park land development fees for parks and recreation.

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.

Federal Funds Exchange Fund – To account for monies received from the Federal Funds Exchange.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

Freedom Fest Fund – to account for monies set aside for Freedom Fest.

Opioid Settlement Funds Fund – to account for monies received from the opioid settlement.

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 Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

<u>ASSETS</u>	Economic Development	Employee Benefits	Library	Special Highway	Fire Equipment	Special Parks and Recreation	Drug and Alcohol
Assets							
Cash and Investments	\$ 335,210	1,174,556	-	1,150,043	1,163,814	106,470	62,741
Receivables							
Property Tax	190,030	-	814,277	-	379,966	-	-
Accounts	6,221	7,284	-	-	-	-	-
Prepaid Expenses	-	100,559	-	-	-	-	-
Accrued Interest	1,608	-	-	5,521	5,587	-	297
Total Assets	\$ 533,069	1,282,399	814,277	1,155,564	1,549,367	106,470	63,038
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>							
Liabilities							
Accounts Payable	\$ -	83,371	-	85,522	11,611	-	-
Accrued Liabilities	-	-	-	-	-	-	334
Unearned Revenue - Grant Proceeds	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	83,371	-	85,522	11,611	-	334
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	190,030	-	814,277	-	379,966	-	-
Total Liabilities and Deferred Inflows of Resources	190,030	83,371	814,277	85,522	391,577	-	334
Fund Balance							
Restricted	343,039	-	-	960,465	1,146,179	106,470	62,704
Committed	-	1,199,028	-	-	-	-	-
Assigned	-	-	-	109,577	11,611	-	-
Total Fund Balance	343,039	1,199,028	-	1,070,042	1,157,790	106,470	62,704
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 533,069	1,282,399	814,277	1,155,564	1,549,367	106,470	63,038

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2022

<u>ASSETS</u>	Sundown Salute	CDBG Revolving Loans	Grants	Rural Housing District	Law Enforcement Trust	Law Enforcement Training	Federal Equitable Sharing
Assets							
Cash and Investments	\$ 19	212,190	-	653,649	433,011	-	110,647
Receivables							
Property Tax	-	-	-	-	-	-	-
Accounts	33	11,063	2,938,789	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	2,079	-	-
Total Assets	\$ 52	223,253	2,938,789	653,649	435,090	-	110,647
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>							
Liabilities							
Accounts Payable	\$ -	-	665,337	-	10,630	-	-
Accrued Liabilities	-	-	609	-	-	-	-
Unearned Revenue - Grant Proceeds	-	-	36,726	-	-	-	-
Due to Other Funds	-	-	2,214,368	-	-	-	-
Total Liabilities	-	-	2,917,040	-	10,630	-	-
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	2,917,040	-	10,630	-	-
Fund Balance							
Restricted	-	223,253	21,749	653,649	324,730	-	110,647
Committed	52	-	-	-	-	-	-
Assigned	-	-	-	-	99,730	-	-
Total Fund Balance	52	223,253	21,749	653,649	424,460	-	110,647
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52	223,253	2,938,789	653,649	435,090	-	110,647

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2022

<u>ASSETS</u>	Treasury Forfeiture	Special Projects	PSAP 911	Federal Funds Exchange Funds	Freedom Fest	Opioid Settlement Funds	Totals
Assets							
Cash and Investments	\$ 16,303	25,422	9	986,709	294	5,373	6,436,460
Receivables							
Property Tax	-	-	-	-	-	-	1,384,273
Accounts	-	1,200	-	-	20	-	2,964,610
Prepaid Expenses	-	-	-	-	-	-	100,559
Accrued Interest	-	122	-	-	-	-	15,214
Total Assets	\$ 16,303	26,744	9	986,709	314	5,373	10,901,116
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>							
Liabilities							
Accounts Payable	\$ -	2,529	-	-	-	-	859,000
Accrued Liabilities	-	-	-	-	264	-	1,207
Unearned Revenue - Grant Proceeds	-	-	-	-	-	5,373	42,099
Due to Other Funds	-	-	-	-	-	-	2,214,368
Total Liabilities	-	2,529	-	-	264	5,373	3,116,674
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	1,384,273
Total Liabilities and Deferred Inflows of Resources	-	2,529	-	-	264	5,373	4,500,947
Fund Balance							
Restricted	16,303	-	9	906,711	50	-	4,875,958
Committed	-	-	-	-	-	-	1,199,080
Assigned	-	24,215	-	79,998	-	-	325,131
Total Fund Balance	16,303	24,215	9	986,709	50	-	6,400,169
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,303	26,744	9	986,709	314	5,373	10,901,116

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Economic Development	Employee Benefits	Library	Special Highway	Fire Equipment	Special Parks and Recreation	Drug and Alcohol
Revenues							
Taxes	\$ 189,510	-	893,128	-	379,329	-	54,414
Intergovernmental	-	-	-	599,062	-	-	-
Use of Money and Property	470,495	-	-	15,987	14,613	54,414	846
Miscellaneous	-	261,878	-	500,000	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Total Revenues	<u>660,005</u>	<u>261,878</u>	<u>893,128</u>	<u>1,115,049</u>	<u>393,942</u>	<u>54,414</u>	<u>55,260</u>
Expenditures							
General Government	-	385,947	906,483	-	-	-	-
Public Safety	-	-	-	-	156,611	-	11,715
Public Works	-	-	-	184,691	-	-	-
Recreation	-	-	-	-	-	-	-
Economic Development	369,711	-	-	-	-	-	-
Debt Service							
Principal	283,161	-	-	-	-	-	-
Interest and Other Charges	91,938	-	-	-	-	-	-
Total Expenditures	<u>744,810</u>	<u>385,947</u>	<u>906,483</u>	<u>184,691</u>	<u>156,611</u>	<u>-</u>	<u>11,715</u>
Net Change in Fund Balance	(84,805)	(124,069)	(13,355)	930,358	237,331	54,414	43,545
Fund Balance - Beginning of the Year	<u>427,844</u>	<u>1,323,097</u>	<u>13,355</u>	<u>139,684</u>	<u>920,459</u>	<u>52,056</u>	<u>19,159</u>
Fund Balance - End of Year	<u>\$ 343,039</u>	<u>1,199,028</u>	<u>-</u>	<u>1,070,042</u>	<u>1,157,790</u>	<u>106,470</u>	<u>62,704</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2022

	Sundown Salute	CDBG Revolving Loans	Grants	Rural Housing District	Law Enforcement Trust	Law Enforcement Training	Federal Equitable Sharing
Revenues							
Taxes	\$ -	-	-	336,585	-	-	-
Intergovernmental	-	-	1,866,250	-	1,519,835	-	-
Use of Money and Property	-	-	-	-	5,672	-	-
Miscellaneous	1,488	-	-	1,009	-	11,174	-
Bond Proceeds	-	-	-	-	-	-	-
Total Revenues	<u>1,488</u>	<u>-</u>	<u>1,866,250</u>	<u>337,594</u>	<u>1,525,507</u>	<u>11,174</u>	<u>-</u>
Expenditures							
General Government	-	-	1,844,501	-	-	-	-
Public Safety	-	-	-	-	1,317,317	15,351	12,412
Public Works	-	-	-	-	-	-	-
Recreation	2,503	-	-	-	-	-	-
Economic Development	-	511	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest and Other Charges	-	-	-	270,300	-	-	-
Total Expenditures	<u>2,503</u>	<u>511</u>	<u>1,844,501</u>	<u>270,300</u>	<u>1,317,317</u>	<u>15,351</u>	<u>12,412</u>
Net Change in Fund Balance	(1,015)	(511)	21,749	67,294	208,190	(4,177)	(12,412)
Fund Balance - Beginning of the Year	<u>1,067</u>	<u>223,764</u>	<u>-</u>	<u>586,355</u>	<u>216,270</u>	<u>4,177</u>	<u>123,059</u>
Fund Balance - End of Year	\$ <u><u>52</u></u>	<u><u>223,253</u></u>	<u><u>21,749</u></u>	<u><u>653,649</u></u>	<u><u>424,460</u></u>	<u><u>-</u></u>	<u><u>110,647</u></u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2022

	Treasury Forfeiture	Special Projects	PSAP 911	Federal Funds Exchange Funds	Freedom Fest	Opioid Settlement Funds	Totals
Revenues							
Taxes	\$ -	-	-	-	-	-	1,852,966
Intergovernmental	-	-	-	-	-	-	3,985,147
Use of Money and Property	347	319	-	291,380	-	-	854,073
Miscellaneous	-	24,790	-	-	50	-	800,389
Bond Proceeds	-	-	-	-	-	-	-
Total Revenues	347	25,109	-	291,380	50	-	7,492,575
Expenditures							
General Government	-	22,292	-	57,098	-	-	3,216,321
Public Safety	-	-	4,743	-	-	-	1,518,149
Public Works	-	-	-	-	-	-	184,691
Recreation	-	-	-	-	-	-	2,503
Economic Development	-	-	-	-	-	-	370,222
Debt Service							
Principal	-	-	-	-	-	-	283,161
Interest and Other Charges	-	-	-	-	-	-	362,238
Total Expenditures	-	22,292	4,743	57,098	-	-	5,937,285
Net Change in Fund Balance	347	2,817	(4,743)	234,282	50	-	1,555,290
Fund Balance - Beginning of the Year	15,956	21,398	4,752	752,427	-	-	4,844,879
Fund Balance - End of Year	\$ 16,303	24,215	9	986,709	50	-	6,400,169

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 189,510	195,981	195,981	(6,471)
Use of Money and Property	463,449	461,460	461,460	1,989
Total Revenues	652,959	657,441	657,441	(4,482)
Expenditures				
Commodities	-	10,000	10,000	(10,000)
Contractual Services	324,710	715,675	715,675	(390,965)
Debt Service				
Principal	283,161	242,023	242,023	41,138
Interest and Other Charges	91,938	113,687	113,687	(21,749)
Total Expenditures	699,809	1,081,385	1,081,385	(381,576)
Excess (Deficit) of Revenues Over Expenditures	(46,850)	(423,944)	(423,944)	377,094
Budgetary Basis Fund Balance - Beginning of Year	382,060			
Budgetary Basis Fund Balance - End of Year	335,210			
GAAP Adjustments				
Accounts Receivable	6,221			
Accrued Interest Receivable	1,608			
Fund Balance - End of Year	\$ 343,039			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 154,035	250,000	250,000	(95,965)
Expenditures				
Personnel Services	179,014	-	-	179,014
Contractual Services	206,933	1,492,774	1,492,774	(1,285,841)
Total Expenditures	385,947	1,492,774	1,492,774	(1,106,827)
Excess (Deficit) of Revenues Over Expenditures	(231,912)	<u>(1,242,774)</u>	<u>(1,242,774)</u>	<u>1,010,862</u>
Budgetary Basis Fund Balance - Beginning of Year	1,323,097			
GAAP Adjustments				
Accounts Receivable	7,284			
Prepaid Expenses	100,559			
Budgetary Basis Fund Balance - End of Year	\$ <u>1,199,028</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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 893,128	924,996	924,996	(31,868)
Expenditures				
Contractual Services	906,483	910,000	910,000	(3,517)
Excess (Deficit) of Revenues Over Expenditures	(13,355)	<u>14,996</u>	<u>14,996</u>	<u>(28,351)</u>
Budgetary Basis Fund Balance - Beginning of Year	13,355			
Budgetary Basis Fund Balance - End of Year	\$ <u><u>-</u></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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 599,062	552,410	552,410	46,652
Use of Money and Property	10,668	3,000	3,000	7,668
Miscellaneous	500,000	-	-	500,000
Total Revenues	1,109,730	555,410	555,410	554,320
Expenditures				
Contractual Services	74,542	643,408	643,408	(568,866)
Capital Outlay	219,726	-	-	219,726
Total Expenditures	294,268	643,408	643,408	(349,140)
Excess (Deficit) of Revenues Over Expenditures	815,462	(87,998)	(87,998)	903,460
Budgetary Basis Fund Balance - Beginning of Year	139,482			
Budgetary Basis Fund Balance - End of Year	954,944			
GAAP Adjustments				
Encumbrances	109,577			
Accrued Interest Receivable	5,521			
Fund Balance - End of Year	\$ 1,070,042			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 379,329	392,180	392,180	(12,851)
Use of Money and Property	10,796	-	-	10,796
Total Revenues	390,125	392,180	392,180	(2,055)
Expenditures				
Commodities	-	219,725	219,725	(219,725)
Contractual	-	25,500	25,500	(25,500)
Capital Outlay	168,221	700,000	700,000	(531,779)
Total Expenditures	168,221	945,225	945,225	(777,004)
Excess (Deficit) of Revenues Over Expenditures	221,904	(553,045)	(553,045)	774,949
Budgetary Basis Fund Balance - Beginning of Year	918,688			
Budgetary Basis Fund Balance - End of Year	1,140,592			
GAAP Adjustments				
Encumbrances	11,611			
Accrued Interest Receivable	5,587			
Fund Balance - End of Year	\$ 1,157,790			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Special Parks and Recreation Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Liquor Taxes	\$ 54,414	49,100	49,100	5,314
Expenditures				
Commodities	-	110,254	110,254	(110,254)
Excess (Deficit) of Revenues Over Expenditures	54,414	(61,154)	(61,154)	115,568
Budgetary Basis Fund Balance - Beginning of Year	52,056			
Budgetary Basis Fund Balance - End of Year	\$ 106,470			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 54,414	49,122	49,122	5,292
Use of Money and Property	582	-	-	582
Total Revenues	54,996	49,122	49,122	5,874
Expenditures				
Personnel Services	11,710	75,855	75,855	(64,145)
Excess (Deficit) of Revenues Over Expenditures	43,286	<u>(26,733)</u>	<u>(26,733)</u>	<u>70,019</u>
Budgetary Basis Fund Balance - Beginning of Year	19,121			
Budgetary Basis Fund Balance - End of Year	62,407			
GAAP Adjustments				
Accrued Interest Receivable	297			
Fund Balance - End of Year	\$ 62,704			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
CDBG Revolving Loans Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 20,335	15,000	15,000	5,335
Expenditures				
Contractual Services	-	199,127	199,127	(199,127)
Excess (Deficit) of Revenues Over Expenditures	20,335	(184,127)	(184,127)	204,462
Budgetary Basis Fund Balance - Beginning of Year	191,855			
Budgetary Basis Fund Balance - End of Year	212,190			
GAAP Adjustments				
Accounts Receivable	11,063			
Fund Balance - End of Year	\$ 223,253			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Rural Housing District Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 336,585	400,000	400,000	(63,415)
Miscellaneous	1,009	-	-	1,009
Total Revenues	337,594	400,000	400,000	(62,406)
Expenditures				
Debt Service				
Principal	265,000	260,000	260,000	5,000
Interest and Other Charges	5,300	90,000	90,000	(84,700)
Total Expenditures	270,300	350,000	350,000	(79,700)
Excess (Deficit) of Revenues Over Expenditures	67,294	<u>50,000</u>	<u>50,000</u>	<u>16,285</u>
Budgetary Basis Fund Balance - Beginning of Year	586,355			
Budgetary Basis Fund Balance - End of Year	\$ 653,649			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 1,519,835	500,000	500,000	1,019,835
Use of Money and Property	4,017	-	-	4,017
Total Revenues	1,523,852	500,000	500,000	1,023,852
Expenditures				
Commodities	940,834	300,000	300,000	640,834
Contractual Services	320,100	75,000	75,000	245,100
Capital Outlay	156,113	208,230	208,230	(52,117)
Total Expenditures	1,417,047	583,230	583,230	833,817
Excess (Deficit) of Revenues Over (Under) Expenditures	106,805	(83,230)	(83,230)	190,035
Budgetary Basis Fund Balance - Beginning of Year	215,846			
Budgetary Basis Fund Balance - End of Year	322,651			
GAAP Adjustments				
Encumbrances	99,730			
Accrued Interest Receivable	2,079			
Fund Balance - End of Year	\$ 424,460			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ <u>11,182</u>	<u>15,000</u>	<u>15,000</u>	<u>(3,818)</u>
Expenditures				
Commodities	<u>105</u>	<u>-</u>	<u>-</u>	<u>(105)</u>
Contractual Services	<u>15,246</u>	<u>17,518</u>	<u>17,518</u>	<u>(2,272)</u>
Total Expenditures	<u>15,351</u>	<u>17,518</u>	<u>17,518</u>	<u>(2,377)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(4,169)</u>	<u>(2,518)</u>	<u>(2,518)</u>	<u>(1,546)</u>
Budgetary Basis Fund Balance - Beginning of Year	<u>4,169</u>			
Budgetary Basis Fund Balance - End of Year	\$ <u><u>-</u></u>			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ -	200,000	200,000	(200,000)
Expenditures				
Contractual Services	<u>12,412</u>	<u>356,112</u>	<u>356,112</u>	<u>(343,700)</u>
Excess (Deficit) of Revenues Over Expenditures	(12,412)	<u>(156,112)</u>	<u>(156,112)</u>	<u>143,700</u>
Budgetary Basis Fund Balance - Beginning of Year		<u>123,059</u>		
Budgetary Basis Fund Balance - End of Year	\$	<u>110,647</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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 378	50,000	50,000	(49,622)
Expenditures				
Contractual Services	-	80,891	80,891	(80,891)
Excess (Deficit) of Revenues Over Expenditures	378	(30,891)	(30,891)	31,269
Budgetary Basis Fund Balance - Beginning of Year	15,925			
Budgetary Basis Fund Balance - End of Year	\$ 16,303			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 2,734,808	2,841,710	2,841,710	(106,902)
Special Assessments	2,308,459	2,330,000	2,330,000	(21,541)
Sales Tax	5,265,933	4,200,000	4,200,000	1,065,933
Use of Money and Property	28,639	-	-	28,639
Miscellaneous	-	25,000	25,000	(25,000)
Total Revenues	10,337,839	9,396,710	9,396,710	941,129
Expenditures				
Debt Service				
Principal	8,265,768	9,882,385	9,882,385	(1,616,617)
Interest and Other Charges	2,136,791	2,136,791	2,136,791	-
Other	-	10,000	10,000	(10,000)
Total Expenditures	10,402,559	12,029,176	12,029,176	(1,626,617)
Excess (Deficit) of Revenues Over (Under) Expenditures	(64,720)	(2,632,466)	(2,632,466)	2,567,746
Other Financing Sources				
Transfer In	800,000	300,000	300,000	500,000
Excess (Deficit) of Revenues Over Expenditures	735,280	(2,332,466)	(2,332,466)	3,067,746
Budgetary Basis Fund Balance - Beginning of Year	2,592,186			
Budgetary Basis Fund Balance - End of Year	3,327,466			
GAAP Adjustments				
Accounts Receivable	150,000			
Accrued Interest Receivable	14,822			
Fund Balance - End of Year	\$ 3,492,288			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Federal Funds Exchange Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 291,380	280,000	280,000	11,380
Expenditures				
Contractual Services	124,096	-	-	124,096
Capital Outlay	13,000	719,206	719,206	(706,206)
Total Expenditures	137,096	719,206	719,206	(582,110)
Excess (Deficit) of Revenues Over Expenditures	154,284	<u>(439,206)</u>	<u>(439,206)</u>	<u>593,490</u>
Budgetary Basis Fund Balance - Beginning of Year	752,427			
Budgetary Basis Fund Balance - End of Year	906,711			
GAAP Adjustments				
Encumbrances	79,998			
Fund Balance - End of Year	\$ 986,709			

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2022

	<u>Sanitation</u>	<u>Total</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current Assets		
Cash and Investments	\$ 3,831,225	3,831,225
Receivables, Net of Allowance for Uncollectibles		
Accounts	331,246	331,246
Accrued Interest	18,394	18,394
Total Current Assets	<u>4,180,865</u>	<u>4,180,865</u>
Noncurrent Assets		
Capital Assets		
Depreciable Capital Assets	1,619,360	1,619,360
Right to Use Assets	7,162	7,162
Accumulated Depreciation and Amortization	<u>(1,353,653)</u>	<u>(1,353,653)</u>
Total Noncurrent Assets	<u>272,869</u>	<u>272,869</u>
Total Assets	4,453,734	4,453,734
Deferred Outflows of Resources		
Pension Liability	<u>116,283</u>	<u>116,283</u>
Total Assets and Deferred Outflows of Resources	<u>4,570,017</u>	<u>4,570,017</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current Liabilities		
Accounts Payable	7,072	7,072
Accrued Liabilities	6,022	6,022
Current Portion of Compensated Absences Payable	19,901	19,901
Current Portion of Right to Use Asset Leases Payable	<u>1,064</u>	<u>1,064</u>
Total Current Liabilities	<u>34,059</u>	<u>34,059</u>
Noncurrent Liabilities		
Net Pension Liability	327,967	327,967
Right to Use Asset Leases Payable	<u>5,570</u>	<u>5,570</u>
Total Noncurrent Liabilities	<u>333,537</u>	<u>333,537</u>
Total Liabilities	367,596	367,596
Deferred Inflows of Resources		
Pension Liability	<u>2,956</u>	<u>2,956</u>
Total Liabilities and Deferred Inflows of Resources	<u>370,552</u>	<u>370,552</u>
<u>NET POSITION</u>		
Net Position		
Net Investment in Capital Assets	266,235	266,235
Unrestricted	<u>3,933,230</u>	<u>3,933,230</u>
Total Net Position	<u>\$ 4,199,465</u>	<u>4,199,465</u>

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, 2022

	<u>Sanitation</u>	<u>Total</u>
Operating Revenues		
Charges for Services	\$ 1,845,391	1,845,391
Miscellaneous	4,088	4,088
Total Operating Revenues	<u>1,849,479</u>	<u>1,849,479</u>
Operating Expenses		
Personal Services	413,898	413,898
Commodities	181,355	181,355
Contractual Services	584,522	584,522
Depreciation	92,954	92,954
Total Operating Expenses	<u>1,272,729</u>	<u>1,272,729</u>
Net Operating Income	<u>576,750</u>	<u>576,750</u>
Nonoperating Revenues (Expense)		
Interest Expense	(261)	(261)
Interest Income	46,365	46,365
Net Nonoperating Revenues (Expense)	<u>46,104</u>	<u>46,104</u>
Net Income Before Transfers	622,854	622,854
Transfers Out	<u>(600,000)</u>	<u>(600,000)</u>
Change in Net Position	22,854	22,854
Net Position - Beginning of Year	<u>4,176,611</u>	<u>4,176,611</u>
Net Position - End of Year	<u>\$ 4,199,465</u>	<u>4,199,465</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, 2022

	Sanitation	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities		
Cash Received From Customers and Users	\$ 1,896,424	1,896,424
Cash Paid to Suppliers of Goods and Services	(761,751)	(761,751)
Cash Paid to Employees	(429,422)	(429,422)
Other Operating Receipts	4,088	4,088
	709,339	709,339
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets	(256,147)	(256,147)
Interest Payments	(261)	(261)
Principal Payments - Right to Use	(528)	(528)
	(256,936)	(256,936)
Cash Flows From Noncapital Financing Activities		
Transfer Out	(600,000)	(600,000)
	(600,000)	(600,000)
Cash Flows From Investing Activities		
Interest Received	35,540	35,540
	35,540	35,540
Net Increase in Cash and Investments	(112,057)	(112,057)
Cash and Investments - Beginning of Year	3,943,282	3,943,282
Cash and Investments - End of Year	\$ 3,831,225	3,831,225

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, 2022

	Sanitation	Total Nonmajor Enterprise Funds
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities		
Net Operating Income	\$ 576,750	576,750
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities		
Depreciation Expense	92,954	92,954
(Increase) Decrease in Accounts Receivable	51,033	51,033
(Increase) Decrease in Deferred Outflows	(39,064)	(39,064)
Increase (Decrease) in Accounts Payable	2,943	2,943
Increase (Decrease) in Accrued Compensated Absences	2,196	2,196
Increase (Decrease) in Net Pension Liability	105,196	105,196
Increase (Decrease) in Accrued Liabilities	1,183	1,183
Increase (Decrease) in Deferred Inflows	(83,852)	(83,852)
Net Cash Provided by Operating Activities	\$ 709,339	709,339

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

		<u>Trust and Agency Fund</u>	<u>Insurance Disaster Fund</u>	<u>Total Custodial Funds</u>
	<u>ASSETS</u>			
Cash		\$ <u>2,409</u>	<u>2,726</u>	<u>5,135</u>
	<u>LIABILITIES</u>			
Due to Others		\$ <u>2,409</u>	<u>2,726</u>	<u>5,135</u>

CITY OF JUNCTION CITY, KANSAS
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2022

		<u>Trust and Agency Fund</u>	<u>Insurance Disaster Fund</u>	<u>Total Custodial Funds</u>
Revenues		\$ -	-	-
Expenditures		<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures		-	-	-
Fund Balance - Beginning of Year		<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending of Year		\$ <u>-</u>	<u>-</u>	<u>-</u>

See Independent Auditor's Report.

CITY OF JUNCTION CITY, KANSAS

Statistical Section (Unaudited)

December 31, 2022

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$(47,479,333)	\$(42,071,227)	\$(26,982,525)	\$(34,673,724)	\$ (28,929,834)	\$ (31,384,052)	\$ (10,002,423)	\$ (4,240,100)	\$ 1,855,384	\$ 3,601,578
Restricted	47,659,856	47,133,957	45,298,451	47,262,307	51,094,342	19,572,461	17,469,658	16,972,073	15,197,503	13,294,631
Unrestricted	10,177,293	10,843,958	1,503,427	6,880,515	15,598,864	11,883,804	(5,930,212)	(4,695,504)	(1,950,365)	5,518,890
Total governmental activities net position	\$ 10,357,816	\$ 15,906,688	\$ 19,819,353	\$ 19,469,098	\$ 37,763,372	\$ 72,213	\$ 1,537,023	\$ 8,036,469	\$ 15,102,522	\$ 22,415,099
Business-type activities										
Net investment in capital assets	\$ 49,048,348	\$ 49,249,853	\$ 50,335,663	\$ 49,098,164	\$ 38,852,077	\$ 34,217,403	\$ 55,971,316	\$ 60,116,146	\$ 64,523,334	\$ 69,992,097
Unrestricted	7,096,226	8,786,568	9,005,441	15,544,505	28,927,670	36,015,248	18,721,968	19,082,062	19,739,227	15,210,530
Total business-type activities net position	\$ 56,144,574	\$ 58,036,421	\$ 59,341,104	\$ 64,642,669	\$67,779,747	\$ 70,232,651	\$ 74,693,284	\$ 79,198,208	\$ 84,262,561	\$ 85,202,627
Primary government										
Net investment in capital assets	\$ 1,589,015	\$ 7,178,626	\$ 23,353,138	\$ 14,424,440	\$ 9,922,243	\$ 2,833,351	\$ 45,968,893	\$ 55,876,046	\$ 66,378,718	\$ 73,593,675
Restricted	47,659,856	47,133,957	45,298,451	47,262,307	51,094,342	19,572,461	17,469,658	16,972,073	15,197,503	13,294,631
Unrestricted	17,273,519	19,630,526	10,508,868	22,425,020	44,526,534	47,899,052	12,791,756	14,386,558	17,788,862	20,729,420
Total primary government net position	\$ 66,522,390	\$ 73,943,109	\$ 79,160,457	\$ 84,111,767	\$ 105,543,119	\$ 70,304,864	\$ 76,230,307	\$ 87,234,677	\$ 99,365,083	\$ 107,617,726

**City of Junction City, Kansas
Changes in Net Position**

Last Ten Fiscal Years

(Accrual basis accounting)

Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General government	\$ 2,818,453	\$ 2,564,763	\$ 2,583,982	\$ 5,233,594	\$ 2,831,910	\$ 5,087,215	\$ 2,985,520	\$ 4,367,013	\$ 3,367,670	\$ 4,449,278
Public safety	\$ 9,247,065	\$ 10,515,859	\$ 8,543,841	\$ 10,445,544	\$ 10,628,985	\$ 11,099,497	\$ 11,875,862	\$ 11,094,025	\$ 10,444,315	\$ 13,101,924
Public works	\$ 5,013,275	\$ 5,348,714	\$ 6,522,980	\$ 7,602,497	\$ 6,072,476	\$ 5,820,618	\$ 6,310,351	\$ 6,038,726	\$ 6,720,426	\$ 6,474,142
Culture and recreation	\$ 1,284,881	\$ 2,927,200	\$ 1,895,285	\$ 1,895,645	\$ 1,821,822	\$ 2,458,268	\$ 2,440,722	\$ 2,292,080	\$ 2,391,099	\$ 2,964,967
Economic Development	\$ 1,264,637	\$ 1,823,290	\$ 1,257,753	\$ 589,757	\$ 1,260,150	\$ 881,207	\$ 1,372,758	\$ 1,049,502	\$ 1,330,034	\$ 882,476
Public health and sanitation	\$ 2,053,932	\$ 2,160,507	\$ 2,560,853	\$ 2,871,981	\$ 2,996,894	\$ 3,485,194	\$ 3,576,872	\$ 3,339,863	\$ 3,587,360	\$ 4,110,952
Payments on other obligations (see note)	\$ 655,548	\$ 98,604	\$ 98,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest long term debt	\$ 6,568,899	\$ 5,524,717	\$ 4,629,537	\$ 8,748,963	\$ 4,423,563	\$ 4,094,142	\$ 3,732,873	\$ 3,750,985	\$ 2,802,849	\$ 2,642,841
Total governmental expenses	\$ 28,906,690	\$ 30,963,654	\$ 28,092,613	\$ 37,387,981	\$ 30,035,800	\$ 32,926,141	\$ 32,294,958	\$ 31,932,194	\$ 30,643,753	\$ 34,626,580
Business-type activities										
Water/sewer	\$ 7,740,690	\$ 7,455,346	\$ 7,596,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -	\$ 3,211,650	\$ 3,330,993	\$ 4,577,366	\$ 3,299,778	\$ 3,483,605	\$ 3,887,776	\$ 6,104,910
Sewer	\$ -	\$ -	\$ -	\$ 4,022,608	\$ 4,216,058	\$ 4,616,729	\$ 4,616,295	\$ 4,664,618	\$ 4,048,592	\$ 5,079,911
Sanitation	\$ 1,084,085	\$ 1,016,260	\$ 1,072,567	\$ 1,402,381	\$ 1,096,946	\$ 1,210,990	\$ 1,166,632	\$ 1,198,087	\$ 1,196,465	\$ 1,272,990
Stormwater	\$ 498,018	\$ 546,754	\$ 545,779	\$ 438,112	\$ 452,520	\$ 570,214	\$ 462,706	\$ 493,853	\$ 593,597	\$ 1,241,884
Total business-type activities expenses	\$ 9,487,541	\$ 9,018,360	\$ 9,214,458	\$ 9,074,751	\$ 9,096,517	\$ 10,975,299	\$ 9,545,411	\$ 9,840,163	\$ 9,726,430	\$ 13,699,695
Total primary government expenses	\$ 38,394,231	\$ 39,982,014	\$ 37,307,071	\$ 46,462,732	\$ 39,132,317	\$ 43,901,440	\$ 41,840,369	\$ 41,772,357	\$ 40,370,183	\$ 48,326,275
Program Revenues										
Governmental activities:										
Charges for services	\$ 3,460,191	\$ 3,553,426	\$ 3,841,165	\$ 3,492,201	\$ 3,504,359	\$ 3,269,321	\$ 3,662,968	\$ 3,514,456	\$ 4,053,054	\$ 4,399,164
Operating grants and contributions	\$ 1,769,732	\$ 3,168,858	\$ 11,265,285	\$ 1,943,858	\$ 3,018,944	\$ 3,899,360	\$ 2,537,153	\$ 5,576,117	\$ 3,434,135	\$ 5,612,846
Capital grants and contributions	\$ 481,939	\$ 996,975	\$ 982,671	\$ 2,343,810	\$ 1,778,195	\$ 641,136	\$ 617,458	\$ 567,565	\$ 628,878	\$ 599,062
Total governmental activities program revenue	\$ 5,711,862	\$ 7,719,259	\$ 16,089,121	\$ 7,779,869	\$ 8,301,498	\$ 7,809,817	\$ 6,817,579	\$ 9,658,138	\$ 8,116,067	\$ 10,611,072
Business-type activities										
Charges for services										
Water/sewer	\$ 9,356,857	\$ 9,708,263	\$ 10,375,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -	\$ 5,324,962	\$ 5,570,696	\$ 5,575,484	\$ 5,800,617	\$ 6,044,835	\$ 6,549,530	\$ 6,313,524
Sewer	\$ -	\$ -	\$ -	\$ 5,513,814	\$ 5,581,828	\$ 5,971,026	\$ 6,193,966	\$ 6,539,606	\$ 6,811,401	\$ 7,072,457
Sanitation	\$ 1,455,036	\$ 1,505,555	\$ 1,534,395	\$ 1,526,242	\$ 1,537,200	\$ 1,577,636	\$ 1,624,144	\$ 1,701,232	\$ 1,781,682	\$ 1,845,391
Stormwater	\$ 780,995	\$ 855,654	\$ 771,705	\$ 773,532	\$ 766,720	\$ 919,900	\$ 1,062,066	\$ 1,080,559	\$ 1,070,963	\$ 1,033,220
Spin City	\$ 121,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities prgrm revenue	\$ 11,714,071	\$ 12,069,472	\$ 12,681,333	\$ 13,138,550	\$ 13,456,444	\$ 14,044,046	\$ 14,680,823	\$ 15,366,232	\$ 16,213,576	\$ 16,264,592
Total primary government program revenue	\$ 17,425,933	\$ 19,788,731	\$ 28,770,454	\$ 20,918,419	\$ 21,757,942	\$ 21,853,863	\$ 21,498,402	\$ 25,024,370	\$ 24,329,643	\$ 26,875,664
Net (Expense) Revenue										
Governmental activities	\$ (23,194,828)	\$ (23,244,395)	\$ (12,003,492)	\$ (29,608,112)	\$ (21,734,302)	\$ (25,116,324)	\$ (25,477,379)	\$ (22,274,056)	\$ (22,527,686)	\$ (24,015,508)
Business-type activities	\$ 2,226,530	\$ 3,051,112	\$ 3,466,875	\$ 4,063,799	\$ 4,359,927	\$ 3,068,747	\$ 5,135,412	\$ 5,526,069	\$ 6,487,146	\$ 2,564,897
Total primary government net expenses	\$ (20,968,298)	\$ (20,193,283)	\$ (8,536,617)	\$ (25,544,313)	\$ (17,374,375)	\$ (22,047,577)	\$ (20,341,967)	\$ (16,747,987)	\$ (16,040,540)	\$ (21,450,611)
Gen Revenues & Other Changes Net position										
Governmental activities										
Taxes										
Property taxes	\$ 9,470,337	\$ 9,668,455	\$ 9,641,838	\$ 9,566,983	\$ 9,974,398	\$ 9,259,840	\$ 9,475,876	\$ 9,387,669	\$ 9,864,739	\$ 9,577,484
Sales taxes	\$ 11,143,399	\$ 10,918,894	\$ 10,746,724	\$ 10,611,641	\$ 10,345,095	\$ 10,905,654	\$ 10,822,585	\$ 12,141,567	\$ 13,218,727	\$ 13,828,670
Franchise taxes	\$ 1,882,737	\$ 1,967,710	\$ 1,829,821	\$ 1,834,814	\$ 1,820,583	\$ 1,903,630	\$ 1,750,282	\$ 1,803,278	\$ 1,799,530	\$ 2,138,190
Special assessments	\$ -	\$ -	\$ -	\$ 4,113,971	\$ 6,861,942	\$ 739,550	\$ 29,630	\$ 1,244,685	\$ 218,050	\$ 74,028
Payment in lieu of property tax	\$ 14,137	\$ 13,052	\$ 14,335	\$ 21,232	\$ 22,852	\$ -	\$ 17,810	\$ 28,798	\$ 48,340	\$ 45,750
Investment earnings	\$ 481,805	\$ 215,382	\$ 770,359	\$ 728,903	\$ 1,131,277	\$ 1,424,232	\$ 755,298	\$ 674,094	\$ 944,656	\$ 900,162
Miscellaneous	\$ 2,342,981	\$ 4,183,466	\$ 1,849,293	\$ 1,298,313	\$ 1,187,479	\$ 2,936,420	\$ 2,060,094	\$ 1,590,959	\$ 1,606,769	\$ 2,143,801
Transfers	\$ 1,522,500	\$ 1,522,500	\$ 1,505,000	\$ 1,530,000	\$ 1,630,000	\$ 1,630,000	\$ 2,030,614	\$ 1,902,452	\$ 1,892,928	\$ 2,620,000
Total governmental activities	\$ 26,857,896	\$ 28,489,459	\$ 26,357,370	\$ 29,705,857	\$ 32,973,626	\$ 28,799,326	\$ 26,942,189	\$ 28,773,502	\$ 29,593,739	\$ 31,328,085
Business-type activities						\$ 83				
Investment earnings	\$ -	\$ 1,332	\$ 23,177	\$ 47,293	\$ 106,590	\$ 141,136	\$ 494,801	\$ 238,524	\$ 20,579	\$ 254,616
Miscellaneous	\$ 253,963	\$ 222,018	\$ 387,675	\$ 2,720,473	\$ 300,561	\$ 873,021	\$ 200,355	\$ 642,783	\$ 449,556	\$ 740,553
Transfers	\$ (1,522,500)	\$ (1,522,500)	\$ (1,505,000)	\$ (1,530,000)	\$ (1,630,000)	\$ (1,630,000)	\$ (2,030,614)	\$ (1,902,452)	\$ (1,892,928)	\$ (2,620,000)
Total business-type activities	\$ (1,268,537)	\$ (1,299,150)	\$ (1,094,148)	\$ 1,237,766	\$ (1,222,849)	\$ (615,843)	\$ (1,335,458)	\$ (1,021,145)	\$ (1,422,793)	\$ (1,624,831)
Total primary government	\$ 25,589,359	\$ 27,190,309	\$ 25,263,222	\$ 30,943,623	\$ 31,750,777	\$ 28,183,483	\$ 25,606,731	\$ 27,752,357	\$ 28,170,946	\$ 29,703,254
Change in Net position										
Governmental activities	\$ 3,663,068	\$ 5,245,064	\$ 14,353,878	\$ 97,745	\$ 11,239,324	\$ 3,683,002	\$ 1,464,810	\$ 6,499,446	\$ 7,066,053	\$ 7,312,577
Business-type activities	\$ 957,993	\$ 1,751,962	\$ 2,372,727	\$ 5,301,565	\$ 3,137,078	\$ 2,452,904	\$ 3,799,954	\$ 4,504,924	\$ 5,064,353	\$ 940,066
Total primary government	\$ 4,621,061	\$ 6,997,026	\$ 16,726,605	\$ 5,399,310	\$ 14,376,402	\$ 6,135,906	\$ 5,264,764	\$ 11,004,370	\$ 12,130,406	\$ 8,252,643

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Unassigned	\$ 5,186,893	\$ 5,479,409	\$ 5,728,814	\$ 5,661,462	\$ 5,971,682	\$ 4,975,366	\$ 3,946,045	\$ 3,870,092	\$ 5,082,060	\$ 4,943,112
Restricted	-	-	-	-	-	-	743,706	1,482,152	948,501	-
Assigned	-	-	-	-	-	-	-	-	-	827,813
Prior Period Adjustment	-	-	-	-	-	218,800	-	-	-	-
Total general fund	\$ 5,186,893	\$ 5,479,409	\$ 5,728,814	\$ 5,661,462	\$ 5,971,682	\$ 5,194,166	\$ 4,689,751	\$ 5,352,244	\$ 6,030,561	\$ 5,770,925
All Other Governmental Funds										
Restricted	\$ 6,522,254	\$ 8,055,770	\$ 8,387,112	\$ 6,703,683	\$ 5,865,885	\$ 6,381,528	\$ 4,167,708	\$ 4,849,752	\$ 6,093,907	\$ 8,368,246
Committed	717,710	521,194	184,473	453,959	4,285,376	5,032,260	1,156,015	1,553,167	1,644,859	1,762,846
Assigned	-	-	-	-	-	-	-	467,582	1,274,769	1,065,838
Unassigned	-	-	(46,123)	(1,282,276)	(317,356)	(972,663)	378,007	-	-	-
Prior Period Adjustment	-	-	-	-	-	(4,179,024)	-	-	-	-
Total all other governmental funds	\$ 7,239,964	\$ 8,576,964	\$ 8,525,462	\$ 5,875,366	\$ 9,833,905	\$ 6,262,101	\$ 5,701,730	\$ 6,870,501	\$ 9,013,535	\$ 11,196,930

CITY OF JUNCTION CITY, KANSAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 22,510,610	\$ 22,528,108	\$ 22,232,718	\$ 22,034,670	\$ 22,162,928	\$ 22,069,124	\$ 22,066,553	\$ 23,361,312	\$ 24,931,336	\$ 25,590,097
Licenses and permits	269,865	215,096	345,903	246,051	233,077	229,139	462,924	368,162	316,192	421,027
Intergovernmental	1,769,732	3,168,858	11,265,285	4,287,668	4,797,139	4,540,496	3,057,261	614,368	4,063,013	6,211,909
Charges for service	2,133,342	2,244,575	2,545,381	2,517,489	2,533,361	2,355,640	2,564,346	2,671,503	2,822,956	2,929,413
Fines and fees	1,056,984	1,093,755	949,881	728,661	737,921	684,542	635,698	574,791	913,906	1,048,724
Special assessments	2,304,567	2,373,750	2,339,693	2,336,794	2,382,986	2,362,387	2,376,885	2,357,111	2,464,135	2,320,113
Use of money & property	481,805	215,382	770,359	728,903	1,131,277	1,424,232	755,298	674,862	945,643	900,181
Miscellaneous	2,343,777	5,988,271	2,085,289	1,214,613	1,174,440	2,084,079	1960487	2,246,795	1,594,248	2,155,954
Total revenues	\$ 32,870,682	\$ 37,827,795	\$ 42,534,509	\$ 34,094,849	\$ 35,153,129	\$ 35,749,639	\$ 33,879,452	\$ 32,868,904	\$ 38,051,429	\$ 41,577,418
Expenditures										
General government	\$ 2,441,196	\$ 2,200,394	\$ 11,154,437	\$ 5,459,427	\$ 2,842,479	\$ 4,429,097	\$ 2,425,802	\$ 6,189,890	\$ 4,537,397	\$ 5,538,223
Public safety	8,806,794	11,815,167	10,126,551	10,781,855	10,787,374	10,208,068	11,049,870	9,925,070	10,087,868	12,582,960
Public works	2,368,331	3,279,179	3,554,234	3,528,336	3,052,776	3,024,850	3,692,611	4,202,489	5,759,941	4,117,341
Public health & sanitation	2,053,932	2,160,507	2,854,895	2,816,623	2,909,230	3,379,405	3,402,441	3,137,964	3,587,434	4,300,079
Culture & recreation	1,553,195	2,854,406	1,830,773	1,920,453	1,974,825	2,634,463	2,460,181	2,286,194	2,598,486	3,103,286
Economic development	1,264,637	1,823,290	1,257,753	589,757	1,260,150	881,207	985,931	814,527	1,068,885	882,988
Capital outlay	1,424	-	-	-	-	-	-	-	-	-
Debt service principal	13,578,026	6,997,015	12,618,600	7,291,695	8,095,728	8,899,570	9,023,955	33,775,199	13,721,980	10,003,819
Debt service interest & fees	6,686,399	5,861,176	5,688,196	5,605,844	4,533,302	4,181,089	3,912,820	3,750,985	2,802,849	2,636,764
Payment contractual obligations	655,548	98,604	98,382	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	118,614	630
Miscellaneous	358,809	631,041	337,606	883,890	194,432	130,986	21211	177321	100,969	32,549
Total Expenditures	\$ 39,768,291	\$ 37,720,779	\$ 49,521,427	\$ 38,877,880	\$ 35,650,296	\$ 37,768,735	\$ 36,974,822	\$ 64,259,639	\$ 44,384,423	\$ 43,198,639
Excess revenues over (under) expenditures	\$ (6,897,609)	\$ 107,016	\$ (6,986,918)	\$ (4,783,031)	\$ (497,167)	\$ (2,019,096)	\$ (3,095,400)	\$ (25,961,421)	\$ (6,332,994)	\$ (1,621,221)
Other Financing Sources (Uses)										
Bonds issued	\$ 8,247,988	\$ -	\$ 5,667,850	\$ 47,446,979	\$ -	\$ -	\$ -	\$ 25,862,685	\$ 7,261,417	\$ 924,980
Payment to Refunded Bond	-	-	-	(46,911,396)	-	-	-	-	-	-
Transfers in	1,522,918	1,722,500	2,105,000	2,164,000	2,080,000	2,080,000	2,480,614	2,380,000	2,210,274	2,770,000
Transfers out	(418)	(200,000)	(600,000)	(634,000)	(450,000)	(450,000)	(450,000)	(450,000)	(317,346)	(150,000)
Total other financing sources (uses)	\$ 9,770,488	\$ 1,522,500	\$ 7,172,850	\$ 2,065,583	\$ 1,630,000	\$ 1,630,000	\$ 2,030,614	\$ 27,792,685	\$ 9,154,345	\$ 3,544,980
Net change in fund balances	\$ 2,872,879	\$ 1,629,516	\$ 185,932	\$ (2,717,448)	\$ 1,132,833	\$ (389,096)	\$ (1,064,786)	\$ 1,831,264	\$ 2,821,351	\$ 1,923,759
Debt service as a percentage of noncapital expenditures	52.21%	34.09%	36.97%	33.17%	35.42%	35.91%	34.99%	58.40%	37.23%	29.26%

**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%	544,693,200	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
2020*	1,473,169,000	986,521,923	448,792,000	30.00%	568,680,000	301,820,000	\$ 18.00	\$ 0.42	\$ 0.48	\$ 32.00	\$ 0.40
2021	1,457,335,200	1,403,060,000	387,146,000	27.54%	577,102,000	283,037,000	\$ 18.81	\$ 0.44	\$ 0.50	\$ 33.76	\$ 0.42
2022	1,534,256,000	1,153,509,646	380,746,354	29.57%	706,185,000	269,428,000	\$ 18.81	\$ 0.44	\$ 0.50	\$ 37.64	\$ 0.47

1/1 to 9/10
9/10 to 12/31

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

- (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
- *Rates Changed to Gallons for Unit of Measure, and no product is included in the base.

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
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
2020	14	13	27
2021	29	28	57
2022	123	123	246

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
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
2020	8,835	824	8,576	794	9,659	9,370
2021	8,871	688	8,602	807	9,559	9,409
2022	8,873	669	8,632	794	9,542	9,426

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

WATER - (per month inside or outside city limits (1))	2012	2013	2014	2014	2015	2016	2017	2018	2019	2020**	2021	2022
			1/1 to 6/16	6/17-12/31								
1. Minimum charge, Not in excess of 200 cubic feet 1" meter or less	\$ 15.72	\$ 15.72	\$ 16.03	\$ 17.07	\$ 18.27	\$ 19.36	\$ 20.62	\$ 21.96	\$ 23.39	\$ 18.00	\$ 18.88	\$ 18.88
2. Minimum charge, Not in excess of 200 cubic feet Over 1" and up to and including 1.5" meters	\$ 98.55	\$ 98.55	\$ 100.52	\$ 107.05	\$ 114.55	\$ 124.42	\$ 129.32	\$ 137.72	\$ 146.67	\$ 140.00	\$ 140.00	\$ 140.00
3. Minimum charge, Not in excess of 200 cubic feet Over 1.5" and up to and including 2" meters	\$ 194.91	\$ 194.91	\$ 198.80	\$ 211.72	\$ 226.54	\$ 240.14	\$ 255.75	\$ 272.37	\$ 290.08	\$ 285.00	\$ 285.00	\$ 285.00
4. Minimum charge, Not in excess of 200 cubic feet Over 2" and up to and including 3" meters	\$ 288.19	\$ 288.19	\$ 293.95	\$ 313.06	\$ 334.97	\$ 355.08	\$ 378.16	\$ 402.74	\$ 428.92	\$ 425.00	\$ 425.00	\$ 425.00
5. Minimum charge, Not in excess of 200 cubic feet Over 3" and up to and including 4" meters	\$ 382.08	\$ 382.08	\$ 389.72	\$ 415.05	\$ 444.11	\$ 470.76	\$ 501.36	\$ 533.94	\$ 568.66	\$ 560.00	\$ 560.00	\$ 560.00
6. Minimum charge, Not in excess of 200 cubic feet 4" meter and over	\$ 480.53	\$ 480.53	\$ 490.14	\$ 522.00	\$ 558.54	\$ 592.07	\$ 630.55	\$ 671.54	\$ 715.19	\$ 700.00	\$ 700.00	\$ 700.00
7. 300 cubic feet to 1,000 cubic feet, per 100 cubic feet / Up to 10,000 Gal. per 100	\$ 2.02	\$ 2.02	\$ 2.06	\$ 2.22	\$ 2.36	\$ 2.51	\$ 2.68	\$ 2.85	\$ 3.04	\$ 0.42	\$ 0.42	\$ 0.44
8. All above 1,000 cubic feet, per 100 cubic feet / > 10,000 Gal. per 100	\$ 2.33	\$ 2.33	\$ 2.37	\$ 2.55	\$ 2.72	\$ 2.89	\$ 3.08	\$ 3.28	\$ 3.49	\$ 0.48	\$ 0.48	\$ 0.50

WASTEWATER - rates per month (2)+A14:M22	2012	2013	2014	2014	2015	2016	2017	2018	2019	2020**	2021	2022
1. Minimum charge, not in excess of 200 cubic feet / Not Prod Included in Gals.	\$ 25.50	\$ 25.50	\$ 25.50	\$ 26.90	\$ 28.65	\$ 30.37	\$ 32.19	\$ 34.12	\$ 36.17	\$ 32.00	\$ 32.00	\$ 37.64
2. 300 cubic feet and above, per 100 cubic feet	\$ 1.90	\$ 1.90	\$ 1.90	\$ 2.00	\$ 2.13	\$ 2.26	\$ 2.40	\$ 2.54	\$ 2.70	\$ 0.40	\$ 0.40	\$ 0.47
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	2012	2013	2014	2014	2015	2016	2017	2018	2019	2020**	2021	2022
1. Developed residential assessment per living unit	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 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	\$ 5.00	\$ 5.00	\$ 5.00	\$ 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	\$ 5.00	\$ 5.00	\$ 5.00	\$ 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

** Changed to Gallons as a unit of measure and no product included in the base

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

<u>Customer</u>	<u>Water Revenue</u>		<u>Sewer Revenue</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
ARMOUR ECKRICH	\$812,567.00	12.39%	ARMOUR ECKRICH	\$730,301.41 10.65%
CITY OF GRANDVIEW PLAZA	\$128,657.68	1.96%	PENN ENTERPRISES	\$76,192.39 1.11%
PENN ENTERPRISES	\$97,149.35	1.06%	GEARY COMMUNITY HOSPITAL	\$54,881.80 0.80%
GEARY COMMUNITY HOSPITAL	\$69,793.10	1.48%	GREEN PARK APARTMENTS	\$24,114.78 0.35%
GREEN PARK APARTMENTS	\$35,152.18	0.54%	KMC HOLDINGS, LLC	\$22,371.09 0.33%
KMC HOLDINGS, LLC	\$32,233.41	0.49%	USD 475	\$18,896.32 0.28%
RURAL WATER DIST #1	\$28,943.78	0.44%	FOOT LOCKER	\$18,778.81 0.27%
USD 475	\$28,939.75	0.44%	VENTRIA BIOSCIENCE	\$17,933.91 0.26%
FOOT LOCKER	\$28,597.85	37.92%	KOZMA HOLDINGS, LLC	\$16,672.12 0.24%
KOZMA HOLDINGS, LLC	<u>\$2,487,399.00</u>	<u>0.44%</u>	WINEGARDNER AND HAMMONS	\$14,498.72 <u>0.21%</u>
Subtotal (10 largest)	<u>\$3,749,433.10</u>	<u>57.16%</u>		<u>\$994,641.35</u> <u>14.51%</u>
Balance from other customers	\$ 2,810,177	42.84%	Balance from other customers	\$ 5,859,892 85.49%
Grand Total	<u>\$6,559,609.68</u>	100.00%	Grand Total	<u>\$6,854,533.72</u> 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
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%
2020	\$ 163,103,672	\$ 2,239,446	\$ 9,398,662	\$ 174,741,780	48.346	\$ 1,162,731,804	15.03%
2021	\$ 163,158,089	\$ 2,254,320	\$ 11,049,351	\$ 176,461,760	48.328	\$ 1,174,176,551	15.03%
2022	\$ 201,453,565	\$ 2,306,179	\$ 10,338,491	\$ 214,098,235	48.311	\$ 1,424,609,656	15.03%

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
2008	27.911	17.032	3.329	48.272	43.261	46.663	1.5	138.196
2009	24.314	20.494	3.666	48.474	45.566	49.598	1.5	143.638
2010	26.84	16.75	4.708	48.282	45.445	53.126	1.5	146.853
2011	10.589	35.138	4.623	50.35	45.499	53.39	1.5	149.239
2012	10.233	33.172	4.436	47.841	45.823	52.205	1.5	145.869
2013	14.324	28.87	4.436	47.635	45.961	54.084	1.5	147.680
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	162.113
2019	22.98	17.744	4.61	48.345	43.584	70.949	1.5	162.878
2020	26.66	14.357	4.328	48.346	43.524	70.771	1.5	162.641
2021	26.169	14.409	4.751	48.328	43.474	70.416	1.5	163.718
2022	28.712	12.314	4.285	48.311	43.514	60.109	1.5	153.434

Source: Geary County Clerk

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

2022				2011			
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	Everygy	\$ 7,466,547.00	4.27%	1	F.W. Woolworth Co.	\$ 3,942,923	2.32%
2	F.W. Woolworth Co.	\$ 3,870,769.00	2.22%	2	Armour-Eckrich	\$ 3,000,000	1.77%
3	Bluffs - Capital Solutions	\$ 3,453,860.00	1.98%	3	Westar Energy	\$ 2,718,130	1.60%
4	Kansas Gas Service	\$ 2,418,008.00	1.38%	4	Hammons, John Q	\$ 2,415,300	1.42%
5	Smithfield Package	\$ 2,250,478.00	1.29%	5	Wal-Mart Real Estate	\$ 2,349,918	1.39%
6	Wal-Mart	\$ 2,192,381.00	1.25%	6	Patriot Group	\$ 878,713	0.52%
7	Patriot Pointe	\$ 1,170,387.00	0.67%	7	Kansas Gas Service	\$ 505,379	0.30%
8	Azd Development	\$ 1,162,336.00	0.67%	8	Blueuay Properties	\$ 451,477	0.27%
9	Camso	\$ 1,031,676.00	0.59%	9	Big D Development	\$ 378,088	0.22%
10	Bramlage Properties	\$ 933,692.00	0.53%	10	Fort Development	\$ 317,552	0.19%
Total Taxable Assessed Value in 2021		\$174,741,780		Total Taxable Assessed Value in 2010		\$169,640,933	

Source: Geary County Clerk
Information in 2012 was not available

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
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%
2020	\$ 8,595,679	\$ 7,988,028	92.93%	\$ 4,496	\$ 7,992,525	92.98%	\$ 603,163	7.02%
2021	\$ 8,610,988	\$ 8,591,270	96.88%	\$ 21,608	\$ 8,322,696	96.65%	\$ 268,574	3.12%
2022	\$ 8,709,390	\$ 8,676,767	99.63%	\$ 39,624	\$ 8,464,467	97.19%	\$ 212,300	2.44%

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					
	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	Total Primary Government	Per Capita
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	\$ 72,190,570	\$ 14,976,644	\$ 8,323,052	\$ 2,639,996	\$ -	\$ -	\$ 4,605,227	\$ 28,789,437	\$ -	\$ 305,740	\$ 131,830,666	\$ 5,960
2020	\$ 56,469,977	\$ 11,046,664	\$ 6,816,235	\$ 1,868,272	\$ -	\$ -	\$ 3,855,030	\$ 18,666,993	\$ -	\$ 1,780,233	\$ 100,503,404	\$ 4,544
2021	\$ 65,102,385	\$ 14,132,577	\$ 8,309,485	\$ 1,622,456	\$ -	\$ 2,500,000	\$ 4,273,243	\$ 27,026,247	\$ -	\$ 1,702,714	\$ 124,669,107	\$ 5,636
2022	\$ 56,296,987	\$ 10,162,597	\$ 5,156,846	\$ 1,391,542	\$ -	\$ 1,885,000	\$ 2,120,185	\$ 21,146,698	\$ -	\$ 1,277,605	\$ 99,437,460	\$ 4,495

Debt listed as of December 31
Estimated population from US Census = 22,120

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

Legal Debt Margin Calculation for Fiscal Year 2020:

Assessed Valuation (1)

Legal Debt Limit at 30% of AV (2)

General Obligation Bonds Outstanding

Outstanding GO Debt Applicable to Debt Limit

Legal Debt Margin

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 69,918,259	\$ 70,486,430	\$ 72,017,789	\$ 72,522,779	\$ 66,781,502	\$ 66,642,553	\$ 59,247,831	\$ 58,000,635	\$ 58,809,903	\$ 58,809,903
Total Net Debt Applicable to Limit	\$ 62,640,908	\$ 59,410,241	\$ 56,091,866	\$ 52,748,992	\$ 48,959,557	\$ 45,038,304	\$ 40,986,855	\$ 36,369,361	\$ 31,607,112	\$ 27,608,648
Legal Debt Margin	\$ 7,277,351	\$ 11,076,189	\$ 15,925,923	\$ 19,773,787	\$ 17,821,945	\$ 21,604,249	\$ 18,260,976	\$ 21,631,274	\$ 27,202,791	\$ 31,204,256

Total net debt applicable to the limit as a percentage of debt limit	90%	84%	78%	73%	73%	68%	69%	63%	54%	47%
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(1) Includes motor vehicle valuation.

(2) Debt limit is set at 30% of assessed valuation per state statute. In 2009 the 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.

*Numbers courtesy fo Columbia Capital Financial

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

Fiscal	General	Less		Actual	Percent of		Per
Year	Bonds (1)	Amount	Total	Taxable	Actual	Population (3)	Capita
		Available		Value of	Taxable		
		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	\$ 87,551,117	\$ 861,241	\$ 86,689,876	\$ 174,258,325	49.75%	21,482	\$ 4,035
2020	\$ 60,326,007	\$ 2,106,583	\$ 58,219,424	\$ 171,741,780	33.90%	21,482	\$ 2,710
2021	\$ 52,904,839	\$ 2,626,937	\$ 50,277,902	\$ 176,461,760	28.49%	22,616	\$ 2,223
2022	\$ 56,296,987	\$ 9,500,930	\$ 46,796,057	\$ 214,098,235	21.86%	22,120	\$ 2,116

- (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	\$ 29,619,900	67.9%	\$ 20,111,912
U.S.D. #475 School District	<u>122,550,000</u>	67.9%	<u>83,211,450</u>
Total Estimated Overlapping Debt	\$ 152,169,900		\$ 103,323,362
DIRECT DEBT			
City of Junction City	<u>\$ 109,057,030</u>	100.0%	<u>\$ 109,057,030</u>
DIRECT & ESTIMATED OVERLAPPING DEBT	<u><u>\$ 261,226,930</u></u>		<u><u>\$ 212,380,392</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 = 22,120 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
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%
	WATER:				
2020	\$ 5,745,005	\$ 4,044,491	\$ 1,700,513	\$ 1,002,684	170%
	WASTEWATER:				
2020	6,281,411	\$ 5,266,426	1,014,986	\$ 1,454,002	70%
	WATER:				
2021	\$ 6,427,183	\$ 5,003,562	\$ 1,423,622	\$ 1,017,646	140%
	WASTEWATER				
2021	\$ 6,895,350	\$ 5,782,078	\$ 1,113,272	\$ 1,488,797	75%
	WATER:				
2022	\$ 6,559,610	\$ 5,262,834	\$ 1,296,776	\$ 1,369,496	95%
	WASTEWATER				
2022	\$ 6,854,534	\$ 5,252,562	\$ 1,601,971	\$ 1,226,549	75%

*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
2020	21,482	n/a	\$53,932	6,745	4.9	26
2021	22,616	n/a	\$53,949	6,776	3.8	26
2022	22,264	n/a	\$56,410	7,004	2.8	28

- (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 via phone 09/2020 submission
- (5) Home Facts
- (6) US Census Bureau Fact Finder based on 2018 surveys

**City of Junction City
Principal Employers**

Employers	2022	Employers	2011
	Estimated Number of Employees		Estimated Number of Employees
Fort Riley Civil Service (1) Civilian employees	5,439	Fort Riley Civil Service Civilian employees	7,786
U.S.D. #475 School District	1,302	U.S.D. #475 School District	1,350
Foot Locker Distribution Center	850	Geary Community Hospital	475
Smithfield Foods	451	Wal-Mart	415
Walmart Super Center	312	Armour Eckrich	400
Geary County	265	Wal-Mart	415
Advanced Call Center	250	Foot Locker Inc.	338
City of Junction City	227	Geary County	200
Geary Community Hospital	195	City of Junction City	153
CAMSO/Michelin	126	Kaw Valley Engineering	152

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

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

	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
Governmental Activities:	No.	%																		
General Government																				
General Administration	4	2.07	4	2.05	4	2.01	4	2.00	4	2.01	5	2.48	3	1.49	3	1.49	3	1.54	4	2.04
Human Resources	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	3	1.49	3	1.54	3	1.53
Information Services	1	0.52	2	1.03	2	1.00	2	1.00	2	1.01	2	0.99	2	0.99	2	0.99	2	1.03	2	1.02
Economic Development	0	0.00	0	0.00	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	3	1.55	3	1.54	3	1.50	3	1.50	3	1.51	3	1.49	3	1.49	3	1.49	3	1.54	3	1.53
Public Safety																				
Police Department	75	38.76	75	38.46	76.5	38.35	77	38.40	77	38.69	69	34.24	69	34.24	69	34.24	69	35.38	69	35.20
Fire/EMS Department	53	27.39	53	27.18	53	26.57	53	26.43	53	26.63	47	23.33	47	23.33	47	23.33	47	24.10	47	23.98
Codes/Inspection	3	1.55	4	2.05	5	2.51	5	2.49	5	2.51	5	2.48	5	2.48	5	2.48	5	2.56	5	2.55
Municipal Court	6	3.10	5	2.56	6.5	3.26	6.5	3.24	6.5	3.27	6	2.98	6	2.98	6	2.98	6	3.08	6	3.06
Public Works																				
Engineering	3.5	1.81	4	2.05	3	1.50	1	0.50	1	1.00	0	1.00	0	0.00	0	0.00	0	0.00	0	0.00
Self Help Housing	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Streets **	12	6.20	12	6.15	12	6.02	13	6.48	12	6.03	12	5.96	12	5.96	12	5.96	12	6.15	12	6.12
Culture & Recreation																				
Recreation	1	0.52	1	0.51	1	0.50	1.5	0.75	1.5	0.75	5	2.48	5	2.48	5	2.48	5	2.56	5	2.55
Parks	6	3.10	6	3.08	6	3.01	6	2.99	7	3.52	8	3.97	8.5	4.22	8.5	4.22	9	4.62	9	4.59
Junction City Arts	0	0.00	0	0.00	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****	1	0.52	1	0.51	1	0.50	1	0.50	1	0.50	7.5	0.50	7.5	3.72	7.5	3.72	0	0.00	0	0.00
Rolling Meadows Golf Course	3	1.55	3	1.54	3	1.50	3	1.50	2.5	1.26	9.5	4.71	10.5	5.21	10.5	5.21	11	5.64	11	5.61
Total for Gov't-type Activities	173	89.15	174	89.23	178	88.97	178	88.53	177	88.94	182	90.07	182	90.07	182	90.07	175	89.74	176	89.80
Business-type Activities																				
Solid Waste	6	3.10	6	3.08	6	3.01	6	2.99	6	3.02	4	1.99	4	1.99	4	1.99	4	2.05	4	2.04
Storm Water	0		0		1	0.50	1	0.50	1	0.50	1	0.50	1	0.50	1	0.50	1	0.51	1	0.51
Water/Sewer	15	7.75	15	7.69	15	7.52	16	7.98	15	7.54	15	7.44	15	7.44	15	7.44	15	7.69	15	7.65
Total Business-type Activities	21	10.85	21	10.77	22	11.03	23	11.47	22	11.06	20	9.93	20	9.93	20	9.93	20	10.26	20	10.20
Total Full-time Employees	194		195		200		201		199		202		202		202		195		196	

*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.

****2021 Close Spin City due to COVID and have not reopened

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

Function/Program:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building Permits Issued	994	1,090	1,174	1,304	1,126	824	1,478	2,028	2,181	1,890
Building Inspections Conducted	3,637	3,700	4,340	2,195	2,087	826	2,876	1,692	1,483	3,297
Police										
Physical Arrests	1,708	2,431	3,032	2,886	2,994	2,339	1,920	1,939	2,289	2,040
Traffic Violations	6,314	6,678	5,743	5,337	6,234	6,127	6,881	4,940	6,879	4,268
Fire										
Fire Calls	1,683	1,559	1,691	1,832	1,859	1,704	1,456	3,385	3,694	563
Emergency Medical Service Calls	2,815	2,921	3,188	3,120	3,115	3,094	3,231	3,165	3,452	3,593
Parks & Recreation										
Golf course (Rounds of Golf)	12,952	15,678	17,346	15,359	15,427	12,881	13,274	20,756	22,900	15,978
Golf course (Rounds per Special Events)	1,077	571	1,564	1,263	1,506	1,093	880	1,219	1,653	1,393
Water										
Average daily consumption (gallons x 1,000)	2,904,667	2,973,000	2,888,000	2,928,000	2,924,000	2,837,019	2,563,468	2,806,595	3,844,000	4,203,000
Peak daily consumption (gallons x 1000)	5,229,000	6,331,000	5,719,000	5,260,000	4,705,000	4,003,677	4,074,712	4,078,787	4,257,000	4,469,850
Wastewater										
East Plant Average daily sewage treatment (gallons)	1,630,000	1,572,000	1,513,000	1,494,000	1,451,000	1,544,066	1,618,137	1,558,027	1,719,500	1,935,000
SW Plant Average daily sewage treatment (gallons)	770,000	816,000	831,000	855,000	799,000	778,778	772,110	826,904	1,130,000	738,000

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

Function/Program:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	7	7	7	9	9	9	9	9	9
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles)	149	149	149	150	150	150	150	150	151.5	151.5
Streetlights	1,615	1,615	1,615	1,615	1,647	502	502	502	586	586
Traffic Signals	18	18	18	18	22	21	21	21	21	21
Parks & Recreation										
Public Parks	19	19	19	19	19	19	19	19	19	19
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Fields	7	7	7	7	10	10	10	10	10	10
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Spin City Recreation Complex	1	1	1	1	1	1	1	1	1	1
Rathert Stadium					1	1	1	1	1	1
Water										
Water mains (miles)	123.3	123.3	123.3	123.3	123.3	123.3	123.3	123.3	126	159
Storage capacity (gallons)	2,500,000	2,500,000	2,500,000	2,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Wastewater										
Sanitary sewers (miles)	107	107	107	130.9	130.9	130.9	130.9	130.9	131.9	130.5
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
Storm water										
Storm sewers (miles)	14.2	14.2	14.2	14.2	51.4	51.4	51.4	51.4	53	53

Source: City of Junction City, Kansas Departments
*Summer Fun Club Building is no longer used.

City of Junction City, Kansas
Debt Limit Calculations

Legal Debt Margin Calculation As of July 1, 2022			Legal Debt Margin Calculation As of July 1, 2011		
Assessed Valuation:	Real Property	\$ 179,913,176	Assessed Valuation:	Real Property	\$ 159,395,617
	Motor Vehicles	\$ 26,953,834		Motor Vehicles	\$ 22,474,972
	Total	<u>\$ 206,867,010</u>		Total	<u>\$ 181,870,589</u>
Legal Debt Limit Percentage		<u>30%</u>	Legal Debt Limit Percentage		<u>40%</u>
Legal Debt Limit Dollar Value		\$ 62,060,103	Legal Debt Limit Dollar Value		\$ 72,748,236
Outstanding GO Debt Applicable to Debt Limit		<u>\$ -</u>	Outstanding GO Debt Applicable to Debt Limit		<u>\$ -</u>
Legal Debt Margin		<u><u>\$ 62,060,103</u></u>	Legal Debt Margin		<u><u>\$ 72,748,236</u></u>

2012 Information not available