

**CITY OF JUNCTION CITY, KANSAS**

Annual Comprehensive Financial Report

Year Ended December 31, 2023

Prepared By

Jamel Wilcox – Finance Director

Gerry Vernon – Interim City Manager

**CITY OF JUNCTION CITY, KANSAS**  
 Annual Comprehensive Financial Report  
 For the Year Ended December 31, 2023

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December 4, 2024

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, 2023, 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 do 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 around 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 several prospects very active currently.

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 were 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 improvement, there continues to be an emphasis on aggressively addressing street issues.

The City has utilized several 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 an independent analysis of 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 into 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 takeback 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 continue 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 continue 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 claim 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 this cost in future years. The City is also seeing a decrease in workers' compensation costs due to various practices being employed by the City.

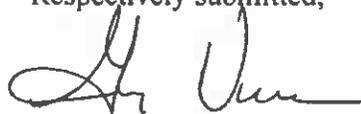
### **INDEPENDENT AUDIT**

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 regarding fiscal responsibility and transparency.

Respectively submitted,



Gerry Vernon  
Interim City Manager

**INDEPENDENT AUDITORS' 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, 2023, 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 Unit*

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, 2023, 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, 2023, 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.

We did not audit the financial statements of the Dorothy Bramlage Public Library (the Library), which represents 100% of the assets, revenues, and expenses of the discretely presented component unit as of December 31, 2023, and the respective changes in financial position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library, is based solely on the report of the other auditors.

### **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 Auditors' 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 our adverse and 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 the *Kansas Municipal Audit and Accounting Guide*, 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 and *Government 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 and *Government 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 other supplementary information section in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

**ADAMSBROWN, LLC**  
Certified Public Accountants  
Great Bend, Kansas

December 18, 2024

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

**December 31, 2023**

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, 2023. 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. The City was able to get the tax rate at Revenue Neutral Rate (RNR).

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

## Governmental Funds

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

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

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

## Proprietary Funds

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

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

## **Notes to the Basic Financial Statements**

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

## **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$109,896,562 at the close of 2023. The City's net position increased by \$2,931,283. The governmental activities increased by \$2,856,465. The business type activities increased by \$74,818.

City of Junction City  
Government-Wide Financial Statements

	Governmental Activities		Business-Type Activities	
	2022	2023	2022	2023
Current Assets	\$ 50,599,334	\$ 46,380,735	\$ 17,755,691	\$ 22,185,300
Capital Assets	70,095,739	68,450,223	91,279,269	99,956,083
Deferred Outflows of Resources	6,355,944	5,800,701	470,055	440,045
Total Assets and Deferred Outflows	<u>\$ 127,051,017</u>	<u>\$ 120,631,659</u>	<u>\$ 109,505,015</u>	<u>\$ 122,581,428</u>
Current Liabilities	\$ 15,832,045	\$ 15,447,043	\$ 4,546,215	\$ 6,493,514
Long-Term Liabilities	78,948,410	69,167,017	19,745,218	30,801,813
Deferred Inflows of Resources	9,855,463	11,398,482	10,955	8,656
Total Liabilities and Deferred Inflows	<u>\$ 104,635,918</u>	<u>\$ 96,012,542</u>	<u>\$ 24,302,388</u>	<u>\$ 37,303,983</u>
Net Position				
Net Investment in Capital Assets	\$ 3,601,578	\$ 11,874,713	\$ 69,992,097	\$ 65,305,364
Restricted	13,294,631	11,605,670	-	-
Unrestricted	5,518,890	1,138,734	15,210,530	19,972,081
Total Net Position	<u>\$ 22,415,099</u>	<u>\$ 24,619,117</u>	<u>\$ 85,202,627</u>	<u>\$ 85,277,445</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 \$109,896,562 represents resources that are subject to external restrictions on how they may be used. There was a decrease of \$1,688,961 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	
	2022	2023	2022	2023
Revenues				
Program Revenues				
Charges for Services	4,399,164	4,130,917	16,264,592	17,623,250
Operating Grants and Contributions	5,612,846	2,985,632	-	-
Capital Grants and Contributions	599,062	604,286	-	-
General Revenues				
Property Taxes	9,577,484	10,441,574	-	-
Sales Taxes	13,828,670	14,052,523	-	-
Franchise Taxes	2,138,190	2,047,257	-	-
Other	3,163,741	2,383,830	995,169	961,230
Total Revenue	<u>39,319,157</u>	<u>36,646,019</u>	<u>17,259,761</u>	<u>18,584,480</u>
Expenses				
General Government	4,449,278	5,892,707	-	-
Public Safety	13,101,924	12,861,115	-	-
Public Works	6,474,142	8,014,155	-	-
Culture and Recreation	2,964,967	2,773,443	-	-
Economic Development	882,476	797,757	-	-

Public Health and Sanitation	4,110,952	4,341,241	-	-
Interest on Long-term Debt	2,642,841	1,979,136	-	-
Water	-	-	6,104,910	7,601,000
Sewer	-	-	5,079,911	5,218,832
Stormwater	-	-	1,241,884	1,408,526
Sanitation	-	-	1,272,990	1,411,304
Total Expenses	<u>34,626,580</u>	<u>36,659,554</u>	<u>13,699,695</u>	<u>15,639,662</u>
Change in Net Position				
Before Transfers	4,692,577	[13,535]	3,560,066	2,944,818
Transfers	<u>2,620,000</u>	<u>2,870,000</u>	<u>[2,620,000]</u>	<u>[2,870,000]</u>
Change in Net Position	<u>7,312,577</u>	<u>2,856,465</u>	<u>940,066</u>	<u>74,818</u>
Net Position, Beginning of Year	22,415,099	22,415,099	84,262,561	85,202,627
Prior Period Adjustment	<u>-</u>	<u>[652,447]</u>	<u>-</u>	<u>-</u>
Net Position, Beginning of Year, Restated	<u>15,102,522</u>	<u>21,762,652</u>	<u>84,262,561</u>	<u>85,202,627</u>
Net Position, End of Year	<u>\$ 22,415,099</u>	<u>\$ 24,619,117</u>	<u>\$ 85,202,627</u>	<u>\$ 85,277,445</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 2023 and 2022, unreserved fund balance of the general fund was \$5,644,813 and \$5,770,925, 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 2023 and 2022, unrestricted fund balance of the Water Fund amounted to \$7,391,633 and \$3,697,301, the Sewer Fund amounted to \$7,565,085 and \$5,934,612, and the Stormwater Fund amounted to \$1,275,182 and \$1,645,387, respectively. In 2023 and 2022, the non-major proprietary fund balance for Solid Waste Fund amounted to \$3,740,181 and \$3,933,230, respectively. The total change in net position from 2023 to 2022 for the water fund was a decrease of \$1,202,363. The Sewer Fund increased by \$2,038,411 and the Stormwater Fund decreased by \$633,087. The non-major proprietary fund had a decrease of \$128,143.

### General Fund Budgetary Highlights

The City continues to be influenced by Fort Riley, the nearby military installation that is home to the First Division of the Big Red One. In 2012, the installation reached its full capacity, but it is now at risk of downsizing due to federal reductions in military forces. Recent elections and a Republican-controlled

federal government may also lead to changes in military operations. As more troops are deployed overseas, the City's population decreases, which negatively affects City revenues by lowering sales tax income.

Overall, the City's revenues have remained stable over the past three years. In 2023, sales tax revenue was \$14,052,523, reflecting an increase of \$223,853 from the previous year. Additionally, franchise fees have also experienced growth, and the tax mill value has remained stable.

From 2006 to 2009, our community experienced remarkable growth in residential construction, achieving an average of 116 single-family homes and 19 multiplex projects annually between 2010 and 2012. However, in 2013, the construction of new single-family homes plummeted to just 47, alongside only one duplex project. The trend continued in 2014 with 20 single-family homes and one duplex, and in 2015, just 32 single-family homes were constructed, with no duplexes at all.

The decline persisted over the following years, with only 12 homes built in 2017, 13 in 2018, and 17 in 2019. Thankfully, there was a rebound in 2020, with 42 new homes, followed by 47 in 2021, and 35 in 2022. Also saw a dip in homes built with only 29 being built in 2023. In stark contrast, residential remodeling projects have flourished, transitioning from an average of 280 projects per year to impressive figures of 386 in 2015, 427 in 2016, and a notable upswing to 1,053 projects by 2022. In 2023 we have seen remodeling numbers drop back down to 2015 levels with 427 projects completed.

In 2023, we issued 1,198 building permits—though this fell well short of the three-year average of 2,033. The establishment of the Junction City Land Bank in 2014 has been pivotal, acquiring 940 undeveloped lots previously unsold at tax sales to reinvigorate our housing market, with an additional 159 lots added in 2018.

While the COVID-19 pandemic began affecting our City in early 2020, we saw a silver lining as local shopping surged, boosting our sales tax revenues. We recognize that growth may eventually level off, compelling us to spend wisely and keep our budgeted revenues stable.

In a show of community confidence, residents voted to renew the 1% sales tax for debt service for another decade starting in 2020. This renewal not only reflects our collective commitment but also grants us greater flexibility in our general fund, enabling us to invest in vital projects that will enhance the quality of life for all residents. Together, we can build a thriving future!

## **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, 2023, amounts to \$168,406,306 (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	
	2022	2023	2022	2023
Construction in Progress	\$ 4,858,582	\$ 822,281	\$ 12,371,618	\$ 19,383,226
Land	14,007,622	14,007,622	452,563	452,563
Buildings	21,272,464	21,477,589	25,219,140	25,232,113
Infrastructure	101,730,064	107,080,184	105,822,656	109,738,517
Machinery and Equipment	20,173,881	20,557,666	9,384,333	9,705,734
Right to Use	17,081	223,270	38,785	44,593
SBITAs	-	243,767	-	63,373
Not in Use	331,188	331,188	-	-
Less Accumulated Depreciation	[92,295,143]	[96,293,344]	[62,009,826]	[64,664,036]
Total Capital Assets, Net	<u>\$ 70,095,739</u>	<u>\$ 68,450,223</u>	<u>\$ 91,279,269</u>	<u>\$ 99,956,083</u>

Long-Term Debt

At the end of 2022, the City had total bonded debt outstanding of \$52,457,338 backed by full faith and credit of the City, \$1,265,000 temporary notes, and \$32,525,482 of State of Kansas Revolving Loan fund debt.

In 2010 and 2011, the City encountered a significant cash flow crisis that threatened our ability to meet bond payments in the latter part of 2011. To avert this crisis, we swiftly implemented critical budget cutbacks alongside meaningful revenue boosts. This proactive approach culminated in the development of a Comprehensive Fiscal Transformation Plan, designed to secure our financial recovery. The decisive actions we took to address and overcome this challenge included the following:

**\*\*Strategic Debt Restructuring for Enhanced Cash Flow\*\***

In 2011, we successfully implemented a strategic increase in property taxes by 2.068 mills, which was subsequently reduced the following year and has remained stable at the following rates: 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.

We initiated a one-cent sales tax, exclusively earmarked for debt payments, which was approved by the citizens with a ten-year sunset clause.

Through strategic collaboration with Standard & Poor's, we not only retained an A bond rating but improved it over time: 2010 - A-; 2012 - A; and 2014 - A+.

We actively engaged our community through multiple meetings and forums, fostering discussions about our organizational structure, service prioritization, and educational initiatives.

Our proactive communication with Fort Riley, the City's largest employer, has been a key strategy, along with successful collaboration with legislative delegations to extend debt limit revisions for Junction City during the 2012 legislative session. We have also effectively sought assistance from our congressional delegates to mitigate the local financial impact stemming from Fort Riley.

A thorough review of all contract services was conducted to ensure viability, leading us to cancel the public works operating contract with a private firm due to identified contract errors. This decisive action underscores our commitment to efficiency and accountability.

We have meticulously analyzed and restructured the entire City staff organization, implementing changes that enhance efficiency and eliminate low-priority services.

We established administration and franchise fees for all utility funds and revised our special assessment practices to ensure project developers bear the costs associated with their developments.

We have confidently halted economic development debt and instituted policy changes for future projects. The Spirit of '76 transactions have been reorganized, instituting strict controls that significantly reduce City liability.

Every organizational expenditure has been rigorously analyzed and limited to our operational priorities. Our City's accounting and fund management practices have been transformed with the adoption of a new fiscal policy, fortified by multiple checks and balances. We have engaged a new audit firm and are diligently working with auditors to optimize our accounting systems to meet GAAP and GASB standards.

Since the 2010 financial crisis, we have consistently made all debt payments in full and on time.

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	
	2022	2023	2022	2023
General Obligation Bonds	\$ 48,363,226	\$ 41,170,441	\$ 3,408,771	\$ 3,006,492
Special Assessment Debt	9,236,860	8,280,405	-	-
State of KS Revolving Loans	5,156,845	4,277,483	15,822,274	28,247,999
Temporary Notes	1,885,000	1,265,000	-	-
Lease Purchases - Direct Borrowing	1,704,453	990,342	1,267,918	815,462
Right-to-Use Equipment Liability	17,081	214,901	37,185	33,805
SBITAs Liability	-	122,109	-	31,612
<b>Total</b>	<b>\$ 66,363,465</b>	<b>\$ 56,320,681</b>	<b>\$ 20,536,148</b>	<b>\$ 32,135,370</b>

The City's total debt increased by a net amount of \$1,556,438 during 2023.

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 [Gerry.vernon@jcks.com](mailto:Gerry.vernon@jcks.com).

**CITY OF JUNCTION CITY, KANSAS**

Statement of Net Position

December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total Primary Government	Dorothy Bramlage Public Library
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>				
<b>Assets</b>				
Cash and Investments	\$ 16,679,137	19,704,572	36,383,709	1,044,595
Receivables, Net of Allowance for Uncollectible				
Accounts	2,081,774	2,200,877	4,282,651	-
Taxes	12,675,753	-	12,675,753	-
Special Assessments	10,308,916	-	10,308,916	-
Interest	179,466	279,851	459,317	-
Leases	93,132	-	93,132	-
Prepaid Expenses	54,997	-	54,997	-
Assets Held for Sale	4,307,560	-	4,307,560	-
Capital Assets, Nondepreciable				
Land	14,007,622	452,563	14,460,185	-
Construction in Progress	822,281	19,383,226	20,205,507	-
Equipment Not In Use	331,188	-	331,188	-
Capital Assets, Depreciable	149,115,439	144,676,364	293,791,803	-
Right to Use Equipment, Depreciable	223,270	44,593	267,863	-
SBITAs, Depreciable	243,767	63,373	307,140	-
Less: Accumulated Depreciation and Amortization	(96,293,344)	(64,664,036)	(160,957,380)	-
<b>Total Assets</b>	<b>114,830,958</b>	<b>122,141,383</b>	<b>236,972,341</b>	<b>1,044,595</b>
<b>Deferred Outflows of Resources</b>				
Pension Liability	5,655,263	405,822	6,061,085	-
KPERS Other Postemployment Benefits Liability	49,679	-	49,679	-
Other Postemployment Benefits Liability	19,711	-	19,711	-
Unamortized Loss on Refunding	76,048	34,223	110,271	-
<b>Total Deferred Outflows of Resources</b>	<b>5,800,701</b>	<b>440,045</b>	<b>6,240,746</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>120,631,659</b>	<b>122,581,428</b>	<b>243,213,087</b>	<b>1,044,595</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>				
<b>Liabilities</b>				
Accounts Payable	1,675,888	2,939,324	4,615,212	-
Accrued Liabilities	379,399	33,250	412,649	-
Interest Payable	512,074	230,621	742,695	-
Court Bonds Payable	209,967	-	209,967	-
Meter Deposits Payable	-	589,519	589,519	-
Unearned Revenue - Grant Proceeds	2,651,590	-	2,651,590	-
Noncurrent Liabilities				
Due Within One Year	10,018,125	2,700,800	12,718,925	-
Due in More Than One Year	69,167,017	30,801,813	99,968,830	-
<b>Total Liabilities</b>	<b>84,614,060</b>	<b>37,295,327</b>	<b>121,909,387</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Property Taxes	10,126,396	-	10,126,396	-
Leases	92,120	-	92,120	-
KPERS Other Postemployment Benefits Liability	91,750	-	91,750	-
Other Postemployment Benefits Liability	159,381	-	159,381	-
Pension Liability	928,835	8,656	937,491	-
<b>Total Deferred Inflows of Resources</b>	<b>11,398,482</b>	<b>8,656</b>	<b>11,407,138</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>96,012,542</b>	<b>37,303,983</b>	<b>133,316,525</b>	<b>-</b>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	11,874,713	65,305,364	77,180,077	-
Restricted for Expendable				
Revolving Funds	222,517	-	222,517	-
Equipment	1,586,311	-	1,586,311	-
Debt Service	9,796,842	-	9,796,842	-
Unrestricted	1,138,734	19,972,081	21,110,815	1,044,595
<b>Total Net Position</b>	<b>\$ 24,619,117</b>	<b>85,277,445</b>	<b>109,896,562</b>	<b>1,044,595</b>

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

**CITY OF JUNCTION CITY, KANSAS**  
Statement of Activities  
For the Year Ended December 31, 2023

	Net (Expenses) Revenue and Changes in Net Assets							Component Unit
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-Type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General Government	\$ 5,892,707	1,035,792	1,369,530	-	(3,487,385)	-	(3,487,385)	-
Public Safety	12,861,115	512,133	39,786	-	(12,309,196)	-	(12,309,196)	-
Public Works	8,014,155	190,366	46,377	604,286	(7,173,126)	-	(7,173,126)	-
Culture and Recreation	2,773,443	784,923	-	-	(1,988,520)	-	(1,988,520)	-
Economic Development	797,757	-	-	-	(797,757)	-	(797,757)	-
Public Health and Sanitation	4,341,241	1,607,703	1,529,939	-	(1,203,599)	-	(1,203,599)	-
Interest on Long-Term Debt	1,979,136	-	-	-	(1,979,136)	-	(1,979,136)	-
<b>Total Governmental Activities</b>	<u>36,659,554</u>	<u>4,130,917</u>	<u>2,985,632</u>	<u>604,286</u>	<u>(28,938,719)</u>	<u>-</u>	<u>(28,938,719)</u>	<u>-</u>
<b>Business-Type Activities</b>								
Water	7,601,000	6,779,542	-	-	-	(821,458)	(821,458)	-
Sewer	5,218,832	7,846,850	-	-	-	2,628,018	2,628,018	-
Stormwater	1,408,526	1,026,108	-	-	-	(382,418)	(382,418)	-
Sanitation	1,411,304	1,970,750	-	-	-	559,446	559,446	-
<b>Total Business-Type Activities</b>	<u>15,639,662</u>	<u>17,623,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,983,588</u>	<u>1,983,588</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 52,299,216</u>	<u>21,754,167</u>	<u>2,985,632</u>	<u>604,286</u>	<u>(28,938,719)</u>	<u>1,983,588</u>	<u>(26,955,131)</u>	<u>-</u>
<b>Component Unit</b>								
Dorothy Bramlage Public Library	\$ 1,056,885	-	46,726	-	-	-	-	(1,010,159)
<b>General Revenues and Transfers</b>								
Property Tax					\$ 10,441,574	-	10,441,574	1,018,865
Sales Tax					14,052,523	-	14,052,523	-
Franchise Tax					2,047,257	-	2,047,257	-
Special Assessments					150,397	-	150,397	-
Use of Money or Property					1,790,940	817,467	2,608,407	37,931
Miscellaneous					442,493	143,763	586,256	-
Transfers, Net					2,870,000	(2,870,000)	-	-
<b>Total General Revenues and Transfers</b>					<u>31,795,184</u>	<u>(1,908,770)</u>	<u>29,886,414</u>	<u>1,056,796</u>
<b>Change in Net Position</b>					<u>2,856,465</u>	<u>74,818</u>	<u>2,931,283</u>	<u>46,637</u>
<b>Net Position - Beginning of Year, As Stated</b>					<u>22,415,099</u>	<u>85,202,627</u>	<u>107,617,726</u>	<u>997,958</u>
<b>Prior Period Adjustment</b>					<u>(652,447)</u>	<u>-</u>	<u>(652,447)</u>	<u>-</u>
<b>Net Position - Beginning of Year, Restated</b>					<u>21,762,652</u>	<u>85,202,627</u>	<u>106,965,279</u>	<u>997,958</u>
<b>Net Position - End of Year</b>					<u>\$ 24,619,117</u>	<u>85,277,445</u>	<u>109,896,562</u>	<u>1,044,595</u>

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

CITY OF JUNCTION CITY, KANSAS  
Balance Sheet  
Governmental Funds  
December 31, 2023

	General	Capital Improvement	Debt Service	Land Bank	Spirit of '76	ARPA	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
<b>Assets</b>								
Cash and Investments	\$ 2,535,071	485,507	3,963,329	1,060,188	2,982	2,822,609	5,809,451	16,679,137
Receivables, Net								
Accounts	1,340,409	-	150,000	-	-	-	591,365	2,081,774
Taxes	8,004,976	-	2,339,708	-	-	-	1,384,273	11,728,957
Special Assessments	-	-	10,308,916	-	-	-	-	10,308,916
Leases	93,132	-	-	-	-	-	-	93,132
Due From Other Funds	495,832	-	-	-	-	-	-	495,832
Accrued Interest	64,711	6,262	57,723	-	-	-	50,768	179,464
<b>Total Assets</b>	<b>\$ 12,534,131</b>	<b>491,769</b>	<b>16,819,676</b>	<b>1,060,188</b>	<b>2,982</b>	<b>2,822,609</b>	<b>7,835,857</b>	<b>41,567,212</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>								
<b>Liabilities</b>								
Accounts Payable	\$ 816,651	-	-	341,837	-	195,509	375,071	1,729,068
Court Bonds Payable	209,967	-	-	-	-	-	-	209,967
Accrued Liabilities	314,961	-	-	-	-	-	11,259	326,220
Due to Other Funds	-	-	-	-	-	-	495,832	495,832
Unearned Revenue - Grant Proceeds	-	-	-	-	-	2,627,100	24,489	2,651,589
<b>Total Liabilities</b>	<b>1,341,579</b>	<b>-</b>	<b>-</b>	<b>341,837</b>	<b>-</b>	<b>2,822,609</b>	<b>906,651</b>	<b>5,412,676</b>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenue - Property Taxes	5,455,619	-	2,339,708	-	-	-	1,384,273	9,179,600
Unavailable Revenue - Special Assessments	-	-	10,308,916	-	-	-	-	10,308,916
Leases	92,120	-	-	-	-	-	-	92,120
<b>Total Deferred Inflows of Resources</b>	<b>5,547,739</b>	<b>-</b>	<b>12,648,624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,384,273</b>	<b>19,580,636</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>6,889,318</b>	<b>-</b>	<b>12,648,624</b>	<b>341,837</b>	<b>-</b>	<b>2,822,609</b>	<b>2,290,924</b>	<b>24,993,312</b>
<b>Fund Balance</b>								
Restricted	-	-	4,171,052	-	-	-	4,447,399	8,618,451
Committed	-	-	-	718,351	2,982	-	1,078,118	1,799,451
Assigned	875,331	491,769	-	-	-	-	19,416	1,386,516
Unassigned	4,769,482	-	-	-	-	-	-	4,769,482
<b>Total Fund Balance</b>	<b>5,644,813</b>	<b>491,769</b>	<b>4,171,052</b>	<b>718,351</b>	<b>2,982</b>	<b>-</b>	<b>5,544,933</b>	<b>16,573,900</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,534,131</b>	<b>491,769</b>	<b>16,819,676</b>	<b>1,060,188</b>	<b>2,982</b>	<b>2,822,609</b>	<b>7,835,857</b>	<b>41,567,212</b>

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, 2023

Total Governmental Fund Balances	\$	16,573,900
<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	164,743,567	
Accumulated depreciation is	<u>(96,293,344)</u>	68,450,223
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
		14,616,476
<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>		
		76,048
<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>		
		5,724,653
<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>		
		(1,179,966)
<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	54,997	
Compensated absences	(867,902)	
Net pension liability	(20,158,604)	
Net OPEB obligation	(294,583)	
Net KPERS OPEB obligation	(95,766)	
Loans payable	(4,277,483)	
General obligation bonds payable	(42,435,439)	
Special assessment bonds payable	(8,280,405)	
Spirit loans payable	(1,447,606)	
Right to use equipment liability	(214,901)	
SBITAs liability	(122,109)	
Lease purchase payable	(990,342)	
Interest payable	<u>(512,074)</u>	<u>(79,642,217)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>24,619,117</u></b>

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, 2023

	General	Capital Improvement	Debt Service	Land Bank	Spirit of '76	ARPA	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Taxes								
Property	\$ 6,114,316	69	2,695,081	-	-	-	1,632,108	10,441,574
Sales	8,680,666	-	5,371,858	-	-	-	-	14,052,524
Franchise	2,047,257	-	-	-	-	-	-	2,047,257
Charges for Services	2,949,127	-	-	-	-	-	-	2,949,127
Intergovernmental	1,912,014	-	-	-	312,531	448,607	1,229,297	3,902,449
Licenses and Permits	429,784	-	-	-	-	-	-	429,784
Fines and Fees	752,005	-	-	-	-	-	-	752,005
Special Assessments	3,725	-	2,371,704	-	-	-	-	2,375,429
Use of Money and Property	624,802	17,241	174,251	-	-	-	974,644	1,790,938
Miscellaneous	558,567	-	150,000	558,000	-	-	844,621	2,111,188
<b>Total Revenues</b>	<b>24,072,263</b>	<b>17,310</b>	<b>10,762,894</b>	<b>558,000</b>	<b>312,531</b>	<b>448,607</b>	<b>4,680,670</b>	<b>40,852,275</b>
<b>Expenditures</b>								
General Government	2,034,283	11,049	-	400,453	-	448,607	2,842,884	5,737,276
Public Safety	11,165,286	-	-	-	-	-	325,566	11,490,852
Public Works	5,073,517	-	-	-	-	-	976,258	6,049,775
Public Health and Sanitation	4,164,392	-	-	-	-	-	-	4,164,392
Culture and Recreation	2,603,932	-	-	-	-	-	345	2,604,277
Economic Development	372,597	-	-	-	-	-	738,406	1,111,003
Miscellaneous	-	405,199	-	-	-	-	-	405,199
Debt Service								
Principal	715,455	-	9,050,875	-	206,399	-	-	9,972,729
Interest and Other Charges	40,586	-	1,833,255	-	106,112	-	-	1,979,953
<b>Total Expenditures</b>	<b>26,170,048</b>	<b>416,248</b>	<b>10,884,130</b>	<b>400,453</b>	<b>312,511</b>	<b>448,607</b>	<b>4,883,459</b>	<b>43,515,456</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(2,097,785)</b>	<b>(398,938)</b>	<b>(121,236)</b>	<b>157,547</b>	<b>20</b>	<b>-</b>	<b>(202,789)</b>	<b>(2,663,181)</b>
<b>Other Financing Sources (Uses)</b>								
Lease Reimbursement	51,673	-	-	-	-	-	-	51,673
Transfers In	2,070,000	150,000	800,000	-	-	-	652,447	3,672,447
Transfers Out	(150,000)	-	-	-	-	-	(652,447)	(802,447)
<b>Net Other Financing Sources (Uses)</b>	<b>1,971,673</b>	<b>150,000</b>	<b>800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,921,673</b>
<b>Net Change in Fund Balance</b>	<b>(126,112)</b>	<b>(248,938)</b>	<b>678,764</b>	<b>157,547</b>	<b>20</b>	<b>-</b>	<b>(202,789)</b>	<b>258,492</b>
<b>Fund Balance - Beginning of Year, As Stated</b>	<b>5,770,925</b>	<b>740,707</b>	<b>3,492,288</b>	<b>560,804</b>	<b>2,962</b>	<b>-</b>	<b>6,400,169</b>	<b>16,967,855</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(652,447)</b>	<b>(652,447)</b>
<b>Fund Balance - Beginning of Year, Restated</b>	<b>5,770,925</b>	<b>740,707</b>	<b>3,492,288</b>	<b>560,804</b>	<b>2,962</b>	<b>-</b>	<b>5,747,722</b>	<b>16,315,408</b>
<b>Fund Balance - End of Year</b>	<b>\$ 5,644,813</b>	<b>491,769</b>	<b>4,171,052</b>	<b>718,351</b>	<b>2,982</b>	<b>-</b>	<b>5,544,933</b>	<b>16,573,900</b>

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, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	258,492
<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		703,189
Depreciation expense	<u>(4,240,115)</u>	(3,536,926)
<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>		
		108,287
<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>		
		(2,225,033)
<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		(92,944)
Prepaid expense		8,859
Net OPEB liability		(1,557)
Net KPERS OPEB liability		9,400
<p>Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.</p>		
		(1,610,320)
<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		7,812,785
Special assessment debt		956,455
Spirit loan		206,399
Loans		879,362
Lease purchase		714,111
Right to Use Equipment		(197,820)
SBITAs		(122,109)
Unamortized loss on refunding		<u>(15,976)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,856,465</u></b>

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, 2023

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>					
<b>Current Assets</b>					
Cash and Investments	\$ 7,774,220	6,990,077	1,206,346	3,733,929	19,704,572
Receivables, Net of Allowances for Uncollectible					
Accounts	797,342	992,385	147,741	263,409	2,200,877
Accrued Interest	96,062	111,680	17,603	54,506	279,851
<b>Total Current Assets</b>	<b>8,667,624</b>	<b>8,094,142</b>	<b>1,371,690</b>	<b>4,051,844</b>	<b>22,185,300</b>
<b>Noncurrent Assets</b>					
<b>Capital Assets</b>					
Nondepreciable Capital Assets					
Land	438,683	13,880	-	-	452,563
Construction in Progress	12,570,188	6,813,038	-	-	19,383,226
Depreciable Capital Assets					
Capital Assets	60,949,673	68,625,217	13,331,775	1,769,699	144,676,364
Right to Use Equipment	18,824	18,607	-	7,162	44,593
SBITAs	21,547	20,913	-	20,913	63,373
Accumulated Depreciation	(26,621,418)	(32,778,452)	(3,813,536)	(1,450,630)	(64,664,036)
<b>Total Noncurrent Assets</b>	<b>47,377,497</b>	<b>42,713,203</b>	<b>9,518,239</b>	<b>347,144</b>	<b>99,956,083</b>
<b>Total Assets</b>	<b>56,045,121</b>	<b>50,807,345</b>	<b>10,889,929</b>	<b>4,398,988</b>	<b>122,141,383</b>
<b>Deferred Outflows of Resources</b>					
Pension Liability	135,491	137,976	32,581	99,774	405,822
Unamortized Loss on Refunding	17,324	16,899	-	-	34,223
<b>Total Deferred Outflows of Resources</b>	<b>152,815</b>	<b>154,875</b>	<b>32,581</b>	<b>99,774</b>	<b>440,045</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>56,197,936</b>	<b>50,962,220</b>	<b>10,922,510</b>	<b>4,498,762</b>	<b>122,581,428</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>					
<b>Current Liabilities</b>					
Accounts Payable	976,733	1,867,937	46,112	48,542	2,939,324
Accrued Liabilities	11,449	10,976	2,410	8,415	33,250
Interest Payable	143,401	87,220	-	-	230,621
Meter Deposits Payable	589,519	-	-	-	589,519
Due to Other Funds	-	-	-	-	-
Current Portion of Loans Payable	1,026,537	842,735	-	-	1,869,272
Current Portion of Lease Purchase Payable	405,110	-	-	-	405,110
Current Portion of General Obligation Bonds Payable	155,294	230,441	-	-	385,735
Current Portion of Right to Use Equipment Leases Payable	3,916	3,961	-	1,194	9,071
Current Portion of SBITAs Leases Payable	10,748	10,432	-	10,432	31,612
<b>Total Current Liabilities</b>	<b>3,322,707</b>	<b>3,053,702</b>	<b>48,522</b>	<b>68,583</b>	<b>6,493,514</b>
<b>Noncurrent Liabilities</b>					
Net Pension Liability	441,046	449,130	106,058	324,778	1,321,012
Loans Payable	16,575,089	9,803,638	-	-	26,378,727
Lease Purchase Payable	410,352	-	-	-	410,352
General Obligation Bonds Payable	1,047,303	1,573,454	-	-	2,620,757
Right to Use Asset Leases Payable	10,330	10,027	-	4,377	24,734
Compensated Absences Payable	18,657	-	-	27,574	46,231
<b>Total Noncurrent Liabilities</b>	<b>18,502,777</b>	<b>11,836,249</b>	<b>106,058</b>	<b>356,729</b>	<b>30,801,813</b>
<b>Total Liabilities</b>	<b>21,825,484</b>	<b>14,889,951</b>	<b>154,580</b>	<b>425,312</b>	<b>37,295,327</b>
<b>Deferred Inflows of Resources</b>					
Pension Liability	2,890	2,942	696	2,128	8,656
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>21,828,374</b>	<b>14,892,893</b>	<b>155,276</b>	<b>427,440</b>	<b>37,303,983</b>
<b><u>NET POSITION</u></b>					
<b>Net Position</b>					
Net Investment in Capital Assets	26,977,929	28,504,242	9,492,052	331,141	65,305,364
Unrestricted	7,391,633	7,565,085	1,275,182	3,740,181	19,972,081
<b>Total Net Position</b>	<b>\$ 34,369,562</b>	<b>36,069,327</b>	<b>10,767,234</b>	<b>4,071,322</b>	<b>85,277,445</b>

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, 2023

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
<b>Operating Revenues</b>					
Charges for Services	\$ 6,762,893	7,846,850	1,026,108	1,970,750	<b>17,606,601</b>
Fines and Fees	16,649	-	-	-	<b>16,649</b>
Miscellaneous	72,869	67,595	1,029	2,270	<b>143,763</b>
<b>Total Operating Revenues</b>	<u>6,852,411</u>	<u>7,914,445</u>	<u>1,027,137</u>	<u>1,973,020</u>	<b>17,767,013</b>
<b>Operating Expenses</b>					
Personnel Services	664,347	661,206	149,598	472,749	<b>1,947,900</b>
Contractual Services	5,281,871	3,039,747	939,426	686,448	<b>9,947,492</b>
Commodities	352,123	84,870	29,081	154,171	<b>620,245</b>
Depreciation and Amortization	1,065,774	1,202,121	289,217	96,977	<b>2,654,089</b>
<b>Total Operating Expense</b>	<u>7,364,115</u>	<u>4,987,944</u>	<u>1,407,322</u>	<u>1,410,345</u>	<b>15,169,726</b>
<b>Net Operating Income (Loss)</b>	<u>(511,704)</u>	<u>2,926,501</u>	<u>(380,185)</u>	<u>562,675</u>	<b>2,597,287</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest Income	281,226	327,798	48,302	160,141	<b>817,467</b>
Interest Expense	(236,885)	(230,888)	(1,204)	(959)	<b>(469,936)</b>
<b>Net Nonoperating Revenues (Expenses)</b>	<u>44,341</u>	<u>96,910</u>	<u>47,098</u>	<u>159,182</u>	<b>347,531</b>
<b>Net Income (Loss) Before Transfers</b>	<u>(467,363)</u>	<u>3,023,411</u>	<u>(333,087)</u>	<u>721,857</u>	<b>2,944,818</b>
Transfers Out	(735,000)	(985,000)	(300,000)	(850,000)	<b>(2,870,000)</b>
<b>Change in Net Position</b>	<u>(1,202,363)</u>	<u>2,038,411</u>	<u>(633,087)</u>	<u>(128,143)</u>	<b>74,818</b>
<b>Net Position - Beginning of Year</b>	<u>35,571,925</u>	<u>34,030,916</u>	<u>11,400,321</u>	<u>4,199,465</u>	<b>85,202,627</b>
<b>Net Position - End of Year</b>	<u>\$ 34,369,562</u>	<u>36,069,327</u>	<u>10,767,234</u>	<u>4,071,322</u>	<b>85,277,445</b>

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, 2023

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
<b>Cash Flows From Operating Activities</b>					
Cash Received From Customers and Users	\$ 7,142,193	8,089,009	1,068,159	2,038,587	<b>18,337,948</b>
Cash Paid to Suppliers of Goods and Services	(6,437,517)	(3,259,820)	(1,386,053)	(799,977)	<b>(11,883,367)</b>
Cash Paid to Employees	(599,136)	(604,593)	(138,087)	(449,363)	<b>(1,791,179)</b>
Other Operating and Non Operating Receipts	72,869	67,595	1,029	2,270	<b>143,763</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>178,409</u>	<u>4,292,191</u>	<u>(454,952)</u>	<u>791,517</u>	<b>4,807,165</b>
<b>Cash Flows From Investing Activities</b>					
Interest Received	218,593	254,130	40,055	124,029	<b>636,807</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchase and Construction of Capital Assets	(6,429,838)	(2,158,282)	26,187	(150,339)	<b>(8,712,272)</b>
Principal Payments - Lease Purchase	(399,934)	-	(52,522)	-	<b>(452,456)</b>
Principal Payments - General Obligation Bonds	(160,916)	(241,363)	-	-	<b>(402,279)</b>
Interest Payments	(201,481)	(256,663)	(1,204)	(959)	<b>(460,307)</b>
Principal Payments - Loans Payable	(765,503)	(824,262)	-	-	<b>(1,589,765)</b>
Proceeds - Loans Payable	12,274,813	1,740,677	-	-	<b>14,015,490</b>
Principal Payments - Right to Use	(3,973)	(4,030)	-	(1,063)	<b>(9,066)</b>
Principal Payments - SBITAs	(10,799)	(10,481)	-	(10,481)	<b>(31,761)</b>
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<u>4,302,369</u>	<u>(1,754,404)</u>	<u>(27,539)</u>	<u>(162,842)</u>	<b>2,357,584</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers Out	(735,000)	(985,000)	(300,000)	(850,000)	<b>(2,870,000)</b>
<b>Net Change in Cash and Investments</b>	3,964,371	1,806,917	(742,436)	(97,296)	<b>4,931,556</b>
<b>Cash and Investments - Beginning of Year</b>	<u>3,809,849</u>	<u>5,183,160</u>	<u>1,948,782</u>	<u>3,831,225</u>	<b>14,773,016</b>
<b>Cash and Investments - End of Year</b>	<u>\$ 7,774,220</u>	<u>6,990,077</u>	<u>1,206,346</u>	<u>3,733,929</u>	<b>19,704,572</b>

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, 2023

	Business-Type Activities				Total
	Water	Sewer	Stormwater	Nonmajor Enterprise Funds	
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Net Operating Income (Loss)	\$ (511,704)	2,926,501	(380,185)	562,675	<b>2,597,287</b>
<b>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Depreciation and Bond Amortization Expense	1,065,774	1,202,121	289,217	96,977	<b>2,654,089</b>
(Increase) Decrease in Accounts Receivable	330,561	242,159	42,051	67,837	<b>682,608</b>
(Increase) Decrease in Deferred Outflows	1,951	4,924	1,738	16,509	<b>25,122</b>
Increase (Decrease) in Meter Deposits Payable	32,090	-	-	-	<b>32,090</b>
Increase (Decrease) in Accounts Payable	(803,523)	(135,203)	(417,546)	41,470	<b>(1,314,802)</b>
Increase (Decrease) in Accrued Liabilities	2,889	3,874	687	(828)	<b>6,622</b>
Increase (Decrease) in Accrued Compensated Absences	5,104	-	-	7,673	<b>12,777</b>
Increase (Decrease) in Net Pension Liability	53,396	46,091	9,263	(3,189)	<b>105,561</b>
Increase (Decrease) in Deferred Inflows	1,871	1,724	(177)	2,393	<b>5,811</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 178,409</u>	<u>4,292,191</u>	<u>(454,952)</u>	<u>791,517</u>	<u><b>4,807,165</b></u>
<b>Schedule of Noncash Capital and Related Financing Activities</b>					
Lease Obligations Incurred for Lease Assets	\$ 4,578	4,619	-	1,591	<b>10,788</b>
Fixed Assets Purchased Through Accounts Payable	772,212	1,751,172	26,187	-	<b>2,549,571</b>

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, 2023

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	<u>Custodial Funds</u>
<b><u>ASSETS</u></b>	
Cash	\$ <u><u>40,443</u></u>
<b><u>LIABILITIES</u></b>	
Due To Others	\$ <u><u>40,443</u></u>

**CITY OF JUNCTION CITY, KANSAS**  
Statement of Changes in Fiduciary Net Position  
Combined Fiduciary Funds  
For the Year Ended December 31, 2023

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	<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, 2023

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**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, 2023

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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, 2023

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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, 2023

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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 1<sup>st</sup> are due one-half by December 20<sup>th</sup> and one-half by May 10<sup>th</sup>. 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, 2023, 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, 2023, was \$10,308,916.

**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, 2023

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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.

**Subscription Assets**

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA 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

**CITY OF JUNCTION CITY, KANSAS**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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activities or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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:

**CITY OF JUNCTION CITY, KANSAS**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

- Non-spendable – Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted – Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- Committed – Assets with a purpose formally imposed by resolution by the City Commission, binding unless modified or rescinded by the City Commission.
- Assigned – Comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) a body or official to whom the City Commission has delegated the authority to assign amounts to be used for specific purposes as prescribed by the City’s fund balance and cash policy. 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	\$ -	-	-	-	-	535,976	<b>535,976</b>
Public Works	-	-	-	-	-	891,191	<b>891,191</b>
Public Safety	-	-	-	-	-	2,191,452	<b>2,191,452</b>
Debt Service	-	-	4,171,052	-	-	653,740	<b>4,824,792</b>
Culture and Recreation	-	-	-	-	-	175,040	<b>175,040</b>
Committed for							
Employee Benefits	-	-	-	-	-	1,078,033	<b>1,078,033</b>
Economic Development	-	-	-	-	2,982	-	<b>2,982</b>
Capital Improvements	-	-	-	718,351	-	-	<b>718,351</b>
Culture and Recreation	-	-	-	-	-	85	<b>85</b>
Assigned for							
General Government	875,331	-	-	-	-	-	<b>875,331</b>
Public Safety	-	-	-	-	-	-	<b>-</b>
Capital Improvements	-	491,769	-	-	-	19,416	<b>511,185</b>
Unassigned	<u>4,769,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>4,769,482</u></b>
Total Fund Balances	\$ <u>5,644,813</u>	<u>491,769</u>	<u>4,171,052</u>	<u>718,351</u>	<u>2,982</u>	<u>5,544,933</u>	<b><u>16,573,900</u></b>

**CITY OF JUNCTION CITY, KANSAS**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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**Concentrations of Credit Risk**

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

**Budgetary Information**

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

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

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 20<sup>th</sup>. 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 budget amendments for the year ended December 31, 2023 for the following funds: General Fund, Water Fund, Opioid Settlement Funds Fund.

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, and ARPA 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.

**CITY OF JUNCTION CITY, KANSAS**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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**Adoption of New Governmental Accounting Standards Board Statements**

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 adoption of this statement had no effect on previously reported amounts.

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 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. See Note 12 for additional information on the implementation of this new standard.

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, 2023, 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 issued Statement No. 99, *Omnibus 2022*, provides clarification of provisions in Statement No. 53 related to financial guarantees and the classification and reporting of derivative instruments. The requirements for this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

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 of this statement will take effect for financial statements starting with a fiscal year that ends June 30, 2024.

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 will take effect for financial statements starting with a fiscal year that ends December 31, 2024.

**CITY OF JUNCTION CITY, KANSAS**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 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, 2023, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (Less Than 1 Year)	Moody Rating
U.S. Agency Securities	\$ 5,791,616	5,791,616	Aaa
Treasury Notes	6,423,320	6,423,320	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 Notes are valued based on quoted market prices in active markets (Level 1 inputs).

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

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not use "peak periods" during 2023. All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City's and Fiduciary's carrying amount of deposits were \$36,383,709 and \$40,443, respectively. The bank balance was \$24,584,753. The bank balance was held by three banks, resulting in a concentration of credit risk. Of the bank balance, \$502,982 was covered by federal depository insurance, \$7,370,079 was secured by a letter of credit in the City's name, and \$16,711,692 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

**CITY OF JUNCTION CITY, KANSAS**  
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securities that are in the possession of an outside party. Kansas statutes require investments to be adequately secured.

**NOTE 3 – LEASES RECEIVABLE**

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, 2023, the value of the lease receivable is \$77,677. 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, 2023 was \$76,625, 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, 2023, the value of the lease receivable is \$15,455. 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, 2023 was \$15,495, 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, 2023, the value of the lease receivable is \$0. 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 31, 2023 was \$0, and the City recognized lease revenue of \$9,967 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:

	Principal	Interest	Total
Governmental Activities			
2024	\$ 37,060	209	37,269
2025	21,661	119	21,780
2026	21,717	63	21,780
2027	12,694	11	12,705
	<b>\$ 93,132</b>	<b>402</b>	<b>93,534</b>

**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, 2023, the value of the land held for sale totaled \$4,307,560.

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**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital Assets Not Being Depreciated					
Land	\$ 14,007,622	-	-	-	14,007,622
Equipment Not in Use	331,188	-	-	-	331,188
Construction in Progress	4,858,582	1,267,147	5,303,448	-	822,281
Total Capital Assets Not Being Depreciated	19,197,392	1,267,147	5,303,448	-	15,161,091
Capital Assets Being Depreciated					
Buildings and Improvements	21,272,464	205,125	-	-	21,477,589
Infrastructure	101,730,064	5,350,120	-	-	107,080,184
Machinery and Equipment	20,173,881	625,578	241,793	-	20,557,666
Right To Use Equipment	17,081	211,997	-	5,808	223,270
SBITAs	-	243,767	-	-	243,767
Total Capital Assets Being Depreciated	143,193,490	6,636,587	241,793	5,808	149,582,476
Less Accumulated Depreciation for					
Buildings and Improvements	12,905,056	457,277	-	-	13,362,333
Infrastructure	63,370,863	2,792,105	-	-	66,162,968
Machinery and Equipment	16,018,868	875,758	241,793	-	16,652,833
Right To Use Equipment	356	13,418	-	121	13,653
SBITAs	-	101,557	-	-	101,557
Total Accumulated Depreciation	92,295,143	4,240,115	241,793	121	96,293,344
Total Capital Assets Being Depreciated, Net	50,898,347	2,396,472	-	5,687	53,289,132
Governmental Activities Capital Assets, Net	\$ 70,095,739	3,663,619	5,303,448	5,687	68,450,223

**CITY OF JUNCTION CITY, KANSAS**  
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>					
Capital Assets Not Being Depreciated					
Land	\$ 452,563	-	-	-	452,563
Construction in Progress	12,371,618	10,927,469	3,915,861	-	19,383,226
Total Capital Assets Not Being Depreciated	12,824,181	10,927,469	3,915,861	-	19,835,789
Capital Assets Being Depreciated					
Buildings and Improvements	25,219,140	12,973	-	-	25,232,113
Machinery and Equipment	9,384,333	321,401	-	-	9,705,734
Infrastructure	105,822,656	3,915,861	-	-	109,738,517
Right To Use Equipment	38,785	-	-	5,808	44,593
SBITAs	-	63,373	-	-	63,373
Total Capital Assets Being Depreciated	140,464,914	4,313,608	-	5,808	144,784,330
Less Accumulated Depreciation for					
Buildings and Improvements	12,011,135	411,968	-	-	12,423,103
Machinery and Equipment	7,429,351	282,546	-	-	7,711,897
Infrastructure	42,567,360	1,923,482	-	-	44,490,842
Right To Use Equipment	1,980	9,869	-	121	11,970
SBITAs	-	26,224	-	-	26,224
Total Accumulated Depreciation	62,009,826	2,654,089	-	121	64,664,036
Total Capital Assets Being Depreciated, Net	78,455,088	1,659,519	-	5,687	80,120,294
Business-type Activities Capital Assets, Net	\$ 91,279,269	12,586,988	3,915,861	5,687	99,956,083

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

<b>Governmental Activities</b>		<b>Business-type Activities</b>	
General government	\$ 693,027	Water	\$ 1,065,774
Public safety	452,335	Sewer	1,202,121
Public works	2,866,755	Stormwater	289,217
Parks and recreation	227,998	Nonmajor	96,977
<b>Total</b>	<b>\$ 4,240,115</b>	<b>Total</b>	<b>\$ 2,654,089</b>

**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:

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

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- Police and Firemen
- Judges

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

Those employees participating in the Pension Plan for the 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](http://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.

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

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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, 2023.

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 22.86%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2023 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan for the City were \$400,249 for local government and \$1,626,694 for police and firemen for the year ended December 31, 2023.

**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, 2023 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, 2023.

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, 2023 was as follows:

	<b>Local Government</b>	<b>Police and Firemen</b>
Net Pension Liability	\$4,397,062	\$17,082,554
Measurement Date	June 30, 2023	June 30, 2023
Valuation Date	December 31, 2022	December 31, 2022
City's Proportion	0.210%	1.069%
Change in Proportion	-0.002%	0.087%

*Pension Plan Fiduciary Net Position.* Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

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**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, 2022 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	
<b>Total</b>	<b>100.00</b>	<b>%</b>		

**Discount Rate**

The discount rate used to measure the total pension liability for the year ended December 31, 2023 was 7.00%.

The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local groups 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%.

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**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 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:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Local Employees	\$ 6,304,917	\$ 4,397,062	\$ 2,807,619
Police and Firemen	23,035,939	17,082,554	12,111,977

**Pension Expense**

For the year ended December 31, 2023, the City recognized pension expense of \$3,732,591, 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, 2023, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 1,947,000	619
Net differences between projected and actual earnings on investments	1,026,364	-
Changes in assumptions	1,849,142	-
Changes in proportion	227,112	936,872
City contributions subsequent to measurement date	1,011,467	-
<b>Total</b>	<b>\$ 6,061,085</b>	<b>937,491</b>

The \$1,011,467 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
2024	\$ 1,412,136
2025	776,839
2026	1,709,515
2027	208,960
2028	4,677
Thereafter	-

**NOTE 7 – OTHER POST EMPLOYMENT 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

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active employees and their dependents. The benefit is available for selection at retirement and is extended to early retirees with at least ten years of service and their dependents until the individuals become eligible for Medicare at 65. The plan does not issue a stand-alone financial report.

**Funding Policy**

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the composite premium cost of active employees to maintain coverage. The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In 2023, the City did not contribute to the plan. As of the January 1, 2023 census, the following employees were covered by the benefit terms:

Active Employees	159
Retirees and Covered Spouses	8
<b>Total</b>	<b><u><u>167</u></u></b>

**Total OPEB Liability**

At December 31, 2023, the total OPEB liability was \$294,583. The OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation performed as of January 1, 2023 using the participant census as of January 1, 2023.

**Actuarial Assumptions**

The total OPEB liability in the January 1, 2023 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, 2023
Actuarial Cost Method	Individual Entry Age Normal as a level % of payroll	
Inflation		2.50%
Salary Increases		3.50%
Discount Rate		4.00%
Healthcare Cost Trend Rates	Medical & Pharmacy: 7.5% decreasing .25%	
	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.

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Changes in the total OPEB liability are as follows:

Total OPEB Liability – Beginning of Year	\$	<u>344,676</u>
Service Cost		7,559
Interest Cost		13,474
Net Benefits Paid by Employer		(2,083)
Ad Hoc Postemployment Benefit Changes		-
Differences Between Expected and Actual Experience		(27,470)
Changes in Assumptions		<u>(41,573)</u>
Net Changes		<u>(50,093)</u>
 <b>Total OPEB Liability – End of Year</b>	 \$	 <u><u>294,583</u></u>

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current discount rate:

	<u>1% Decrease (3.00%)</u>	<u>Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total OPEB Liability	\$ 312,763	294,583	276,273

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:

	<u>1% Decrease</u>	<u>Health Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 270,258	294,583	321,159

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$3,640. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$	-	71,381
Changes in assumptions		19,711	88,000
 <b>Total</b>	 \$	 <u>19,711</u>	 <u>159,381</u>

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

<u>Year Ending</u>		
2024	\$	(17,393)
2025		(17,393)
2026		(17,408)
2027		(18,237)
2028		(18,237)
Thereafter		(51,002)

**CITY OF JUNCTION CITY, KANSAS**  
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**NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (KPERS)**

**Plan Description**

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

**Benefits**

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability 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, 2023 totaled \$47,479.

**Employees Covered by Benefit Terms**

As of the valuation date of December 31, 2022, the following employees were covered by the benefit terms:

Active Employees	94
Disabled Employees	2
<b>Total</b>	<b><u>96</u></b>

**Total OPEB Liability**

The total KPERS OPEB liability of \$95,766 reported as of December 31, 2023, was measured as of June 30, 2023, and was determined by an actuarial valuation performed as of December 31, 2022.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

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Discount Rate	3.65%
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 as of the measurement date.

The actuarial assumptions used in the December 31, 2022 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	\$ 105,716
Service Cost	9,529
Interest Cost	3,784
Effect on Economic/Demographic Gains or Losses	(6,062)
Effect of Assumptions Changes or Inputs	(376)
Benefit Payments	(16,825)
Net Changes	(9,950)
<b>Total OPEB Liability – End of Year</b>	<b>\$ 95,766</b>

**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 (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB Liability	\$ 99,170	95,766	92,360

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

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

	<u>1% Decrease</u>	<u>Health Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 95,766	95,766	95,766

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$7,425. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 44,184	72,292
Changes in assumptions	5,495	19,458
<b>Total</b>	<b>\$ 49,679</b>	<b>91,750</b>

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		
2024	\$	(5,888)
2025		(5,888)
2026		(5,768)
2027		(5,129)
2028		(3,830)
Thereafter		(15,568)

**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 166 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 2023, the City contributed \$495,772 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 2023, the City contributed \$228,969 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 2023. The full-time employee benefit is an HRA as defined by Section 105 of the

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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 \$163,688 for the year ended December 31, 2023.

**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, 2023, industrial revenue bonds of \$8,161,425 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, 2023, of \$1,447,606 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.

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		<b>Governmental Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2024	\$	328,875	79,470
2025		349,576	58,769
2026		371,581	36,764
2027		397,574	13,375
<b>Total Industrial Revenue Bonds</b>		<b>\$ 1,447,606</b>	<b>188,378</b>

**NOTE 11 – ENCUMBRANCES**

Encumbrances included in fund balances as of December 31, 2023 are reported in the accompanying table:

<b>Fund</b>	<b>Encumbrances</b>
Major Funds	
General Fund	\$ 875,331
Capital Improvement Fund	275,720
Water Fund	3,216,348
Sewer Fund	118,135
Stormwater Fund	310,000
Nonmajor Proprietary Funds	442,010
<b>Total Reporting Entity</b>	<b>\$ 5,237,544</b>

**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, 2023 are comprised of the following issues:

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	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity Date</u>	<u>Outstanding December 31, 2023</u>
<b>Governmental Activities</b>				
Series 2008-DS	4.125%	\$ 382,000	9/15/2028	\$ 126,207
Series 2008-DT	5.25%	1,895,000	9/1/2024	186,450
Series 2015A	2.25% to 3.00%	3,815,000	9/1/2025	845,000
Series 2016A	2.125% to 5.00%	35,407,218	9/1/2029	20,099,091
Series 2016B	2.00% to 3.00%	7,460,000	9/1/2028	3,875,000
Series 2020A	3.00%	8,937,306	9/1/2031	6,664,532
Series 2020B	1.20% to 2.10%	3,401,691	9/1/2031	2,575,655
Series 2021A	1.5% to 2.00%	4,530,000	9/1/2034	2,920,000
Series 2021-1 Temporary Notes	0.71%	2,500,000	3/1/2025	1,265,000
<b>Total Governmental Activities</b>				<b><u>38,556,935</u></b>
<b>Business-Type Activities</b>				
Series 2016A	2.125% to 5.00%	3,552,784	9/1/2029	1,895,920
Series 2020A	3.00%	34,339	9/1/2031	19,409
Series 2020B	1.20% to 2.10%	905,000	9/1/2036	890,000
<b>Total Business-Type Activities</b>				<b><u>2,805,329</u></b>
<b>Total General Obligation Bonds Payable</b>				<b><u>\$ 41,362,264</u></b>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
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	4,923,849	165,474	5,089,323
2029-2033	7,752,468	328,942	8,081,410
2034-2036	561,000	818,994	1,379,994
Total Principal and Interest	42,367,370	3,163,318	45,530,688
Less Total Interest	3,810,435	357,989	4,168,424
<b>Total Principal</b>	<b><u>\$ 38,556,935</u></b>	<b><u>2,805,329</u></b>	<b><u>41,362,264</u></b>

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**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, 2023 are comprised of the following issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity Date</u>	<u>Outstanding December 31, 2023</u>
<b>Governmental Activities</b>				
Series 2020A	3.00%	\$ 10,318,355	9/1/2031	\$ 7,736,060
Series 2020B	1.20% to 2.10%	728,309	9/1/2031	<u>544,345</u>
				<u>\$ 8,280,405</u>

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 981,760	241,526
2025	1,013,421	212,714
2026	1,040,489	182,972
2027	1,072,151	152,418
2028	1,102,869	120,933
2029-2031	<u>3,069,715</u>	<u>166,298</u>
<b>Total Special Assessments</b>	<u>\$ 8,280,405</u>	<u>1,076,861</u>

**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	\$ 7,245,862
Less Accumulated Depreciation	<u>(1,469,372)</u>
<b>Net Book Value</b>	<u>\$ 5,776,490</u>

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The following is a schedule of future minimum lease payments for capital leases as of December 31, 2023:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	-	-
<b>Total</b>	<b>\$ 1,190,721</b>	<b>54,946</b>	<b>815,462</b>	<b>13,192</b>

\* \$200,379 in the governmental activities was not drawn down, 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, 2023:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 914,237	170,464	1,869,273	341,289
2025	950,499	134,202	5,134,402	509,036
2026	988,206	96,496	5,242,168	471,171
2027	1,011,520	57,288	4,956,828	4,956,828
2028	344,804	17,122	5,058,511	5,058,511
2029-2033	68,217	2,532	26,836,727	6,603,247
2034-2038	-	-	28,537,166	4,120,197
2039-2043	-	-	26,380,018	1,732,930
2044	-	-	4,826,903	68,180
<b>Total</b>	<b>\$ 4,277,483</b>	<b>478,104</b>	<b>108,841,996</b>	<b>23,861,389</b>

\* \$80,593,997 in the business-type activities has not been drawn down, but is included in this schedule.

**Right to Use Leased Equipment Liabilities**

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, 2023, the value of the lease liability is \$16,880. 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, 2023 of \$21,704 with accumulated amortization of \$5,772 is included with Right to Use Equipment in Note 5.

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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, 2023, the value of the lease liability is \$25,259. 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, 2023 of \$34,162 with accumulated amortization of \$9,253 is included with Right to Use Equipment in Note 5.

On October 1, 2023, the City entered into a 60 month lease as lessee for the use of golf carts. An initial lease liability was recorded in the amount of \$211,997. As of December 31, 2023, the value of the lease liability is \$206,567. The City is required to make annual fixed payments of \$51,196. The lease has an interest rate of 6.96%. The value of the right to use asset as of December 31, 2023 of \$211,997 with accumulated amortization of \$10,600 is included with Right to Use Equipment in Note 5.

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

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 40,703	13,464	9,071	2,339
2025	43,526	10,640	9,697	1,713
2026	46,549	7,617	10,382	1,027
2027	46,816	4,380	4,655	265
2028	37,307	1,090	-	-
<b>Total</b>	<b>\$ 214,901</b>	<b>37,191</b>	<b>33,805</b>	<b>5,344</b>

**Subscription Obligations – Direct Borrowing**

The City has various subscription based information technology arrangements (SBITAs), the terms of which expire in various years through 2024. Subscription obligations are measured at the present value of subscription payments expected to be made during the subscription term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. SBITA activity for the year ended December 31, 2023 was as follows:

On January 31, 2022, the City entered into a 29 month subscription for the use of Tyler Software. An initial subscription liability was recorded in the amount of \$218,394. As of December 31, 2023, the value of the subscription liability is \$108,941. The City is required to make annual fixed payments of \$112,043. The subscription has an interest rate of 2.8470%. The value of the right to use asset as of December 31, 2023 of \$218,394 with accumulated amortization of \$90,370 is included with SBITAs in Note 5.

On January 1, 2023, the City entered into a 35 month subscription for the use of Blumira Software. An initial subscription liability was recorded in the amount of \$74,436. As of December 31, 2023, the value of the subscription liability is \$37,731. The City is required to make annual fixed payments of \$38,786. The subscription has an interest rate of 2.7960%. The value of the right to use asset as of December 31, 2023 of \$74,436 with accumulated amortization of \$25,521 is included with SBITAs in Note 5.

On February 7, 2023, the City entered into a 13 month subscription for the use of M365 E3 - Promo. An initial subscription liability was recorded in the amount of \$14,312. As of December 31, 2023, the value of the subscription liability is \$7,049. The City is required to make annual fixed payments of \$7,262. The subscription has an interest rate of 3.0043%. The value of the right to use asset as of December 31, 2023 of \$14,310 with accumulated amortization of \$11,890 is included with SBITAs in Note 5.

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

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Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 122,109	3,101	31,612	1,268

Changes in long-term debt outstanding are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 43,886,992	-	6,595,057	37,291,935	6,472,156
Temporary Notes	1,885,000	-	620,000	1,265,000	630,000
Plus: Unamortized Bond Premium	4,476,234	-	597,728	3,878,506	-
Special Assessment Debt with City Commitment	9,236,860	-	956,455	8,280,405	981,760
KDOT Loans Payable - Direct Borrowing	5,156,845	-	879,362	4,277,483	914,236
Spirit Loans Payable	1,654,005	-	206,399	1,447,606	328,875
Lease Purchases - Direct Borrowing	1,704,453	-	714,111	990,342	528,286
Right-to-Use Equipment Liability	17,081	211,997	14,177	214,901	40,703
SBITAs Liability	-	243,767	121,658	122,109	122,109
Compensated Absences	774,958	92,944	-	867,902	-
Net Pension Liability	19,681,425	477,179	-	20,158,604	-
Total OPEB Liability	344,676	-	50,093	294,583	-
Total OPEB Liability - KPERS	105,716	-	9,950	95,766	-
<b>Total Long-Term Debt</b>	<b>\$ 88,924,245</b>	<b>1,025,887</b>	<b>10,764,990</b>	<b>79,185,142</b>	<b>10,018,125</b>
<b>Business-Type Activities</b>					
General Obligation Bonds	\$ 3,173,154	-	367,825	2,805,329	385,735
Plus: Unamortized Bond Premium	235,617	-	34,454	201,163	-
KDHE Loans Payable - Direct Borrowing	15,822,274	14,015,490	1,589,765	28,247,999	1,869,272
Lease Purchases - Direct Borrowing	1,267,918	-	452,456	815,462	405,110
Right-to-Use Equipment Liability	37,185	5,686	9,066	33,805	9,071
SBITAs Liability	-	63,373	31,761	31,612	31,612
Compensated Absences	33,454	12,777	-	46,231	-
Net Pension Liability	1,215,452	105,560	-	1,321,012	-
<b>Total Long-Term Debt</b>	<b>\$ 21,785,054</b>	<b>14,202,886</b>	<b>2,485,327</b>	<b>33,502,613</b>	<b>2,700,800</b>

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, 2023 were as follows:

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<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	850,000	K.S.A. 12-825d
Sewer	Debt Service	250,000	K.S.A. 12-825d
Water	Debt Service	250,000	K.S.A. 12-825d
Stormwater	Debt Service	300,000	K.S.A. 12-825d
Federal Funds Exchange	Grants	164,716	Commission
Special Highway	Grants	487,731	Commission

In the governmental fund financial statements, net transfers in of \$2,870,000 tie to the total transfers out of \$2,870,000 from the proprietary funds.

**NOTE 14 – TAX ABATEMENTS**

*Neighborhood Revitalization Areas.* The City has an established neighborhood revitalization plan as of December 31, 2023. 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, 2023, the City paid \$51,561 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 appropriations in the Sewer Fund by \$8,164,541, Special Highway Fund by \$321,301, and Capital Improvement Fund by \$47,010, which is in violation of K.S.A. 79-2935.

Expenditures exceeded available monies in the Law Enforcement Training Fund by \$355, which is in violation of K.S.A. 10-1113.

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

**CITY OF JUNCTION CITY, KANSAS**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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**NOTE 16 – PRIOR PERIOD ADJUSTMENT**

For 2023, the City reviewed the grants receivable within the Grants Fund. The City determined that the prior period receivable was overstated by \$652,447. These changes were incorporated in the City's 2023 financial statements and had an effect on the following beginning net position and fund balances.

	<b>As Previously Stated</b>	<b>Prior Period Adjustment</b>	<b>Restated</b>
<b>Government-Wide Financial Statements</b>			
Governmental Activities	\$ 22,415,099	(652,447)	21,762,652
<b>Individual Fund Financial Statements</b>			
Special Revenue Funds			
Grants Fund	\$ 21,749	(652,447)	(630,698)

As a result of the prior period adjustment, the Grants Fund's restated fund balance was negative. In 2023, the Federal Funds Exchange Funds Fund and the Special Highway Fund transferred cash to the Grants Fund in order to make the fund whole again.

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 18, 2024, which is the date the financial statements were available to be issued.

**CITY OF JUNCTION CITY, KANSAS**

Required Supplementary Information

**CITY OF JUNCTION CITY, KANSAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended December 31, 2023

	Actual	Budgeted Amounts		Variance
		Original	Final	Over (Under)
<b>Revenues</b>				
Taxes	\$ 16,851,343	15,736,018	16,124,188	727,155
Charges for Services	2,949,127	4,393,850	4,393,850	(1,444,723)
Special Assessments	3,725	40,000	40,000	(36,275)
Intergovernmental	1,174,014	767,693	767,693	406,321
Licenses and Permits	429,784	245,000	245,000	184,784
Fines and Fees	752,005	625,000	625,000	127,005
Use of Money and Property	576,704	75,000	75,000	501,704
Prior Year Cancelled Encumbrance	132,604	-	-	132,604
Lease Proceeds	51,673	-	-	51,673
Miscellaneous	575,006	-	-	575,006
<b>Total Revenues</b>	<b>23,495,985</b>	<b>21,882,561</b>	<b>22,270,731</b>	<b>1,225,254</b>
<b>Expenditures</b>				
Administration	1,604,051	1,620,089	1,804,089	(200,038)
Building Maintenance	146,159	237,705	237,705	(91,546)
Information Technology	423,625	472,523	472,523	(48,898)
Airport	403,590	236,850	236,850	166,740
Court	418,184	490,309	490,309	(72,125)
Legal	348,253	309,348	309,348	38,905
Ambulance	3,885,105	4,267,746	4,267,746	(382,641)
Animal Shelter	399,540	381,170	381,170	18,370
Building and Codes	415,345	725,875	725,875	(310,530)
Planning and Zoning	752	35,000	35,000	(34,248)
Police	6,896,000	7,095,030	7,095,030	(199,030)
Fire	3,103,308	3,323,606	3,323,606	(220,298)
Parks	1,115,792	1,226,798	1,226,798	(111,006)
Recreation	1,207,461	881,533	1,197,533	9,928
Spin City	32,669	-	-	32,669
Streets	4,835,525	3,958,023	3,958,023	877,502
Opera House	28,359	172,000	172,000	(143,641)
Swimming Pool	209,019	301,578	301,578	(92,559)
Debt Service				
Principal	715,455	-	-	715,455
Interest and Other Charges	40,586	-	-	40,586
<b>Total Expenditures</b>	<b>26,228,778</b>	<b>25,735,183</b>	<b>26,235,183</b>	<b>(6,405)</b>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<b>\$ (2,732,793)</b>	<b>(3,852,622)</b>	<b>(3,964,452)</b>	<b>1,231,659</b>

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, 2023

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
<b>Other Financing Sources (Uses)</b>				
Transfer In	\$ 2,070,000	2,070,000	2,070,000	-
Transfer Out	(150,000)	(150,000)	(150,000)	-
<b>Net Other Financing Sources (Uses)</b>	<b>1,920,000</b>	<b>1,920,000</b>	<b>1,920,000</b>	<b>-</b>
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	<b>(812,793)</b>	<b>(1,932,622)</b>	<b>(2,044,452)</b>	<b>1,231,659</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>1,626,786</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>813,993</b>			
<b>GAAP Adjustments</b>				
Encumbrances	875,331			
Accounts Receivable	1,340,409			
Taxes Receivable	2,549,357			
Leases, Net	1,012			
Accrued Interest Receivable	64,711			
<b>Fund Balance - End of Year</b>	<b>\$ 5,644,813</b>			

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, 2023

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
<b>Revenues</b>				
Delinquent Taxes	\$ 69	-	-	69
Use of Money and Property	14,248	-	-	14,248
<b>Total Revenues</b>	<b>14,317</b>	<b>-</b>	<b>-</b>	<b>14,317</b>
<b>Expenditures</b>				
Commodities	11,049	-	-	(11,049)
Capital Outlay	664,143	628,182	628,182	(35,961)
<b>Total Expenditures</b>	<b>675,192</b>	<b>628,182</b>	<b>628,182</b>	<b>(47,010)</b>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<b>(660,875)</b>	<b>(628,182)</b>	<b>(628,182)</b>	<b>61,327</b>
<b>Other Financing Sources</b>				
Transfers In	150,000	-	-	150,000
<b>Excess Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>(510,875)</b>	<b>(628,182)</b>	<b>(628,182)</b>	<b>211,327</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>680,658</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>169,783</b>			
<b>GAAP Adjustments</b>				
Encumbrances	258,944			
Accrued Interest Receivable	6,261			
<b>Fund Balance - End of Year - Capital Improvement Fund Only</b>	<b>434,988</b>			
<b>Fund Balances for Budgeted Funds Included with the Capital Improvement Fund on GAAP Basis Financials</b>				
Temporary Notes Fund	56,781			
<b>Fund Balance - End of Year</b>	<b>\$ 491,769</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Intergovernmental	\$ <b>558,000</b>	100,000	100,000	458,000
<b>Expenditures</b>				
Commodities	<b>8,146</b>	-	-	8,146
Contractual	<b>392,307</b>	479,378	479,378	(87,071)
<b>Total Expenditures</b>	<b>400,453</b>	479,378	479,378	(78,925)
<b>Excess Revenues Over (Under) Expenditures</b>	<b>157,547</b>	<u>(379,378)</u>	<u>(379,378)</u>	<u>536,925</u>
<b>Fund Balance - Beginning of Year</b>	<b>560,804</b>			
<b>Fund Balance - End of Year</b>	\$ <b>718,351</b>			

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

**CITY OF JUNCTION CITY, KANSAS**  
 Required Supplementary Information  
 December 31, 2023

KPERs PENSION PLAN

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

Fiscal Year-End Measurement Date	December 31, 2023 June 30, 2023	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
<b>KPERs</b>									
City's proportion of the net pension liability	0.210%	0.212%	0.207%	0.206%	0.200%	0.211%	0.205%	0.210%	0.217%
	56-57%								
City's proportionate share of the net pension liability	\$ 4,397,062	\$ 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	\$ 4,674,566	\$ 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	94.06%	109.04%	62.06%	92.01%	76.13%	79.90%	82.67%	88.91%	79.93%
<b>KP&amp;F</b>									
City's proportion of the net pension liability	1.069%	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	\$ 17,082,554	\$ 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	\$ 7,396,011	\$ 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	230.97%	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	70.70%	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, 2023

KPERs PENSION PLAN

Schedule of the City's Contributions  
 Last Nine Fiscal Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>KPERs</b>									
Contractually required contribution	\$ <b>394,142</b>	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>394,142</u>	<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)	\$ <u>-</u>	<u>-</u>							
City's covered payroll	\$ <b>4,747,908</b>	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	<b>8.30%</b>	8.88%	8.62%	8.41%	8.33%	8.39%	8.46%	9.18%	9.48%
<b>KP&amp;F</b>									
Contractually required contribution	\$ <b>1,633,605</b>	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>1,633,605</u>	<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)	\$ <u>-</u>	<u>-</u>							
City's covered payroll	\$ <b>7,115,895</b>	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	<b>22.96%</b>	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, 2023

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**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, 2023

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- 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, 2023

OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

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

<b>Total OPEB Liability</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost	\$ 7,559	12,165	12,526	10,324	9,263	5,684	4,986
Interest Cost	13,474	8,998	8,369	12,260	12,342	11,265	11,897
Differences Between Expected and Actual Experience	(27,470)	(42,739)	(5,714)	-	(16,579)	-	-
Changes in Assumptions	(41,573)	(19,368)	(49,978)	27,566	(1,232)	-	8,425
Employer Contributions (Benefit Payments)	(2,083)	(4,194)	6,039	5,374	8,012	(35,494)	45,896
Net Changes in Total OPEB Liability	(50,093)	(45,138)	(28,758)	55,524	11,806	(18,545)	71,204
Total OPEB Liability - Beginning of Year	344,676	389,814	418,572	363,048	351,242	369,787	298,583
Total OPEB Liability - End of Year	\$ 294,583	344,676	389,814	418,572	363,048	351,242	369,787
Covered Payroll	\$ 10,294,257	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	2.86%	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, 4.31% in 2022 and 4.00% in 2023.

\*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, 2023

OTHER POSTEMPLOYMENT BENEFITS – DEATH AND DISABILITY

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

<b>Total OPEB Liability</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 9,529	15,515	15,009	11,975	12,671	12,554
Interest Cost	3,784	4,146	2,751	4,144	4,803	4,591
Effect of Economic/Demographic Gains or Losses	(6,062)	(63,047)	62,961	(7,610)	(15,333)	(11,359)
Effect of Assumptions Changes or Inputs	(376)	(22,029)	273	7,643	1,542	(1,332)
Employer Contributions (Benefit Payments)	<u>(16,825)</u>	<u>(10,472)</u>	<u>(17,566)</u>	<u>(8,712)</u>	<u>(8,712)</u>	<u>(8,712)</u>
Net Changes in Total OPEB Liability	(9,950)	(75,887)	63,428	7,440	(5,029)	(4,258)
Total OPEB Liability - Beginning of Year	<u>105,716</u>	<u>181,603</u>	<u>118,175</u>	<u>110,735</u>	<u>115,764</u>	<u>120,022</u>
Total OPEB Liability - End of Year	\$ <u>95,766</u>	<u>105,716</u>	<u>181,603</u>	<u>118,175</u>	<u>110,735</u>	<u>115,764</u>
Covered Payroll	\$ 4,176,376	3,847,495	3,830,010	3,741,420	3,299,627	3,577,688
Total OPEB Liability as a Percentage of Covered Payroll	2.29%	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, 3.54% in 2022 and 3.65% in 2023.

\*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 4<sup>th</sup> 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.

**CITY OF JUNCTION CITY, KANSAS**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2023

<b>ASSETS</b>	<u>Economic Development</u>	<u>Employee Benefits</u>	<u>Library</u>	<u>Special Highway</u>	<u>Fire Equipment</u>	<u>Special Parks and Recreation</u>	<u>Drug and Alcohol</u>
<b>Assets</b>							
Cash and Investments	\$ 506,645	1,163,902	-	237,925	1,563,478	174,755	123,891
Receivables							
Property Tax	190,030	-	814,277	-	379,966	-	-
Accounts	-	7,548	-	-	-	-	-
Accrued Interest	6,814	-	-	14,550	22,833	-	1,805
<b>Total Assets</b>	<b>\$ 703,489</b>	<b>1,171,450</b>	<b>814,277</b>	<b>252,475</b>	<b>1,966,277</b>	<b>174,755</b>	<b>125,696</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 200,000	93,417	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	334
Unearned Revenue - Grant Proceeds	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
<b>Total Liabilities</b>	200,000	93,417	-	-	-	-	334
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue - Property Taxes	190,030	-	814,277	-	379,966	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	390,030	93,417	814,277	-	379,966	-	334
<b>Fund Balance</b>							
Restricted	313,459	-	-	252,475	1,586,311	174,755	125,362
Committed	-	1,078,033	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	313,459	1,078,033	-	252,475	1,586,311	174,755	125,362
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 703,489</b>	<b>1,171,450</b>	<b>814,277</b>	<b>252,475</b>	<b>1,966,277</b>	<b>174,755</b>	<b>125,696</b>

See Independent Auditor's Report.

**CITY OF JUNCTION CITY, KANSAS**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2023

<b>ASSETS</b>	<u>Sundown Salute</u>	<u>CDBG Revolving Loans</u>	<u>Grants</u>	<u>Rural Housing District</u>	<u>Law Enforcement Trust</u>	<u>Law Enforcement Training</u>	<u>Federal Equitable Sharing</u>
<b>Assets</b>							
Cash and Investments	\$ 52	223,879	-	653,740	287,440	379	126,645
Receivables							
Property Tax	-	-	-	-	-	-	-
Accounts	33	8,328	574,787	-	651	-	-
Accrued Interest	-	-	-	-	4,199	-	-
<b>Total Assets</b>	<b>\$ 85</b>	<b>232,207</b>	<b>574,787</b>	<b>653,740</b>	<b>292,290</b>	<b>379</b>	<b>126,645</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ -	-	58,867	-	17,116	734	-
Accrued Liabilities	-	9,690	971	-	-	-	-
Unearned Revenue - Grant Proceeds	-	-	19,117	-	-	-	-
Due to Other Funds	-	-	495,832	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>9,690</b>	<b>574,787</b>	<b>-</b>	<b>17,116</b>	<b>734</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>9,690</b>	<b>574,787</b>	<b>-</b>	<b>17,116</b>	<b>734</b>	<b>-</b>
<b>Fund Balance</b>							
Restricted	-	222,517	-	653,740	275,174	(355)	126,645
Committed	85	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>85</b>	<b>222,517</b>	<b>-</b>	<b>653,740</b>	<b>275,174</b>	<b>(355)</b>	<b>126,645</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 85</b>	<b>232,207</b>	<b>574,787</b>	<b>653,740</b>	<b>292,290</b>	<b>379</b>	<b>126,645</b>

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**CITY OF JUNCTION CITY, KANSAS**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2023

<b>ASSETS</b>	Treasury Forfeiture	Special Projects	PSAP 911	Federal Funds Exchange	Freedom Fest	Opioid Settlement Funds	<b>Totals</b>
<b>Assets</b>							
Cash and Investments	\$ 17,294	23,786	-	638,716	531	66,393	<b>5,809,451</b>
Receivables							
Property Tax	-	-	-	-	-	-	<b>1,384,273</b>
Accounts	-	-	-	-	18	-	<b>591,365</b>
Accrued Interest	-	567	-	-	-	-	<b>50,768</b>
<b>Total Assets</b>	<b>\$ 17,294</b>	<b>24,353</b>	<b>-</b>	<b>638,716</b>	<b>549</b>	<b>66,393</b>	<b>7,835,857</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ -	4,937	-	-	-	-	<b>375,071</b>
Accrued Liabilities	-	-	-	-	264	-	<b>11,259</b>
Unearned Revenue - Grant Proceeds	-	-	-	-	-	5,372	<b>24,489</b>
Due to Other Funds	-	-	-	-	-	-	<b>495,832</b>
<b>Total Liabilities</b>	<b>-</b>	<b>4,937</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>5,372</b>	<b>906,651</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	<b>1,384,273</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>4,937</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>5,372</b>	<b>2,290,924</b>
<b>Fund Balance</b>							
Restricted	17,294	-	-	638,716	285	61,021	<b>4,447,399</b>
Committed	-	-	-	-	-	-	<b>1,078,118</b>
Assigned	-	19,416	-	-	-	-	<b>19,416</b>
<b>Total Fund Balance</b>	<b>17,294</b>	<b>19,416</b>	<b>-</b>	<b>638,716</b>	<b>285</b>	<b>61,021</b>	<b>5,544,933</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 17,294</b>	<b>24,353</b>	<b>-</b>	<b>638,716</b>	<b>549</b>	<b>66,393</b>	<b>7,835,857</b>

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, 2023

	Economic Development	Employee Benefits	Library	Special Highway	Fire Equipment	Special Parks and Recreation	Drug and Alcohol
<b>Revenues</b>							
Taxes	\$ 212,654	224	924,339	-	426,606	-	68,285
Intergovernmental	-	-	-	604,286	-	-	-
Use of Money and Property	495,436	-	-	42,136	69,204	68,285	5,625
Miscellaneous	-	240,277	-	-	14,473	-	-
<b>Total Revenues</b>	<u>708,090</u>	<u>240,501</u>	<u>924,339</u>	<u>646,422</u>	<u>510,283</u>	<u>68,285</u>	<u>73,910</u>
<b>Expenditures</b>							
General Government	-	361,496	924,339	-	-	-	-
Public Safety	-	-	-	-	81,762	-	11,252
Public Works	-	-	-	976,258	-	-	-
Recreation	-	-	-	-	-	-	-
Economic Development	737,670	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>737,670</u>	<u>361,496</u>	<u>924,339</u>	<u>976,258</u>	<u>81,762</u>	<u>-</u>	<u>11,252</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<u>(29,580)</u>	<u>(120,995)</u>	<u>-</u>	<u>(329,836)</u>	<u>428,521</u>	<u>68,285</u>	<u>62,658</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	(487,731)	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(487,731)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(29,580)	(120,995)	-	(817,567)	428,521	68,285	62,658
<b>Fund Balance - Beginning of the Year, As Stated</b>	343,039	1,199,028	-	1,070,042	1,157,790	106,470	62,704
<b>Prior Period Adjustment</b>	-	-	-	-	-	-	-
<b>Fund Balance - Beginning of the Year, Restated</b>	<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>
<b>Fund Balance - End of Year</b>	<u>\$ 313,459</u>	<u>1,078,033</u>	<u>-</u>	<u>252,475</u>	<u>1,586,311</u>	<u>174,755</u>	<u>125,362</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, 2023

	Sundown Salute	CDBG Revolving Loans	Grants	Rural Housing District	Law Enforcement Trust	Law Enforcement Training	Federal Equitable Sharing
<b>Revenues</b>							
Taxes	\$ -	-	-	-	-	-	-
Intergovernmental	-	-	492,610	-	51,880	-	19,500
Use of Money and Property	-	-	-	91	11,671	-	-
Miscellaneous	33	-	552,906	-	2,751	13,098	-
<b>Total Revenues</b>	<u>33</u>	<u>-</u>	<u>1,045,516</u>	<u>91</u>	<u>66,302</u>	<u>13,098</u>	<u>19,500</u>
<b>Expenditures</b>							
General Government	-	-	1,067,265	-	-	-	-
Public Safety	-	-	-	-	215,588	13,453	3,502
Public Works	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Economic Development	-	736	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>736</u>	<u>1,067,265</u>	<u>-</u>	<u>215,588</u>	<u>13,453</u>	<u>3,502</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<u>33</u>	<u>(736)</u>	<u>(21,749)</u>	<u>91</u>	<u>(149,286)</u>	<u>(355)</u>	<u>15,998</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	652,447	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>652,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>33</u>	<u>(736)</u>	<u>630,698</u>	<u>91</u>	<u>(149,286)</u>	<u>(355)</u>	<u>15,998</u>
<b>Fund Balance - Beginning of the Year, As Stated</b>	52	223,253	21,749	653,649	424,460	-	110,647
<b>Prior Period Adjustment</b>	-	-	(652,447)	-	-	-	-
<b>Fund Balance - Beginning of the Year, Restated</b>	<u>52</u>	<u>223,253</u>	<u>(630,698)</u>	<u>653,649</u>	<u>424,460</u>	<u>-</u>	<u>110,647</u>
<b>Fund Balance - End of Year</b>	<u>\$ 85</u>	<u>222,517</u>	<u>-</u>	<u>653,740</u>	<u>275,174</u>	<u>(355)</u>	<u>126,645</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, 2023

	Treasury Forfeiture	Special Projects	PSAP 911	Federal Funds Exchange	Freedom Fest	Opioid Settlement Funds	Totals
<b>Revenues</b>							
Taxes	\$ -	-	-	-	-	-	1,632,108
Intergovernmental	-	-	-	-	-	61,021	1,229,297
Use of Money and Property	991	1,733	-	279,472	-	-	974,644
Miscellaneous	-	20,503	-	-	580	-	844,621
<b>Total Revenues</b>	<u>991</u>	<u>22,236</u>	<u>-</u>	<u>279,472</u>	<u>580</u>	<u>61,021</u>	<u>4,680,670</u>
<b>Expenditures</b>							
General Government	-	27,035	-	462,749	-	-	2,842,884
Public Safety	-	-	9	-	-	-	325,566
Public Works	-	-	-	-	-	-	976,258
Recreation	-	-	-	-	345	-	345
Economic Development	-	-	-	-	-	-	738,406
<b>Total Expenditures</b>	<u>-</u>	<u>27,035</u>	<u>9</u>	<u>462,749</u>	<u>345</u>	<u>-</u>	<u>4,883,459</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<u>991</u>	<u>(4,799)</u>	<u>(9)</u>	<u>(183,277)</u>	<u>235</u>	<u>61,021</u>	<u>(202,789)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	-	-	-	-	652,447
Transfers Out	-	-	-	(164,716)	-	-	(652,447)
<b>Net Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164,716)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>991</u>	<u>(4,799)</u>	<u>(9)</u>	<u>(347,993)</u>	<u>235</u>	<u>61,021</u>	<u>(202,789)</u>
<b>Fund Balance - Beginning of the Year, As Stated</b>	16,303	24,215	9	986,709	50	-	6,400,169
<b>Prior Period Adjustment</b>	-	-	-	-	-	-	(652,447)
<b>Fund Balance - Beginning of the Year, Restated</b>	<u>16,303</u>	<u>24,215</u>	<u>9</u>	<u>986,709</u>	<u>50</u>	<u>-</u>	<u>5,747,722</u>
<b>Fund Balance - End of Year</b>	\$ <u>17,294</u>	<u>19,416</u>	<u>-</u>	<u>638,716</u>	<u>285</u>	<u>61,021</u>	<u>5,544,933</u>

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Taxes	\$ 212,654	213,196	213,196	(542)
Use of Money and Property	496,451	461,460	461,460	34,991
<b>Total Revenues</b>	<b>709,105</b>	<b>674,656</b>	<b>674,656</b>	<b>34,449</b>
<b>Expenditures</b>				
Commodities	-	10,000	10,000	(10,000)
Contractual Services	425,159	528,800	528,800	(103,641)
Debt Service				
Principal	206,399	275,134	275,134	(68,735)
Interest and Other Charges	106,112	106,112	106,112	-
<b>Total Expenditures</b>	<b>737,670</b>	<b>920,046</b>	<b>920,046</b>	<b>(182,376)</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(28,565)</b>	<b>(245,390)</b>	<b>(245,390)</b>	<b>216,825</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>335,210</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>306,645</b>			
<b>GAAP Adjustments</b>				
Accrued Interest Receivable	6,814			
<b>Fund Balance - End of Year</b>	<b>\$ 313,459</b>			

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**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, 2023

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance Over (Under)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Delinquent Taxes	\$ 224	-	-	224
Miscellaneous	340,575	250,000	250,000	90,575
<b>Total Revenues</b>	<b>340,799</b>	<b>250,000</b>	<b>250,000</b>	<b>90,799</b>
<b>Expenditures</b>				
Personnel Services	143,078	-	-	143,078
Contractual Services	218,419	1,548,097	1,548,097	(1,329,678)
<b>Total Expenditures</b>	<b>361,497</b>	<b>1,548,097</b>	<b>1,548,097</b>	<b>(1,186,600)</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(20,698)</b>	<b>(1,298,097)</b>	<b>(1,298,097)</b>	<b>1,277,399</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>1,091,185</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>1,070,487</b>			
<b>GAAP Adjustments</b>				
Accounts Receivable	7,546			
<b>Fund Balance - End of Year</b>	<b>\$ 1,078,033</b>			

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**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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Taxes	\$ <b>924,339</b>	932,440	932,440	(8,101)
<b>Expenditures</b>				
Contractual Services	<b>924,339</b>	945,000	945,000	(20,661)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	-	<u>(12,560)</u>	<u>(12,560)</u>	<u>12,560</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	-			
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <u>-</u>			

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**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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Intergovernmental	\$ <b>604,286</b>	588,210	588,210	16,076
Use of Money and Property	<b>33,108</b>	-	-	33,108
<b>Total Revenues</b>	<b>637,394</b>	588,210	588,210	49,184
<b>Expenditures</b>				
Contractual Services	<b>598,005</b>	1,033,112	1,033,112	(435,107)
Capital Outlay	<b>268,677</b>	-	-	268,677
<b>Total Expenditures</b>	<b>866,682</b>	1,033,112	1,033,112	(166,430)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(229,288)</b>	(444,902)	(444,902)	215,614
<b>Other Financing Uses</b>				
Transfers Out	<b>487,731</b>	-	-	487,731
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	<b>(717,019)</b>	<u>(444,902)</u>	<u>(444,902)</u>	<u>703,345</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>954,944</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>237,925</b>			
<b>GAAP Adjustments</b>				
Accrued Interest Receivable	<b>14,550</b>			
<b>Fund Balance - End of Year</b>	<b>\$ 252,475</b>			

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**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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Taxes	\$ 426,605	432,434	432,434	(5,829)
Use of Money and Property	51,958	-	-	51,958
Miscellaneous	14,473	-	-	14,473
<b>Total Revenues</b>	<b>493,036</b>	<b>432,434</b>	<b>432,434</b>	<b>60,602</b>
<b>Expenditures</b>				
Commodities	8,796	220,000	220,000	(211,204)
Contractual	34,298	50,000	50,000	(15,702)
Capital Outlay	27,056	1,345,459	1,345,459	(1,318,403)
<b>Total Expenditures</b>	<b>70,150</b>	<b>1,615,459</b>	<b>1,615,459</b>	<b>(1,545,309)</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>422,886</b>	<b>(1,183,025)</b>	<b>(1,183,025)</b>	<b>1,605,911</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>1,140,592</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>1,563,478</b>			
<b>GAAP Adjustments</b>				
Accrued Interest Receivable	22,833			
<b>Fund Balance - End of Year</b>	<b>\$ 1,586,311</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Liquor Taxes	\$ 68,285	53,905	53,905	14,380
<b>Expenditures</b>				
Commodities	-	155,062	155,062	(155,062)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>68,285</b>	<b>(101,157)</b>	<b>(101,157)</b>	<b>169,442</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>106,470</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>\$ 174,755</b>			

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, 2023

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
<b>Revenues</b>				
Taxes	\$ 68,286	53,905	53,905	14,381
Use of Money and Property	4,117	-	-	4,117
<b>Total Revenues</b>	<b>72,403</b>	<b>53,905</b>	<b>53,905</b>	<b>18,498</b>
<b>Expenditures</b>				
Personnel Services	6,755	40,000	40,000	(33,245)
Commodities	2,155	42,148	42,148	(39,993)
Contractual Services	2,343	-	-	2,343
<b>Total Expenditures</b>	<b>11,253</b>	<b>82,148</b>	<b>82,148</b>	<b>(70,895)</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>61,150</b>	<b>(28,243)</b>	<b>(28,243)</b>	<b>89,393</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>62,407</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>123,557</b>			
<b>GAAP Adjustments</b>				
Accrued Interest Receivable	1,805			
<b>Fund Balance - End of Year</b>	<b>\$ 125,362</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Miscellaneous	\$ 1,999	15,000	15,000	(13,001)
<b>Expenditures</b>				
Contractual Services	-	211,855	211,855	(211,855)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>1,999</b>	<u>(196,855)</u>	<u>(196,855)</u>	<u>198,854</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>212,190</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>214,189</b>			
<b>GAAP Adjustments</b>				
Accounts Receivable	<u>8,328</u>			
<b>Fund Balance - End of Year</b>	<b>\$ <u>222,517</u></b>			

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, 2023

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance Over (Under)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Taxes	\$ -	290,578	290,578	(290,578)
Use of Money and Property	<b>91</b>	-	-	91
<b>Total Revenues</b>	<b>91</b>	290,578	290,578	(290,487)
<b>Expenditures</b>				
Debt Service				
Principal	-	896,273	896,273	(896,273)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>91</b>	<u>(605,695)</u>	<u>(605,695)</u>	<u>605,695</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>		<u><b>653,649</b></u>		
<b>Budgetary Basis Fund Balance - End of Year</b>	\$	<u><u><b>653,740</b></u></u>		

See Independent Auditor's Report.

**CITY OF JUNCTION CITY, KANSAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget  
Law Enforcement Trust Fund  
For the Year Ended December 31, 2023

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
<b>Revenues</b>				
Intergovernmental	\$ 51,880	500,000	500,000	(448,120)
Miscellaneous	2,751	-	-	2,751
Use of Money and Property	9,552	-	-	9,552
<b>Total Revenues</b>	<b>64,183</b>	<b>500,000</b>	<b>500,000</b>	<b>(435,817)</b>
<b>Expenditures</b>				
Commodities	138,679	300,000	300,000	(161,321)
Contractual Services	76,909	132,616	132,616	(55,707)
Capital Outlay	-	200,000	200,000	(200,000)
<b>Total Expenditures</b>	<b>215,588</b>	<b>632,616</b>	<b>632,616</b>	<b>(417,028)</b>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<b>(151,405)</b>	<b>(132,616)</b>	<b>(132,616)</b>	<b>(18,789)</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>322,651</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>171,246</b>			
<b>GAAP Adjustments</b>				
Encumbrances	99,730			
Accrued Interest Receivable	4,198			
<b>Fund Balance - End of Year</b>	<b>\$ 275,174</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Miscellaneous	\$ 13,098	15,000	15,000	(1,902)
<b>Expenditures</b>				
Contractual Services	13,453	15,042	15,042	(1,589)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(355)</b>	<b>(42)</b>	<b>(42)</b>	<b>(313)</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>-</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>\$ (355)</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Miscellaneous	\$ 19,500	-	-	19,500
<b>Expenditures</b>				
Contractual Services	3,502	123,059	123,059	(119,557)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>15,998</b>	<u>(123,059)</u>	<u>(123,059)</u>	<u>139,057</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>110,647</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>\$ 126,645</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Miscellaneous	\$ 991	50,000	50,000	(49,009)
<b>Expenditures</b>				
Contractual Services	-	115,925	115,925	(115,925)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>991</b>	<b>(65,925)</b>	<b>(65,925)</b>	<b>66,916</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>16,303</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>\$ 17,294</b>			

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, 2023

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
<b>Revenues</b>				
Taxes	\$ 2,695,080	2,700,974	2,700,974	(5,894)
Special Assessments	2,371,705	2,300,000	2,300,000	71,705
Sales Tax	5,371,858	4,200,000	4,200,000	1,171,858
Use of Money and Property	131,350	-	-	131,350
Miscellaneous	150,000	25,000	25,000	125,000
<b>Total Revenues</b>	<b>10,719,993</b>	<b>9,225,974</b>	<b>9,225,974</b>	<b>1,494,019</b>
<b>Expenditures</b>				
Debt Service				
Principal	9,050,875	9,504,479	9,504,479	(453,604)
Interest and Other Charges	1,833,255	1,833,255	1,833,255	-
<b>Total Expenditures</b>	<b>10,884,130</b>	<b>11,337,734</b>	<b>11,337,734</b>	<b>(453,604)</b>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<b>(164,137)</b>	<b>(2,111,760)</b>	<b>(2,111,760)</b>	<b>1,947,623</b>
<b>Other Financing Sources</b>				
Transfers In	800,000	800,000	800,000	-
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>635,863</b>	<b>(1,311,760)</b>	<b>(1,311,760)</b>	<b>1,947,623</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>3,327,466</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>3,963,329</b>			
<b>GAAP Adjustments</b>				
Accounts Receivable	150,000			
Accrued Interest Receivable	57,723			
<b>Fund Balance - End of Year</b>	<b>\$ 4,171,052</b>			

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, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Miscellaneous	\$ <b>279,472</b>	49,100	49,100	230,372
<b>Expenditures</b>				
Capital Outlay	<b>404,500</b>	850,627	850,627	(446,127)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(103,279)</b>	(801,527)	(801,527)	698,248
<b>Other Financing Uses</b>				
Transfers Out	<b>164,716</b>	-	-	164,716
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	<b>(267,995)</b>	<u>(801,527)</u>	<u>(801,527)</u>	<u>862,964</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>906,711</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <b>638,716</b>			

See Independent Auditor's Report.

**CITY OF JUNCTION CITY, KANSAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget  
Opioid Settlement Funds Fund  
For the Year Ended December 31, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
<b>Revenues</b>				
Miscellaneous	\$ 61,021	-	60,000	1,021
<b>Expenditures</b>				
Contractual Services	-	-	60,000	(60,000)
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>61,021</b>	<b>-</b>	<b>-</b>	<b>61,021</b>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>-</b>			
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>\$ 61,021</b>			

See Independent Auditor's Report.

## **NONMAJOR ENTERPRISE FUNDS**

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

**CITY OF JUNCTION CITY, KANSAS**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2023

	Sanitation	Total
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
<b>Current Assets</b>		
Cash and Investments	\$ 3,733,929	<b>3,733,929</b>
Receivables, Net of Allowance for Uncollectibles		
Accounts	263,409	<b>263,409</b>
Accrued Interest	54,506	<b>54,506</b>
<b>Total Current Assets</b>	<b>4,051,844</b>	<b>4,051,844</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Depreciable Capital Assets	1,769,699	<b>1,769,699</b>
Right to Use Equipment	7,162	<b>7,162</b>
SBITAs	20,913	<b>20,913</b>
Accumulated Depreciation and Amortization	(1,450,630)	<b>(1,450,630)</b>
<b>Total Noncurrent Assets</b>	<b>347,144</b>	<b>347,144</b>
<b>Total Assets</b>	<b>4,398,988</b>	<b>4,398,988</b>
<b>Deferred Outflows of Resources</b>		
Pension Liability	99,774	<b>99,774</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>4,498,762</b>	<b>4,498,762</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	48,542	<b>48,542</b>
Accrued Liabilities	8,415	<b>8,415</b>
Current Portion of Compensated Absences Payable	27,574	<b>27,574</b>
Current Portion of Right to Use Equipment Leases Payable	1,194	<b>1,194</b>
Current Portion of SBITAs Payable	10,432	<b>10,432</b>
<b>Total Current Liabilities</b>	<b>96,157</b>	<b>96,157</b>
<b>Noncurrent Liabilities</b>		
Net Pension Liability	324,778	<b>324,778</b>
Right to Use Asset Leases Payable	4,377	<b>4,377</b>
<b>Total Noncurrent Liabilities</b>	<b>329,155</b>	<b>329,155</b>
<b>Total Liabilities</b>	<b>425,312</b>	<b>425,312</b>
<b>Deferred Inflows of Resources</b>		
Pension Liability	2,128	<b>2,128</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>427,440</b>	<b>427,440</b>
<b><u>NET POSITION</u></b>		
<b>Net Position</b>		
Net Investment in Capital Assets	331,141	<b>331,141</b>
Unrestricted	3,740,181	<b>3,740,181</b>
<b>Total Net Position</b>	<b>4,071,322</b>	<b>4,071,322</b>

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, 2023

	Sanitation	Total
<b>Operating Revenues</b>		
Charges for Services	\$ 1,970,750	<b>1,970,750</b>
Miscellaneous	2,270	<b>2,270</b>
<b>Total Operating Revenues</b>	<u>1,973,020</u>	<u><b>1,973,020</b></u>
<b>Operating Expenses</b>		
Personal Services	472,749	<b>472,749</b>
Commodities	154,171	<b>154,171</b>
Contractual Services	686,448	<b>686,448</b>
Depreciation	96,977	<b>96,977</b>
<b>Total Operating Expenses</b>	<u>1,410,345</u>	<u><b>1,410,345</b></u>
<b>Net Operating Income</b>	<u>562,675</u>	<u><b>562,675</b></u>
<b>Nonoperating Revenues (Expense)</b>		
Interest Expense	(959)	<b>(959)</b>
Interest Income	160,141	<b>160,141</b>
<b>Net Nonoperating Revenues (Expense)</b>	<u>159,182</u>	<u><b>159,182</b></u>
<b>Net Income Before Transfers</b>	721,857	<b>721,857</b>
Transfers Out	(850,000)	<b>(850,000)</b>
<b>Change in Net Position</b>	(128,143)	<b>(128,143)</b>
<b>Net Position - Beginning of Year</b>	<u>4,199,465</u>	<u><b>4,199,465</b></u>
<b>Net Position - End of Year</b>	<u>\$ 4,071,322</u>	<u><b>4,071,322</b></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, 2023

	Sanitation	Total Nonmajor Enterprise Funds
<b>Cash Flows From Operating Activities</b>		
Cash Received From Customers and Users	\$ 2,038,587	<b>2,038,587</b>
Cash Paid to Suppliers of Goods and Services	(796,756)	<b>(796,756)</b>
Cash Paid to Employees	(452,584)	<b>(452,584)</b>
Other Operating Receipts	2,270	<b>2,270</b>
	791,517	<b>791,517</b>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of Capital Assets	(150,339)	<b>(150,339)</b>
Interest Payments	(959)	<b>(959)</b>
Principal Payments - Right to Use	(1,063)	<b>(1,063)</b>
Principal Payments - SBITAs	(10,481)	<b>(10,481)</b>
	(162,842)	<b>(162,842)</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Transfer Out	(850,000)	<b>(850,000)</b>
<b>Cash Flows From Investing Activities</b>		
Interest Received	124,029	<b>124,029</b>
<b>Net Decrease in Cash and Investments</b>	(97,296)	<b>(97,296)</b>
<b>Cash and Investments - Beginning of Year</b>	3,831,225	<b>3,831,225</b>
<b>Cash and Investments - End of Year</b>	\$ 3,733,929	<b>3,733,929</b>

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, 2023

	<u>Sanitation</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</b>		
Net Operating Income	\$ 562,675	<b>562,675</b>
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities</b>		
Depreciation Expense	96,977	<b>96,977</b>
(Increase) Decrease in Accounts Receivable	67,837	<b>67,837</b>
(Increase) Decrease in Deferred Outflows	16,509	<b>16,509</b>
Increase (Decrease) in Accounts Payable	41,470	<b>41,470</b>
Increase (Decrease) in Accrued Compensated Absences	7,673	<b>7,673</b>
Increase (Decrease) in Net Pension Liability	(3,189)	<b>(3,189)</b>
Increase (Decrease) in Accrued Liabilities	2,393	<b>2,393</b>
Increase (Decrease) in Deferred Inflows	(828)	<b>(828)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 791,517</b>	<b>791,517</b>

See Independent Auditor's Report.

**CITY OF JUNCTION CITY, KANSAS**  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2023

		Trust and Agency Fund	Insurance Disaster Fund	Total Custodial Funds
	<b><u>ASSETS</u></b>			
Cash		\$ 2,409	38,034	40,443
	<b><u>LIABILITIES</u></b>			
Due to Others		\$ 2,409	38,034	40,443

**CITY OF JUNCTION CITY, KANSAS**  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
December 31, 2023

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

See Independent Auditor's Report.

## **CITY OF JUNCTION CITY, KANSAS**

Statistical Section (Unaudited)

December 31, 2023

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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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net investment in capital assets	\$(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	\$ 11,874,713
Restricted	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	11,605,670
Unrestricted	<u>10,843,958</u>	<u>1,503,427</u>	<u>6,880,515</u>	<u>15,598,864</u>	<u>11,883,804</u>	<u>(5,930,212)</u>	<u>(4,695,504)</u>	<u>(1,950,365)</u>	<u>5,518,890</u>	<u>1,138,734</u>
Total governmental activities net position	<u>\$ 15,906,688</u>	<u>\$ 19,819,353</u>	<u>\$ 19,469,098</u>	<u>\$ 37,763,372</u>	<u>\$ 72,213</u>	<u>\$ 1,537,023</u>	<u>\$ 8,036,469</u>	<u>\$ 15,102,522</u>	<u>\$ 22,415,099</u>	<u>\$ 24,619,117</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 65,305,364
Unrestricted	<u>8,786,568</u>	<u>9,005,441</u>	<u>15,544,505</u>	<u>28,927,670</u>	<u>36,015,248</u>	<u>18,721,968</u>	<u>19,082,062</u>	<u>19,739,227</u>	<u>15,210,530</u>	<u>19,972,081</u>
Total business-type activities net position	<u>\$ 58,036,421</u>	<u>\$ 59,341,104</u>	<u>\$ 64,642,669</u>	<u>\$67,779,747</u>	<u>\$ 70,232,651</u>	<u>\$ 74,693,284</u>	<u>\$ 79,198,208</u>	<u>\$ 84,262,561</u>	<u>\$ 85,202,627</u>	<u>\$ 85,277,445</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 77,180,077
Restricted	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	11,605,670
Unrestricted	<u>19,630,526</u>	<u>10,508,868</u>	<u>22,425,020</u>	<u>44,526,534</u>	<u>47,899,052</u>	<u>12,791,756</u>	<u>14,386,558</u>	<u>17,788,862</u>	<u>20,729,420</u>	<u>21,110,815</u>
Total primary government net position	<u>\$ 73,943,109</u>	<u>\$ 79,160,457</u>	<u>\$ 84,111,767</u>	<u>\$ 105,543,119</u>	<u>\$ 70,304,864</u>	<u>\$ 76,230,307</u>	<u>\$ 87,234,677</u>	<u>\$ 99,365,083</u>	<u>\$ 107,617,726</u>	<u>\$ 109,896,562</u>

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

<b>Expenses</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Governmental Activities</b>										
General government	\$ 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	\$ 5,892,707
Public safety	\$ 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	\$ 12,861,115
Public works	\$ 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	\$ 8,014,155
Culture and recreation	\$ 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	\$ 2,773,443
Economic Development	\$ 1,823,290	\$ 1,257,753	\$ 589,757	\$ 1,260,150	\$ 881,207	\$ 1,372,758	\$ 1,049,502	\$ 1,330,034	\$ 882,476	\$ 797,757
Public health and sanitation	\$ 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	\$ 4,341,241
Payments on other obligations (see note)	\$ 98,604	\$ 98,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest long term debt	\$ 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	\$ 1,979,136
<b>Total governmental expenses</b>	<b>\$ 30,963,654</b>	<b>\$ 28,092,613</b>	<b>\$ 37,387,981</b>	<b>\$ 30,035,800</b>	<b>\$ 32,926,141</b>	<b>\$ 32,294,958</b>	<b>\$ 31,932,194</b>	<b>\$ 30,643,753</b>	<b>\$ 34,626,580</b>	<b>\$ 36,659,554</b>
<b>Business-type activities</b>										
Water/sewer	\$ 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	\$ 7,601,000
Sewer	\$ -	\$ -	\$ 4,022,608	\$ 4,216,058	\$ 4,616,729	\$ 4,616,295	\$ 4,664,618	\$ 4,048,592	\$ 5,079,911	\$ 5,218,832
Sanitation	\$ 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	\$ 1,408,526
Stormwater	\$ 546,754	\$ 545,779	\$ 438,112	\$ 452,520	\$ 570,214	\$ 462,706	\$ 493,853	\$ 593,597	\$ 1,241,884	\$ 1,411,304
<b>Total business-type activities expenses</b>	<b>\$ 9,018,360</b>	<b>\$ 9,214,458</b>	<b>\$ 9,074,751</b>	<b>\$ 9,096,517</b>	<b>\$ 10,975,299</b>	<b>\$ 9,545,411</b>	<b>\$ 9,840,163</b>	<b>\$ 9,726,430</b>	<b>\$ 13,699,695</b>	<b>\$ 15,639,662</b>
<b>Total primary government expenses</b>	<b>\$ 39,982,014</b>	<b>\$ 37,307,071</b>	<b>\$ 46,462,732</b>	<b>\$ 39,132,317</b>	<b>\$ 43,901,440</b>	<b>\$ 41,840,369</b>	<b>\$ 41,772,357</b>	<b>\$ 40,370,183</b>	<b>\$ 48,326,275</b>	<b>\$ 52,299,216</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services	\$ 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	\$ 4,130,917
Operating grants and contributions	\$ 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	\$ 2,985,632
Capital grants and contributions	\$ 996,975	\$ 982,671	\$ 2,343,810	\$ 1,778,195	\$ 641,136	\$ 617,458	\$ 567,565	\$ 628,878	\$ 599,062	\$ 604,286
<b>Total governmental activities program revenue</b>	<b>\$ 7,719,259</b>	<b>\$ 16,089,121</b>	<b>\$ 7,779,869</b>	<b>\$ 8,301,498</b>	<b>\$ 7,809,817</b>	<b>\$ 6,817,579</b>	<b>\$ 9,658,138</b>	<b>\$ 8,116,067</b>	<b>\$ 10,611,072</b>	<b>\$ 7,720,835</b>
<b>Business-type activities</b>										
Charges for services										
Water/sewer	\$ 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	\$ 6,779,542
Sewer	\$ -	\$ -	\$ 5,513,814	\$ 5,581,828	\$ 5,971,026	\$ 6,193,996	\$ 6,539,606	\$ 6,811,401	\$ 7,072,457	\$ 7,846,850
Sanitation	\$ 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	\$ 1,026,108
Stormwater	\$ 855,654	\$ 771,705	\$ 773,532	\$ 766,720	\$ 919,900	\$ 1,062,066	\$ 1,080,559	\$ 1,070,963	\$ 1,033,220	\$ 1,970,750
Spin City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total business-type activities prgrm revenue</b>	<b>\$ 12,069,472</b>	<b>\$ 12,681,333</b>	<b>\$ 13,138,550</b>	<b>\$ 13,456,444</b>	<b>\$ 14,044,046</b>	<b>\$ 14,680,823</b>	<b>\$ 15,366,232</b>	<b>\$ 16,213,576</b>	<b>\$ 16,264,592</b>	<b>\$ 17,623,250</b>
<b>Total primary government program revenue</b>	<b>\$ 19,788,731</b>	<b>\$ 28,770,454</b>	<b>\$ 20,918,419</b>	<b>\$ 21,757,942</b>	<b>\$ 21,853,863</b>	<b>\$ 21,498,402</b>	<b>\$ 25,024,370</b>	<b>\$ 24,329,643</b>	<b>\$ 26,875,664</b>	<b>\$ 25,344,085</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (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)	\$ (28,938,719)
Business-type activities	\$ 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	\$ 1,983,588
<b>Total primary government net expenses</b>	<b>\$ (20,193,283)</b>	<b>\$ (8,536,617)</b>	<b>\$ (25,544,313)</b>	<b>\$ (17,374,375)</b>	<b>\$ (22,047,577)</b>	<b>\$ (20,341,967)</b>	<b>\$ (16,747,987)</b>	<b>\$ (16,040,540)</b>	<b>\$ (21,450,611)</b>	<b>\$ (26,955,131)</b>
<b>Gen Revenues &amp; Other Changes Net position</b>										
<b>Governmental activities</b>										
Taxes										
Property taxes	\$ 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	\$ 10,441,574
Sales taxes	\$ 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	\$ 14,052,523
Franchise taxes	\$ 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	\$ 2,047,257
Special assessments	\$ -	\$ -	\$ 4,113,971	\$ 6,861,942	\$ 739,550	\$ 29,630	\$ 1,244,685	\$ 218,050	\$ 74,028	\$ 150,397
Payment in lieu of property tax	\$ 13,052	\$ 14,335	\$ 21,232	\$ 22,852	\$ -	\$ 17,810	\$ 28,798	\$ 48,340	\$ 45,750	\$ -
Investment earnings	\$ 215,382	\$ 770,359	\$ 728,903	\$ 1,131,277	\$ 1,424,232	\$ 755,298	\$ 674,094	\$ 944,656	\$ 900,162	\$ 1,790,940
Miscellaneous	\$ 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	\$ 442,493
Transfers	\$ 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	\$ 2,870,000
<b>Total governmental activities</b>	<b>\$ 28,489,459</b>	<b>\$ 26,357,370</b>	<b>\$ 29,705,857</b>	<b>\$ 32,973,626</b>	<b>\$ 28,799,326</b>	<b>\$ 26,942,189</b>	<b>\$ 28,773,502</b>	<b>\$ 29,593,739</b>	<b>\$ 31,328,085</b>	<b>\$ 31,795,184</b>
<b>Business-type activities</b>					\$ 83					
Investment earnings	\$ 1,332	\$ 23,177	\$ 47,293	\$ 106,590	\$ 141,136	\$ 494,801	\$ 238,524	\$ 20,579	\$ 254,616	\$ 817,467
Miscellaneous	\$ 222,018	\$ 387,675	\$ 2,720,473	\$ 300,561	\$ 873,021	\$ 200,355	\$ 642,783	\$ 449,556	\$ 740,553	\$ 143,763
Transfers	\$ (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)	\$ (2,870,000)
<b>Total business-type activities</b>	<b>\$ (1,299,150)</b>	<b>\$ (1,094,148)</b>	<b>\$ 1,237,766</b>	<b>\$ (1,222,849)</b>	<b>\$ (615,843)</b>	<b>\$ (1,335,458)</b>	<b>\$ (1,021,145)</b>	<b>\$ (1,422,793)</b>	<b>\$ (1,624,831)</b>	<b>\$ (1,908,770)</b>
<b>Total primary government</b>	<b>\$ 27,190,309</b>	<b>\$ 25,263,222</b>	<b>\$ 30,943,623</b>	<b>\$ 31,750,777</b>	<b>\$ 28,183,483</b>	<b>\$ 25,606,731</b>	<b>\$ 27,752,357</b>	<b>\$ 28,170,946</b>	<b>\$ 29,703,254</b>	<b>\$ 29,886,414</b>
<b>Change in Net position</b>										
Governmental activities	\$ 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	\$ 2,856,465
Business-type activities	\$ 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	\$ 74,818
<b>Total primary government</b>	<b>\$ 6,997,026</b>	<b>\$ 16,726,605</b>	<b>\$ 5,399,310</b>	<b>\$ 14,376,402</b>	<b>\$ 6,135,906</b>	<b>\$ 5,264,764</b>	<b>\$ 11,004,370</b>	<b>\$ 12,130,406</b>	<b>\$ 8,252,643</b>	<b>\$ 2,931,283</b>

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Unassigned	\$ 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	\$ 4,769,482
Restricted	-	-	-	-	-	743,706	1,482,152	948,501	-	-
Assigned	-	-	-	-	-	-	-	-	827,813	875,331
Prior Period Adjustment	-	-	-	-	218,800	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 5,479,409</b>	<b>\$ 5,728,814</b>	<b>\$ 5,661,462</b>	<b>\$ 5,971,682</b>	<b>\$ 5,194,166</b>	<b>\$ 4,689,751</b>	<b>\$ 5,352,244</b>	<b>\$ 6,030,561</b>	<b>\$ 5,770,925</b>	<b>\$ 5,644,813</b>
<b>All Other Governmental Funds</b>										
Restricted	\$ 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	\$ 8,618,451
Committed	521,194	184,473	453,959	4,285,376	5,032,260	1,156,015	1,553,167	1,644,859	1,762,846	1,799,451
Assigned	-	-	-	-	-	-	467,582	1,274,769	1,065,838	511,185
Unassigned	-	(46,123)	(1,282,276)	(317,356)	(972,663)	378,007	-	-	-	-
Prior Period Adjustment	-	-	-	-	(4,179,024)	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 8,576,964</b>	<b>\$ 8,525,462</b>	<b>\$ 5,875,366</b>	<b>\$ 9,833,905</b>	<b>\$ 6,262,101</b>	<b>\$ 5,701,730</b>	<b>\$ 6,870,501</b>	<b>\$ 9,013,535</b>	<b>\$ 11,196,930</b>	<b>\$ 10,929,087</b>

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

**LAST TEN FISCAL YEARS**

(Modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 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	\$ 26,541,355
Licenses and permits	215,096	345,903	246,051	233,077	229,139	462,924	368,162	316,192	421,027	429,784
Intergovernmental	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	3,902,449
Charges for service	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	2,949,127
Fines and fees	1,093,755	949,881	728,661	737,921	684,542	635,698	574,791	913,906	1,048,724	752,005
Special assessments	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	2,375,429
Use of money & property	215,382	770,359	728,903	1,131,277	1,424,232	755,298	674,862	945,643	900,181	1,790,938
Miscellaneous	5,988,271	2,085,289	1,214,613	1,174,440	2,084,079	196,0487	2,246,795	1,594,248	2,155,954	2,111,188
<b>Total revenues</b>	<b>\$ 37,827,795</b>	<b>\$ 42,534,509</b>	<b>\$ 34,094,849</b>	<b>\$ 35,153,129</b>	<b>\$ 35,749,639</b>	<b>\$ 33,879,452</b>	<b>\$ 32,868,904</b>	<b>\$ 38,051,429</b>	<b>\$ 41,577,418</b>	<b>\$ 40,852,275</b>
<b>Expenditures</b>										
General government	\$ 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	\$ 5,737,276
Public safety	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	11,490,852
Public works	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	6,049,775
Public health & sanitation	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	4,164,392
Culture & recreation	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	2,604,277
Economic development	1,823,290	1,257,753	589,757	1,260,150	881,207	985,931	814,527	1,068,885	882,988	1,111,003
Debt service principal	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	9,972,729
Debt service interest & fees	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	1,979,953
Payment contractual obligations	98,604	98,382	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	118,614	630	-
Miscellaneous	631,041	337,606	883,890	194,432	130,986	21211	177321	100,969	32,549	405,199
<b>Total Expenditures</b>	<b>\$ 37,720,779</b>	<b>\$ 49,521,427</b>	<b>\$ 38,877,880</b>	<b>\$ 35,650,296</b>	<b>\$ 37,768,735</b>	<b>\$ 36,974,822</b>	<b>\$ 64,259,639</b>	<b>\$ 44,384,423</b>	<b>\$ 43,198,639</b>	<b>\$ 43,515,456</b>
Excess revenues over (under) expenditures	\$ 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)	\$ (2,663,181)
<b>Other Financing Sources (Uses)</b>										
Bonds issued	\$ -	\$ 5,667,850	\$ 47,446,979	\$ -	\$ -	\$ -	\$ 25,862,685	\$ 7,261,417	\$ 924,980	\$ -
Lease Reimbursement	-	-	-	-	-	-	-	-	-	51,673
Payment to Refunded Bond	-	-	(46,911,396)	-	-	-	-	-	-	-
Transfers in	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	3,672,447
Transfers out	(200,000)	(600,000)	(634,000)	(450,000)	(450,000)	(450,000)	(450,000)	(317,346)	(150,000)	(802,447)
Total other financing sources (uses)	\$ 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	\$ 2,921,673
<b>Net change in fund balances</b>	<b>\$ 1,629,516</b>	<b>\$ 185,932</b>	<b>\$ (2,717,448)</b>	<b>\$1,132,833</b>	<b>\$ (389,096)</b>	<b>\$ (1,064,786)</b>	<b>\$ 1,831,264</b>	<b>\$ 2,821,351</b>	<b>\$ 1,923,759</b>	<b>\$ 258,492</b>
Debt service as a percentage of noncapital expenditures	34.09%	36.97%	33.17%	35.42%	35.91%	34.99%	58.40%	37.23%	29.26%	27.47%

**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
2023	1,374,390,000	1,023,744,000	350,616,000	25.51%	67,394,900	380,991,000	\$ 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**

<b>Fiscal Year</b>	<b>Water Meter Taps Sold</b>	<b>Wastewater Taps Sold</b>	<b>Total Taps</b>
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
2023	32	31	63

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

<b>Fiscal Year</b>	<b>WATER</b>		<b>WASTEWATER</b>		<b>TOTAL</b>	
	<b>RESIDENTIAL</b>	<b>COMMERCIAL</b>	<b>RESIDENTIAL</b>	<b>COMMERCIAL</b>	<b>WATER</b>	<b>WASTEWATER</b>
<b>2011</b>	9,060	781	8,801	761	9,841	9,562
<b>2012</b>	9,915	878	8,781	812	10,793	9,593
<b>2013</b>	10,091	818	8,708	812	10,909	9,520
<b>2014</b>	10,141	835	8,767	813	10,976	9,575
<b>2015</b>	10,148	856	8,503	803	11,004	9,306
<b>2016</b>	10,150	849	8,640	810	10,999	9,450
<b>2017</b>	10,140	853	8,532	805	10,993	9,337
<b>2018</b>	10,206	798	8,534	813	11,004	9,347
<b>2019</b>	10,158	850	8,403	807	11,008	9,210
<b>2020</b>	8,835	824	8,576	794	9,659	9,370
<b>2021</b>	8,871	688	8,602	807	9,559	9,409
<b>2022</b>	8,873	669	8,632	794	9,542	9,426
<b>2023</b>	9,023	675	8,777	794	9,698	9,571

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

<b>WATER - (per month inside or outside city limits (1))</b>	<b>2014</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020**</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	1/1 to 6/16	6/17-12/31									
1. Minimum charge, Not in excess of 200 cubic feet 1" meter or less	\$ 16.03	\$ 17.07	\$ 18.27	\$ 19.36	\$ 20.62	\$ 21.96	\$ 23.39	\$ 18.00	\$ 18.88	\$ 18.88	\$ 18.81
2. Minimum charge, Not in excess of 200 cubic feet Over 1" and up to and including 1.5" meters	\$ 100.52	\$ 107.05	\$ 114.55	\$ 124.42	\$ 129.32	\$ 137.72	\$ 146.67	\$ 140.00	\$ 140.00	\$ 140.00	\$ 146.30
3. Minimum charge, Not in excess of 200 cubic feet Over 1.5" and up to and including 2" meters	\$ 198.80	\$ 211.72	\$ 226.54	\$ 240.14	\$ 255.75	\$ 272.37	\$ 290.08	\$ 285.00	\$ 285.00	\$ 285.00	\$ 297.83
4. Minimum charge, Not in excess of 200 cubic feet Over 2" and up to and including 3" meters	\$ 293.95	\$ 313.06	\$ 334.97	\$ 355.08	\$ 378.16	\$ 402.74	\$ 428.92	\$ 425.00	\$ 425.00	\$ 425.00	\$ 444.13
5. Minimum charge, Not in excess of 200 cubic feet Over 3" and up to and including 4" meters	\$ 389.72	\$ 415.05	\$ 444.11	\$ 470.76	\$ 501.36	\$ 533.94	\$ 568.66	\$ 560.00	\$ 560.00	\$ 560.00	\$ 583.20
6. Minimum charge, Not in excess of 200 cubic feet 4" meter and over	\$ 490.14	\$ 522.00	\$ 558.54	\$ 592.07	\$ 630.55	\$ 671.54	\$ 715.19	\$ 700.00	\$ 700.00	\$ 700.00	\$ 731.50
7. 300 cubic feet to 1,000 cubic feet, per 100 cubic feet / Up to 10,000 Gal. per 100	\$ 2.06	\$ 2.22	\$ 2.36	\$ 2.51	\$ 2.68	\$ 2.85	\$ 3.04	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.44
8. All above 1,000 cubic feet, per 100 cubic feet / > 10,000 Gal. per 100	\$ 2.37	\$ 2.55	\$ 2.72	\$ 2.89	\$ 3.08	\$ 3.28	\$ 3.49	\$ 0.48	\$ 0.48	\$ 0.50	\$ 0.50

<b>WASTEWATER - rates per month (2)+A14:M22</b>											
1. Minimum charge, not in excess of 200 cubic feet / Not Prod Included in Gals.	\$ 25.50	\$ 26.90	\$ 28.65	\$ 30.37	\$ 32.19	\$ 34.12	\$ 36.17	\$ 32.00	\$ 32.00	\$ 37.64	\$ 37.64
2. 300 cubic feet and above, per 100 cubic feet	\$ 1.90	\$ 2.00	\$ 2.13	\$ 2.26	\$ 2.40	\$ 2.54	\$ 2.70	\$ 0.40	\$ 0.40	\$ 0.47	\$ 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)											

<b>STORM WATER</b>											
1. Developed residential assessment per living unit	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 7.00	\$ 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	\$ 5.00	\$ 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	\$ 5.00	\$ 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, 2023**

<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	\$1,053,253.19	18.18%	ARMOUR ECKRICH	\$862,556.18 15.36%
CITY OF GRANDVIEW PLAZA	\$154,874.95	2.67%	PENN ENTERPRISES	\$78,513.24 1.40%
PENN ENTERPRISES	\$89,970.60	1.05%	STORMONT VAIL-FLINT HILLS LLC	\$50,338.93 0.90%
STORMONT VAIL-FLINT HILLS, LLC	\$60,736.91	1.55%	CAMSO/MICHELIN	\$28,178.52 0.50%
CAMSO/MICHELIN	\$40,969.38	0.71%	KMC HOLDINGS	\$24,394.18 0.43%
RURAL WATER DIST #1	\$31,319.62	0.54%	FOOT LOCKER	\$23,425.85 0.42%
FOOTLOCKER	\$31,081.18	0.52%	WINEGARDNER & HAMMONS	\$18,568.79 0.33%
KMC HOLDINGS	\$30,022.88	0.54%	USD 475	\$18,043.01 0.32%
WINEGARDNER & HAMMONS	\$26,142.58	0.44%	KOZMA HOLDINGS	\$15,665.05 0.28%
USD 475	\$25,640.55	0.45%	USD 475	\$13,276.53 0.24%
Subtotal (10 largest)	\$1,544,011.84	26.65%		\$1,132,960.28 20.17%
Balance from other customers	\$4,249,516.75	73.35%	Balance from other customers	\$4,484,156.83 79.83%
Grand Total	\$5,793,528.59	100.00%	Grand Total	\$5,617,117.11 100.00%

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

<b>Fiscal Year</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Utilities</b>	<b>Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed to Total Estimated Actual Value</b>
<b>2014</b>	\$ 162,987,182	\$ 3,087,175	\$ 8,302,106	\$ 174,376,463	47.666	\$ 1,177,486,959	14.81%
<b>2015</b>	\$ 165,518,313	\$ 3,478,915	\$ 8,934,896	\$ 177,932,124	47.714	\$ 1,183,325,319	15.04%
<b>2016</b>	\$ 166,521,128	\$ 2,961,204	\$ 9,248,288	\$ 178,730,620	48.089	\$ 1,197,845,374	14.92%
<b>2017</b>	\$ 163,847,940	\$ 2,776,258	\$ 9,066,607	\$ 175,690,805	48.089	\$ 1,168,918,812	15.03%
<b>2018</b>	\$ 160,761,225	\$ 2,638,894	\$ 9,355,482	\$ 172,755,601	48.115	\$ 1,147,833,059	15.05%
<b>2019</b>	\$ 161,891,264	\$ 2,489,853	\$ 9,877,208	\$ 174,258,325	48.345	\$ 1,159,514,895	15.03%
<b>2020</b>	\$ 163,103,672	\$ 2,239,446	\$ 9,398,662	\$ 174,741,780	48.346	\$ 1,162,731,804	15.03%
<b>2021</b>	\$ 163,158,089	\$ 2,254,320	\$ 11,049,351	\$ 176,461,760	48.328	\$ 1,174,176,551	15.03%
<b>2022</b>	\$ 201,453,565	\$ 2,306,179	\$ 10,338,491	\$ 214,098,235	48.311	\$ 1,424,609,656	15.03%
<b>2023</b>	\$ 207,842,370	\$ 2,833,421	\$ 10,157,947	\$ 220,833,738	46.182	\$ 1,469,427,693	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
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
2023	33.14	8.908	4.134	46.182	43.715	56.753	1.5	148.150

Source: Geary County Clerk

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

2023				2013			
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	Evergy	\$ 20,635,721.00	10.64%	1	F.W. Woolworth Co.	\$ 3,942,923	2.32%
2	F.W. Woolworth Co.	\$ 4,192,926.00	2.16%	2	Armour-Eckrich	\$ 3,000,000	1.77%
3	Kansas Gas Service	\$ 4,248,470.00	2.19%	3	Westar Energy	\$ 2,718,130	1.60%
4	Bluffs - Capital Solutions	\$ 3,782,801.00	1.95%	4	Hammons, John Q	\$ 2,415,300	1.42%
5	Smithfield Package	\$ 2,425,308.00	1.25%	5	Wal-Mart Real Estate	\$ 2,349,918	1.39%
6	Wal-Mart	\$ 2,210,895.00	1.14%	6	Patriot Group	\$ 878,713	0.52%
7	Union Pacific Railrod	\$ 2,095,197.00	1.08%	7	Kansas Gas Service	\$ 505,379	0.30%
8	Azd Development	\$ 1,409,373.00	0.73%	8	Blueuay Properties	\$ 451,477	0.27%
9	Patriot Pointe HC5 LLC	\$ 1,381,401.00	0.71%	9	Big D Development	\$ 378,088	0.22%
10	City of Junction City	\$ 1,206,144.00	0.62%	10	Fort Development	\$ 317,552	0.19%
Total Taxable Assessed Value in 2022		\$193,889,543		Total Taxable Assessed Value in 2011		\$169,640,933	

Source: Geary County Clerk

Bluffs - Capital Solutions

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

<b>Year</b>	<b>*Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percentage of Levy Collected</b>	<b>**Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections as a Percent of Current Tax Levy</b>	<b>Outstanding Delinquent Tax</b>	<b>Outstanding Delinquent Taxes as a Percent of Current Levy</b>
<b>2014</b>	\$ 8,562,672	\$ 7,983,131	93.23%	\$ 243,076	\$ 8,226,207	96.07%	\$ 583,424	6.81%
<b>2015</b>	\$ 8,722,531	\$ 8,022,142	91.97%	\$ 30,979	\$ 8,053,121	92.33%	\$ 692,484	7.94%
<b>2016</b>	\$ 8,802,881	\$ 8,233,155	93.53%	\$ 86,474	\$ 8,319,629	94.51%	\$ 483,252	5.49%
<b>2017</b>	\$ 8,585,333	\$ 8,124,986	94.64%	\$ 182,992	\$ 8,307,978	96.77%	\$ 460,345	5.36%
<b>2018</b>	\$ 8,540,150	\$ 7,978,511	93.42%	\$ 194,170	\$ 8,172,681	95.70%	\$ 561,639	6.58%
<b>2019</b>	\$ 8,593,755	\$ 7,741,571	90.08%	\$ 195,506	\$ 7,937,077	92.36%	\$ 852,184	9.92%
<b>2020</b>	\$ 8,595,679	\$ 7,988,028	92.93%	\$ 4,496	\$ 7,992,525	92.98%	\$ 603,163	7.02%
<b>2021</b>	\$ 8,610,988	\$ 8,591,270	96.88%	\$ 21,608	\$ 8,322,696	96.65%	\$ 268,574	3.12%
<b>2022</b>	\$ 8,709,390	\$ 8,676,767	99.63%	\$ 39,624	\$ 8,464,467	97.19%	\$ 212,300	2.44%
<b>2023</b>	\$ 9,366,938	\$ 9,360,938	99.63%	\$ 184,175	\$ 8,464,467	97.19%	\$ 212,300	2.44%

Source: Geary County Treasurer

**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
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
2023	\$ 56,296,987	\$ 10,162,597	\$ 5,156,846	\$ 1,391,542	\$ -	\$ 1,885,000	-	\$ 10,128,238	-	\$ 1,277,605	\$ 86,298,815	\$ 3,901

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 2023:**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 52,923,542
Total Net Debt Applicable to Limit	\$ 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	\$ 27,608,648
Legal Debt Margin	\$ 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	\$ 31,204,256
Total net debt applicable to the limit as a percentage of debt limit	84%	78%	73%	73%	68%	69%	63%	54%	47%	52%

(1) Includes motor vehicle valuation.

(2) Debt limit is set at 30% of assessed valuation per state 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**

<b>Fiscal</b>	<b>General</b>	<b>Less</b>		<b>Actual</b>	<b>Percent of</b>		<b>Per</b>
<b>Year</b>	<b>Bonds (1)</b>	<b>Fund (2)</b>	<b>Total</b>	<b>Property</b>	<b>Property</b>	<b>Population (3)</b>	<b>Capita</b>
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
2023	\$ 46,620,290	\$ 9,125,062	\$ 37,495,228	\$ 219,445,101	17.09%	22,120	\$ 1,695

(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, 2023

<b>Government Unit:</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable**</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
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
<b>DIRECT DEBT</b>			
City of Junction City	<u>\$ 109,057,030</u>	100.0%	<u>\$ 109,057,030</u>
<b>DIRECT &amp; ESTIMATED OVERLAPPING DEBT</b>	<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
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%
	WATER:				
2023	\$ 6,559,610	\$ 5,262,834	\$ 1,296,776	\$ 1,369,496	95%
	WASTEWATER				
2023	\$ 6,854,534	\$ 5,252,562	\$ 1,601,971	\$ 1,226,549	75%

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

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>	<b>Median Age (6)</b>
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
2023	22,932	n/a	\$60,709	7,004	5.1	29

- (1) US Census Bureau as of July 1, 2020
- (2 & 3) US Census Bureau Fact Finder based on 2020 surveys actually the median income number
- (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	2023	Employers	2011
	Estimated Number of Employees		Estimated Number of Employees
Fort Riley Civil Service (1) Civilian employees	4,930	Fort Riley Civil Service Civilian employees	7,786
U.S.D. #475 School District	1,487	U.S.D. #475 School District	1,350
Foot Locker Distribution Center	610	Geary Community Hospital	475
Smithfield Foods	449	Wal-Mart	415
Michelin	368	Armour Eckrich	400
Geary County	265	Wal-Mart	415
City of Junction City	226	Foot Locker Inc.	338
Stormont Vail	211	Geary County	200
Wal Mart	178	City of Junction City	153
Eagle Railcar Services	128	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**

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
<b>Governmental Activities:</b>	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>General Government</b>																				
General Administration	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	6	2.58
Human Resources	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	3	1.29
Information Services	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	2	0.86
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	1.54	3	1.50	3	1.50	3	1.51	3	1.49	3	1.49	3	1.49	3	1.54	3	1.53	2	0.86
<b>Public Safety</b>																				
Police Department	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	85	36.48
Fire/EMS Department	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	61	26.18
Codes/Inspection	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	9	3.86
Municipal Court	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	4	1.72
<b>Public Works</b>																				
Engineering	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	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	6.15	12	6.02	13	6.48	12	6.03	12	5.96	12	5.96	12	5.96	12	6.15	12	6.12	14	6.01
<b>Culture &amp; Recreation</b>																				
Recreation	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	1	0.43
Parks	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	14	6.01
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	0.51	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	0	0.00
Rolling Meadows Golf Course	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	8	3.43
<b>Total for Gov't-type Activities</b>	<b>174</b>	<b>89.23</b>	<b>178</b>	<b>88.97</b>	<b>177.5</b>	<b>88.53</b>	<b>177</b>	<b>88.94</b>	<b>181.5</b>	<b>90.07</b>	<b>181.5</b>	<b>90.07</b>	<b>181.5</b>	<b>90.07</b>	<b>175</b>	<b>89.74</b>	<b>176</b>	<b>89.80</b>	<b>209</b>	<b>89.70</b>
<b>Business-type Activities</b>																				
Solid Waste	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	7	3.00
Storm Water	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	1	0.43
Water/Sewer	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	16	6.87
<b>Total Business-type Activities</b>	<b>21</b>	<b>10.77</b>	<b>22</b>	<b>11.03</b>	<b>23</b>	<b>11.47</b>	<b>22</b>	<b>11.06</b>	<b>20</b>	<b>9.93</b>	<b>20</b>	<b>9.93</b>	<b>20</b>	<b>9.93</b>	<b>20</b>	<b>10.26</b>	<b>20</b>	<b>10.20</b>	<b>24</b>	<b>10.30</b>
<b>Total Full-time Employees</b>	<b>195</b>		<b>200</b>		<b>200.5</b>		<b>199</b>		<b>201.5</b>		<b>201.5</b>		<b>201.5</b>		<b>195</b>		<b>196</b>		<b>233</b>	

\*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**

<b>Function/Program:</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Government</b>										
Building Permits Issued	1,090	1,174	1,304	1,126	824	1,478	2,028	2,181	1,890	1,884
Building Inspections Conducted	3,700	4,340	2,195	2,087	826	2,876	1,692	1,483	3,297	965
<b>Police</b>										
Physical Arrests	2,431	3,032	2,886	2,994	2,339	1,920	1,939	2,289	2,040	2,040
Traffic Violations	6,678	5,743	5,337	6,234	6,127	6,881	4,940	6,879	4,268	4,268
<b>Fire</b>										
Fire Calls	1,559	1,691	1,832	1,859	1,704	1,456	3,385	3,694	563	563
Emergency Medical Service Calls	2,921	3,188	3,120	3,115	3,094	3,231	3,165	3,452	3,593	3,593
<b>Parks &amp; Recreation</b>										
Golf course (Rounds of Golf)	15,678	17,346	15,359	15,427	12,881	13,274	20,756	22,900	15,978	19,188
Golf course (Rounds per Special Events)	571	1,564	1,263	1,506	1,093	880	1,219	1,653	1,393	1,916
<b>Water</b>										
Average daily consumption (gallons x 1,000)	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	4,203,000
Peak daily consumption (gallons x 1000)	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	4,693,343
<b>Wastewater</b>										
East Plant Average daily sewage treatment (gallons)	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	1,935,000
SW Plant Average daily sewage treatment (gallons)	816,000	831,000	855,000	799,000	778,778	772,110	826,904	1,130,000	738,000	738,000

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

<b>Function/Program:</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b><u>Police</u></b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	7	7	9	9	9	9	9	9	13
<b><u>Fire Stations</u></b>	2	2	2	2	2	2	2	2	2	2
<b><u>Public Works</u></b>										
Streets (miles)	149	149	150	150	150	150	150	151.5	151.5	151.5
Streetlights	1,615	1,615	1,615	1,647	502	502	502	586	586	586
Traffic Signals	18	18	18	22	21	21	21	21	21	21
<b><u>Parks &amp; Recreation</u></b>										
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	10	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	1
<b><u>Water</u></b>										
Water mains (miles)	123.3	123.3	123.3	123.3	123.3	123.3	123.3	126	159	159
Storage capacity (gallons)	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	3,500,000
<b><u>Wastewater</u></b>										
Sanitary sewers (miles)	107	107	130.9	130.9	130.9	130.9	130.9	131.9	130.5	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
<b><u>Storm water</u></b>										
Storm sewers (miles)	14.2	14.2	14.2	51.4	51.4	51.4	51.4	53	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**

<b>Legal Debt Margin Calculation As of July 1, 2022</b>			<b>Legal Debt Margin Calculation As of July 1, 2011</b>		
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>

**CITY OF JUNCTION CITY, KANSAS**

Single Audit Information

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Commission  
**City of Junction City, Kansas**  
Junction City, KS

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2023, and the related notes to the financial statements, which collectively comprise **City of Junction City, Kansas'** basic financial statements, and have issued our report thereon dated December 18, 2024. The report on the audited financial statements of the Dorothy Bramlage Public Library, an aggregate discretely presented component unit, was adverse because the financial statements 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.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may

exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

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

**City of Junction City, Kansas' Response to Findings**

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

**Purpose of This Report**

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



**ADAMSBROWN, LLC**  
Certified Public Accountants  
Great Bend, Kansas

December 18, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
**City of Junction City, Kansas**  
Junction City, Kansas

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited **City of Junction City, Kansas'** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of **City of Junction City, Kansas'** major federal programs for the year ended December 31, 2023. **City of Junction City, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **City of Junction City, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **City of Junction City, Kansas** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **City of Junction City, Kansas'** compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **City of Junction City, Kansas'** federal programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **City of Junction City, Kansas'** compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance and will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **City of Junction City, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 **City of Junction City, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **City of Junction City, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **City of Junction City, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

**ADAMSBROWN, LLC**  
Certified Public Accountants  
Great Bend, Kansas

December 18, 2024

**CITY OF JUNCTION CITY, KANSAS**  
Schedule of Expenditures of Federal Awards  
December 31, 2023

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
Direct Aid			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 3,870
Equitable Sharing Program	16.922	N/A	3,502
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-02854-JAGX	4,182
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02854-JAGX	9,507
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03405-JAGX	5,576
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03532-UHPX	57,261
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-23-GG-01862-TECP	<u>61,992</u>
<b>Total U.S. Department of Justice</b>			<u>145,890</u>
<b>U.S. Department of Transportation</b>			
Direct Aid			
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs COVID-19 Funding	20.106	3-20-0039-017-2022	295,295
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0039-014-2020	23,759
Passed Through Kansas Department of Transportation			
Highway Safety Cluster			
State and Community Highway Safety	20.600	SP-1300-23	<u>2,929</u>
<b>Total U.S. Department of Transportation</b>			<u>321,983</u>
<b>U.S. Department of the Treasury</b>			
Direct Aid			
COVID-19 Funding Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>448,607</u>
<b>U.S. Department of Homeland Security</b>			
Direct Aid			
Assistance to Firefighters Grant	97.044	EMW-2022-FG-00624	<u>26,678</u>
<b>Environmental Protection Agency</b>			
Passed Through Kansas Department of Health and Environment			
Clean Water State Revolving Fund (CWSRF) Cluster			
Clean Water State Revolving Fund	66.458	C20 1973 02	<u>3,616,884</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>4,560,042</u></b>

Note - There were no awards made to subrecipients for the year ended December 31, 2023.

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF JUNCTION CITY, KANSAS**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **City of Junction City, Kansas** under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are presented in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – INDIRECT COST RATE**

The City has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**NOTE 4 – ENVIRONMENTAL PROTECTION AGENCY**

**City of Junction City, Kansas** has received a loan from the Environmental Protection Agency, passed through the Kansas Department of Health and Environment. Expenditures incurred for this project during the period ended December 31, 2023 totaled to \$3,616,884. The balance of the loan outstanding at December 31, 2023 consists of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at December 31, 2023
66.458	Clean Water State Revolving Fund	\$ 1,740,677

**CITY OF JUNCTION CITY, KANSAS**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2023

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:

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

Internal control over financial reporting:

- Material weakness identified?   X   Yes        No
- Significant deficiency identified?        Yes   X   None reported
- Noncompliance material to financial statements noted?        Yes   X   No

**FEDERAL AWARDS**

Internal control over major programs:

- Material weakness identified?        Yes   X   No
- Significant deficiency identified?        Yes   X   None reported

Type of auditors' report issued on compliance for major programs:   Unmodified  

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?        Yes   X   No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
66.458	Clean Water State Revolving Fund (CWSRF) Cluster Clean Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs:   \$  750,000  

Auditee qualified as low-risk auditee?        Yes   X   No

**CITY OF JUNCTION CITY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESSES**

**2023-001 – GAAP Accrual Adjustments**

Criteria or specific requirement

The City keeps its books on the budgetary basis of accounting. The City should calculate and provide all accrual adjustments in order to accurately report the balances in accordance with generally accepted accounting principals (GAAP).

Condition

During the course of our audit, we identified significant adjustments that were not initially identified by the City's internal control structure.

Context

We determined, through audit procedures, that there was a failure to properly record and reconcile account balances for GAAP reporting.

Cause

Inappropriate application of generally accepted accounting principles.

Effect

There is the potential that the financial statements may be materially misstated.

Recommendation

We recommend that the City review its trial balance at year-end to ensure that all adjustments have been made with supporting documentation and review and approval has been provided.

Views of responsible officials

See Corrective Action Plan.

**2023-002 – Accounts Payable and Encumbrances**

Criteria or specific requirement

Amounts due to vendors or suppliers for goods and services received before year end, but not yet paid for, should be booked as accounts payable. Encumbrances should be recognized when outstanding commitments related to an unperformed contract for goods or services exists.

Condition

Invoices were not recorded as accounts payable at year end and material encumbrances were not recorded in accordance with budgetary laws or GAAP.

Context

During audit procedures, material invoices were identified that should have been recorded as accounts payable. The open purchase order report was not reviewed against the original contract approvals by the Commission and the payments made on said contracts.

Cause

Invoices were not properly reviewed for the date of the goods purchased or services provided. Contracts approved through the year were not reviewed against the payment dates.

**CITY OF JUNCTION CITY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023

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Effect

Management may not be aware of accurate expenditures for the year, which could result in budget violations, and fund balances may be inaccurately allocated for the GAAP financial statements. In addition, liabilities and expenses were understated.

Recommendation

We recommend that the City employees review the internal controls around accounts payable to ensure all are properly recorded. City employees should also review all contract approvals and reconcile them to the open purchase orders report to ensure they are accurately recorded as encumbrances at year-end.

Views of responsible officials

See Corrective Action Plan.

**2023-003 – Cash and Cash Equivalents**

Criteria or specific requirement

All activity within the investment accounts maintained by the City need to be recorded within the accounting software and reconciled timely each month.

Condition

Monthly reconciliations of the investment accounts were not completed.

Context

We determined, through confirming investment balances, that there was a failure to properly reconcile the Columbia Capital accounts.

Cause

Monthly statements are received but not reconciled by City staff.

Effect

Assets and revenue were understated.

Recommendation

We recommend the Columbia Capital accounts be reconciled monthly instead of only when an investment matures. In addition, interest and dividends should be recorded when earned, and outstanding adjustments should be resolved before the account reconciliation is signed off on as reviewed.

Views of responsible officials

See Corrective Action Plan.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.



700 N. Jefferson  
Junction City, KS 66441  
(785) 238-3103

## ADMINISTRATION

Summary Schedule of Prior Audit Findings and Questioned Costs  
For the Year Ended December 31, 2023

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### SECTION II – FINANCIAL STATEMENT FINDINGS

#### MATERIAL WEAKNESS

##### 2022-001

###### Condition

The financial statements are the responsibility of management. As such, the City's internal control over accounts payable and encumbrances should identify misstatements.

###### Corrective Actions

The Finance Director reviewed January invoices received and looked for any evidence indicating that the expenditure should be included within the prior year.

###### Current Status

Ongoing – see finding 2023-002 in the current year.

#### SIGNIFICANT DEFICIENCY

##### 2022-002

###### Condition

Transactions affecting the depreciation listing were not properly recorded in accordance with City policy.

###### Current Status

Corrected

#### SIGNIFICANT DEFICIENCY

##### 2022-003

###### Condition

During review of the City's liabilities, we found that the bond listing report did not properly tie to the bond liability account.

###### Current Status

Corrected

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs for the year ended December 31, 2022 are required to be disclosed under the Uniform Guidance.