

**CITY OF JUNCTION CITY, KANSAS**  
**FINANCIAL STATEMENTS**  
**WITH REQUIRED AND OTHER SUPPLEMENTARY INFORMATION**

**Year ended December 31, 2013**

CITY OF JUNCTION CITY, KANSAS

Basic Financial Statements With Required  
And Other Supplementary Information

For the year ended December 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 9
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of the Total Governmental Fund Balances to Net Position of Governmental Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-Wide Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget	
General Fund	16-17
Capital Improvement Fund	18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21 – 22
Statement of Assets and Liabilities – Fiduciary Funds	23
Notes to the Basic Financial Statements	24 - 46

CITY OF JUNCTION CITY, KANSAS

Basic Financial Statements With Required  
And Other Supplementary Information

For the year ended December 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information	
Schedule of Funding Progress and Schedule of Employer Contributions	47
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Funds	
Fund Descriptions	48
Combining Balance Sheet - Nonmajor Special Revenue Funds	49 - 50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	51 - 52
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget:	
Debt Service Fund	53
Economic Development Fund	54
Utility Charges Fund	55
Employee Benefits Fund	56
Library Fund	57
Special Highway Fund	58
Fire Equipment Fund	59
Drug and Alcohol Fund	60
Law Enforcement Fund	61
Nonmajor Proprietary Fund Descriptions	62
Combining Statement of Net Position – Nonmajor Proprietary Funds	63
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Proprietary Funds	64
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	65 - 66
Combining Statements of Assets and Liabilities – Fiduciary Funds - Agency Funds	67
Combining Statements of Changes in Assets And Liabilities - Agency Funds	68

CITY OF JUNCTION CITY, KANSAS  
Basic Financial Statements With Required  
And Other Supplementary Information  
For the year ended December 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section:	
Net Position by Component	69
Changes in Net Position	70
Fund Balances, Governmental Funds	71
Changes in Fund Balances, Governmental Funds	72
Water Produced and Consumed and Wastewater Treated	73
Annual Water and Wastewater Tap Sales	74
Number of Water and Sewer Customers by Type	75
Water and Sewer Rates	76
Ten Largest Utility Customers	77
Assessed and Estimated Actual Value of Taxable Property	78
Direct and Overlapping Property Tax Rates	79
Principal Property Tax Payers	80
Property Tax Levies and Collections	81
Ratio of Outstanding Debt by Type	82
Legal Debt Margin Information	83
Ratios of Net General Bonded Debt Outstanding	84
Direct and Overlapping Governmental Activities Debt	85
Pledged Revenue Coverage	86
Demographic and Economic Statistics	87
Principal Employers	88

CITY OF JUNCTION CITY, KANSAS  
Basic Financial Statements With Required  
And Other Supplementary Information  
For the year ended December 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
Statistical Section - Continued:	
Full-time Employees by Department	89
Operating Indicators by Function/Program	90
Capital Asset Statistics by Function/Program	91



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COMPANY P.A.

## INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners  
City of Junction City, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Junction City, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Accounting and Audit Guide." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information**

The financial statements referred to above do not include the financial data for the City's legally separate component unit, the Junction City Public Library (the Library). Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements.

The financial statements of the Spirit of '76 (Spirit) have not been audited, and we were not engaged to audit Spirit's financial statements as part of our audit of the City's basic financial statements. Spirit's financial activities are included in the City's basic financial statements as a discretely presented component unit and represent 100 percent, 100 percent and 100 percent of the assets, net position, and revenues, respectively, of the City's aggregate discretely presented component units.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Junction City, Kansas, as of December 31, 2013, or the changes

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in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Qualified Opinion**

In our opinion, except for the effects of the matter described in the “Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the City of Junction City, Kansas, as of December 31, 2013, 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.

**Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Junction City, Kansas, as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and capital improvement fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

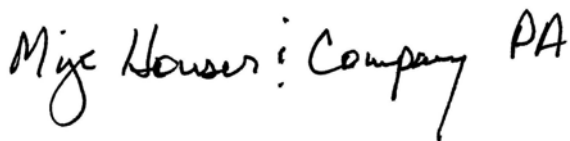
**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedule of funding progress on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Handwritten signature in black ink that reads "Mike Houser: Company PA".

Certified Public Accountants  
Lawrence, Kansas  
July 7, 2014

CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages iii of this report and the City's financial statements which begin on page 1.

**Financial Highlights**

- The assets of the City exceeded its liabilities at the close of 2013 by \$66,502,390 (net assets).
- The City's governmental funds reported combined ending fund balances of \$12,426,857.
- The fund balance for the general fund increased by \$2,872,879.
- The City's total general obligation debt decreased in 2013 by \$2.4 million.

**Overview of the Financial Statements**

This discussion and analysis are 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 of the government-wide financial statements distinguish functions for the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and economic development. The business-type activities of the City include water and sewer, stormwater, Spin City Skating, and Sanitation. We have budgeted for the Spin City fund by absorbing it into the General Fund in 2014.

**Fund financial statements**

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



CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

**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 governmental 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, capital improvement fund, capital projects fund and debt service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds 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 sewer operation, stormwater operation, skating rink, sanitation, and the golf course.

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 sewer fund, and the stormwater fund.

**Notes to the basic financial statements.**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

**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 \$66,502,390 at the close of 2013. The City's net assets increased by \$4,621,061. The governmental activities increased by \$3,663,068. The business type activities increased by \$957,993.

City of Junction City  
Government-Wide Financial Statements

	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$ 69,729,791	\$ 69,906,643	\$ 6,969,332	\$ 8,012,421
Capital assets	84,561,446	83,162,878	67,829,974	64,747,751
Other noncurrent assets	2,049,426	-	234,896	-
Total assets	<u>\$ 156,340,663</u>	<u>\$ 153,069,521</u>	<u>\$ 75,034,202</u>	<u>\$ 72,760,172</u>
Long term liabilities	\$ 130,225,677	\$ 124,773,551	\$ 15,598,637	\$ 14,040,193
Other liabilities	9,794,394	9,696,964	2,685,502	2,575,405
Deferred inflows of resources	8,224,275	8,241,190	-	-
Total liabilities and deferred inflows	<u>\$ 148,244,346</u>	<u>\$ 142,711,705</u>	<u>\$ 18,284,139</u>	<u>\$ 16,615,598</u>
Net assets:				
Invested in capital assets, net of related debt	\$ [51,875,398]	\$ [47,479,333]	\$ 50,626,121	\$ 49,048,348
Restricted	49,923,152	47,659,856	-	-
Unrestricted	10,048,563	10,177,293	6,123,942	7,096,226
Total net assets	<u>\$ 8,096,317</u>	<u>\$ 10,357,816</u>	<u>\$ 56,750,063</u>	<u>\$ 56,144,574</u>

By far the largest portion of the City's net assets reflects its investment 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 investment 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.

CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

A portion of the City's net assets, \$47,659,856, represents resources that are subject to external restrictions on how they may be used.

City of Junction City  
Changes in Net Assets

	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Revenues:				
Program revenues				
Charges for services	\$ 3,693,576	\$ 3,460,191	\$12,133,269	\$11,714,071
Operating grants and contributions	1,634,111	1,769,732	-	-
Capital grants and contributions	2,518,706	481,939	-	-
General revenues				
Property taxes	9,937,633	9,470,337	-	-
Sales tax	10,915,013	11,143,399	-	-
Franchise taxes	1,833,692	1,882,737	-	-
Other	2,871,551	2,838,923	408,889	253,963
Total revenue	<u>33,404,282</u>	<u>31,047,258</u>	<u>12,542,158</u>	<u>11,968,034</u>
Expenses:				
General government	2,972,338	2,818,453	-	-
Public safety	7,466,537	9,247,065	-	-
Public works	6,220,145	5,013,275	-	-
Culture and recreation	1,414,550	1,284,881	-	-
Economic development	975,615	1,264,637	-	-
Public health and sanitation	2,034,862	2,053,932	-	-
Interest on long-term debt	6,771,428	6,568,899	-	-
Payments on other obligations	1,855,634	655,548	-	-
Water and sewer	-	-	7,207,927	7,740,690
Stormwater	-	-	462,200	498,018
Spin City skating	-	-	257,592	164,748
Golf	-	-	-	-
Sanitation	-	-	1,268,602	1,084,085
Total expenses	<u>29,711,109</u>	<u>28,906,690</u>	<u>9,196,321</u>	<u>9,487,541</u>
Change in net assets before transfers	3,693,173	2,140,568	3,345,837	2,480,493
Transfers	<u>1,452,824</u>	<u>1,522,500</u>	<u>[1,452,824]</u>	<u>[1,522,500]</u>
Change in net assets	<u>5,145,997</u>	<u>3,663,068</u>	<u>1,893,013</u>	<u>957,993</u>
Net assets, beginning of year as previously stated	3,730,436	8,096,317	54,062,353	56,750,063
Prior period adjustment	<u>[780,116]</u>	<u>[1,401,569]</u>	<u>794,697</u>	<u>[1,563,482]</u>
Net assets, beginning of year restated	<u>2,950,320</u>	<u>6,694,748</u>	<u>54,857,050</u>	<u>55,186,581</u>
Net assets, end of year	<u>\$ 8,096,317</u>	<u>\$ 10,357,816</u>	<u>\$56,750,063</u>	<u>\$56,144,574</u>

CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

**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, unassigned 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 2013, unassigned fund balance of the general fund was \$5,186,893.

**Proprietary funds**

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

Unrestricted net assets of the Water and Sewer Fund at the end of 2013 amounted to \$5,793,061, the Storm Water Fund's unrestricted net assets were \$748,907 and the non major proprietary fund's were \$554,258. The non major proprietary funds are the Spin City Skating Rink in the amount of [\$0], and Sanitation Fund in the amount of \$567,435. The total change in net assets from 2012 to 2013 for the water and sewer fund was an increase of \$867,960.

**General Fund Budgetary Highlights**

The City continues to be impacted by Fort Riley, the adjacent military installation, home of the First Division of the Big Red One, which reached "full nest" in 2013. However, the fort threatens to be decreased by federal sequestration and reduction in force by one brigade over the next three to four years.

The City's revenues have remained stable for the last three years. Sales tax revenue in 2013 was \$7,346,931. Franchise fee revenues remain stable, along with the tax mill levy.

Residential construction grew rapidly from 2006 to 2009, and from 2010 to 2012, single family new home construction averaged 116 per year, in addition to 19 multiplex projects. In 2013, single family home construction dropped to 46 and only one duplex project. However, residential remodel projects increased from an average of 280 projects per year to 302 in 2013. The total number of building permits issued by the City in 2013 was 994 compared to a 3 year average of 1,008.

CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

**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, 2013, amounts to \$147,910,629 (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 these financial statements.

City of Junction City Capital Assets				
	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Construction in Progress	\$ -	\$ 32,941	\$ -	\$ -
Land	13,732,739	13,900,622	610,446	442,563
Buildings	19,150,528	20,449,171	26,517,783	25,219,140
Streets	96,209,949	96,209,949	75,283,752	75,440,539
Equipment and Improvements	9,531,884	10,425,155	9,085,444	9,120,158
Less: Accumulated Depreciation	<u>[54,063,654]</u>	<u>[57,854,960]</u>	<u>[43,667,451]</u>	<u>[45,474,649]</u>
Total capital assets, net	<u>\$84,561,446</u>	<u>\$83,162,878</u>	<u>\$67,829,974</u>	<u>\$64,747,751</u>

At the end of 2013, the City had total bonded debt outstanding of \$122,338,356 backed by full faith and credit of the city, no temporary notes, and \$19,099,813 of State of Kansas Revolving Loan fund debt. \$6,316,556 of that State revolving fund debt represents bonds secured solely by water and sewer revenue sources. In 2010 and 2011 the City experienced a cash flow crisis which had to be addressed to make the second half bond payments in 2012. The crisis was averted by the implementation of several immediate cutbacks as well as significant increases in revenues. Ultimately, a Fiscal Transformation Plan was developed to ensure complete recovery. Some of the actions taken to respond and recover included the following:

1. Debt restructuring to improve cash flow position.
2. Increase in property taxes by 2.068 mills in 2011.
3. Requested and received by a vote of the citizens, a one cent sales tax restricted for debt payments.
4. Worked with Standards & Poors to retain an A bond rating.
5. Multiple community meetings and forums to engage public in discussions of organizational structure, prioritization of services, and education.
6. Kept open communications with Fort Riley, which is the cities' largest employer.
7. Worked with legislative delegations to extend debt limit revisions for Junction City and was successful in 2012 legislature. We also requested assistance from congressional delegates to lessen the local burden created by Fort Riley.
8. A complete review of all contract services was done to ensure contracts were viable and actions were taken to revise or cancel if contracts were found insufficient. This has led to cancellation of contract for services for operating public works through a private contractor. Contract errors that were found have been corrected.
9. A complete city staff organization plan was analyzed and changes made to develop efficiencies and eliminated services no longer in demand or deemed a high priority.
10. Administration and franchise fees were established for all utility funds.
11. The policy on Special Assessment practices was changed to ensure that a project developer is responsible for the cost of development.

CITY OF JUNCTION CITY, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)

Fiscal Year Ended December 31, 2013

12. Economic development debt was halted and policy changes to be changed for future projects. Spirit of '76 transactions were reorganized and controls put in place to reduce city liability.
13. All organizational expenditures were analyzed and limited to operational priorities. All capital projects were deferred.
14. The City accounting and fund management practices revised. A new Fiscal Policy was adopted and multiple checks and balances implemented. The City hired a new audit firm and continues to work with auditors to improve accounting system to meet GAAP and GASB standards.
15. All schedules debt payments were made in 2011, 2012, and 2013, and the Cities' year end cash balance in 2013 was \$17,069,620.

More detailed information about the City's long-term debt is presented in Note 10 to the basic financial statements.

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

City of Junction City Outstanding Debt General Obligation, Revenue and State of Kansas Revolving Loans				
	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
General obligation bonds	\$ 59,026,031	\$ 57,853,046	\$ 9,763,821	\$ 8,869,586
Special assessment debt	58,529,603	55,615,724	-	-
State of KS Revolving Loans	13,661,758	12,783,257	6,785,481	6,316,556
Certificate of Participation	3,285,000	2,935,000	-	-
Notes Payable	567,814	487,031	-	-
Capital Lease Obligations	1,366,638	968,153	654,551	513,261
<b>Total</b>	<b><u>\$ 136,436,844</u></b>	<b><u>\$ 130,642,211</u></b>	<b><u>\$ 17,203,853</u></b>	<b><u>\$ 15,699,403</u></b>

The City's total debt decreased by a net amount of \$7,299,083 during 2013.

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. However, the City of Junction City sought and received a waiver to enable a debt limit up to 40 percent. Certain types of debt do not count in the State of Kansas calculation. Exemptions exist for water and sewer infrastructure projects. The current remaining statutory debt capacity for the City as of December 31, 2013, is \$1,182,217.

**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 Cheryl.beatty@jcks.com

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CITY OF JUNCTION CITY, KANSAS

STATEMENT OF NET POSITION  
December 31, 2013

	Primary Government			Component Unit
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Spirit of '76 (unaudited)
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 9,942,458	\$ 7,127,162	\$ 17,069,620	\$ 3,351
Receivables (net of allowance for uncollectibles)				
Accounts	911,672	1,415,294	2,326,966	1,909,173
Taxes	10,273,687	-	10,273,687	-
Special assessments	48,515,428	-	48,515,428	-
Notes	-	-	-	-
Internal balances	260,035	[530,035]	[270,000]	-
Inventory	3,363	-	3,363	-
Property investment held for sale	-	-	-	13,130,628
<b>Total current assets</b>	<b>69,906,643</b>	<b>8,012,421</b>	<b>77,919,064</b>	<b>15,043,152</b>
Noncurrent assets:				
Capital assets, nondepreciable				
Land	13,900,622	442,563	14,343,185	-
Construction in progress	32,941	-	32,941	-
Capital assets, depreciable	127,084,275	109,779,837	236,864,112	-
Less: Accumulated depreciation	[57,854,960]	[45,474,649]	[103,329,609]	-
<b>Total noncurrent assets</b>	<b>83,162,878</b>	<b>64,747,751</b>	<b>147,910,629</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 153,069,521</b>	<b>\$ 72,760,172</b>	<b>\$ 225,829,693</b>	<b>\$ 15,043,152</b>
<b>Liabilities and Deferred Inflows of Resources</b>				
Liabilities				
Current liabilities:				
Accounts payable	\$ 408,740	\$ 154,916	\$ 563,656	\$ -
Accrued payroll	314,428	24,587	339,015	-
Interest payable	1,807,759	181,498	1,989,257	-
Meter deposits payable	-	505,653	505,653	-
Current portion of compensated absences payable	491,407	40,015	531,422	-
Current portion of loans payable	905,873	483,882	1,389,755	-
Current portion of notes payable	84,321	-	84,321	-
Current portion of general obligation bonds payable	2,885,449	1,042,989	3,928,438	-
Current portion of special assessments bonds payable	2,565,667	-	2,565,667	-
Current portion of certificate of participation	365,000	-	365,000	-
Current portion of capital lease payable	359,727	141,865	501,592	-
<b>Total current liabilities</b>	<b>10,188,371</b>	<b>2,575,405</b>	<b>12,763,776</b>	<b>-</b>
Noncurrent liabilities:				
Compensated absences payable	605,268	9,526	614,794	-
Net OPEB Obligation	200,702	-	200,702	-
Loans payable	11,877,384	5,832,674	17,710,058	5,409,502
Notes payable	402,710	-	402,710	-
General obligation bonds payable	54,967,597	7,826,597	62,794,194	-
Special assessments bonds payable	53,050,057	-	53,050,057	-
Certificates of participation payable	2,570,000	-	2,570,000	-
Capital lease payable	608,426	371,396	979,822	-
<b>Total non-current liabilities</b>	<b>124,282,144</b>	<b>14,040,193</b>	<b>138,322,337</b>	<b>5,409,502</b>
<b>Total liabilities</b>	<b>134,470,515</b>	<b>16,615,598</b>	<b>151,086,113</b>	<b>5,409,502</b>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	8,241,190	-	8,241,190	-
<b>Total deferred inflows of resources</b>	<b>8,241,190</b>	<b>-</b>	<b>8,241,190</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 142,711,705</b>	<b>\$ 16,615,598</b>	<b>\$ 159,327,303</b>	<b>\$ 5,409,502</b>
<b>Net Position</b>				
Invested in capital assets, net of related debt	\$ [47,479,333]	\$ 49,048,348	\$ 1,569,015	\$ -
Restricted for:				
Capital projects	-	-	-	-
Revolving funds	715,491	-	715,491	-
Equipment	236,696	-	236,696	-
Debt service	46,707,669	-	46,707,669	-
Unrestricted	10,177,293	7,096,226	17,273,519	9,633,650
<b>Total net position</b>	<b>\$ 10,357,816</b>	<b>\$ 56,144,574</b>	<b>\$ 66,502,390</b>	<b>\$ 9,633,650</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, 2013

	Program Revenues				Net [Expenses] Revenue and Changes in Net Assets			Component Unit Spirit of '76 (Unaudited)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Total Governmental Activities	Total Business-type Activities		
<b>Governmental activities:</b>								
General government	\$ 2,818,453	\$ 2,133,342	\$ 822,259	\$ -	\$ 137,148	\$ -	\$ 137,148	\$ -
Public safety	9,247,065	1,056,984	318,775	-	[7,871,306]	-	[7,871,306]	-
Public works	5,013,275	269,865	628,698	481,939	[3,632,773]	-	[3,632,773]	-
Culture and recreation	1,284,881	-	-	-	[1,284,881]	-	[1,284,881]	-
Economic development	1,264,637	-	-	-	[1,264,637]	-	[1,264,637]	-
Public health and sanitation	2,053,932	-	-	-	[2,053,932]	-	[2,053,932]	-
Payments on other obligations (see note)	655,548	-	-	-	[655,548]	-	[655,548]	-
Interest on long-term debt	6,568,899	-	-	-	[6,568,899]	-	[6,568,899]	-
<b>Total governmental activities</b>	<b>28,906,690</b>	<b>3,460,191</b>	<b>1,769,732</b>	<b>481,939</b>	<b>[23,194,828]</b>	<b>-</b>	<b>[23,194,828]</b>	<b>-</b>
<b>Business-type activities:</b>								
Water and Sewer	7,740,690	9,356,857	-	-	-	1,616,167	1,616,167	-
Stormwater	498,018	780,995	-	-	-	282,977	282,977	-
Spin City	164,748	121,183	-	-	-	[43,565]	[43,565]	-
Sanitation	1,084,085	1,455,036	-	-	-	370,951	370,951	-
<b>Total business-type activities</b>	<b>9,487,541</b>	<b>11,714,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,226,530</b>	<b>2,226,530</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 38,394,231</b>	<b>\$ 15,174,262</b>	<b>\$ 1,769,732</b>	<b>\$ 481,939</b>	<b>[23,194,828]</b>	<b>2,226,530</b>	<b>[20,968,298]</b>	<b>-</b>
<b>Component units:</b>								
Public Library	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Spirit of '76	189,256	476,925	-	625,527	-	-	-	913,196
<b>Total component units</b>	<b>\$ 189,256</b>	<b>\$ 476,925</b>	<b>\$ -</b>	<b>\$ 625,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>913,196</b>
<b>General Revenues:</b>								
Property tax					9,470,337	-	9,470,337	-
Sales tax					11,143,399	-	11,143,399	-
Franchise tax					1,882,737	-	1,882,737	-
Payments in lieu of tax					14,137	-	14,137	-
Use of money or property					481,805	-	481,805	5
Miscellaneous					2,342,981	253,963	2,596,944	-
Transfers, net					1,522,500	[1,522,500]	-	-
<b>Subtotal general revenues</b>					<b>26,857,896</b>	<b>[1,268,537]</b>	<b>25,589,359</b>	<b>5</b>
<b>Change in net position</b>					<b>3,663,068</b>	<b>957,993</b>	<b>4,621,061</b>	<b>913,201</b>
<b>Net position - beginning</b>					<b>8,096,317</b>	<b>56,750,063</b>	<b>64,846,380</b>	<b>8,720,449</b>
<b>Prior period adjustment</b>					<b>[1,401,569]</b>	<b>[1,563,482]</b>	<b>[2,965,051]</b>	<b>-</b>
<b>Net position - beginning, restated</b>					<b>6,694,748</b>	<b>55,186,581</b>	<b>61,881,329</b>	<b>8,720,449</b>
<b>Net position - ending</b>					<b>\$ 10,357,816</b>	<b>\$ 56,144,574</b>	<b>\$ 66,502,390</b>	<b>\$ 9,633,650</b>

CITY OF JUNCTION CITY, KANSAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013

	<u>General</u>	<u>Capital Improvement</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and investments	\$ 3,136,854	\$ 995,645	\$ -	\$ 2,949,454	\$ 2,860,505	\$ 9,942,458
Receivables (net)						
Accounts	646,721	-	-	3,022	261,929	911,672
Taxes	3,897,331	-	-	4,994,856	1,381,500	10,273,687
Special assessments	-	-	-	48,515,428	-	48,515,428
Inventory	3,363	-	-	-	-	3,363
Due from other funds	-	-	-	303,625	363,144	666,769
	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,625</u>	<u>363,144</u>	<u>666,769</u>
Total assets	<u>\$ 7,684,269</u>	<u>\$ 995,645</u>	<u>\$ -</u>	<u>\$ 56,766,385</u>	<u>\$ 4,867,078</u>	<u>\$ 70,313,377</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 239,661	\$ 1,490	\$ -	\$ 29,643	\$ 79,493	\$ 350,287
Retainage payable	58,453	-	-	-	-	58,453
Due to other funds	20,000	386,734	-	-	-	406,734
Accrued liabilities	314,428	-	-	-	-	314,428
Total liabilities	<u>632,542</u>	<u>388,224</u>	<u>-</u>	<u>29,643</u>	<u>79,493</u>	<u>1,129,902</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,864,834	-	-	4,994,856	1,381,500	8,241,190
Unavailable revenue - special assessments	-	-	-	48,515,428	-	48,515,428
Total deferred inflows of resources	<u>1,864,834</u>	<u>-</u>	<u>-</u>	<u>53,510,284</u>	<u>1,381,500</u>	<u>56,756,618</u>
Fund balance:						
Restricted	-	-	-	3,226,458	3,295,796	6,522,254
Committed	-	607,421	-	-	110,289	717,710
Unassigned	5,186,893	-	-	-	-	5,186,893
Total fund balances	<u>5,186,893</u>	<u>607,421</u>	<u>-</u>	<u>3,226,458</u>	<u>3,406,085</u>	<u>12,426,857</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ 7,684,269</u>	<u>\$ 995,645</u>	<u>\$ -</u>	<u>\$ 56,766,385</u>	<u>\$ 4,867,078</u>	<u>\$ 70,313,377</u>

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, 2013

Total Governmental Fund Balances		\$ 12,426,857
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
The cost of capital assets is	141,017,838	
Accumulated depreciation is	<u>[57,854,960]</u>	83,162,878
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
		48,515,428
The following liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated absences	[1,096,675]	
Net OPEB obligation	[200,702]	
Notes payable	[487,031]	
Loans payable	[12,783,257]	
General obligation bonds payable	[57,853,046]	
Special assessment bonds payable	[55,615,724]	
Certificates of participation payable	[2,935,000]	
Capital lease payable	[968,153]	
Accrued interest on the bonds	<u>[1,807,759]</u>	<u>[133,747,347]</u>
Net Position of Governmental Activities		<u>\$ 10,357,816</u>

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2013

	General	Capital Improvements	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes						
Property	\$ 1,723,081	\$ 32,928	\$ -	\$ 6,052,018	\$ 1,662,310	\$ 9,470,337
Sales	7,346,931	-	-	3,796,468	-	11,143,399
Franchise	1,882,737	-	-	-	-	1,882,737
Payment in lieu	14,137	-	-	-	-	14,137
Charges for services	2,133,342	-	-	-	-	2,133,342
Intergovernmental	822,259	-	-	-	947,473	1,769,732
Licenses and permits	269,865	-	-	-	-	269,865
Fines and fees	1,056,984	-	-	-	-	1,056,984
Special assessments	-	-	-	2,304,567	-	2,304,567
Use of money and property	4,469	-	-	476,930	406	481,805
Miscellaneous	330,297	518,155	-	210,000	1,285,325	2,343,777
<b>Total revenues</b>	<b>15,584,102</b>	<b>551,083</b>	<b>-</b>	<b>12,839,983</b>	<b>3,895,514</b>	<b>32,870,682</b>
<b>EXPENDITURES</b>						
Current						
General government	1,427,165	-	-	-	1,014,031	2,441,196
Public safety	7,872,044	-	-	-	934,750	8,806,794
Public works	2,182,152	74,955	-	-	111,224	2,368,331
Public health and sanitation	2,053,932	-	-	-	-	2,053,932
Culture and recreation	1,547,123	-	-	-	6,072	1,553,195
Economic development	657,536	-	-	426,750	180,351	1,264,637
Miscellaneous	109,107	-	-	249,702	-	358,809
Debt service						
Principal	-	-	-	13,283,026	295,000	13,578,026
Interest and other charges	429,853	-	-	6,152,877	103,669	6,686,399
Payments on contractual obligations	-	-	-	655,548	-	655,548
Capital outlay	-	-	-	-	1,424	1,424
<b>Total expenditures</b>	<b>16,278,912</b>	<b>74,955</b>	<b>-</b>	<b>20,767,903</b>	<b>2,646,521</b>	<b>39,768,291</b>
Excess [deficiency] of revenues over [under] expenditures	<u>[694,810]</u>	<u>476,128</u>	<u>-</u>	<u>[7,927,920]</u>	<u>1,248,993</u>	<u>[6,897,609]</u>
Other financing sources [uses]						
Bond proceeds	-	-	-	8,050,000	-	8,050,000
Bond premium	-	-	-	197,988	-	197,988
Transfers in	1,072,918	-	-	450,000	-	1,522,918
Transfers [out]	-	-	-	-	[418]	[418]
<b>Total other financing sources [uses]</b>	<b>1,072,918</b>	<b>-</b>	<b>-</b>	<b>8,697,988</b>	<b>[418]</b>	<b>9,770,488</b>
<b>Net change in fund balance</b>	<b>378,108</b>	<b>476,128</b>	<b>-</b>	<b>770,068</b>	<b>1,248,575</b>	<b>2,872,879</b>
Fund balance - Beginning of year	4,808,908	131,293	640,090	2,356,425	2,227,824	10,164,540
Prior period adjustment	[123]	-	[640,090]	99,965	[70,314]	[610,562]
Fund balance - Beginning of year, restated	4,808,785	131,293	-	2,456,390	2,157,510	9,553,978
Fund balance - End of year	\$ 5,186,893	\$ 607,421	\$ -	\$ 3,226,458	\$ 3,406,085	\$ 12,426,857

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 BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

Total Net Change In Fund Balances - Governmental Funds \$ 2,872,879

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.

Capital outlays	952,508	
Loss on sale of assets	[26,294]	
Depreciation expense	<u>[3,583,201]</u>	[2,656,987]

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.

126,792

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.

[1,822,628]

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.

Compensated absences		[605,269]
Other post employment benefits		[46,353]

Bond and temporary note proceeds are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan proceeds		[796]
Bond proceeds		[8,050,000]
Bond premium		[197,988]
Capitalized bond issuance costs and issuance premiums		[13,875]
Capital lease proceeds		[88,328]

Repayment of bond principal and bond issuance costs 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.

General obligation debt		9,436,442
Special assessment debt		2,913,879
Notes		80,782
Loans		877,705
Capital leases		486,813
Certificates of participation		<u>350,000</u>

Changes In Net Position of Governmental Activities \$ 3,663,068

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 BALANCE - ACTUAL AND BUDGET  
GENERAL FUND

For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget
		<u>Original</u>	<u>Final</u>	Positive [Negative]
Revenues				
Taxes	\$ 10,921,166	\$ 10,232,251	\$ 10,232,251	\$ 688,915
Charges for services	2,022,601	2,338,600	2,338,600	[315,999]
Intergovernmental	822,259	1,055,000	1,055,000	[232,741]
Licenses and permits	269,865	360,000	360,000	[90,135]
Fines and fees	1,056,984	900,000	900,000	156,984
Use of money and property	4,469	20,000	20,000	[15,531]
Miscellaneous	<u>330,297</u>	<u>205,000</u>	<u>205,000</u>	<u>125,297</u>
Total revenues	<u>15,427,641</u>	<u>15,110,851</u>	<u>15,110,851</u>	<u>316,790</u>
Expenditures				
City manager	1,049,681	774,475	774,475	[275,206]
Building maintenance	206,756	172,184	172,184	[34,572]
Information systems	170,568	203,970	203,970	33,402
Administrative services	160	-	-	[160]
Airport	79,886	125,035	125,035	45,149
Court	403,166	417,556	417,556	14,390
Ambulance	2,053,932	2,137,538	2,137,538	83,606
Animal shelter	90,601	-	-	[90,601]
Codes enforcement	553,772	258,972	258,972	[294,800]
County inspection	3,568	-	-	[3,568]
Police	5,089,062	5,402,135	5,402,135	313,073
Fire	2,289,214	2,436,935	2,436,935	147,721
Parks	590,984	727,457	727,457	136,473
Recreation	643,573	764,368	764,368	120,795
Spin city	269	-	-	[269]
Streets	2,102,266	2,183,779	2,183,779	81,513
Engineering	100,196	103,673	103,673	3,477
Opera House	118,477	276,923	276,923	158,446
Swimming pools	193,740	215,725	215,725	21,985
Misc	109,107	348,500	348,500	239,393
Debt principal	-	606,965	606,965	606,965
Interest	<u>429,853</u>	<u>-</u>	<u>-</u>	<u>[429,853]</u>
Total expenditures	<u>16,278,831</u>	<u>17,156,190</u>	<u>17,156,190</u>	<u>877,359</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[851,190]</u>	<u>[2,045,339]</u>	<u>[2,045,339]</u>	<u>1,194,149</u>

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
GENERAL FUND (Continued)  
For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Other financing sources [uses]				
Transfer in	\$ 1,072,918	\$ 1,002,500	\$ 1,002,500	\$ 70,418
Total other financing sources [uses]	<u>1,072,918</u>	<u>1,002,500</u>	<u>1,002,500</u>	<u>70,418</u>
Net change in fund balance	<u>221,728</u>	<u>\$ [1,042,839]</u>	<u>\$ [1,042,839]</u>	<u>\$ 1,264,567</u>
Budgetary basis				
Fund balance, beginning	2,282,707			
Prior period adjustment	<u>[123]</u>			
Fund balance, beginning, restated	<u>2,282,584</u>			
Budgetary basis fund balance, ending	2,504,312			
GAAP Adjustments:				
Accounts Receivable	646,721			
Taxes Receivable	3,897,331			
Inventory	3,363			
Deferred Revenue	<u>[1,864,834]</u>			
Fund balance, ending	<u>\$ 5,186,893</u>			

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - ACTUAL AND BUDGET  
 CAPITAL IMPROVEMENT FUND  
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 32,928	\$ -	\$ -	\$ 32,928
Miscellaneous	<u>518,155</u>	<u>-</u>	<u>-</u>	<u>518,155</u>
Total revenues	<u>551,083</u>	<u>-</u>	<u>-</u>	<u>551,083</u>
Expenditures				
Contractual	<u>74,955</u>	<u>78,838</u>	<u>78,838</u>	<u>3,883</u>
Total expenditures	<u>74,955</u>	<u>78,838</u>	<u>78,838</u>	<u>3,883</u>
Net change in fund balances	476,128	[78,838]	[78,838]	554,966
Fund balance, beginning	<u>131,293</u>	<u>-</u>	<u>-</u>	<u>131,293</u>
Fund balance, ending	<u>\$ 607,421</u>	<u>\$ [78,838]</u>	<u>\$ [78,838]</u>	<u>\$ 686,259</u>

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



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CITY OF JUNCTION CITY, KANSAS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2013

	Business-Type Activities: Enterprise Funds			Total Enterprise Funds
	Water and Sewer	Stormwater	Nonmajor Proprietary Funds	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 5,984,842	\$ 663,015	\$ 479,305	\$ 7,127,162
Receivables (net of allowances for uncollectibles)				
Accounts	<u>1,122,711</u>	<u>148,326</u>	<u>144,257</u>	<u>1,415,294</u>
Total current assets	<u>7,107,553</u>	<u>811,341</u>	<u>623,562</u>	<u>8,542,456</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable capital assets:				
Land	442,563	-	-	442,563
Depreciable capital assets:				
Capital assets	96,649,134	12,140,456	990,247	109,779,837
Less: accumulated depreciation	<u>[43,748,190]</u>	<u>[1,186,005]</u>	<u>[540,454]</u>	<u>[45,474,649]</u>
Total noncurrent assets	<u>53,343,507</u>	<u>10,954,451</u>	<u>449,793</u>	<u>64,747,751</u>
Total assets	<u>\$ 60,451,060</u>	<u>\$ 11,765,792</u>	<u>\$ 1,073,355</u>	<u>\$ 73,290,207</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 39,445	\$ 62,434	\$ 53,037	\$ 154,916
Accrued payroll	17,846	-	6,741	24,587
Interest payable	181,498	-	-	181,498
Meter deposits payable	505,653	-	-	505,653
Due to other funds	530,035	-	-	530,035
Current portion of compensated absences payable	40,015	-	-	40,015
Current portion of loans payable	483,882	-	-	483,882
Current portion of capital lease payable	21,774	-	120,091	141,865
Current portion of general obligation bonds payable	<u>1,042,989</u>	<u>-</u>	<u>-</u>	<u>1,042,989</u>
Total current liabilities	<u>2,863,137</u>	<u>62,434</u>	<u>179,869</u>	<u>3,105,440</u>
Noncurrent liabilities:				
Compensated absences payable	-	-	9,526	9,526
Loans payable	5,832,674	-	-	5,832,674
Capital lease payable	54,871	-	316,525	371,396
General obligation bonds payable	<u>7,826,597</u>	<u>-</u>	<u>-</u>	<u>7,826,597</u>
Total noncurrent liabilities	<u>13,714,142</u>	<u>-</u>	<u>326,051</u>	<u>14,040,193</u>
Total liabilities	<u>\$ 16,577,279</u>	<u>\$ 62,434</u>	<u>\$ 505,920</u>	<u>\$ 17,145,633</u>
Net Position				
Invested in capital assets, net of related debt	\$ 38,080,720	\$ 10,954,451	\$ 13,177	\$ 49,048,348
Unrestricted	<u>5,793,061</u>	<u>748,907</u>	<u>554,258</u>	<u>7,096,226</u>
Total net position	<u>\$ 43,873,781</u>	<u>\$ 11,703,358</u>	<u>\$ 567,435</u>	<u>\$ 56,144,574</u>

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, 2013

	Business-Type Activities: Enterprise Funds			
	Water and Sewer	Stormwater	Nonmajor Proprietary Funds	Total Enterprise Funds
Operating revenue				
Charges for services	\$ 9,356,857	\$ 780,995	\$ 1,576,219	\$ 11,714,071
Miscellaneous	221,793	-	32,170	253,963
Total operating revenues	<u>9,578,650</u>	<u>780,995</u>	<u>1,608,389</u>	<u>11,968,034</u>
Operating expenses				
Personnel services	1,161,270	77,812	446,763	1,685,845
Contractual services	3,821,721	180,532	545,270	4,547,523
Commodities	513,524	-	158,126	671,650
Depreciation and amortization	1,663,967	239,674	98,674	2,002,315
Total operating expense	<u>7,160,482</u>	<u>498,018</u>	<u>1,248,833</u>	<u>8,907,333</u>
Operating income [loss]	<u>2,418,168</u>	<u>282,977</u>	<u>359,556</u>	<u>3,060,701</u>
Nonoperating revenues [expenses]				
Interest expense	[580,208]	-	-	[580,208]
Total nonoperating revenues [expenses]	<u>[580,208]</u>	<u>-</u>	<u>-</u>	<u>[580,208]</u>
Income [loss] before transfers	<u>1,837,960</u>	<u>282,977</u>	<u>359,556</u>	<u>2,480,493</u>
Transfers from [to] other funds				
Transfers [out]	[970,000]	[482,500]	[70,000]	[1,522,500]
Total transfers	<u>[970,000]</u>	<u>[482,500]</u>	<u>[70,000]</u>	<u>[1,522,500]</u>
Change in net position	<u>867,960</u>	<u>[199,523]</u>	<u>289,556</u>	<u>957,993</u>
Net position, beginning	43,354,471	11,902,881	1,492,711	56,750,063
Prior period adjustment	[348,650]	-	[1,214,832]	[1,563,482]
Net position, beginning, restated	<u>43,005,821</u>	<u>11,902,881</u>	<u>277,879</u>	<u>55,186,581</u>
Net position, ending	<u>\$ 43,873,781</u>	<u>\$ 11,703,358</u>	<u>\$ 567,435</u>	<u>\$ 56,144,574</u>

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds			Total Enterprise Funds
	Water and Sewer	Stormwater	Nonmajor Proprietary Funds	
Cash flows from operating activities				
Cash received from customers and users	\$ 9,353,220	\$ 784,061	\$ 1,610,539	\$ 11,747,820
Cash paid to suppliers of goods and services	[4,639,749]	[118,098]	[704,892]	[5,462,739]
Cash paid to employees	[1,132,273]	[77,812]	[438,530]	[1,648,615]
Other operating receipts	221,793	-	32,170	253,963
Net cash provided by [used in] operating activities	<u>3,802,991</u>	<u>588,151</u>	<u>499,287</u>	<u>4,890,429</u>
Cash flows from capital and related financing activities				
Purchase and construction of capital assets	[29,765]	[156,786]	[4,950]	[191,501]
Principal payments - capital lease	[21,200]	-	[120,091]	[141,291]
Principal payments - general obligation bonds	[995,000]	-	-	[995,000]
Interest payments	[594,682]	-	-	[594,682]
Principal payments - loans payable	[468,925]	-	-	[468,925]
Net cash provided by [used in] capital and related financing activities	<u>[2,109,572]</u>	<u>[156,786]</u>	<u>[125,041]</u>	<u>[2,391,399]</u>
Cash flows from noncapital financing activities				
Change in due to/from other funds	45,375	-	[70,000]	[24,625]
Transfers [out]	[970,000]	[482,500]	-	[1,452,500]
Net cash provided by [used in] noncapital financing activities	<u>[924,625]</u>	<u>[482,500]</u>	<u>[70,000]</u>	<u>[1,477,125]</u>
Net increase [decrease] in cash and cash equivalent	768,794	[51,135]	304,246	1,021,905
Cash and cash equivalents, beginning	<u>5,216,048</u>	<u>714,150</u>	<u>175,059</u>	<u>6,105,257</u>
Cash and cash equivalents, ending	<u>\$ 5,984,842</u>	<u>\$ 663,015</u>	<u>\$ 479,305</u>	<u>\$ 7,127,162</u>

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (Continued)  
 For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds			Total Enterprise Funds
	Water and Sewer	Stormwater	Nonmajor Proprietary Funds	
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 2,418,168	\$ 282,977	359,556	\$ 3,060,701
Net cash provided by [used in] operating activities				
Depreciation expense	1,663,967	239,674	98,674	2,002,315
[Increase] decrease in accounts receivable	[60,356]	3,066	34,320	[22,970]
Increase [decrease] in meter deposits payable	56,719	-	-	56,719
Increase [decrease] in accounts payable	[304,504]	62,434	[1,496]	[243,566]
Increase [decrease] in accrued payroll	5,047	-	[1,293]	3,754
Increase [decrease] in accrued compensated absences	23,950	-	9,526	33,476
Net cash provided by [used in] operating activities	<u>\$ 3,802,991</u>	<u>\$ 588,151</u>	<u>\$ 499,287</u>	<u>\$ 4,890,429</u>

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
December 31, 2013

	<u>Agency Funds</u>
Assets	
Cash	\$ 382,241
Accounts receivable	3,670
Due from other funds	<u>270,000</u>
Total assets	<u>\$ 655,911</u>
Liabilities	
Due to others	<u>\$ 655,911</u>
Total liabilities	<u>\$ 655,911</u>

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

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

The 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 unit, The Spirit of '76, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that the Spirit of '76 is legally separate from the City. The Junction City Public Library is also a component unit of the City, however, those financial statements have not been presented.

*Discretely Presented Component Units.* The 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. The Library has not been presented in these audited financial statements. Separately issued financial statements for the Library are not available.

The 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 the Spirit of '76 is the tenant under separate financing leases. In relation to these IRB's the City and the 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 the Spirit of '76 to make basic rental payments required by the leases. The Spirit of '76 is presented as a governmental fund type. Separately issued financial statements for the Spirit of '76 are not available.

**Government-Wide and Fund Financial Statements**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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 funds 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.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

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

The City reports the following major governmental funds:

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.

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

The capital projects fund accounts for the acquisition and construction of major facilities other than those financed by the enterprise funds.

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.

The City reports the following major proprietary funds:

The water/sewer fund accounts for the operation and maintenance activities of the City's water distribution and wastewater collection and treatment systems.

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



CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

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.

**Pooled Cash and Investments**

Cash and investment of the individual funds are combined to form a pool that is managed by the Director of Finance. Each fund's equity in the pool is included in "deposits and investments" in the financial statements. These pooled deposits and investments consist of operating accounts and investments in the State of Kansas Municipal Investment Pool (MIP), which is overseen by the State of Kansas. The fair value of the City's position in the MIP is the same as the pool value of the shares. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

**Cash Flows Statement**

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

**Receivables and Payables**

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

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**1. Summary of Significant Accounting Policies (Continued)**

**Receivables and Payables (Continued)**

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

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

**Property Taxes**

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are levied on November 1 of each year, due and payable November 30, delinquent after December 20, and the following September become a lien on the property. The County Treasurer is the tax collection agent for all taxing entities within Geary County.

Property owners have the option of paying one half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the next year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the next year. Consequently, for revenue recognition purposes, taxes levied during the current year are not available until the ensuing year. At November 1, such taxes are due and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the balance sheet of the appropriate funds. This amount is also reported as unearned revenue on the Statement of Net Position.

Kansas statutes require projects financed in part by special assessments to be paid in installments must be financed through the issuance of general obligation bonds or temporary notes which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate capital project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund. Further, Kansas statutes require levying additional general and ad valorem property taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's Debt Service Fund. Special assessments are levied over a 10-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.

**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 of more than \$100 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Buildings and systems	40 - 50 years
Improvements	20 - 40 years
Machinery and equipment	5 - 10 years
Infrastructure	40 - 75 years

**Compensated Absences**

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

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

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**1. Summary of Significant Accounting Policies (Continued)**

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. Accordingly, the item, unavailable revenue for special assessments, is reported only in the governmental funds balance sheet. The government funds report unavailable revenues from two sources: property taxes and special assessments. The government-wide statements of net position report only the unavailable revenue for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Fund Balance**

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city commission. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts are considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**1. Summary of Significant Accounting Policies (Continued)**

**Fund Balance (Continued)**

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	Capital Projects		
Fund Balances:						
Restricted for:						
Economic development	\$ -	\$ -	\$ -	\$ -	\$ 824,987	\$ 824,987
Public works	-	-	-	-	1,477,151	1,477,151
Public safety	-	-	-	-	993,658	993,658
Debt payments	-	-	3,226,458	-	-	3,226,458
Committed for:						
Employee benefits	-	-	-	-	109,769	109,769
Capital improvements	-	607,421	-	-	-	607,421
Culture and recreation	-	-	-	-	520	520
Unassigned:	<u>5,186,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,186,893</u>
Total Fund Balances	<u>\$ 5,186,893</u>	<u>\$ 607,421</u>	<u>\$ 3,226,458</u>	<u>\$ -</u>	<u>\$ 3,406,085</u>	<u>\$ 12,426,857</u>

**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.

**Use of Estimates**

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

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

Applicable Kansas statutes require that budgets be legally adopted for all funds unless exempted by a specific statute. Legal operating budgets are required for the General, Special Highway, Capital Improvement, Economic Development, Library, Fire Equipment, Utility Charges, Employee Benefits, Drug & Alcohol, Law Enforcement, and the Debt Service Funds. Budgets are not required for the Military Affairs, Grants, Sundown Salute, Rural Housing District, Revolving Loans, Water and Sewer, Stormwater, Spin City Skating and Sanitation Funds. All budgets are prepared utilizing the modified accrual basis and of accounting.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

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

Kansas 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 ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The 2013 budget was amended for the Library and Law Enforcement funds.

Under Kansas statutes management cannot amend the total budget of a fund without approval of the governing body; however, the statutes permit transferring budgeted amounts between line items within an individual fund or department. Therefore, the legal level of control is at the fund level for all legally adopted budgets. City Commission approval is not needed for category changes or budget transfers within an approved budget. Major category means total personnel services, total contractual services, total materials and supplies, total other charges, or total capital outlay.

**Excess of Expenditures Over Appropriations**

For the year ended December 31, 2013, expenditures and transfer out exceeded appropriations in the utility charges fund by \$ 418 and the employee benefits fund by \$182,156. These over expenditures were funded by excess reserves and available fund balance in the funds.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**3. Restatement of Equity**

In 2013, it was determined that an adjustment to beginning accounts payable was required. Additionally, it was determined that an adjustment was needed to eliminate the prior periods unamortized balance of deferred bond costs in the Water and Sewer fund and the Governmental Activities. The Olivia Farms Development Fund was also reclassified as an agency fund from a governmental fund. The effects of which are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Agency Fund Olivia Farms Development Fund</u>
Net Position - December 31, 2012	\$ 8,096,317	\$ 56,750,063	\$ -
Prior Period Adjustment	<u>[1,401,569]</u>	<u>[1,563,482]</u>	<u>640,089</u>
Net Position - December 31, 2012, Restated	<u>\$ 6,694,748</u>	<u>\$ 55,186,581</u>	<u>\$ 640,089</u>

**4. Deposits and Investments**

**Deposits**

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At December 31, 2013, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

**Investments**

At December 31, 2013, the City had the following investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
State of Kansas Municipal Investment Pool	< 1 year	\$4,746,238

*Credit risk*

Kansas statutes authorize the City, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the State of Kansas municipal investment pool, or to make direct investments. The City's investments in the MIP are rated AAAf/s 1+ by Standard & Poor's.

*Interest rate risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but to the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City is not exposed to significant interest rate risk.

CITY OF JUNCTION CITY, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**4. Deposits and Investments (Continued)**

*Custodial credit risk - investments*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2013, the City's investments were not exposed to custodial credit risk.

**5. Capital Assets**

Capital asset activity for the year ended December 31, 2013 was as follows:

Primary Government:

	<u>Restated Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,900,622	\$ -	\$ -	\$ 13,900,622
Construction in progress	<u>-</u>	<u>96,449</u>	<u>63,508</u>	<u>32,941</u>
Total capital assets not being depreciated	<u>13,900,622</u>	<u>96,449</u>	<u>63,508</u>	<u>13,933,563</u>
Capital assets being depreciated:				
Buildings and improvements	20,449,171	-	-	20,449,171
Machinery and equipment	9,531,884	919,565	26,294	10,425,155
Infrastructure	<u>96,209,949</u>	<u>-</u>	<u>-</u>	<u>96,209,949</u>
Total capital assets being depreciated	<u>126,191,004</u>	<u>919,565</u>	<u>26,294</u>	<u>127,084,275</u>
Less accumulated depreciation for:				
Buildings and improvements	9,294,548	384,666	-	9,679,214
Machinery and equipment	8,202,771	509,204	-	8,711,975
Infrastructure	<u>36,774,442</u>	<u>2,689,329</u>	<u>-</u>	<u>39,463,771</u>
Total accumulated depreciation	<u>54,271,761</u>	<u>3,583,199</u>	<u>-</u>	<u>57,854,960</u>
Total capital assets being depreciated, net	<u>71,919,243</u>	<u>[2,663,634]</u>	<u>26,294</u>	<u>69,229,315</u>
Governmental activities capital assets, net	<u>\$ 85,819,865</u>	<u>\$ [2,567,185]</u>	<u>\$ 89,802</u>	<u>\$ 83,162,878</u>



CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

5. **Capital Assets (Continued)**

	Restated Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 442,563	\$ -	\$ -	\$ 442,563
Construction in progress	<u>-</u>	<u>156,786</u>	<u>156,786</u>	<u>-</u>
Total capital assets not being depreciated	<u>442,563</u>	<u>156,786</u>	<u>156,786</u>	<u>442,563</u>
Capital assets being depreciated:				
Buildings and improvements	25,219,140	-	-	25,219,140
Machinery and equipment	9,085,444	34,714	-	9,120,158
Infrastructure	<u>75,283,753</u>	<u>156,786</u>	<u>-</u>	<u>75,440,539</u>
Total capital assets being depreciated	<u>109,588,337</u>	<u>191,500</u>	<u>-</u>	<u>109,779,837</u>
Less accumulated depreciation for:				
Buildings and improvements	7,854,289	416,460	-	8,270,749
Machinery and equipment	6,998,807	319,155	-	7,317,962
Infrastructure	<u>28,606,248</u>	<u>1,279,690</u>	<u>-</u>	<u>29,885,938</u>
Total accumulated depreciation	<u>43,459,344</u>	<u>2,015,305</u>	<u>-</u>	<u>45,474,649</u>
Total capital assets being depreciated, net	<u>66,128,993</u>	<u>[1,823,805]</u>	<u>-</u>	<u>64,305,188</u>
Business-type activities capital assets, net	<u>\$ 66,571,556</u>	<u>\$ [1,667,019]</u>	<u>\$ 156,786</u>	<u>\$ 64,747,751</u>

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

Governmental activities:	
General government	\$ 397,683
Public safety	286,537
Public works	2,818,872
Parks and recreation	<u>80,107</u>
Total depreciation expense - governmental activities	<u>\$ 3,583,199</u>
Business-type activities:	
Water and Sewer	\$ 1,676,957
Stormwater	239,674
Nonmajor	<u>98,674</u>
Total depreciation expense - business type activities	<u>\$ 2,015,305</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**6. Defined Benefit Pension Plan**

**Plan Description**

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

**Funding Policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired prior to July 1, 2009. K.S.A. 74-49,210 establishes the KPERS member-employee contributions rate at 6% of covered salary for all employees hired after July 1, 2009. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established by statute for 2013 was 8.94%. The City's employer contributions to KPERS for the years ending December 31, 2013, 2012, and 2011 were \$292,896, \$248,025, and \$200,687, respectively, equal to the statutory required contributions for each year. The City's KP&F uniform participating employer rate established for calendar year 2013 is 17.26%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The contributions to KP&F for the years ending December 31, 2013, 2012, and 2011 were \$861,294, \$811,992, and \$726,663, respectively, equal to the statutory required contributions for each year.

**7. Other Postemployment Healthcare Benefits**

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

*Funding Policy.* The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the composite premium cost of active employees to maintain coverage.

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In 2013, the City contributed \$13,800 to the plan.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**7. Other Postemployment Healthcare Benefits (Continued)**

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual OPEB (other post employment benefit) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of not to exceed thirty years. The following table presents the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 63,534
Interest on Net OPEB Obligation	7,716
Adjustment to Annual Required Contribution	<u>[11,098]</u>
Annual OPEB cost (expense)	60,152
Benefit payments	<u>13,800</u>
Change in net OPEB obligation	46,352
Net OPEB obligation - beginning of year	<u>154,350</u>
Net OPEB obligation - end of year	<u><u>\$ 200,702</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2011	\$ 53,732	\$ 13,800	\$ 111,316	25.68%
December 31, 2012	56,834	13,800	154,350	24.28%
December 31, 2013	60,152	13,800	200,702	22.94%

During the year ended December 31, 2013, the City did not meet the requirement to have an actuarial study done in accordance with GASB Statement 45.

*Funded Status and Funding Progress.* As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$510,319. The City's policy is to fund the benefits on a pay-as-you-go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$510,319. The covered payroll (annual payroll of active employees covered by the plan) was \$8,374,290 and the ratio of the UAAL to the covered payroll was 6.09% percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present in time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**7. Other Postemployment Healthcare Benefits (Continued)**

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was applied. The actuarial assumptions included a 2.0 percent discount rate, which reflects the expected returns of asset classes stipulated in the investment policy underlying idle funds and recent return experience with cash flows that match the expected benefit payments to the City's current and future retirees. The valuation assumed annual healthcare cost trend rates of six to ten percent. The UAAL is being amortized using the level dollar of projected payroll method over a period of 30 years with the remaining amortization period of 29 years. The amortization period used is closed.

**8. Risk Management**

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

**9. Commitments and Contingencies**

**Litigation**

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

**Industrial Revenue Bonds**

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of December 31, 2013, industrial revenue bonds of \$24,872,954 are outstanding.

The City has issued several series of industrial revenue bonds (IRB's) for economic development projects within the City for which the 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, the 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 Ventria Bioscience, Capgemini, Inc., the Junction City Opera House, and Edenspace Systems Corporation. The City has guaranteed IRB's in the form of grant payments with outstanding balances as of December 31, 2013 of \$4,075,208.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**9. Commitments and Contingencies (Continued)**

**Industrial Revenue Bonds (Continued)**

In relation to these IRB's the City and the 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 the 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 the 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 the Spirit of '76 to make the basic rent payments.

**10. Long-Term Debt**

Changes in long-term debt outstanding are as follows:

Governmental Activities

	Balance				Balance		Amounts
	January 1, 2013	Adjustment	Additions	Reductions	December 31, 2013	Due Within	One Year
General obligation bonds	\$ 59,348,137	\$ -	\$ 8,050,000	\$ 9,436,442	\$ 57,961,695	\$ 2,885,876	
Less: unamortized bond discount	[486,173]	-	-	[26,045]	[460,128]	[26,045]	
Plus: unamortized bond premium	164,067	6,176	197,988	16,752	351,479	25,618	
Special assessment debt							
with government commitment	58,529,603	-	-	2,913,879	55,615,724	2,565,667	
KDOT Loans Payable	13,661,758	-	-	878,501	12,783,257	905,873	
Certificates of Participation	3,285,000	-	-	350,000	2,935,000	365,000	
Capital leases payable	1,366,638	-	88,328	486,813	968,153	359,727	
Notes payable	567,814	-	-	80,783	487,031	84,321	
Compensated absences	491,407	-	1,096,675	491,407	1,096,675	491,407	
Net other postemployment benefit obligation	154,350	-	60,152	13,800	200,702	-	
	<u>\$ 137,082,601</u>	<u>\$ 6,176</u>	<u>\$ 9,493,143</u>	<u>\$ 14,642,332</u>	<u>\$ 131,939,588</u>	<u>\$ 7,657,444</u>	

Business-Type Activities

	Balance		Additions/		Balance		Amounts
	January 1, 2013	Adjustment	Additions	Reductions	December 31, 2013	Due Within	One Year
General obligation bonds	\$ 9,800,000	\$ -	\$ -	\$ 995,000	\$ 8,805,000	\$ 1,030,000	
Plus: unamortized bond premium	77,574	-	-	12,988	64,586	12,989	
Revolving loans payable	6,785,481	-	-	468,925	6,316,556	483,882	
Capital leases payable	654,551	-	-	141,290	513,261	141,865	
Compensated absences	16,065	-	49,541	16,065	49,541	40,015	
	<u>\$ 17,333,671</u>	<u>\$ -</u>	<u>\$ 49,541</u>	<u>\$ 1,634,268</u>	<u>\$ 15,748,944</u>	<u>\$ 1,708,751</u>	

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

CITY OF JUNCTION CITY, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**10. Long-Term Debt (Continued)**

**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, 2013 are comprised of the following issues:

	<u>Callable Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity Date</u>	<u>Outstanding December 31, 2013</u>
General Obligation Bonds:					
Governmental activities:					
Series 2005-DO	9/1/2015	4.50% to 4.875%	\$ 6,000,000	9/1/2025	\$ 4,355,000
Series 2007-DP	9/1/2017	4.00% to 5.00%	9,039,606	9/1/2027	7,324,479
Series 2008-DQ	9/1/2018	4.00% to 4.50%	1,320,000	9/1/2028	1,310,000
Series 2008-DR	9/1/2018	5.75% to 6.00%	10,265,000	9/1/2028	8,870,000
Series 2008-DS	anytime	4.125%	382,000	9/15/2028	313,283
Series 2008-DT	9/1/2016	5.25%	1,995,000	9/1/2024	1,604,136
Series 2009-DU	9/1/2019	3.00% to 5.00%	4,222,060	9/1/2014	3,662,280
Series 2010-DW	9/1/2031	2.00% to 4.50%	32,681,738	9/1/2031	13,501,635
Series 2010-DX	9/1/2031	2.40% to 6.20%	5,690,000	9/1/2031	4,320,754
Series 2011A	9/1/2034	4.50% to 5.00%	4,017,074	9/1/2034	3,997,355
Series 2011C	9/1/2026	5.00% to 5.75%	410,000	9/1/2026	410,000
Series 2013A	9/1/2021	2.00% to 3.00%	8,247,988	9/1/2024	8,184,124
					57,853,046
Business-type activities:					
Series 2007-DP	9/1/2017	4.00% to 5.00%	4,205,000	9/1/2027	3,400,000
Series 2008-DQ	9/1/2018	4.00% to 4.50%	1,950,000	9/1/2028	1,620,000
Series 2009-DV	noncallable	3.00% to 4.00%	5,864,793	9/1/2017	3,004,352
Series 2011B	9/1/2036	5.50%	847,465	9/1/2036	845,234
					8,869,586
					\$ 66,722,632

The future annual requirements for general obligation bonds outstanding as of December 31, 2013 are as follows:

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**10. Long-Term Debt (Continued)**

**General Obligation Bonds (Continued)**

Year Ending <u>December 31,</u>	Governmental	Business	Total
	<u>Activies</u>	Type <u>Activies</u>	
2014	\$ 5,430,014	\$ 1,424,677	\$ 6,854,692
2015	5,441,022	1,424,939	6,865,961
2016	5,437,145	1,416,895	6,854,040
2017	5,660,417	1,146,608	6,807,025
2018	6,077,857	537,168	6,615,024
2019 - 2023	27,101,736	2,683,871	29,785,608
2024 - 2028	20,063,337	2,341,137	22,404,473
2029 - 2033	6,720,272	275,238	6,995,511
2034 - 2036	<u>634,601</u>	<u>887,430</u>	<u>1,522,031</u>
Total Principal and Interest	82,566,401	12,137,964	94,704,365
Total Interest	<u>24,713,355</u>	<u>3,268,379</u>	<u>27,981,733</u>
Total Principal	<u>\$ 57,853,046</u>	<u>\$ 8,869,586</u>	<u>\$ 66,722,632</u>

The City issued Series 2013A general obligation refunding bonds in the amount of \$8,050,000 on July 2, 2013 to refund \$825,000 of the City's Series DK general obligation bonds, \$3,200,000 of the City's Series DL general obligation bonds, and \$3,700,000 of the City's Series DN general obligation bonds. The net proceeds were used to fully refund Series DK and Series DL general obligation bonds and to establish an escrow account invested in U.S. Government Securities to pay the outstanding principle of the Series DN general obligation bonds and the interest due. As a result, \$3,460,000 of the Series DN bonds was considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transactions resulted in an economic gain of \$650,892 and a reduction of \$652,808 in future debt payments. The interest rate on the bonds is 2.00% to 3.00% and has a final maturity of September 1, 2024.

**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, 2013 are comprised of the following issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity Date</u>	<u>Outstanding December 31, 2013</u>
Special Assessment Bonds:				
Governmental activities:				
Series 2007-DP	4.00% to 5.00%	\$ 15,185,394	9/1/2027	\$ 12,050,521
Series 2009-DU	3.00% to 5.00%	30,057,940	9/1/2029	26,072,720
Series 2010-DW	2.00% to 4.50%	17,984,037	9/1/2031	16,488,237
Series 2010-DX	2.40% to 6.20%	1,073,596	9/1/2031	<u>1,004,246</u>
				<u>\$ 55,615,724</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**10. Long-Term Debt (Continued)**

**Special Assessment Bonds (Continued)**

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

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 2,565,667	\$ 2,397,731
2015	2,658,297	2,317,707
2016	2,729,331	2,232,792
2017	2,826,411	2,137,196
2018	2,927,743	2,031,499
2019 - 2023	16,610,326	8,209,488
2024 - 2028	19,514,470	4,101,197
2029 - 2031	5,783,478	420,103
	<u>\$ 55,615,724</u>	<u>\$ 23,847,712</u>

**Capital Leases**

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases and therefore have been recorded at the present value of their future minimum lease payments as of the inception date. The cost of capital assets financed through capital leases totaled \$3,706,142.

The following is a schedule of future minimum lease payments for capital leases as of December 31, 2013:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 359,727	\$ 31,744	\$ 145,118	\$ 14,352
2015	252,169	19,123	149,902	9,568
2016	221,749	10,249	154,208	5,263
2017	113,307	3,327	64,033	907
2018	21,201	455	-	-
	<u>\$ 968,153</u>	<u>\$ 64,898</u>	<u>\$ 513,261</u>	<u>\$ 30,090</u>



CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**10. Long-Term Debt (Continued)**

**Revolving Loans Payable**

During 2000, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow \$3,849,275 to finance improvements to the sewer system. The loan is being repaid over twenty-one years at an interest rate of 3.52%. Payments of \$153,254 were made in 2013, leaving a total outstanding balance of \$1,439,075 which is shown as a liability in the water/sewer fund.

During 2001, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund. The agreement enabled the City to borrow \$744,293 to finance improvements to the water system. The loan is being repaid over twenty-one years at an interest rate of 4.10%. Payments of \$35,236 were made in 2013, leaving a total outstanding balance of \$371,273 which is shown as a liability in the water/sewer fund.

During 2006, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow \$6,002,166 to finance improvements to the Southwest Wastewater Treatment Plant. Payments of \$271,275 were made in 2013, leaving a total outstanding balance of \$4,279,426 which is shown as a liability in the water/sewer fund.

In the 2009, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund. The agreement enabled the City to borrow \$406,516 to finance improvements to the water system. The loan is being repaid over twenty years at an interest rate of 3.47%. Payments of \$9,160 were made in 2013, leaving a total outstanding balance of \$226,782 which is shown as a liability in the water/sewer fund.

During 2006, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow \$3,000,000 to finance significant street improvements. The loan is being repaid over ten years at an interest rate of 3.86%. Payments of \$275,736 were made in 2013, leaving a total outstanding balance of \$1,077,286. The loan is shown as a liability in the governmental activities column of the statement of net assets.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**10. Long-Term Debt (Continued)**

**Revolving Loans Payable (Continued)**

During 2007, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow \$6,000,000 to finance significant street improvements. The loan bears interest at a rate of 3.92%. Payments of \$211,249 were made in 2013, leaving a total outstanding balance of \$3,990,222. The loan is shown as a liability in the governmental activities column of the statement of net assets. The debt service requirements to the maturity date will not be determinable until the final draws have been made.

During 2008, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow \$6,000,000 to finance significant street improvements. The loan bears interest at a rate of 3.76%. Payments of \$205,952 were made in 2013, leaving a total outstanding balance of \$3,710,014. The loan is shown as a liability in the governmental activities column of the statement of net assets. The debt service requirements to the maturity date will not be determinable until the final draws have been made.

During 2008, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow \$4,071,463 to finance significant street improvements. The loan bears interest at a rate of 4.36%. Payments of \$145,784 were made in 2013, leaving a total outstanding balance of \$3,128,721. The loan is shown as a liability in the governmental activities column of the statement of net assets.

In the 2009, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enables the City to borrow \$107,086 to finance street improvements. The loan bears interest at a rate of 3.76%. Payments of \$4,209 were made in 2013, leaving a total outstanding balance of \$92,535. The loan is shown as a liability in the governmental activities column of the statement of net assets.

During 2010, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow \$478,845 to finance significant street improvements. The loan bears interest at a rate of 3.76%. Payments of \$18,806 were made in 2013, leaving a total outstanding balance of \$415,772. The loan is shown as a liability in the governmental activities column of the statement of net assets.

During 2010, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow \$424,734 to finance significant street improvements. The loan bears interest at a rate of 3.65%. Payments of \$16,766 were made in 2013, leaving a total outstanding balance of \$368,707. The loan is shown as a liability in the governmental activities column of the statement of net assets.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**10. Long-Term Debt (Continued)**

**Revolving Loans Payable (Continued)**

The estimated future annual debt service requirements for the amortizable loans payable are as follows:

Year Ending <u>December 31,</u>	Governmental Activities		Business Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 905,873	\$ 507,110	\$ 483,882	\$ 187,271
2015	941,486	471,497	499,151	172,036
2016	978,503	434,480	514,917	156,306
2017	880,699	395,774	531,195	140,064
2018	723,748	361,272	548,004	123,294
2019 - 2023	4,072,902	1,352,200	2,503,777	358,000
2024 - 2028	4,218,717	477,347	1,200,789	67,464
2029 - 2030	61,327	2,532	34,840	1,526
Total	<u>\$ 12,783,257</u>	<u>\$ 4,002,212</u>	<u>\$ 6,316,556</u>	<u>\$ 1,205,961</u>

**Certificates of Participation**

The City has issued \$ 4,475,000 of certificates of participation series 2007 with an interest rate of 4% and with a final maturity in 2022. Principal payments are scheduled annually ranging from \$120,000 to \$580,000.

Future maturities of the certificates of participation are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 365,000	\$ 121,888
2015	380,000	107,288
2016	395,000	92,088
2017	410,000	76,288
2018	430,000	58,863
2019 - 2022	955,000	130,900
	<u>\$ 2,935,000</u>	<u>\$ 587,313</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2013

**10. Long-Term Debt (Continued)**

**Spin City Note Payable**

The City took over operation of the Spin City skating rink in 2008. At that time, the City assumed an outstanding note payable with a balance of \$158,382 from the prior operator of the skating rink. The City took out an additional \$355,000 loan in 2008 to finance the purchase of adjacent property and an additional building. In the 2009, the City rolled those two outstanding loans into one loan and drew an additional \$326,618 on the new loan for a total outstanding balance of \$840,000. The loan bears interest at a rate of 4.45%. Principal payments of \$80,783 were made in 2013 leaving an outstanding balance of \$487,031. This balance is shown as a liability in the government wide governmental activities statement.

Future maturities of the note payable are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 84,321	\$ 20,294
2015	88,205	16,410
2016	92,229	12,385
2017	96,516	8,099
2018	100,962	3,653
2019	24,798	196
	<u>\$ 487,031</u>	<u>\$ 61,037</u>

**Subsequent Event**

The City entered into a lease agreement to purchase two fire trucks on March 4, 2014 for a total balance of \$1,203,000. The lease has an interest rate of 2.09% with a final maturity date of February 17, 2019.

The City entered into a lease agreement to purchase two front loaders and one solid waste truck with packer on March 17, 2014 for a total balance of \$367,310. The lease has an interest rate of 1.84% with a final maturity date of April 2, 2019.

On March 11, 2014, the City entered into a lease purchase agreement in the amount of \$476,504 to pay off the Spin City Note Payable. The lease has an interest rate of 2.24% with a final maturity date of March 11, 2019.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2013

**11. Special Assessments**

Kansas statutes require special benefit district projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Further, state statutes permit levying additional general ad valorem taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem taxes. At December 31, 2013, the special assessment taxes levied are a lien on the property and are recorded as a special assessment receivable in the debt service fund with a corresponding amount recorded as deferred revenue. Special assessments [net of allowance] receivable at December 31, 2013 was \$48,515,428.

**12. Interfund Transactions**

Interfund transfers for the year ended December 31, 2013, consisted of the following:

		<u>Transfers</u>	
<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Water and Sewer	General	\$ 970,000	K.S.A. 12-825d
Stormwater	General	32,500	K.S.A. 12-825d
Stormwater	Debt Service	450,000	K.S.A. 12-825d
Sanitation	General	70,000	K.S.A. 12-825d
Utility Charges	General	418	Fund close out
		<u>\$ 1,522,918</u>	
		Due to	Due from
		<u>Other Funds</u>	<u>Other funds</u>
General Fund		\$ 20,000	\$ -
Capital Improvement Fund		386,734	-
Olivia Farms Development Fund		-	270,000
Debt service Fund		-	303,625
Other Governmental Funds		-	363,144
Water and Sewer Fund		530,035	-
		<u>\$ 936,769</u>	<u>\$ 936,769</u>

Transfers are used to move revenues from the fund that statutes or the budget requires to collect them to the fund that statutes or the budget requires to expend them. Nonroutine transfers include transfers to the nonmajor funds from the general fund, water/sewer fund, and nonmajor governmental funds to provide local support for grant programs and to reimburse the funds for administrative services provided, and transfers to the capital projects fund from nonmajor proprietary funds, the water/sewer fund, the special highway fund, and the capital improvement fund to fund capital projects and from the water/sewer fund to the general fund for administrative services provided, and transfers to the capital improvement fund from the capital projects fund and general fund for capital improvement projects, and to the water/sewer fund from the capital projects fund and capital improvement fund to fund certain proprietary capital projects, and to the debt service fund from the stormwater fund to reimburse the fund for its share of debt service payments.

The due to/from is an interfund loan payable within one year.

CITY OF JUNCTION CITY, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2013

Schedule of Funding Progress:

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
1/1/2009	\$ -	\$ 510,319	\$ 510,319	0.0%	\$ 8,374,290	6.09%

CITY OF JUNCTION CITY, KANSAS  
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.

Utility Charges Fund - To provide street lighting and all gas and electric for City-owned facilities.

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

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

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

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

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

Military Affairs Fund - To account for monies received to reimburse the City for all expenses related to a person that develops relations with Fort Riley officials.

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

Revolving Loans Fund – To account for revolving loans used to assist business owners with business upgrades in Junction City.

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.

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CITY OF JUNCTION CITY, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2013

	<u>Economic Development</u>	<u>Utility Charges</u>	<u>Employee Benefits</u>	<u>Library</u>
<b>ASSETS</b>				
Cash and investments	\$ 114,312	\$ -	\$ 109,117	\$ -
Receivables				
Property tax	263,244	-	-	767,485
Accounts	-	-	652	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 377,556</u>	<u>\$ -</u>	<u>\$ 109,769</u>	<u>\$ 767,485</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	<u>\$ 4,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>4,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	<u>263,244</u>	<u>-</u>	<u>-</u>	<u>767,485</u>
Total deferred inflows of resources	<u>263,244</u>	<u>-</u>	<u>-</u>	<u>767,485</u>
Fund balance:				
Restricted	109,496	-	-	-
Committed	<u>-</u>	<u>-</u>	<u>109,769</u>	<u>-</u>
Total fund balance [deficit]	<u>109,496</u>	<u>-</u>	<u>109,769</u>	<u>-</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ 377,556</u>	<u>\$ -</u>	<u>\$ 109,769</u>	<u>\$ 767,485</u>

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
 December 31, 2013

	<u>Special Highway</u>	<u>Fire Equipment</u>	<u>Drug and Alcohol</u>	<u>Military Affairs</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,097,051	\$ 257,937	\$ 127,649	\$ -
Receivables				
Property tax	-	350,771	-	-
Accounts	-	-	-	-
Due from other funds	<u>343,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,440,195</u>	<u>\$ 608,708</u>	<u>\$ 127,649</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	<u>\$ 15</u>	<u>\$ 21,241</u>	<u>\$ 144</u>	<u>\$ -</u>
Total liabilities	<u>15</u>	<u>21,241</u>	<u>144</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	<u>-</u>	<u>350,771</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>350,771</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	1,440,180	236,696	127,505	-
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance [deficit]	<u>1,440,180</u>	<u>236,696</u>	<u>127,505</u>	<u>-</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ 1,440,195</u>	<u>\$ 608,708</u>	<u>\$ 127,649</u>	<u>\$ -</u>

<u>Sundown Salute</u>	<u>Revolving Loans</u>	<u>Grants</u>	<u>Rural Housing District</u>	<u>Law Enforcement</u>	<u>Totals</u>
\$ 256	\$ 475,904	\$ 22,769	\$ -	\$ 655,510	\$ 2,860,505
-	-	-	-	-	1,381,500
264	261,013	-	-	-	261,929
-	-	20,000	-	-	363,144
<u>\$ 520</u>	<u>\$ 736,917</u>	<u>\$ 42,769</u>	<u>\$ -</u>	<u>\$ 655,510</u>	<u>\$ 4,867,078</u>

<u>\$ -</u>	<u>\$ 21,426</u>	<u>\$ 5,798</u>	<u>\$ -</u>	<u>\$ 26,053</u>	<u>\$ 79,493</u>
<u>-</u>	<u>21,426</u>	<u>5,798</u>	<u>-</u>	<u>26,053</u>	<u>79,493</u>

<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,381,500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,381,500</u>

-	715,491	36,971	-	629,457	3,295,796
<u>520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,289</u>
<u>520</u>	<u>715,491</u>	<u>36,971</u>	<u>-</u>	<u>629,457</u>	<u>3,406,085</u>

<u>\$ 520</u>	<u>\$ 736,917</u>	<u>\$ 42,769</u>	<u>\$ -</u>	<u>\$ 655,510</u>	<u>\$ 4,867,078</u>
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See independent auditor's report on the financial statements.

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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, 2013

	<u>Economic Development</u>	<u>Utility Charges</u>	<u>Employee Benefits</u>	<u>Library</u>
Revenues				
Taxes	\$ 179,906	\$ -	\$ 48,884	\$ 818,542
Intergovernmental	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	44	117,941	-
Total revenues	<u>179,906</u>	<u>44</u>	<u>166,825</u>	<u>818,542</u>
Expenditures				
General government	-	-	182,156	831,875
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Economic development	149,145	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>149,145</u>	<u>-</u>	<u>182,156</u>	<u>831,875</u>
Excess [deficiency] of revenues over [under] expenditures	<u>30,761</u>	<u>44</u>	<u>[15,331]</u>	<u>[13,333]</u>
Other financing sources [uses]				
Transfer [out]	-	[418]	-	-
Total other financing sources [uses]	-	[418]	-	-
Net change in fund balance	<u>30,761</u>	<u>[374]</u>	<u>[15,331]</u>	<u>[13,333]</u>
Fund balances, beginning of the year	78,735	374	125,100	13,333
Prior period adjustment	-	-	-	-
Fund balances, beginning of the year, restated	<u>78,735</u>	<u>374</u>	<u>125,100</u>	<u>13,333</u>
Fund balance, end of year	<u>\$ 109,496</u>	<u>\$ -</u>	<u>\$ 109,769</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

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, 2013

	Special Highway	Fire Equipment	Drug and Alcohol	Military Affairs	Sundown Salute
Revenues					
Taxes	\$ -	\$ 140,146	\$ 76,569	\$ -	\$ -
Intergovernmental	628,698	-	-	-	-
Interest income	-	-	-	-	-
Miscellaneous	-	283	-	-	5,796
Total revenues	<u>628,698</u>	<u>140,429</u>	<u>76,569</u>	<u>-</u>	<u>5,796</u>
Expenditures					
General government	-	-	-	-	-
Public safety	-	45,559	81,413	-	-
Public works	18,302	-	-	-	-
Recreation	-	-	-	-	5,780
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>18,302</u>	<u>45,559</u>	<u>81,413</u>	<u>-</u>	<u>5,780</u>
Excess [deficiency] of revenues over [under] expenditures	<u>610,396</u>	<u>94,870</u>	<u>[4,844]</u>	<u>-</u>	<u>16</u>
Other financing sources [uses]					
Transfer [out]	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>610,396</u>	<u>94,870</u>	<u>[4,844]</u>	<u>-</u>	<u>16</u>
Fund balances, beginning of the year	873,373	141,826	132,349	26,725	504
Prior period adjustment	<u>[43,589]</u>	<u>-</u>	<u>-</u>	<u>[26,725]</u>	<u>-</u>
Fund balances, beginning of the year, restated	<u>829,784</u>	<u>141,826</u>	<u>132,349</u>	<u>-</u>	<u>504</u>
Fund balance, end of year	<u>\$ 1,440,180</u>	<u>\$ 236,696</u>	<u>\$ 127,505</u>	<u>\$ -</u>	<u>\$ 520</u>

<u>Revolving Loans</u>	<u>Grants</u>	<u>Rural Housing District</u>	<u>Law Enforcement Trust</u>	<u>Totals</u>
\$ -	\$ -	\$ 398,263	\$ -	\$ 1,662,310
-	318,775	-	-	947,473
-	-	406	-	406
<u>8,966</u>	<u>-</u>	<u>-</u>	<u>1,152,295</u>	<u>1,285,325</u>
<u>8,966</u>	<u>318,775</u>	<u>398,669</u>	<u>1,152,295</u>	<u>3,895,514</u>
-	-	-	-	1,014,031
-	22,265	-	785,513	934,750
-	92,922	-	-	111,224
-	292	-	-	6,072
31,206	-	-	-	180,351
-	1,424	-	-	1,424
-	-	295,000	-	295,000
-	-	103,669	-	103,669
<u>31,206</u>	<u>116,903</u>	<u>398,669</u>	<u>785,513</u>	<u>2,646,521</u>
<u>[22,240]</u>	<u>201,872</u>	<u>-</u>	<u>366,782</u>	<u>1,248,993</u>
-	-	-	-	[418]
-	-	-	-	[418]
<u>[22,240]</u>	<u>201,872</u>	<u>-</u>	<u>366,782</u>	<u>1,248,575</u>
737,731	[164,901]	-	262,675	2,227,824
-	-	-	-	[70,314]
<u>737,731</u>	<u>[164,901]</u>	<u>-</u>	<u>262,675</u>	<u>2,157,510</u>
<u>\$ 715,491</u>	<u>\$ 36,971</u>	<u>\$ -</u>	<u>\$ 629,457</u>	<u>\$ 3,406,085</u>

See independent auditor's report on the financial statements.

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, 2013

	Actual	Budgeted Amounts		Variance with Final Budget Positive [Negative]
		Original	Final	[Negative]
Revenues				
Taxes	\$ 6,052,018	\$ 6,317,534	\$ 6,317,534	\$ [265,516]
Special assessments	2,304,567	1,900,000	1,900,000	404,567
Sales tax	3,796,468	3,600,000	3,600,000	196,468
Use of money and property	476,930	538,000	538,000	[61,070]
Miscellaneous revenues	<u>210,000</u>	<u>150,000</u>	<u>150,000</u>	<u>60,000</u>
Total revenues	<u>12,839,983</u>	<u>12,505,534</u>	<u>12,505,534</u>	<u>334,449</u>
Expenditures				
Debt service				
Principal	13,283,026	13,219,573	21,467,561	8,184,535
Interest and other charges	6,152,877	-	-	[6,152,877]
Payments on contractual obligations	655,548	-	-	[655,548]
Neighborhood revitalization	426,750	397,036	397,036	[29,714]
Other	<u>249,702</u>	<u>191,000</u>	<u>191,000</u>	<u>[58,702]</u>
Total expenditures	<u>20,767,903</u>	<u>13,807,609</u>	<u>22,055,597</u>	<u>1,287,694</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[7,927,920]</u>	<u>[1,302,075]</u>	<u>[9,550,063]</u>	<u>1,622,143</u>
Other financing sources [uses]				
Bond proceeds	8,050,000	-	8,050,000	-
Bond premium	197,988	-	197,988	-
Transfer in	<u>450,000</u>	<u>850,000</u>	<u>850,000</u>	<u>[400,000]</u>
Total other financing sources	<u>8,697,988</u>	<u>850,000</u>	<u>9,097,988</u>	<u>[400,000]</u>
Net change in fund balance	<u>770,068</u>	<u>[452,075]</u>	<u>[452,075]</u>	<u>1,222,143</u>
Fund balance, beginning	2,356,425	[1,821,984]	[1,821,984]	4,178,409
Prior period adjustment	<u>99,965</u>	<u>-</u>	<u>-</u>	<u>99,965</u>
Fund balance, beginning, restated	<u>2,456,390</u>	<u>[1,821,984]</u>	<u>[1,821,984]</u>	<u>4,278,374</u>
Fund balance, ending	<u>\$ 3,226,458</u>	<u>\$ [2,274,059]</u>	<u>\$ [2,274,059]</u>	<u>\$ 5,500,517</u>

See independent auditor's report on the financial statements.



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, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 179,906	\$ 196,014	\$ 196,014	\$ [16,108]
Total revenues	<u>179,906</u>	<u>196,014</u>	<u>196,014</u>	<u>[16,108]</u>
Expenditures				
Contractual services	149,142	208,550	208,550	59,408
Commodities	3	-	-	[3]
Neighborhood revitalization	-	11,881	11,881	11,881
Total expenditures	<u>149,145</u>	<u>220,431</u>	<u>220,431</u>	<u>71,286</u>
Net change in fund balances	30,761	[24,417]	[24,417]	55,178
Fund balance, beginning	<u>78,735</u>	<u>[38,787]</u>	<u>[38,787]</u>	<u>117,522</u>
Fund balance, ending	<u>\$ 109,496</u>	<u>\$ [63,204]</u>	<u>\$ [63,204]</u>	<u>\$ 172,700</u>

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CITY OF JUNCTION CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - ACTUAL AND BUDGET  
 UTILITY CHARGES FUND  
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Miscellaneous	\$ 44	\$ -	\$ -	\$ 44
Total revenues	<u>44</u>	<u>-</u>	<u>-</u>	<u>44</u>
Expenditures				
Transfer out	<u>418</u>	<u>-</u>	<u>-</u>	<u>[418]</u>
Total expenditures	<u>418</u>	<u>-</u>	<u>-</u>	<u>[418]</u>
Net change in fund balances	[374]	-	-	[374]
Fund balance, beginning	<u>374</u>	<u>42,378</u>	<u>100,681</u>	<u>[100,307]</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 42,378</u>	<u>\$ 100,681</u>	<u>\$ [100,681]</u>

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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, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 48,884	\$ -	\$ -	\$ 48,884
Miscellaneous revenues	<u>117,289</u>	<u>-</u>	<u>-</u>	<u>117,289</u>
Total revenues	<u>166,173</u>	<u>-</u>	<u>-</u>	<u>166,173</u>
Expenditures				
Personnel services	39,369	-	-	[39,369]
Contractual services	<u>142,787</u>	<u>-</u>	<u>-</u>	<u>[142,787]</u>
Total expenditures	<u>182,156</u>	<u>-</u>	<u>-</u>	<u>[182,156]</u>
Net change in fund balances	[15,983]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ [15,983]</u>
Budgetary basis				
Fund balance, beginning	<u>125,100</u>			
Budgetary basis fund balance, ending	109,117			
GAAP Adjustments:				
Accounts Receivable	<u>652</u>			
Fund balance, ending	<u>\$ 109,769</u>			

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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, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 818,542	\$ 833,622	\$ 833,612	\$ [15,070]
Total revenues	<u>818,542</u>	<u>833,622</u>	<u>833,612</u>	<u>[15,070]</u>
Expenditures				
Contractual services	831,875	760,000	800,000	[31,875]
Neighborhood revitalization	<u>-</u>	<u>53,093</u>	<u>53,093</u>	<u>53,093</u>
Total expenditures	<u>831,875</u>	<u>813,093</u>	<u>853,093</u>	<u>21,218</u>
Net change in fund balances	[13,333]	20,529	[19,481]	6,148
Fund balance, beginning	<u>13,333</u>	<u>36,619</u>	<u>20,834</u>	<u>[7,501]</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 57,148</u>	<u>\$ 1,353</u>	<u>\$ [1,353]</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, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 628,698	\$ 607,790	\$ 607,790	\$ 20,908
Total revenues	<u>628,698</u>	<u>607,790</u>	<u>607,790</u>	<u>20,908</u>
Expenditures				
Contractual services	<u>18,302</u>	<u>325,000</u>	<u>325,000</u>	<u>306,698</u>
Total expenditures	<u>18,302</u>	<u>325,000</u>	<u>325,000</u>	<u>306,698</u>
Excess [deficiency] of revenues over [under] expenditures	<u>610,396</u>	<u>282,790</u>	<u>282,790</u>	<u>327,606</u>
Other financing sources [uses]				
Transfer out	<u>-</u>	<u>[400,000]</u>	<u>[400,000]</u>	<u>400,000</u>
Total other financing sources [uses]	<u>-</u>	<u>[400,000]</u>	<u>[400,000]</u>	<u>400,000</u>
Net change in fund balances	<u>610,396</u>	<u>[117,210]</u>	<u>[117,210]</u>	<u>727,606</u>
Fund balance, beginning	873,373	[204,630]	[204,630]	1,078,003
Prior period adjustment	<u>[43,589]</u>	<u>-</u>	<u>-</u>	<u>[43,589]</u>
Fund balance, beginning, restated	<u>829,784</u>	<u>[204,630]</u>	<u>[204,630]</u>	<u>1,034,414</u>
Fund balance, ending	<u>\$ 1,440,180</u>	<u>\$ [321,840]</u>	<u>\$ [321,840]</u>	<u>\$ 1,762,020</u>

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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, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 140,146	\$ 147,634	\$ 147,634	\$ [7,488]
Miscellaneous revenues	<u>283</u>	<u>-</u>	<u>-</u>	<u>283</u>
Total revenues	<u>140,429</u>	<u>147,634</u>	<u>147,634</u>	<u>[7,205]</u>
Expenditures				
Commodities	35,833	20,000	20,000	[15,833]
Contractual	9,726	-	-	[9,726]
Capital outlay	-	143,500	143,500	143,500
Neighborhood revitalization	<u>-</u>	<u>9,046</u>	<u>9,046</u>	<u>9,046</u>
Total expenditures	<u>45,559</u>	<u>172,546</u>	<u>172,546</u>	<u>126,987</u>
Net change in fund balances	94,870	[24,912]	[24,912]	119,782
Fund balance, beginning	<u>141,826</u>	<u>[1,902]</u>	<u>[1,902]</u>	<u>143,728</u>
Fund balance, ending	<u>\$ 236,696</u>	<u>\$ [26,814]</u>	<u>\$ [26,814]</u>	<u>\$ 263,510</u>

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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, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 76,569	\$ 79,837	\$ 79,837	\$ [3,268]
Total revenues	<u>76,569</u>	<u>79,837</u>	<u>79,837</u>	<u>[3,268]</u>
Expenditures				
Personnel services	74,811	71,439	71,439	[3,372]
Commodities	-	30,000	30,000	30,000
Contractual services	<u>6,602</u>	<u>35,000</u>	<u>35,000</u>	<u>28,398</u>
Total expenditures	<u>81,413</u>	<u>136,439</u>	<u>136,439</u>	<u>55,026</u>
Net change in fund balances	[4,844]	[56,602]	[56,602]	51,758
Fund balance, beginning	<u>132,349</u>	<u>[31,949]</u>	<u>[31,949]</u>	<u>164,298</u>
Fund balance, ending	<u>\$ 127,505</u>	<u>\$ [88,551]</u>	<u>\$ [88,551]</u>	<u>\$ 216,056</u>

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - ACTUAL AND BUDGET  
 LAW ENFORCEMENT FUND  
 For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Miscellaneous revenues	\$ 1,152,295	\$ 100,000	\$ 700,000	\$ 452,295
Total revenues	<u>1,152,295</u>	<u>100,000</u>	<u>700,000</u>	<u>452,295</u>
Expenditures				
Personnel services	19,204	18,984	18,984	[220]
Commodities	763,217	100,000	100,000	[663,217]
Contractual services	3,092	40,000	640,000	636,908
Capital outlay	<u>-</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Total expenditures	<u>785,513</u>	<u>318,984</u>	<u>918,984</u>	<u>133,471</u>
Net change in fund balance	366,782	[218,984]	[218,984]	585,766
Fund balance, beginning	<u>262,675</u>	<u>[18,382]</u>	<u>[208,382]</u>	<u>471,057</u>
Fund balance, ending	<u>\$ 629,457</u>	<u>\$ [237,366]</u>	<u>\$ [427,366]</u>	<u>\$ 1,056,823</u>

See independent auditor's report on the financial statements.



CITY OF JUNCTION CITY, KANSAS  
NONMAJOR PROPRIETARY FUNDS

Rolling Hills Golf Fund - To account for the operation and maintenance of the municipal golf course.

Spin City Skating Fund - To account for the operations and maintenance of a skating rink.

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 PROPRIETARY FUNDS  
December 31, 2013

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 479,305	\$ 479,305
Receivables (net of allowance for uncollectibles)				
Accounts	-	-	144,257	144,257
Total current assets	-	-	623,562	623,562
Capital assets:				
Depreciable capital assets:				
Capital assets	-	-	990,247	990,247
Less: accumulated depreciation	-	-	[540,454]	[540,454]
Total capital assets	-	-	449,793	449,793
Total assets	\$ -	\$ -	\$ 1,073,355	\$ 1,073,355
Liabilities:				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ 53,037	\$ 53,037
Accrued payroll	-	-	6,741	6,741
Current portion of leases payable	-	-	-	-
Total current liabilities	-	-	59,778	59,778
Noncurrent liabilities:				
Compensated absences payable	-	-	9,526	9,526
Leases payable	-	-	436,616	436,616
Due to other funds	-	-	-	-
Total noncurrent liabilities	-	-	446,142	446,142
Total liabilities	\$ -	\$ -	\$ 505,920	\$ 505,920
Net Position				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 13,177	\$ 13,177
Unrestricted	-	-	554,258	554,258
Total net position	\$ -	\$ -	\$ 567,435	\$ 567,435

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended December 31, 2013

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
Operating revenues				
Charges for services	\$ 324	\$ 120,859	\$ 1,455,036	\$ 1,576,219
Miscellaneous	-	32,170	-	32,170
Total operating revenues	<u>324</u>	<u>153,029</u>	<u>1,455,036</u>	<u>1,608,389</u>
Operating expenses				
Personal services	-	90,602	356,161	446,763
Commodities	-	24,892	133,234	158,126
Contractual services	-	49,254	496,016	545,270
Depreciation	-	-	98,674	98,674
Total operating expenses	<u>-</u>	<u>164,748</u>	<u>1,084,085</u>	<u>1,248,833</u>
Operating income [loss]	<u>324</u>	<u>[11,719]</u>	<u>370,951</u>	<u>359,556</u>
Nonoperating revenues [expenses]				
Interest expense	-	-	-	-
Total nonoperating revenues [expenses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income [loss] before transfers	<u>324</u>	<u>[11,719]</u>	<u>370,951</u>	<u>359,556</u>
Transfers from [to] other funds				
Transfers [out]	-	-	[70,000]	[70,000]
Total transfers	<u>-</u>	<u>-</u>	<u>[70,000]</u>	<u>[70,000]</u>
Change in net position	<u>324</u>	<u>[11,719]</u>	<u>300,951</u>	<u>289,556</u>
Net position, January 1	[324]	1,226,551	266,484	1,492,711
Prior period adjustment	-	[1,214,832]	-	[1,214,832]
Net position, January 1, beginning	<u>[324]</u>	<u>11,719</u>	<u>266,484</u>	<u>277,879</u>
Net position, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,435</u>	<u>\$ 567,435</u>

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
Cash flows from operating activities				
Cash received from customers and users	\$ 324	\$ 120,859	\$ 1,489,356	\$ 1,610,539
Cash paid to suppliers of goods and services	[324]	[88,205]	[616,363]	[704,892]
Cash paid to employees	-	[93,278]	[345,252]	[438,530]
Other operating receipts	-	32,170	-	32,170
Net cash provided by [used in] operating activities	-	[28,454]	527,741	499,287
Cash flows from capital and related financing activities				
Principal payments - capital lease	-	-	[120,091]	[120,091]
Purchase and construction of capital assets	-	-	[4,950]	[4,950]
Net cash provided by [used in] capital and related financing activities	-	-	[125,041]	[125,041]
Cash flows from noncapital financing activities				
Transfer [out]	-	-	[70,000]	[70,000]
Net decrease in cash and cash equivalent	-	[28,454]	332,700	304,246
Cash and cash equivalents, beginning	-	28,454	146,605	175,059
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,305</u>	<u>\$ 479,305</u>

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS (Continued)  
 For the Year Ended December 31, 2013

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 324	\$ [11,719]	\$ 370,951	\$ 359,556
Net cash provided by [used in] operating activities				
Depreciation expense	-	-	98,674	98,674
[Increase] decrease in accounts receivable	-	-	34,320	34,320
Increase [decrease] in accounts payable	[324]	[14,059]	12,887	[1,496]
Increase [decrease] in compensated absences	-	-	9,526	9,526
Increase [decrease] in accrued wages	-	[2,676]	1,383	[1,293]
	-	[2,676]	1,383	[1,293]
Net cash provided by [used in] operating activities	\$ -	\$ [28,454]	\$ 527,741	\$ 499,287

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS

COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS - AGENCY FUNDS  
 December 31, 2013

ASSETS	Trust and Agency Fund	Olivia Farms Development Fund	Total Agency Funds
Cash	\$ 1,142	\$ 381,099	\$ 382,241
Accounts receivable	-	3,670	3,670
Due from other funds	-	270,000	270,000
Total assets	<u>\$ 1,142</u>	<u>\$ 654,769</u>	<u>\$ 655,911</u>
Liabilities			
Due to others	<u>\$ 1,142</u>	<u>\$ 654,769</u>	<u>\$ 655,911</u>
Total liabilities	<u>\$ 1,142</u>	<u>\$ 654,769</u>	<u>\$ 655,911</u>

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended December 31, 2013

<u>Trust and Agency Fund</u> ASSETS	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Cash and cash equivalents	\$ -	\$ 1,850	\$ 708	\$ 1,142
Total assets	<u>\$ -</u>	<u>\$ 1,850</u>	<u>\$ 708</u>	<u>\$ 1,142</u>
LIABILITIES				
Due to others	\$ -	\$ 1,850	\$ 708	\$ 1,142
Total liabilities	<u>\$ -</u>	<u>\$ 1,850</u>	<u>\$ 708</u>	<u>\$ 1,142</u>
<u>Olivia Farms Development Fund</u> ASSETS	Restated Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Cash and cash equivalents	\$ 370,089	\$ 11,010	\$ -	\$ 381,099
Accounts receivable	-	3,670	-	3,670
Due from other funds	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>270,000</u>
Total assets	<u>\$ 640,089</u>	<u>\$ 14,680</u>	<u>\$ -</u>	<u>\$ 654,769</u>
LIABILITIES				
Due to other funds	<u>\$ 640,089</u>	<u>\$ 14,680</u>	<u>\$ -</u>	<u>\$ 654,769</u>
Total liabilities	<u>\$ 640,089</u>	<u>\$ 14,680</u>	<u>\$ -</u>	<u>\$ 654,769</u>

See independent auditor's report on the financial statements.

## Statistical Section (Unaudited)

This part of the City of Junction City's 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.

### Contents

#### 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 City's most significant local revenue source, the 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.

#### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related 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 (1)  
(Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 7,988,363	\$ 8,279,026	\$ 7,097,886	\$ 4,506,056	\$ [5,282,987]	\$ [46,755,055]	\$ [52,187,139]	\$ [54,665,937]	\$ [51,875,398]	\$ [47,479,333]
Restricted	3,163,573	5,091,216	5,490,971	7,463,306	12,160,233	43,671,684	45,735,080	49,923,874	49,923,152	47,659,856
Unrestricted	<u>1,348,088</u>	<u>[7,690,663]</u>	<u>[8,172,358]</u>	<u>[5,960,530]</u>	<u>[1,115,780]</u>	<u>955,894</u>	<u>3,481,307</u>	<u>8,472,499</u>	<u>10,048,563</u>	<u>10,177,293</u>
Total governmental activities net position	<u>\$ 12,500,024</u>	<u>\$ 5,679,579</u>	<u>\$ 4,416,499</u>	<u>\$ 6,008,832</u>	<u>\$ 5,761,466</u>	<u>\$ [2,127,477]</u>	<u>\$ [2,970,752]</u>	<u>\$ 3,730,436</u>	<u>\$ 8,096,317</u>	<u>\$ 10,357,816</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 10,895,824	\$ 10,820,847	\$ 11,481,933	\$ 11,613,184	\$ 18,203,507	\$ 51,968,838	\$ 51,460,342	\$ 50,146,497	\$ 50,626,121	\$ 49,048,348
Restricted	395,150	206,359	-	-	-	-	-	-	-	-
Unrestricted	<u>509,676</u>	<u>208,177</u>	<u>[484,993]</u>	<u>[271,769]</u>	<u>[485,171]</u>	<u>[539,480]</u>	<u>1,070,137</u>	<u>3,915,856</u>	<u>6,123,942</u>	<u>7,096,226</u>
Total business-type activities net position	<u>\$ 11,800,650</u>	<u>\$ 11,235,383</u>	<u>\$ 10,996,940</u>	<u>\$ 11,341,415</u>	<u>\$ 17,718,336</u>	<u>\$ 51,429,358</u>	<u>\$ 52,530,479</u>	<u>\$ 54,062,353</u>	<u>\$ 56,750,063</u>	<u>\$ 56,144,574</u>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 18,884,187	\$ 19,099,873	\$ 18,579,819	\$ 16,119,240	\$ 12,920,520	\$ 5,213,783	\$ [726,797]	\$ [4,519,440]	\$ [1,249,277]	\$ 1,569,015
Restricted	3,558,723	5,297,575	5,490,971	7,463,306	12,160,233	43,671,684	45,735,080	49,923,874	49,923,152	47,659,856
Unrestricted	<u>1,857,764</u>	<u>[7,482,486]</u>	<u>[8,657,351]</u>	<u>[6,232,299]</u>	<u>[1,600,951]</u>	<u>416,414</u>	<u>4,551,444</u>	<u>12,388,355</u>	<u>16,172,505</u>	<u>17,273,519</u>
Total primary government net position	<u>\$ 24,300,674</u>	<u>\$ 16,914,962</u>	<u>\$ 15,413,439</u>	<u>\$ 17,350,247</u>	<u>\$ 23,479,802</u>	<u>\$ 49,301,881</u>	<u>\$ 49,559,727</u>	<u>\$ 57,792,789</u>	<u>\$ 64,846,380</u>	<u>\$ 66,502,390</u>

Note (1): The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF JUNCTION CITY, KANSAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (1)  
(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental Activities										
General government	\$ 5,138,247	\$ 11,839,659	\$ 7,293,604	\$ 6,842,828	\$ 11,965,528	\$ 6,181,566	\$ 5,078,582	\$ 3,216,686	\$ 2,972,338	\$ 2,818,453
Public safety	5,880,245	5,854,063	6,621,168	6,675,397	7,410,915	7,938,190	7,016,947	8,094,613	7,466,537	9,247,065
Public works	3,188,705	4,560,855	5,059,327	8,488,528	10,061,261	9,097,814	8,924,171	4,756,348	6,220,145	5,013,275
Culture and recreation	1,173,781	1,580,500	1,695,816	2,060,490	1,744,522	1,005,475	654,829	1,030,077	1,414,550	1,284,881
Economic Development	-	-	-	-	-	238,548	742,286	735,663	975,615	1,264,637
Public health and sanitation	-	-	-	-	-	-	1,134,918	1,803,687	2,034,862	2,053,932
Payments on other obligations (see note)	-	-	-	-	-	-	-	1,516,382	1,855,634	655,548
Interest long term debt	-	-	-	-	-	6,210,775	5,721,931	6,698,600	6,771,428	6,568,899
Total governmental expense:	<u>15,380,978</u>	<u>23,835,077</u>	<u>20,669,915</u>	<u>24,067,243</u>	<u>31,182,226</u>	<u>30,672,368</u>	<u>29,273,664</u>	<u>27,852,056</u>	<u>29,711,109</u>	<u>28,906,690</u>
<b>Business-type activities</b>										
Water and sewer	5,574,030	5,843,858	5,900,823	6,509,210	6,489,970	7,640,329	7,210,683	7,356,961	7,207,927	7,740,690
Rolling hills golf	555,660	525,259	523,165	543,841	548,355	555,128	477,042	332,836	-	-
Sanitation	806,518	1,026,459	835,574	935,241	1,005,900	1,236,329	1,366,544	1,440,358	1,268,602	1,084,085
Internal Services	-	-	-	-	-	-	-	-	-	-
Storm water	21,755	-	-	-	-	253,430	246,341	408,349	462,200	498,018
Spin City skating	-	-	-	-	230,156	233,779	192,967	179,062	257,592	164,748
Total business-type activities expense	<u>6,957,963</u>	<u>7,395,576</u>	<u>7,259,562</u>	<u>7,988,292</u>	<u>8,274,381</u>	<u>9,918,995</u>	<u>9,493,577</u>	<u>9,717,566</u>	<u>9,196,321</u>	<u>9,487,541</u>
Total primary government expense:	<u>\$ 22,338,941</u>	<u>\$ 31,230,653</u>	<u>\$ 27,929,477</u>	<u>\$ 32,055,535</u>	<u>\$ 39,456,607</u>	<u>\$ 40,591,363</u>	<u>\$ 38,767,241</u>	<u>\$ 37,569,622</u>	<u>\$ 38,907,430</u>	<u>\$ 38,394,231</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Service	\$ 1,339,348	\$ 1,549,052	\$ 2,988,074	\$ 2,828,266	\$ 2,144,822	\$ 2,083,131	\$ 2,505,036	\$ 3,032,305	\$ 3,693,576	\$ 3,460,191
Intergovernmental	965,626	754,690	934,385	499,115	484,660	-	-	-	-	-
Operating grants and contributions	521,115	941,948	472,904	363,903	2,335,515	3,627,056	1,669,496	1,626,703	1,634,111	1,769,732
Other	2,163,105	1,818,957	1,407,233	1,896,914	451,597	-	-	-	-	-
Capital grants and contribution:	-	59,426	5,960	4,385,178	5,749,283	33,674,775	4,875,055	6,432,843	2,518,706	481,939
Total governmental activities program revenue	<u>4,989,194</u>	<u>5,124,073</u>	<u>5,808,556</u>	<u>9,973,376</u>	<u>11,165,877</u>	<u>39,384,962</u>	<u>9,049,587</u>	<u>11,091,851</u>	<u>7,846,393</u>	<u>5,711,862</u>
<b>Business-type activities:</b>										
Charges for service										
Water and sewer	5,574,030	5,271,541	6,112,332	6,918,957	6,948,085	7,154,180	7,857,651	8,527,278	9,747,283	9,356,857
Rolling hills golf	555,660	582,748	512,630	514,797	534,189	487,340	437,633	378,200	-	-
Sanitation	806,518	1,025,920	834,419	899,013	972,972	1,331,658	1,263,252	1,457,127	1,461,004	1,455,036
Storm water	-	-	-	-	-	464,447	722,161	836,450	781,779	780,995
Spin City skating	-	-	-	-	234,871	173,469	167,643	143,004	143,203	121,183
Capital grants and contribution:	-	-	-	-	-	612,477	-	-	-	-
Total business-type activities program revenues	<u>6,936,208</u>	<u>6,880,209</u>	<u>7,459,381</u>	<u>8,332,767</u>	<u>8,690,117</u>	<u>10,223,571</u>	<u>10,448,340</u>	<u>11,342,059</u>	<u>12,133,269</u>	<u>11,714,071</u>
Total primary government program revenues	<u>\$ 11,925,402</u>	<u>\$ 12,004,282</u>	<u>\$ 13,267,937</u>	<u>\$ 18,306,143</u>	<u>\$ 19,855,994</u>	<u>\$ 49,608,533</u>	<u>\$ 19,497,927</u>	<u>\$ 22,433,910</u>	<u>\$ 19,979,662</u>	<u>\$ 17,425,933</u>
Net (Expense) Revenue										
Governmental activities	\$ [10,391,784]	\$ [18,711,004]	\$ [14,861,359]	\$ [14,093,867]	\$ [20,016,349]	\$ 8,712,594	\$ [20,224,077]	\$ [16,760,205]	\$ [21,864,716]	\$ [23,194,828]
Business-type activities:	[21,755]	[515,367]	199,819	344,475	415,736	304,576	954,763	1,624,493	2,936,948	2,226,530
Total primary government net expense:	<u>\$ [10,413,539]</u>	<u>\$ [19,226,371]</u>	<u>\$ [14,661,540]</u>	<u>\$ [13,749,392]</u>	<u>\$ [19,600,613]</u>	<u>\$ 9,017,170</u>	<u>\$ [19,269,314]</u>	<u>\$ [15,135,712]</u>	<u>\$ [18,927,768]</u>	<u>\$ [20,968,298]</u>
<b>General Revenues and other Changes In Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes	\$ 5,029,206	\$ 5,163,701	\$ 5,245,456	\$ 6,397,274	\$ 6,733,809	\$ 8,309,953	\$ 8,892,436	\$ 9,027,993	\$ 9,937,633	\$ 9,470,337
Sales taxes	4,434,424	4,523,234	5,581,003	5,911,908	6,109,101	6,194,501	6,790,642	10,578,965	10,915,013	11,143,399
Franchise taxes	1,225,289	1,316,876	1,388,710	1,527,318	1,667,953	1,700,570	1,807,406	1,769,991	1,833,692	1,882,737
Motor vehicle taxes	717,496	744,830	790,008	881,400	744,210	-	-	-	-	-
Payment in lieu of property tax	-	-	-	-	-	26,026	18,080	15,537	16,406	14,137
Investment earnings	20,239	91,918	154,840	-	-	78,974	487,162	115,395	586,731	481,805
Miscellaneous	-	-	-	-	-	15,575	1,226,273	1,564,746	2,268,414	2,342,981
Transfers	60,000	50,000	438,262	-	1,950,000	1,122,955	159,000	389,185	1,452,824	1,522,500
Total governmental activities:	<u>11,486,654</u>	<u>11,890,559</u>	<u>13,598,279</u>	<u>14,717,900</u>	<u>17,205,073</u>	<u>17,448,554</u>	<u>19,380,999</u>	<u>23,461,812</u>	<u>27,010,713</u>	<u>26,857,896</u>
<b>Business-type activities:</b>										
Miscellaneous	-	-	-	-	-	212	305,358	296,566	408,889	253,963
Transfers	[60,000]	[50,000]	[438,262]	-	[1,950,000]	[1,122,955]	[159,000]	[389,185]	[1,452,824]	[1,522,500]
Total business-type activities:	<u>[60,000]</u>	<u>[50,000]</u>	<u>[438,262]</u>	<u>\$ -</u>	<u>[1,950,000]</u>	<u>[1,122,743]</u>	<u>146,358</u>	<u>[92,619]</u>	<u>[1,043,935]</u>	<u>[1,268,537]</u>
Total primary government:	<u>\$ 11,426,654</u>	<u>\$ 11,840,559</u>	<u>\$ 13,160,017</u>	<u>\$ 14,717,900</u>	<u>\$ 15,255,073</u>	<u>\$ 16,325,811</u>	<u>\$ 19,527,357</u>	<u>\$ 23,369,193</u>	<u>\$ 25,966,778</u>	<u>\$ 25,589,359</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,094,870	\$ [6,820,445]	\$ [1,263,080]	\$ 624,033	\$ [2,811,276]	\$ 26,161,148	\$ [843,078]	\$ 6,701,607	\$ 5,145,997	\$ 3,663,068
Business-type activities:	[81,755]	[565,367]	[238,443]	344,475	[1,534,264]	[818,167]	1,101,121	1,531,874	1,893,013	957,993
Total primary government:	<u>\$ 1,013,115</u>	<u>\$ [7,385,812]</u>	<u>\$ [1,501,523]</u>	<u>\$ 968,508</u>	<u>\$ [4,345,540]</u>	<u>\$ 25,342,981</u>	<u>\$ 258,043</u>	<u>\$ 8,233,481</u>	<u>\$ 7,039,010</u>	<u>\$ 4,621,061</u>

Note (1): The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

CITY OF JUNCTION CITY, KANSAS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>General Fund</u>										
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,993,315	\$ 4,808,908	\$ 5,186,893
Reserved	689,314	1,193,484	1,036,113	1,713,029	1,205,385	-	-	-	-	-
Unreserved	<u>835,344</u>	<u>8,782</u>	<u>375,742</u>	<u>98,778</u>	<u>101,189</u>	<u>962,602</u>	<u>1,190,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fund	<u>\$ 1,524,658</u>	<u>\$ 1,202,266</u>	<u>\$ 1,411,855</u>	<u>\$ 1,811,807</u>	<u>\$ 1,306,574</u>	<u>\$ 962,602</u>	<u>\$ 1,190,569</u>	<u>\$ 3,993,315</u>	<u>\$ 4,808,908</u>	<u>\$ 5,186,893</u>
<u>All Other Governmental Funds</u>										
Reserved	\$ 108,522	\$ 125,697	\$ 5,571,794	\$ 9,358,890	\$ 951,261	\$ 463,353	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	5,051,315	5,223,204	6,522,254
Committed	-	-	-	-	-	-	-	28,704	297,329	717,710
Unassigned	-	-	-	-	-	-	-	[938,126]	[164,901]	-
Unreserved, reported to:										
Special revenue funds	865,503	[448,754]	236,844	[3,149,811]	309,477	[828,373]	605,269	-	-	-
Capital projects funds	2,337,319	3,999,022	5,985,502	290,572	[5,207,298]	1,355,127	[925,046]	-	-	-
Debt service funds	<u>218,418</u>	<u>[63]</u>	<u>460</u>	<u>963,655</u>	<u>435,817</u>	<u>-</u>	<u>2,050,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,529,762</u>	<u>\$ 3,675,902</u>	<u>\$ 11,794,600</u>	<u>\$ 7,463,306</u>	<u>\$ [3,510,743]</u>	<u>\$ 990,107</u>	<u>\$ 1,730,869</u>	<u>\$ 4,141,893</u>	<u>\$ 5,355,632</u>	<u>\$ 7,239,964</u>

CITY OF JUNCTION CITY, KANSAS  
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 11,289,455	\$ 11,744,704	\$ 12,936,838	\$ 14,662,708	\$ 15,480,091	\$ 16,231,050	\$ 17,508,564	\$ 21,392,486	\$ 22,702,744	\$ 22,510,610
Licenses and permits	140,477	223,760	852,683	756,896	300,193	357,056	338,229	372,856	335,164	269,865
Intergovernmental	1,169,722	1,456,216	1,448,602	1,881,970	5,648,140	4,581,294	1,812,306	1,626,703	1,634,111	1,769,732
Charges for service	483,906	651,983	906,029	558,398	916,784	869,244	1,250,530	1,688,547	2,096,503	2,133,342
Fines and forfeitures	649,291	557,812	561,542	665,595	807,395	856,831	916,275	970,902	1,261,909	1,056,984
Special assessments	261,768	203,935	194,266	242,965	987,788	1,174,124	1,845,972	2,258,286	2,900,364	2,304,567
Use of money and property	20,239	91,918	154,840	968,300	65,441	78,974	487,162	115,395	586,731	481,805
Miscellaneous	2,970,434	1,058,314	1,646,183	1,469,300	1,901,684	847,308	1,226,273	1,558,744	2,268,414	2,343,777
<b>Total revenues</b>	<b>16,985,292</b>	<b>15,988,642</b>	<b>18,700,983</b>	<b>21,206,132</b>	<b>26,107,516</b>	<b>24,995,881</b>	<b>25,385,311</b>	<b>29,983,919</b>	<b>33,785,940</b>	<b>32,870,682</b>
<b>Expenditures</b>										
General government	4,618,841	11,657,238	5,783,577	6,504,762	6,046,231	5,867,437	4,751,387	2,916,596	2,630,079	2,441,196
Public safety	5,492,368	5,581,258	6,256,968	6,736,805	7,043,074	7,529,777	6,567,932	7,672,222	7,581,904	8,806,794
Public works	1,982,642	3,737,437	3,558,897	6,713,919	12,973,947	5,979,284	5,922,418	1,856,020	3,698,812	2,368,331
Public health and sanitation	-	-	-	-	-	-	1,134,918	1,803,687	1,991,829	2,053,932
Culture & recreation	1,146,865	1,574,390	1,634,571	2,048,855	1,676,106	937,124	580,603	962,373	1,443,330	1,553,195
Economic development	-	-	-	-	-	238,548	742,137	735,663	975,615	1,264,637
Capital outlay	5,030,315	4,914,922	46,116,740	45,032,503	11,295,030	10,950,068	953,775	45,599	32,427	1,424
Debt service principal	1,205,000	1,215,000	1,260,000	1,035,000	1,714,133	62,020,310	36,602,730	4,847,347	6,135,149	13,578,026
Debt service interest & fees	406,883	548,952	617,274	624,262	2,181,625	5,349,260	7,523,380	6,794,931	6,679,307	6,686,399
Payment on contractual obligations	-	-	-	-	-	-	-	1,516,382	1,855,634	655,548
Bond issuance costs	-	-	-	-	297,051	888,425	-	149,625	-	-
Miscellaneous	-	-	-	-	-	-	-	335,987	185,128	358,809
<b>Total expenditures</b>	<b>19,882,914</b>	<b>29,229,197</b>	<b>65,228,027</b>	<b>68,696,106</b>	<b>43,227,197</b>	<b>99,760,233</b>	<b>64,779,280</b>	<b>29,636,432</b>	<b>33,209,214</b>	<b>39,768,291</b>
<b>Excess of revenues over (under) expenditures</b>	<b>[2,897,622]</b>	<b>[13,240,555]</b>	<b>[46,527,044]</b>	<b>[47,489,974]</b>	<b>[17,119,681]</b>	<b>[74,764,352]</b>	<b>[39,393,969]</b>	<b>347,487</b>	<b>576,726</b>	<b>[6,897,609]</b>
<b>Other Financing Sources (Uses)</b>										
Bonds issued	4,960,000	6,000,000	-	24,225,000	15,283,057	34,280,000	38,910,000	4,427,074	-	8,247,988
Capital Leases	-	-	-	-	-	671,138	-	-	-	-
Temporary note proceeds	808,739	6,000,000	52,345,000	60,940,000	57,690,000	33,525,000	-	-	-	-
Revolving loan fund proceeds	-	-	2,244,479	1,551,088	4,703,920	7,984,482	1,293,895	50,443	-	-
Certificate of participation proceeds	-	-	4,475,000	-	-	-	-	-	-	-
Payment to Refunded Bond	-	-	-	-	-	360,311	-	-	-	-
Loan repayments	-	-	[10,415,000]	[43,617,396]	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	15,575	-	-	-	-
Transfers in	60,000	50,000	448,262	-	1,950,000	6,673,895	232,000	1,100,000	1,857,306	1,522,918
Transfers out	-	-	[10,000]	-	-	[5,116,205]	[73,000]	[710,815]	[404,482]	[418]
<b>Total other financing sources (uses)</b>	<b>5,828,739</b>	<b>12,050,000</b>	<b>49,087,741</b>	<b>43,098,692</b>	<b>79,626,977</b>	<b>78,394,196</b>	<b>40,362,895</b>	<b>4,866,702</b>	<b>1,452,824</b>	<b>9,770,488</b>
<b>Net change in fund balances</b>	<b>\$ 2,931,117</b>	<b>\$ [1,190,555]</b>	<b>\$ 2,560,697</b>	<b>\$ [4,391,282]</b>	<b>\$ 62,507,296</b>	<b>\$ 3,629,844</b>	<b>\$ 968,926</b>	<b>\$ 5,214,189</b>	<b>\$ 2,029,550</b>	<b>\$ 2,872,879</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.85%</b>	<b>7.25%</b>	<b>9.82%</b>	<b>7.01%</b>	<b>12.20%</b>	<b>75.86%</b>	<b>68.84%</b>	<b>39.34%</b>	<b>40.05%</b>	<b>52.21%</b>

CITY OF JUNCTION CITY, KANSAS  
WATER PRODUCED AND 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		Total Direct Rate				
							Water			Sewer	
					East Plant	Southwest Plt	Base Rate (1)	Usage Rate (2)	Usage Rate (3)	Base Rate (4)	Usage Rate (5)
2004	1,159,360,000	1,110,068,000	209,859,000	18.10	511,104,000	220,271,000	\$ 9.50	\$ 1.15	\$ 1.45	\$ 22.00	\$ 0.90
2005	1,275,905,000	1,246,479,000	81,748,000	6.41	511,104,000	220,271,000	10.12	1.23	1.55	22.00	0.90
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
2011	1,644,257,000	1,263,581,000	380,676,000	23.15	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	34.84	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

- (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

Source: City of Junction City Water and Wastewater Use Reports

(UNAUDITED)

CITY OF JUNCTION CITY, KANSAS  
ANNUAL WATER AND WASTEWATER TAP SALES  
LAST TEN FISCAL YEARS

Fiscal <u>Year</u>	Water Meter <u>Taps Sold</u>	Wastewater <u>Taps Sold</u>	Total <u>Taps</u>
2004	n/a	n/a	n/a
2005	n/a	n/a	n/a
2006	n/a	n/a	n/a
2007	n/a	n/a	n/a
2008	n/a	n/a	n/a
2009	127	123	250
2010	126	125	251
2011	98	100	198
2012	100	99	199
2013	28	23	51

Source: City of Junction City Utility Department  
n/a - information is not available

CITY OF JUNCTION CITY, KANSAS  
NUMBER OF WATER AND SEWER CUSTOMERS BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	WATER		WASTEWATER		TOTAL	
	RESIDENTIAL	COMMERCIAL	RESIDENTIAL	COMMERCIAL	WATER	WASTEWATER
2004	6,248	656	6,248	656	6,904	6,904
2005	6,181	629	6,181	629	6,810	6,810
2006	6,734	680	6,734	680	7,414	7,414
2007	7,740	780	7,740	780	8,520	8,520
2008	8,195	742	8,195	742	8,937	8,937
2009	9,123	693	9,123	693	9,816	9,816
2010	8,810	782	8,547	667	9,592	9,214
2011	9,060	781	8,801	661	9,841	9,462
2012	9,915	878	8,781	812	10,793	9,593
2013	10,091	818	8,708	812	10,909	9,520

Source: City of Junction City Utility Department

CITY OF JUNCTION CITY, KANSAS  
WATER AND SEWER RATES  
LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010*</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>WATER</u> - (per month inside or outside city limits (1))										
1. Minimum charge, Not in excess of 200 cubic feet 1" meter or less	\$ 9.50	\$ 10.12	\$ 10.53	\$ 10.78	\$ 11.38	\$ 11.38	\$ 23.51	\$ 15.51	\$ 15.72	\$ 15.72
2. Minimum charge, Not in excess of 200 cubic feet Over 1" and up to and including 1.5" meters	76.75	81.82	85.17	87.21	92.09	92.09	105.19	97.19	98.55	98.55
3. Minimum charge, Not in excess of 200 cubic feet Over 1.5" and up to and including 2" meters	155.00	165.24	172.01	176.13	185.99	185.99	200.22	192.22	194.91	194.91
4. Minimum charge, Not in excess of 200 cubic feet Over 2" and up to and including 3" meters	230.75	246.00	256.08	262.22	276.90	276.90	292.22	284.22	288.19	288.19
5. Minimum charge, Not in excess of 200 cubic feet Over 3" and up to and including 4" meters	307.00	327.28	340.69	348.86	368.39	368.39	384.81	376.81	382.08	382.08
6. Minimum charge, Not in excess of 200 cubic feet 4" meter and over	385.00	412.50	429.41	439.71	464.33	464.33	481.90	473.90	480.53	480.53
7. 300 cubic feet to 1,000 cubic feet, per 100 cubic feet	1.15	1.23	1.28	1.31	1.38	1.38	1.39	2.00	2.02	2.02
8. All above 1,000 cubic feet, per 100 cubic feet	1.45	1.55	1.61	1.64	1.73	1.73	1.75	2.30	2.33	2.33
<u>WASTEWATER</u> - rates per month (2)										
1. Minimum charge, not in excess of 200 cubic feet	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 29.00	\$ 25.50	\$ 25.50	\$ 25.50
2. 300 cubic feet and above, per 100 cubic feet	0.90	0.90	0.90	0.90	0.90	0.90	0.90	1.90	1.90	1.90
3. For users contributing wastewater which is greater strength than normal domestic sewage, the following surcharge is added:										
\$.16 per pound BOD (biological oxygen demand)										
\$.018 per pound SS (suspended solids)										
Large contributors (Over 500,000 gallons)										
\$.104 per pound BOD (biological oxygen demand)										
\$.117 per pound SS (suspended solids)										
<u>STORM WATER</u> - rates per month (3)										
1. Developed residential assessment per living unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
2. For each living unit served by more than one water meter, \$3.00 per month per add. Meter	-	-	-	-	-	3.00	3.00	3.00	3.00	3.00
3. Undeveloped residential property per month per lot or tract	-	-	-	-	-	3.00	3.00	3.00	3.00	3.00

(1) Starting in 2003, water rates automatically adjust in August of each fiscal year based on the preceding 12 months consumer price index

(2) Residential users are billed based on average monthly water usage during the months of December and January. Commercial users are billed based on water consumption each month

(3) Storm water utility became effective in 2009

\*Two rate changes in 2010, last rate increase beginning 9/10/10 to 12/31/10.

Source: City of Junction City Utility Department



(UNAUDITED)

CITY OF JUNCTION CITY, KANSAS  
TEN LARGEST UTILITY CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

Customer	Fiscal Year 2013				
	Water Revenue		Sewer Revenue		
	Amount	Percent	Amount	Percent	
Amour Swift-Eckrich	\$ 210,369.61	4.93%	Amour Eckrich	\$ 460,504.95	1.04%
Grandview Plaza	124,487.92	2.92%	Geary Community Hospital	55,495.30	0.32%
Geary Community Hospital	72,860.23	1.71%	Penn Enterprises	19,452.30	0.24%
Penn Enterprises	28,246.45	0.66%	Green Park Apartments	14,888.50	0.23%
Valley View Senior Life	24,958.53	0.58%	Amour Eckrich (2nd meter)	11,989.10	0.22%
Green Park Apartments	22,623.91	0.53%	Sapp Brothers Car Wash	10,714.20	0.21%
Rural Water District #1	20,240.08	0.47%	Cedar Point Car Wash	9,199.90	0.21%
Amour Eckrich	14,605.96	0.34%	Hickory Hills Residents	8,973.80	0.20%
Sapp Brothers Car Wash	14,006.35	0.33%	Winegardner & Hammons	7,510.80	0.20%
Cedar Point Car Wash	<u>13,301.46</u>	<u>0.31%</u>	Foot Locker	<u>6,895.20</u>	<u>0.16%</u>
Subtotal (10 largest)	\$ 545,700.50	12.78%	Subtotal (10 largest)	\$ 605,624.05	3.03%
Balance from other customers	<u>\$ 3,724,080.57</u>	<u>87.22%</u>	Balance from other customers	<u>\$ 4,027,710.86</u>	<u>96.97%</u>
Grand Total	<u>\$ 4,269,781.07</u>	<u>100.00%</u>	Grand Total	<u>\$ 4,633,334.91</u>	<u>100.00%</u>

Note; Information from nine years ago is not available.

CITY OF JUNCTION CITY, KANSAS  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN TAX YEARS

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed to Total Estimated Actual Value</u>
2004	\$ 72,566,594	\$ 15,712,493	\$ 5,777,316	\$ 88,279,087	55.795	\$ 544,041,254	16.23%
2005	81,806,992	16,073,151	5,512,528	97,880,143	55.361	606,672,450	16.13%
2006	101,512,552	11,631,295	5,529,418	113,143,847	47.736	760,985,936	14.87%
2007	127,455,177	8,231,124	5,826,100	141,512,401	47.394	937,330,169	15.10%
2008	147,537,742	7,919,079	5,843,324	163,662,593	48.272	1,099,775,885	14.88%
2009	150,132,743	6,036,910	5,364,037	165,026,671	48.474	1,112,580,891	14.83%
2010	156,333,878	5,341,390	5,329,524	167,004,792	48.282	1,128,182,386	14.80%
2011	159,395,617	4,542,902	6,702,414	169,640,933	50.257	1,152,876,108	14.71%
2012	160,411,817	4,426,706	7,073,239	171,911,762	47.841	-	0.00%
2013	161,129,693	4,218,203	7,662,284	173,010,180	47.635	1,164,604,565	14.90%

Source: Geary County Clerk

Note: Does not include penalty amounts.

Detailed information on Utilities and Tax Exempt property is not available for the years 2001 and prior.

(UNAUDITED)

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

Fiscal <u>Year</u>	City Direct Rates				<u>USD</u>	Geary <u>County</u>	State of <u>Kansas</u>	<u>Total</u>
	<u>Basic Rate</u>	<u>Debt Service</u>	<u>Library</u>	<u>Total Direct Rate</u>				
2004	36.966	14.248	4.581	55.795	40.177	53.714	1.500	151.186
2005	36.166	15.001	4.194	55.361	38.982	56.128	1.500	151.971
2006	29.692	13.980	4.064	47.736	46.524	55.741	1.500	151.501
2007	38.653	14.961	3.780	47.394	44.695	50.468	1.500	144.057
2008	27.911	17.032	3.329	48.272	43.261	46.663	1.500	139.696
2009	24.314	20.494	3.666	48.474	45.566	49.598	1.500	145.138
2010	26.840	16.750	4.708	48.282	45.445	53.126	1.500	148.353
2011	10.589	35.138	4.623	50.350	45.499	53.390	1.500	150.605
2012	10.233	33.172	4.436	47.841	45.823	52.205	1.500	147.369
2013	14.324	28.875	4.436	47.635	45.961	54.084	1.500	149.180

Source: Geary County Clerk

CITY OF JUNCTION CITY, KANSAS  
 PRINCIPAL PROPERTY TAXPAYERS  
 DECEMBER 31, 2013 AND TEN YEARS AGO

2013

2002

88

2013				2002			
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
1	Westar Energy	\$ 4,921,297	2.84%	1	Western Resources	\$ 4,991,448	6.27%
2	Aurora Corp Real Capital	4,024,079	2.32%	2	FW Woolworth Co.	2,937,500	3.69%
3	FW Woolworth Co	3,000,350	1.73%	3	United Telephone	2,564,910	3.22%
4	John Q Hammons	2,448,665	1.42%	4	Retail Trust	1,424,967	1.79%
5	Armour-Eckrich	2,362,451	1.37%	5	Kansas Gas Service	1,109,006	1.39%
6	Walmart Real Estate	1,918,524	1.11%	6	Armour Eckrich	905,509	1.14%
7	Fort Development	454,294	0.26%	7	Ron Bramlage	889,604	1.12%
8	JCTD Properties	334,612	0.19%	8	Bankers Trust Co	864,948	1.09%
9	Big D Development	300,878	0.17%	9	Central National Bank	738,540	0.93%
10	Choice Property	184,796	0.11%	10	LBJ Company LLC	555,653	0.70%
Total Taxable Assessed Value in 2013		\$ 173,010,180		Total Taxable Assessed Value in 2002		\$ 79,650,933	

Source: Geary County Clerk

(UNAUDITED)

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

<u>Year</u>	<u>*Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Current Tax Levy</u>	<u>Outstanding Delinquent Tax</u>	<u>Outstanding Delinquent Taxes as a Percent of Current Levy</u>
2004	\$ 4,928,613	\$ 4,746,812	96.33%	\$ 113,812	\$ 4,860,624	98.64%	\$ 142,958	2.90%
2005	5,394,099	4,841,053	89.75%	156,273	4,997,326	92.64%	110,131	2.05%
2006	5,672,511	4,942,823	87.14%	240,065	5,182,888	91.37%	100,507	1.78%
2007	6,678,742	6,411,588	96.00%	131,510	6,543,098	97.97%	266,652	3.99%
2008	7,907,276	7,302,150	93.08%	-	7,302,150	93.08%	499,159	6.36%
2009	7,946,869	7,434,184	93.55%	206,332	7,640,516	96.14%	443,429	5.58%
2010	8,043,116	7,656,317	95.19%	142,132	7,798,449	96.96%	443,149	5.51%
2011	8,473,519	8,206,048	96.84%	720,804	8,926,852	105.35%	267,322	3.15%
2012	8,361,778	8,034,670	96.09%	-	8,034,670	96.09%	278,919	3.34%
2013	8,383,102	7,886,229	94.07%	337,082	8,223,311	98.08%	196,873	2.35%

Source: Gear County Treasurer

\*Total tax levied includes adds and abates

CITY OF JUNCTION CITY, KANSAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						Business-type Activities					Total Primary Government	Per Capita
	General Obligation Bonds	Special Assessment Debt	KDOT Revolving Loans	Capital Lease Obligations	Notes Payable	Temporary Notes	General Obligation Bonds	Revenue Bonds	K.D.H.E. Revolving Loan	Notes Payable	Capital Lease Obligations		
2004	\$ 14,885,000	\$ -	\$ -	\$ 735,437	\$ -	\$ 4,265,000	\$ 7,860,000	\$ -	\$ 3,706,886	\$ -	\$ 118,365	\$ 31,570,688	\$ 1,876
2005	19,670,000	-	-	1,386,708	-	10,415,000	7,350,000	-	5,235,726	-	563,394	44,620,828	2,720
2006	18,410,000	-	2,244,479	52,345,000	-	6,104,010	6,815,000	-	7,995,841	-	473,465	94,387,795	5,860
2007	41,270,000	-	3,394,389	65,840,000	-	6,002,444	10,465,000	-	8,415,417	-	525,813	135,913,063	6,776
2008	53,762,000	-	7,866,803	57,690,000	-	5,728,874	11,835,000	-	8,028,480	-	912,547	145,823,704	7,055
2009	41,251,463	45,022,874	14,941,048	5,837,604	-	32,435,000	11,730,000	-	7,902,304	789,870	306,703	160,216,866	7,979
2010	59,636,939	62,658,956	15,265,655	5,104,950	-	-	10,875,000	-	7,740,887	719,446	245,408	162,247,241	6,948
2011	61,866,529	60,970,581	14,497,537	749,234	-	-	10,765,000	-	7,299,593	645,233	167,344	156,961,051	7,324
2012	59,348,137	58,529,603	13,661,758	1,366,638	567,814	-	9,800,000	-	6,785,481	-	654,551	150,713,982	6,276
2013	57,853,046	55,615,724	12,783,257	968,153	487,031	-	8,869,586	-	6,316,556	-	513,261	143,406,614	5,555

CITY OF JUNCTION CITY, KANSAS  
LEGAL DEBT MARGIN INFORMATION (4)  
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Valuation (1)	\$187,715,072
Legal Debt Limit (2)	<u>34%</u>
Legal Debt Limit	\$ 63,823,124
Outstanding GO Debt Applicable to Debt Limit	<u>\$ 62,640,907</u>
Legal debt margin	<u>\$ 1,182,217</u>

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 30,593,679	\$ 44,623,887	\$ 53,417,960	\$ 62,944,863	\$ 71,965,169	\$ 72,748,236	\$ 73,413,489	\$ 68,796,606	\$ 69,454,577	\$ 63,823,124
Total net debt applicable to limit	\$ 18,105,597	\$ 25,471,994	\$ 36,300,716	\$ 61,201,498	\$ 63,801,157	\$ 71,009,486	\$ 68,910,263	\$ 67,860,839	\$ 64,843,235	\$ 62,640,907
Legal debt margin	\$ 12,488,082	\$ 19,151,893	\$ 17,117,244	\$ 1,743,355	\$ 8,164,012	\$ 1,738,750	\$ 4,503,226	\$ 935,767	\$ 4,611,342	\$ 1,182,217
Total net debt applicable to the limit as a percentage of debt limit	59%	57%	68%	97%	89%	98%	94%	99%	93%	98%

83

(1) Includes motor vehicle valuation

(2) Debt limit is set at 30% of assessed valuation per state statute. In 2009 the statute was amended for the City of Junction City and the limit was raised to 40%. This limit was 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 2016, at which time it will decline to 34% and remain at that level until 2020, when the limit will return to 30%.

CITY OF JUNCTION CITY, KANSAS  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amount Available In Debt Service Fund	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita
2004	\$ 14,885,000	\$ 218,418	\$ 14,666,582	\$ 88,279,087	16.61%	\$ 776.71
2005	19,670,000	131,042	19,538,958	97,880,143	19.96%	1,034.74
2006	18,410,000	460	18,409,540	118,673,671	15.51%	1,143.02
2007	41,270,000	963,655	40,306,345	141,512,401	28.48%	2,009.39
2008	53,762,000	435,817	53,326,183	163,662,593	32.58%	2,579.76
2009	52,981,463	-	52,981,463	165,153,442	29.13%	3,237.86
2010	70,511,939	-	70,511,939	167,004,792	53.54%	3,019.40
2011	72,631,529	2,557,895	70,073,634	169,325,891	42.89%	2,867.17
2012	69,148,137	2,356,425	66,791,712	171,911,762	40.22%	2,781.25
2013	66,722,632	3,226,458	63,496,174	173,010,180	38.57%	2,644.02



(UNAUDITED)

CITY OF JUNCTION CITY, KANSAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2013

<u>Government Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Geary County	\$ 32,850,000	81%	\$ 26,608,500
U.S.D. #475 School District	<u>28,780,000</u>	81%	<u>23,311,800</u>
Total Estimated Overlapping Debt	61,630,000		49,920,300
<b>DIRECT DEBT</b>			
City of Junction City	<u>143,406,614</u>	100%	<u>143,406,614</u>
<b>DIRECT &amp; ESTIMATED OVERLAPPING DEBT</b>	<u>\$ 205,036,614</u>		<u>\$ 193,326,914</u>

Source: Office of Geary County Clerk

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

(UNAUDITED)

CITY OF JUNCTION CITY, KANSAS  
PLEDGED REVENUE COVERAGE  
AS OF DECEMBER 31, 2013

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal & Interest	Coverage
2004	n/a	n/a	n/a	n/a	n/a
2005	\$ 5,824,026	\$ 4,729,261	\$ 1,094,765	\$ 1,262,284	87%
2006	6,112,332	4,062,138	2,050,194	1,379,923	149%
2007	7,152,798	5,110,181	2,042,617	1,448,373	141%
2008	6,939,622	4,427,980	2,511,642	1,608,536	156%
2009	7,665,298	6,131,616	1,533,682	1,915,830	80%
2010	8,009,136	7,712,856	1,974,702	1,678,422	118%
2011	8,719,225	5,180,850	3,538,375	896,655	395%
2012	10,004,859	5,935,892	4,068,967	1,323,232	307%
2013	9,580,170	6,445,000	3,135,170	2,049,426	153%

n/a - information is not available

CITY OF JUNCTION CITY, KANSAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Income (3)	Public School Enrollment (4)	Unemployment Rate (5)	Median Age (6)
2004	16,828	\$ 795,201,000	\$ 28,269	6,063	6.9	n/a
2005	16,402	852,544,000	29,485	6,426	6.2	n/a
2006	16,106	969,245,000	32,917	6,441	4.9	29.0
2007	20,059	1,090,335,000	36,912	6,784	3.9	n/a
2008	20,671	n/a	41,504	7,048	4.4	n/a
2009	21,931	n/a	n/a	6,983	3.4	30.4
2010	23,353	n/a	n/a	7,868	7.9	n/a
2011	24,440	n/a	n/a	8,151	6.7	n/a
2012	25,817	n/a	n/a	7,905	7.3	n/a
2013	25,817	n/a	n/a	8,089	6.9	n/a

87

- (1) U.S. Department of Commerce, Bureau of Census
- (2) Kansas Department of Labor information for Geary County
- (3) Bureau of Economic Analysis, Bureau of Census represents Geary County
- (4) Unified School District #475, Geary County
- (5) Kansas Department of Human Resources, Labor Market Information Services. Rate is expressed for Geary County. Junction City's population accounts for 67% of the total Geary County population
- (6) Kansas Statistical Abstract

CITY OF JUNCTION CITY, KANSAS  
PRINCIPAL EMPLOYERS (1)  
CURRENT YEAR AND TEN YEARS AGO

	2013		2002	
	Estimated Number of Employees	Percentage Total County Employment	Estimated Number of Employees	Percentage Total County Employment
Fort Riley Civil Service (2)			3,451	na
Dept. of Army appropriated fund employees	2,517			
Other federal employees	425			
Non-appropriated fund	469			
Other civilian employees (including contractors)	3,711	50.1%	na	na
U.S.D. #475 School District	1,350	9.5%	912	7.80%
∞ Amour Eckrich Inc.	135	3.1%	240	2.05%
Geary Community Hospital	413	2.9%	365	3.12%
Wal-Mart Super Center	400	2.8%	n/a	n/a
Footlocker Distribution Center	338	2.4%	1047	8.96
City of Junction City	234	1.6%	229	1.96%
Geary County	197	1.4%	130	1.11%
Dillons	150	1.0%	n/a	n/a
Century Link	100	1.0%	n/a	na
Kaw Valley Engineering	95	1.0%	48	0.41%

(1) Information Provided by Junction City/Geary County Economic Development as of 12/31/2013, Percentage of Total City employment is based on Geary County total only.

(2) Information provided by Fort Riley, United States Army Garrison, Fort Riley spans two counties, Geary and Riley

n/a - information is not available

CITY OF JUNCTION CITY, KANSAS  
 FULL-TIME EMPLOYEES BY DEPARTMENT  
 LAST TEN FISCAL YEARS

	2004		2005		2006		2007		2008		2009		2010*		2011		2012		2013	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<u>Governmental Activities:</u>																				
<u>General Government</u>																				
General Administration	3.5	2.12	3.5	2.05	5	2.50	6	2.99	7	3.30	6	2.72	7	4.43	8	5.09	5	2.66	5	2.69
Human Resources	5.5	3.33	6.5	3.81	10.5	5.25	7.5	3.73	4.5	2.12	4.5	2.04	1	0.63	1	0.64	1	0.05	1	0.54
Information Services	0	0	0	0	5	2.5	5	2.49	4	1.89	4	1.81	2	1.27	1	0.64	1	0.05	1	0.54
Economic Development	3	1.82	3	1.76	3	1.50	3	1.49	3	1.42	3	1.36	2	1.27	2	1.27	0	0.00	0	0.00
Building Maintenance																	3	1.60	3	1.61
<u>Public Safety</u>																				
Police Department	70.5	42.73	73	42.52	73	36.50	74	36.82	77	36.32	72	32.65	63	39.87	63	40.13	68	36.17	69	37.10
Fire/EMS Department	44	26.67	44	25.81	48	24.00	49	24.38	51	24.06	56	25.40	50	31.65	50	31.85	53	28.19	53	28.50
Codes/Inspection	4	2.42	3	1.76	7	3.50	7	3.48	7	3.30	5	2.27	2.5	1.58	2.5	1.59	3	1.60	3	1.61
Municipal Court																	6	3.191	6	3.226
<u>Public Works</u>																				
Engineering	4	2.42	4	2.35	6.5	3.25	3	1.49	2	0.94	2	0.91	2.5	1.58	2.5	1.59	2	1.06	2	1.08
Self Help Housing	3	1.82	3	1.76	3	1.5	3	1.49	3.5	1.65	3	1.36	3	1.90	3	1.91	3	1.60	0	0.00
Streets (1)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.63	1	0.64	12	6.38	12	6.45
<u>Culture &amp; Recreation</u>																				
Recreation	12	7.27	12	7.04	15	7.50	9.5	4.73	13.5	6.37	13.5	6.12	2	1.27	1	0.64	1	0.53	1	0.54
Parks	0	0	0	0	0	0	0	0	2	0.94	2	0.91	7	4.43	7	4.46	6	3.19	6	3.23
Junction City Arts	0	0	0	0	0	0	0	0	0	0	12	5.44	0	0	0	0	0	0	0	0
Spin City	11.5	6.97	12	6.74	13	6.50	13	6.47	17.5	8.25	17.5	7.94	1	0.63	1	0.64	2	1.06	1	0.54
Rolling Meadows Golf Course													5	3.16	5	3.18	2	1.064	3	1.613
Total for Gov't-type Activities	161	97.58	163	95.60	189	94.50	180	89.55	192	90.57	201	90.93	149	94.3	148	94.27	168	88.40	166	89.25
<u>Business-type Activities</u>																				
Solid Waste																	6	3.191	6	3.226
Water/Sewer	4	2.42	7.5	4.40	11	5.50	21	10.45	20	9.43	20	9.07	9	8.70	9	5.73	14	7.45	14	7.53
Total Business-type Activities	4	2.42	7.5	4.40	11	5.50	21	10.45	20	9.43	20	9.07	9	8.7	9	5.73	20	10.638	20	10.75
Total Full-time Employees	165		171		200		201		212		221		158		157		188		186	

\*Previous years include full and part-time employees. 2010 is full-time employees only.

CITY OF JUNCTION CITY, KANSAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

<u>Function/Program:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>General Government</u>										
Building Permits Issued	65	146	848	1034	348	1209	1042	1022	958	994
Building Inspections Conducted	n/a	1748	11415	16712	13547	8322	7987	4675	4572	3637
<u>Police</u>										
Physical Arrests	1806	1644	1662	1797	2069	2086	2321	2444	2396	1708
Traffic Violations	9621	8361	9142	9101	10848	7332	7867	7724	8232	6314
<u>Fire</u>										
Fire Calls	741	805	1014	1079	1235	1736	1693	1625	1712	1683
Emergency Medical Service Calls	1870	1951	2245	2402	2726	2705	2627	2652	2804	2815
<u>Parks &amp; Recreation</u>										
Golf course (Rounds of Golf)	25652	23478	24156	21680	21513	21575	17567	14468	17016	12952
Golf course (Rounds per Special Events)	2102	1929	1743	2341	1763	2198	2160	1431	808	1077
<u>Water</u>										
Average daily consumption (gallons x 1,000)	3,040,000	2,880,000	3,110,000	3,000,000	2,860,000	2,939,748	3,419,414	3,268,000	3,190,000	2,904,667
Peak daily consumption (gallons x 1000)	4,252,000	4,266,000	5,135,000	4,988,000	4,516,000	4,358,000	5,734,000	6,216,000	5,620,000	5,229,000
<u>Wastewater</u>										
East Plant Average daily sewage treatment (gallons)	n/a	n/a	1,366,000	1,421,000	1,462,000	1,493,000	1,873,000	1,694,000	1,650,000	1,630,000
SW Plant Average daily sewage treatment (gallons)	739,000	682,000	673,000	717,000	672,000	689,000	745,000	818,166	715,000	770,000

n/a - information is not available

CITY OF JUNCTION CITY, KANSAS  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Function/Program:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Police</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	7	7	7	7	7	7	7	7	7
<u>Fire Stations</u>										
	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Streets (miles)	87.4	87.4	87.4	124	124	149	149	149	149	149
Streetlights	1,326	1,326	1,438	1,438	1,438	1,615	1,615	1,615	1,615	1,615
Traffic Signals	13	13	13	15	15	15	19	18	18	18
<u>Parks &amp; Recreation</u>										
Public Parks	16	16	17	17	18	18	18	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	5/6	5/6	5/6	5/6	5/6	5/6	5/6	7	7	7
Tennis Courts	7	7	7	7	7	7	7	6	6	6
Community Centers	2	2	2	2	2	2	1*	1	1	1
Spin City Recreation Complex	1	1	1	1	1	1	1	1	1	1
<u>Water</u>										
Water mains (miles)	84	113.1	113.1	123.3	123.3	123.3	123.3	123.3	123.3	123.3
Storage capacity (gallons)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<u>Wastewater</u>										
Sanitary sewers (miles)	74.1	93.2	102.5	102.5	107	107	107	107	107	107
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
<u>Storm water</u>										
Storm sewers (miles)	12	13	13	13	13	14.2	14.2	14.2	14.2	14.2

Source: City of Junction City, Kansas Departments

\*Summer Fun Club Building is no longer used.

(UNAUDITED)