

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

Year ended December 31, 2011

CITY OF JUNCTION CITY, KANSAS
Basic Financial Statements With Required
And Other Supplementary Information
For the year ended December 31, 2011

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CITY OF JUNCTION CITY, KANSAS

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MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT
ON THE BASIC FINANCIAL STATEMENTS

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We were not engaged to audit the aggregate discretely presented component units of the City as of and for the year ended December 31, 2011. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, and applicable provisions of the "Kansas Municipal Audit Guide." Those 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Junction City Public Library (the Library) have not been audited, and we were not engaged to audit the Library's financial statements as part of our audit of the City's basic financial statements. The Library's financial activities are included in the City's basic financial statements as a discretely presented component unit and represent 6 percent, 12 percent and 33 percent of the assets, net assets, and revenues, respectively, of the City's aggregate discretely presented component units. 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 94 percent, 88 percent and 67 percent of the assets, net assets, and revenues, respectively, of the City's aggregate discretely presented component units.

Because the Library's and Spirit's financial statements have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the aggregate discretely presented component units of the City of Junction City, Kansas as of and for the year ended December 31, 2011.

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In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Junction City, Kansas, as of December 31, 2011, 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.

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 48 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.

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 information is 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.

Mig Houser: Company PA

July 12, 2012

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

Fiscal Year Ended December 31, 2011

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, 2011. We encourage readers to consider the information presented here in conjunction with the City's financial statements which begin on page 1.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2011 by \$57,792,789 (net assets).
- The City's governmental funds reported combined ending fund balances of \$8,135,208.
- The fund balance for the general fund increased by \$2,802,746.
- The City's total general obligation debt increased in 2011 by \$2,119,590.

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, Sanitation and Rolling Meadows Golf Course. During 2011 efforts began to absorb Rolling Meadows into the General Fund as "Parks and Recreation." The General Fund, during 2011, paid \$114,913 of the operating expenses for the golf course. We anticipate the entire golf course fund to be absorbed by the general fund by the end of 2012.

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, 2011

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, 2011

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 \$57,792,789 at the close of 2011. The City's net assets increased by \$8,233,481. The governmental activities increased by \$6,701,607. The business type activities increased by \$1,531,874.

City of Junction City
Government-Wide Financial Statements

	Governmental Activities		Business-type Activities	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Current and other assets	\$ 58,439,527	\$ 68,058,938	\$ 2,469,522	\$ 4,848,264
Capital assets	89,941,099	86,706,798	70,945,923	68,969,453
Other noncurrent assets	2,398,250	2,294,610	222,389	258,988
Total assets	<u>\$ 150,778,876</u>	<u>\$ 157,060,346</u>	<u>\$ 73,637,834</u>	<u>\$ 74,076,705</u>
Long term liabilities	\$ 142,128,238	\$ 135,414,485	\$ 19,485,581	\$ 16,890,635
Other liabilities	11,621,390	17,915,425	1,621,774	3,123,717
Total liabilities	<u>\$ 153,749,628</u>	<u>\$ 153,329,910</u>	<u>\$ 21,107,355</u>	<u>\$ 20,014,352</u>
Net assets:				
Invested in capital assets, net of related debt	\$ [52,187,139]	\$ [54,665,937]	\$ 51,460,342	\$ 50,146,497
Restricted	45,735,080	49,923,874	-	-
Unrestricted	3,481,307	8,472,499	1,070,137	3,915,856
Total net assets	<u>\$ [2,970,752]</u>	<u>\$ 3,730,436</u>	<u>\$ 52,530,479</u>	<u>\$ 54,062,353</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, 2011

A portion of the City's net assets, \$49,923,874, 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>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Revenues:				
Program revenues				
Charges for services	\$ 2,505,036	\$ 3,032,305	\$10,448,340	\$ 11,342,059
Operating grants and contributions	1,669,496	1,626,703	-	-
Capital grants and contributions	4,875,055	6,432,843	-	-
General revenues				
Property taxes	8,892,436	9,027,993	-	-
Sales tax	6,790,642	10,578,965	-	-
Franchise taxes	1,807,406	1,769,991	-	-
Other	1,731,515	1,695,678	305,358	296,566
Total revenue	<u>28,271,586</u>	<u>34,164,478</u>	<u>10,753,698</u>	<u>11,638,625</u>
Expenses:				
General government	5,078,582	3,216,686	-	-
Public safety	7,016,947	8,094,613	-	-
Public works	8,924,171	4,756,348	-	-
Culture and recreation	654,829	1,030,077	-	-
Economic development	742,286	735,663	-	-
Public health and sanitation	1,134,918	1,803,687	-	-
Interest on long-term debt	5,721,931	6,698,600	-	-
Payments on other obligations	-	1,516,382	-	-
Water and sewer	-	-	7,210,683	7,356,961
Stormwater	-	-	246,341	408,349
Spin City skating	-	-	192,967	179,062
Golf	-	-	477,042	332,836
Sanitation	-	-	1,366,544	1,440,358
Total expenses	<u>29,273,664</u>	<u>27,852,056</u>	<u>9,493,577</u>	<u>9,717,566</u>
Change in net assets before transfers	[1,002,078]	6,312,422	1,260,121	1,921,059
Transfers	<u>159,000</u>	<u>389,185</u>	<u>[159,000]</u>	<u>[389,185]</u>
Change in net assets	<u>[843,078]</u>	<u>6,701,607</u>	<u>1,101,121</u>	<u>1,531,874</u>
Net assets, beginning of year as previously stated	[2,127,477]	[2,970,752]	51,429,358	52,530,479
Prior period adjustment	<u>[197]</u>	<u>[419]</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year restated	<u>[2,127,674]</u>	<u>[2,971,171]</u>	<u>51,429,358</u>	<u>52,530,479</u>
Net assets, end of year	<u>\$ [2,970,752]</u>	<u>\$ 3,730,436</u>	<u>\$52,530,479</u>	<u>\$ 54,062,353</u>

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

Fiscal Year Ended December 31, 2011

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 2011, unassigned fund balance of the general fund was \$3,993,315.

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 2011 amounted to \$3,018,757, the Storm Water Fund's unrestricted net assets were \$909,555 and the non major proprietary fund's were \$[12,456]. The non major proprietary funds are the Golf Fund, Spin City, and Sanitation. The total change in net assets in 2011 for the water and sewer fund was an increase of \$1,628,222 and a decrease of \$[121,889] for stormwater fund while the non major proprietary funds change in net asset was in increase \$25,551.

General Fund Budgetary Highlights

The City continues to be impacted by the rapid growth of the community due to expansion at the adjacent military installation. Fort Riley, home of the First Division is continuing its growth and is predicted to be at 'full nest' in 2012.

The City's revenues have remained stable for the last two years. Sales tax revenue in 2011 was \$ 5,950,705.61 A revenue source that was increased is franchise fees.

Residential construction has grown rapidly in the community. The City has continued to see a steady number of building permits issued. The permits are for single family and multi-family dwelling units. Building permits issued in 2011 were 1022, representing 301 new housing units. The previous number of permits issued for 2010 were 1042, representing 213 new housing units and in 2009 the City issued 628 permits that represent 187 new housing units.

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

Fiscal Year Ended December 31, 2011

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, 2011, amounts to \$155,676,251 (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>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Construction in Progress	\$ 40,924	\$ -	\$ 358,493	\$ 371,810
Land	13,732,739	13,732,739	610,446	610,446
Buildings	19,004,609	19,004,609	26,613,364	26,613,364
Streets	83,710,318	95,905,599	74,791,178	74,791,178
Equipment and Improvements	19,857,994	7,742,437	9,136,403	9,169,403
Less: Accumulated Depreciation	<u>[46,405,485]</u>	<u>[49,678,586]</u>	<u>[40,563,961]</u>	<u>[42,586,748]</u>
Total capital assets, net	<u>\$89,941,099</u>	<u>\$86,706,798</u>	<u>\$70,945,923</u>	<u>\$68,969,453</u>

At the end of 2011, the City had total bonded debt outstanding of \$133,602,110 backed by full faith and credit of the city, no temporary notes, and \$21,797,130 of State of Kansas Revolving Loan fund debt. \$7,299,593 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 2011. The crisis was averted by the implementation of several immediate cutbacks as well as significant increases in revenues. Ultimately, a Fiscal Transformation Plan was developed to ensure complete recovery. Some of the actions taken to respond and recover included the following:

1. Debt restructuring to improve cash flow position.
2. Increase in property taxes by 2.068 mills
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.
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.

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

Fiscal Year Ended December 31, 2011

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 and the Cities' year end cash balance was \$9,379,827.

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

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

	Governmental Activities		Business-type Activities	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
General obligation bonds	\$ 78,537,972	\$ 61,530,383	\$ 10,875,000	\$ 10,710,786
Special assessment debt	43,757,923	60,970,581	-	-
State of KS Revolving Loans	15,265,655	14,497,537	7,740,887	7,944,826
Certificate of Participation	3,950,000	3,625,000	-	-
Notes Payable	-	-	719,446	-
Capital Lease Obligations	1,154,950	749,234	245,408	167,344
Total	<u>\$ 142,666,500</u>	<u>\$ 141,372,735</u>	<u>\$ 19,580,741</u>	<u>\$ 18,822,956</u>

The City's total debt decreased by a net amount of \$2,051,550 during 2011. 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 City of Junction City reached its debt limit in 2011.

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 Clerk's Office, 700 N. Jefferson, Junction City, Kansas.

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government			Component Units	
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Public Library (unaudited)	Spirit of '76 (unaudited)
ASSETS					
Current assets:					
Cash and investments	\$ 6,119,937	\$ 3,259,890	\$ 9,379,827	\$ 892,531	\$ 142,079
Receivables (net of allowance for uncollectibles)					
Accounts	667,171	1,507,103	2,174,274	-	1,038,889
Taxes	10,517,487	-	10,517,487	-	-
Special assessments	50,719,714	-	50,719,714	-	-
Notes	34,629	-	34,629	-	-
Internal balances	-	73,271	73,271	-	-
Inventory	-	8,000	8,000	-	-
Property investment held for sale	-	-	-	-	11,931,844
Deferred charges	2,294,610	258,988	2,553,598	-	-
Total current assets	70,353,548	5,107,252	75,460,800	892,531	13,112,812
Noncurrent assets:					
Capital assets, nondepreciable					
Construction in progress	-	371,810	371,810	-	-
Land	13,732,739	610,446	14,343,185	-	-
Capital assets, depreciable	122,652,645	110,573,945	233,226,590	-	-
Less: Accumulated depreciation	[49,678,586]	[42,586,748]	[92,265,334]	-	-
Total noncurrent assets	86,706,798	68,969,453	155,676,251	-	-
Total assets	\$ 157,060,346	\$ 74,076,705	\$ 231,137,051	\$ 892,531	\$ 13,112,812
Current liabilities:					
Accounts payable	\$ 415,929	\$ 477,520	\$ 893,449	\$ 11,673	\$ -
Accrued payroll	262,701	6,943	269,644	-	-
Interest payable	2,024,555	214,440	2,238,995	-	-
Meter deposits payable	-	388,245	388,245	-	-
Unearned revenue	8,525,385	-	8,525,385	-	-
Current portion of compensated absences payable	280,857	23,816	304,673	-	-
Current portion of loans payable	835,779	545,424	1,381,203	-	1,619,802
Current portion of general obligation bonds payable	2,518,392	1,414,220	3,932,612	-	-
Current portion of special assessments bonds payable	2,440,978	-	2,440,978	-	-
Current portion of certificate of participation	340,000	-	340,000	-	-
Current portion of capital lease payable	270,849	53,109	323,958	-	-
Total current liabilities	17,915,425	3,123,717	21,039,142	11,673	1,619,802
Noncurrent liabilities:					
Compensated absences payable	336,432	7,161	343,593	-	-
Due to other funds	-	73,271	73,271	-	-
Net OPEB Obligation	111,316	-	111,316	-	-
Loans payable	13,661,758	7,399,402	21,061,160	-	4,661,231
General obligation bonds payable	59,011,991	9,296,566	68,308,557	-	-
Special assessments bonds payable	58,529,603	-	58,529,603	-	-
Certificates of participation payable	3,285,000	-	3,285,000	-	-
Capital lease payable	478,385	114,235	592,620	-	-
Total non-current liabilities	135,414,485	16,890,635	152,305,120	-	4,661,231
Total liabilities	\$ 153,329,910	\$ 20,014,352	\$ 173,344,262	\$ 11,673	\$ 6,281,033
Net Assets					
Invested in capital assets, net of related debt	\$ [54,665,937]	\$ 50,146,497	\$ [4,519,440]	\$ -	\$ -
Restricted for:					
Capital projects	470,734	-	470,734	-	-
Revolving funds	724,979	-	724,979	-	-
Equipment	33,002	-	33,002	-	-
Debt service	48,695,159	-	48,695,159	-	-
Unrestricted	8,472,499	3,915,856	12,388,355	880,858	6,831,779
Total net assets	\$ 3,730,436	\$ 54,062,353	\$ 57,792,789	\$ 880,858	\$ 6,831,779

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, 2011

	Net [Expenses] Revenue and Changes in Net Assets								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total	Public Library (Unaudited)	Spirit of '76 (Unaudited)
Governmental activities:									
General government	\$ 3,216,686	\$ 582,415	\$ 590,458	\$ -	\$ [2,043,813]	\$ -	\$ [2,043,813]	\$ -	\$ -
Public safety	8,094,613	2,077,034	352,350	126,940	[5,538,289]	-	[5,538,289]	-	-
Public works	4,756,348	372,856	577,895	6,305,903	2,500,306	-	2,500,306	-	-
Culture and recreation	1,030,077	-	-	-	[1,030,077]	-	[1,030,077]	-	-
Economic development	735,663	-	106,000	-	[629,663]	-	[629,663]	-	-
Public health and sanitation	1,803,687	-	-	-	[1,803,687]	-	[1,803,687]	-	-
Payments on other obligations (see note)	1,516,382	-	-	-	[1,516,382]	-	[1,516,382]	-	-
Interest on long-term debt	6,698,600	-	-	-	[6,698,600]	-	[6,698,600]	-	-
Total governmental activities	<u>27,852,056</u>	<u>3,032,305</u>	<u>1,626,703</u>	<u>6,432,843</u>	<u>[16,760,205]</u>	<u>-</u>	<u>[16,760,205]</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water and Sewer	7,356,961	8,527,278	-	-	-	1,170,317	1,170,317	-	-
Stormwater	408,349	836,450	-	-	-	428,101	428,101	-	-
Rolling Hills Golf Skating	332,836	378,200	-	-	-	45,364	45,364	-	-
Spin City	179,062	143,004	-	-	-	[36,058]	[36,058]	-	-
Sanitation	1,440,358	1,457,127	-	-	-	16,769	16,769	-	-
Total business-type activities	<u>9,717,566</u>	<u>11,342,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,624,493</u>	<u>1,624,493</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 37,569,622</u>	<u>\$ 14,374,364</u>	<u>\$ 1,626,703</u>	<u>\$ 6,432,843</u>	<u>[16,760,205]</u>	<u>1,624,493</u>	<u>[15,135,712]</u>	<u>-</u>	<u>-</u>
Component units:									
Public Library	\$ 908,464	\$ -	\$ 990,976	\$ -	-	-	-	82,512	-
Spirit of '76	817,715	312,952	155,905	1,522,004	-	-	-	-	1,173,146
Total component units	<u>\$ 1,726,179</u>	<u>\$ 312,952</u>	<u>\$ 1,146,881</u>	<u>\$ 1,522,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,512</u>	<u>1,173,146</u>
General Revenues:									
Property tax					9,027,993	-	9,027,993	-	-
Sales tax					10,578,965	-	10,578,965	-	-
Franchise tax					1,769,991	-	1,769,991	-	-
Payments in lieu of tax					15,537	-	15,537	-	-
Investment revenues					115,395	-	115,395	-	12
Miscellaneous					1,564,746	296,566	1,861,312	-	-
Transfers, net					389,185	[389,185]	-	-	-
Subtotal general revenues					<u>23,461,812</u>	<u>[92,619]</u>	<u>23,369,193</u>	<u>-</u>	<u>12</u>
Change in net assets					<u>6,701,607</u>	<u>1,531,874</u>	<u>8,233,481</u>	<u>82,512</u>	<u>1,173,158</u>
Net assets - beginning					<u>[2,970,752]</u>	<u>52,530,479</u>	<u>49,559,727</u>	<u>798,346</u>	<u>5,658,621</u>
Prior period adjustment					<u>[419]</u>	<u>-</u>	<u>[419]</u>	<u>-</u>	<u>-</u>
Net assets - beginning, restated					<u>[2,971,171]</u>	<u>52,530,479</u>	<u>49,559,308</u>	<u>798,346</u>	<u>5,658,621</u>
Net assets - ending					<u>\$ 3,730,436</u>	<u>\$ 54,062,353</u>	<u>\$ 57,792,789</u>	<u>\$ 880,858</u>	<u>\$ 6,831,779</u>

CITY OF JUNCTION CITY, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	<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>
ASSETS						
Cash and investments	\$ 2,130,690	\$ -	\$ 470,734	\$ 2,557,895	\$ 960,617	\$ 6,119,936
Receivables (net)						
Accounts	281,962	-	-	-	385,209	667,171
Taxes	2,698,632	365,173	-	5,949,772	1,503,910	10,517,487
Special assessments	-	-	-	50,719,714	-	50,719,714
Notes	-	-	-	-	34,629	34,629
Due from other funds	254,459	-	-	-	685,447	939,906
Total assets	<u>\$ 5,365,743</u>	<u>\$ 365,173</u>	<u>\$ 470,734</u>	<u>\$ 59,227,381</u>	<u>\$ 3,569,812</u>	<u>\$ 68,998,843</u>
LIABILITIES						
Accounts payable	\$ 357,242	\$ 888	\$ -	\$ -	\$ 11,844	\$ 369,974
Retainage payable	45,955	-	-	-	-	45,955
Deferred revenue	706,530	365,173	-	56,669,486	1,503,910	59,245,099
Due to other funds	-	685,447	-	-	254,459	939,906
Accrued liabilities	262,701	-	-	-	-	262,701
Total liabilities	<u>1,372,428</u>	<u>1,051,508</u>	<u>-</u>	<u>56,669,486</u>	<u>1,770,213</u>	<u>60,863,635</u>
FUND BALANCE						
Restricted	-	-	470,734	2,557,895	2,022,686	5,051,315
Committed	-	-	-	-	28,704	28,704
Unassigned	3,993,315	[686,335]	-	-	[251,791]	3,055,189
Total fund balances	<u>3,993,315</u>	<u>[686,335]</u>	<u>470,734</u>	<u>2,557,895</u>	<u>1,799,599</u>	<u>8,135,208</u>
Total liabilities and fund balance	<u>\$ 5,365,743</u>	<u>\$ 365,173</u>	<u>\$ 470,734</u>	<u>\$ 59,227,381</u>	<u>\$ 3,569,812</u>	<u>\$ 68,998,843</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 ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2011

Total Governmental Fund Balances		\$ 8,135,208
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
The cost of capital assets is	136,385,384	
Accumulated depreciation is	<u>[49,678,586]</u>	86,706,798
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
		53,014,325
The following liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated absences	[617,289]	
Net OPEB obligation	[111,316]	
Loans payable	[14,497,537]	
General obligation bonds payable	[61,530,383]	
Special assessment bonds payable	[60,970,581]	
Certificates of participation payable	[3,625,000]	
Capital lease payable	[749,234]	
Accrued interest on the bonds	<u>[2,024,555]</u>	<u>[144,125,895]</u>
Net Assets of Governmental Activities		\$ <u>3,730,436</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, 2011

	<u>General</u>	<u>Capital Improvements</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes						
Property	\$ 3,431,706	\$ 233,892	\$ -	\$ 3,006,218	\$ 2,356,177	\$ 9,027,993
Sales	7,545,993	-	-	3,032,972	-	10,578,965
Franchise	1,769,991	-	-	-	-	1,769,991
Payment in lieu	15,537	-	-	-	-	15,537
Charges for services	1,688,547	-	-	-	-	1,688,547
Intergovernmental	567,193	3,700	-	-	1,055,810	1,626,703
Licenses and permits	372,856	-	-	-	-	372,856
Fines and fees	970,902	-	-	-	-	970,902
Special assessments	-	-	-	2,258,286	-	2,258,286
Use of money and property	13,658	-	14,680	86,526	531	115,395
Miscellaneous	147,089	487,234	1,965	210,391	712,065	1,558,744
Total revenues	<u>16,523,472</u>	<u>724,826</u>	<u>16,645</u>	<u>8,594,393</u>	<u>4,124,583</u>	<u>29,983,919</u>
EXPENDITURES						
Current						
General government	1,804,378	-	-	-	1,112,218	2,916,596
Public safety	7,007,317	-	-	-	664,905	7,672,222
Public works	1,601,633	-	-	-	254,387	1,856,020
Public health and sanitation	1,803,687	-	-	-	-	1,803,687
Culture and recreation	957,164	-	-	-	5,209	962,373
Economic development	277,097	-	-	194,214	264,352	735,663
Miscellaneous	242,442	-	-	93,545	-	335,987
Debt service						
Principal	-	-	-	4,632,124	215,223	4,847,347
Interest and other charges	327,008	-	-	6,517,138	100,410	6,944,556
Payments on contractual obligations	-	-	-	1,516,382	-	1,516,382
Capital outlay	-	-	32,026	-	13,573	45,599
Total expenditures	<u>14,020,726</u>	<u>-</u>	<u>32,026</u>	<u>12,953,403</u>	<u>2,630,277</u>	<u>29,636,432</u>
Excess [deficiency] of revenues over [under] expenditures	<u>2,502,746</u>	<u>724,826</u>	<u>[15,381]</u>	<u>[4,359,010]</u>	<u>1,494,306</u>	<u>347,487</u>
Other financing sources [uses]						
Sale of bonds	-	-	-	4,427,074	-	4,427,074
Loan proceeds	-	-	-	-	50,443	50,443
Transfers in	300,000	-	-	800,000	-	1,100,000
Transfers [out]	-	-	-	[360,815]	[350,000]	[710,815]
Total other financing sources [uses]	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>4,866,259</u>	<u>[299,557]</u>	<u>4,866,702</u>
Net change in fund balance	<u>2,802,746</u>	<u>724,826</u>	<u>[15,381]</u>	<u>507,249</u>	<u>1,194,749</u>	<u>5,214,189</u>
Fund balance - Beginning of year	1,190,569	[1,411,161]	486,115	2,050,646	605,269	2,921,438
Prior period adjustment	-	-	-	-	[419]	[419]
Fund balance - Beginning of year, restated	<u>1,190,569</u>	<u>[1,411,161]</u>	<u>486,115</u>	<u>2,050,646</u>	<u>604,850</u>	<u>2,921,019</u>
Fund balance - End of year	<u>\$ 3,993,315</u>	<u>\$ [686,335]</u>	<u>\$ 470,734</u>	<u>\$ 2,557,895</u>	<u>\$ 1,799,599</u>	<u>\$ 8,135,208</u>

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

CITY OF JUNCTION CITY, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

Total Net Change In Fund Balances - Governmental Funds \$ 5,214,189

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 assets 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	38,800	
Depreciation expense	<u>[3,273,101]</u>	[3,234,301]

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 increased. [30,075]

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. 4,174,557

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	[34,694]
Other post employment benefits	[39,932]

Bond and temporary note proceeds are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net assets 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.

Sale of bonds	[4,245,000]
Loan proceeds	[232,517]
Capitalized bond issuance costs and issuance premiums	144,493
Amortization of issuance costs	<u>[268,176]</u>

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 assets and does not affect the statement of activities.

General obligation debt	3,703,786
Loans	818,561
Capital leases	405,716
Certificates of participation	<u>325,000</u>

Changes In Net Assets of Governmental Activities \$ 6,701,607

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, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 12,098,701	\$ 11,867,843	\$ 11,867,843	\$ 230,858
Charges for services	1,648,428	895,000	895,000	753,428
Intergovernmental	567,193	1,200,000	1,200,000	[632,807]
Licenses and permits	372,856	350,000	350,000	22,856
Fines and fees	970,902	910,000	910,000	60,902
Use of money and property	13,658	152,000	152,000	[138,342]
Grant proceeds	-	100,000	100,000	[100,000]
Miscellaneous	147,089	70,000	70,000	77,089
Total revenues	<u>15,818,827</u>	<u>15,544,843</u>	<u>15,544,843</u>	<u>273,984</u>
Expenditures				
City manager	1,611,913	1,101,345	1,101,345	[510,568]
Building maintenance	30,253	35,000	35,000	4,747
Information systems	161,909	151,486	151,486	[10,423]
Administrative services	303	-	-	[303]
Airport	38,288	160,000	160,000	121,712
Court	280,553	281,516	281,516	963
Ambulance	1,803,687	1,389,996	1,389,996	[413,691]
Animal shelter	104,102	75,000	75,000	[29,102]
Codes enforcement	180,264	197,075	197,075	16,811
County inspection	9,480	-	-	[9,480]
Police	4,646,784	4,823,971	4,823,971	177,187
Fire	1,975,878	2,185,509	2,185,509	209,631
Parks	440,595	516,320	516,320	75,725
Recreation	278,376	225,640	225,640	[52,736]
Streets	1,563,345	2,220,057	2,220,057	656,712
Engineering	87,353	-	-	[87,353]
Opera House	113,052	-	-	[113,052]
Swimming pools	124,877	240,738	240,738	115,861
Arts council	264	-	-	[264]
Misc	242,442	792,204	792,204	549,762
Debt principal	-	900,000	900,000	900,000
Interest	327,008	-	-	[327,008]
Total expenditures	<u>14,020,726</u>	<u>15,295,857</u>	<u>15,295,857</u>	<u>1,275,131</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,798,101</u>	<u>248,986</u>	<u>248,986</u>	<u>1,549,115</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, 2011

	Actual	Budgeted Amounts		Variance with
		Original	Final	Final Budget Positive [Negative]
Other financing sources [uses]				
Transfer [out]	\$ -	\$ [318,000]	\$ [318,000]	\$ 318,000
Transfer in	<u>300,000</u>	<u>275,000</u>	<u>275,000</u>	<u>25,000</u>
Total other financing sources [uses]	<u>300,000</u>	<u>[43,000]</u>	<u>[43,000]</u>	<u>343,000</u>
Net change in fund balance	<u>2,098,101</u>	<u>\$ 205,986</u>	<u>\$ 205,986</u>	<u>\$ 1,892,115</u>
Budgetary basis				
Fund balance, beginning	1,190,569			
Prior period adjustment for budgetary basis	<u>[1,569,419]</u>			
Budgetary basis				
Fund balance, beginning, restated	<u>[378,850]</u>			
Budgetary basis fund balance, ending	1,719,251			
GAAP Adjustments:				
Accounts Receivable	281,962			
Taxes Receivable	2,698,632			
Deferred Revenue	<u>[706,530]</u>			
Fund balance, ending	<u>\$ 3,993,315</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, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 233,892	\$ 167,613	\$ 167,613	\$ 66,279
Intergovernmental	3,700	-	-	3,700
Miscellaneous	<u>487,234</u>	<u>-</u>	<u>-</u>	<u>487,234</u>
Total revenues	<u>724,826</u>	<u>167,613</u>	<u>167,613</u>	<u>557,213</u>
Expenditures				
Neighborhood revitalization	<u>-</u>	<u>288,577</u>	<u>288,577</u>	<u>288,577</u>
Total expenditures	<u>-</u>	<u>288,577</u>	<u>288,577</u>	<u>288,577</u>
Net change in fund balances	724,826	[120,964]	[120,964]	845,790
Fund balance, beginning	<u>[1,411,161]</u>	<u>-</u>	<u>-</u>	<u>[1,411,161]</u>
Fund balance, beginning	<u>\$ [686,335]</u>	<u>\$ [120,964]</u>	<u>\$ [120,964]</u>	<u>\$ [565,371]</u>

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

CITY OF JUNCTION CITY, KANSAS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2011

	Business-Type Activities: Enterprise Funds			Total Enterprise Funds
	Water and Sewer	Stormwater	Nonmajor Proprietary Funds	
ASSETS				
Current assets:				
Cash and investments	\$ 2,501,559	\$ 757,831	\$ 500	\$ 3,259,890
Receivables (net of allowances for uncollectibles)				
Accounts	1,156,828	167,344	182,931	1,507,103
Due from other funds	73,271	-	-	73,271
Inventory and prepaid supplies	-	-	8,000	8,000
Total current assets	<u>3,731,658</u>	<u>925,175</u>	<u>191,431</u>	<u>4,848,264</u>
Noncurrent assets:				
Bond issuance costs	258,988	-	-	258,988
Capital assets:				
Nondepreciable capital assets:				
Land	442,562	-	167,884	610,446
Construction in progress	371,810	-	-	371,810
Depreciable capital assets:				
Capital assets	96,028,831	11,862,905	2,682,209	110,573,945
Less: accumulated depreciation	<u>[40,376,233]</u>	<u>[706,658]</u>	<u>[1,503,857]</u>	<u>[42,586,748]</u>
Total noncurrent assets	<u>56,725,958</u>	<u>11,156,247</u>	<u>1,346,236</u>	<u>69,228,441</u>
Total assets	<u>\$ 60,457,616</u>	<u>\$ 12,081,422</u>	<u>\$ 1,537,667</u>	<u>\$ 74,076,705</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 340,766	\$ 15,620	\$ 121,134	\$ 477,520
Accrued payroll	4,965	-	1,978	6,943
Interest payable	214,440	-	-	214,440
Meter deposits payable	388,245	-	-	388,245
Due to other funds	-	-	73,271	73,271
Current portion of compensated absences payable	16,312	-	7,504	23,816
Current portion of loans payable	468,443	-	76,981	545,424
Current portion of capital lease payable	34,115	-	18,994	53,109
Current portion of general obligation bonds payable	<u>1,414,220</u>	<u>-</u>	<u>-</u>	<u>1,414,220</u>
Total current liabilities	<u>2,881,506</u>	<u>15,620</u>	<u>299,862</u>	<u>3,196,988</u>
Noncurrent liabilities:				
Compensated absences payable	7,161	-	-	7,161
Loans payable	6,831,150	-	568,252	7,399,402
Capital lease payable	112,970	-	1,265	114,235
General obligation bonds payable	<u>9,296,566</u>	<u>-</u>	<u>-</u>	<u>9,296,566</u>
Total noncurrent liabilities	<u>16,247,847</u>	<u>-</u>	<u>569,517</u>	<u>16,817,364</u>
Total liabilities	<u>\$ 19,129,353</u>	<u>\$ 15,620</u>	<u>\$ 869,379</u>	<u>\$ 20,014,352</u>
Net Assets				
Invested in capital assets, net of related debt	\$ 38,309,506	\$ 11,156,247	\$ 680,744	\$ 50,146,497
Unrestricted	<u>3,018,757</u>	<u>909,555</u>	<u>[12,456]</u>	<u>3,915,856</u>
Total net assets	<u>\$ 41,328,263</u>	<u>\$ 12,065,802</u>	<u>\$ 668,288</u>	<u>\$ 54,062,353</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 ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Business-Type Activities: Enterprise Funds			
	Water and Sewer	Stormwater	Nonmajor Proprietary Funds	Total Enterprise Funds
Operating revenue				
Charges for services	\$ 8,527,278	\$ 836,450	\$ 1,978,331	\$ 11,342,059
Miscellaneous	226,215	-	70,351	296,566
Total operating revenues	<u>8,753,493</u>	<u>836,450</u>	<u>2,048,682</u>	<u>11,638,625</u>
Operating expenses				
Personnel services	675,065	-	243,881	918,946
Contractual services	4,023,730	168,259	1,491,121	5,683,110
Commodities	202,931	2,832	131,518	337,281
Depreciation and amortization	1,722,704	237,258	85,736	2,045,698
Total operating expense	<u>6,624,430</u>	<u>408,349</u>	<u>1,952,256</u>	<u>8,985,035</u>
Operating income [loss]	<u>2,129,063</u>	<u>428,101</u>	<u>96,426</u>	<u>2,653,590</u>
Nonoperating revenues [expenses]				
Interest expense	<u>[661,656]</u>	<u>-</u>	<u>[70,875]</u>	<u>[732,531]</u>
Total nonoperating revenues [expenses]	<u>[661,656]</u>	<u>-</u>	<u>[70,875]</u>	<u>[732,531]</u>
Income [loss] before transfers	<u>1,467,407</u>	<u>428,101</u>	<u>25,551</u>	<u>1,921,059</u>
Transfers from [to] other funds				
Transfers in	360,815	-	-	360,815
Transfers [out]	<u>[200,000]</u>	<u>[550,000]</u>	<u>-</u>	<u>[750,000]</u>
Total transfers	<u>160,815</u>	<u>[550,000]</u>	<u>-</u>	<u>[389,185]</u>
Change in net assets	1,628,222	[121,899]	25,551	1,531,874
Net assets, beginning	<u>39,700,041</u>	<u>12,187,701</u>	<u>642,737</u>	<u>52,530,479</u>
Net assets, ending	<u>\$ 41,328,263</u>	<u>\$ 12,065,802</u>	<u>\$ 668,288</u>	<u>\$ 54,062,353</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, 2011

	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	\$ 8,426,030	\$ 761,343	\$ 1,966,397	\$ 11,153,770
Cash paid to suppliers of goods and services	[4,588,332]	[155,471]	[1,769,254]	[6,513,057]
Cash paid to employees	[674,922]	-	[273,245]	[948,167]
Other operating receipts	226,215	-	70,351	296,566
Net cash provided by [used in] operating activities	<u>3,388,991</u>	<u>605,872</u>	<u>[5,751]</u>	<u>3,989,112</u>
Cash flows from capital and related financing activities				
Purchase and construction of capital assets	[43,317]	-	-	[43,317]
Principal payments - capital lease	[40,020]	-	-	[40,020]
Principal payments - general obligation bonds	[935,000]	-	-	[935,000]
Interest payments	[651,317]	-	[70,875]	[722,192]
Debt proceeds	825,000	-	-	825,000
Loan proceeds	29,150	-	-	29,150
Principal payments - loans payable	[482,239]	-	[112,258]	[594,497]
Net cash provided by [used in] capital and related financing activities	<u>[1,297,743]</u>	<u>-</u>	<u>[183,133]</u>	<u>[1,480,876]</u>
Cash flows from noncapital financing activities				
Change in due to/from other funds	[478,271]	-	-	[478,271]
Transfers in	360,815	-	73,271	434,086
Transfers [out]	[200,000]	[550,000]	-	[750,000]
Net cash provided by [used in] noncapital financing activities	<u>[317,456]</u>	<u>[550,000]</u>	<u>73,271</u>	<u>[794,185]</u>
Net increase [decrease] in cash and cash equivalent	1,773,792	55,872	[115,613]	1,714,051
Cash and cash equivalents, beginning	<u>727,767</u>	<u>701,959</u>	<u>116,113</u>	<u>1,545,839</u>
Cash and cash equivalents, ending	<u>\$ 2,501,559</u>	<u>\$ 757,831</u>	<u>\$ 500</u>	<u>\$ 3,259,890</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, 2011

	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]	\$ 2,129,063	\$ 428,101	96,426	\$ 2,653,590
Net cash provided by [used in] operating activities				
Depreciation expense	1,722,704	237,258	85,736	2,045,698
[Increase] decrease in inventory	-	-	1,868	1,868
[Increase] decrease in accounts receivable	[101,248]	[75,107]	[11,934]	[188,289]
Increase [decrease] in accounts payable	[361,671]	15,620	[148,483]	[494,534]
Increase [decrease] in accrued payroll	[123]	-	[4,236]	[4,359]
Increase [decrease] in accrued compensated absences	266	-	[25,128]	[24,862]
Net cash provided by [used in] operating activities	<u>\$ 3,388,991</u>	<u>\$ 605,872</u>	<u>\$ [5,751]</u>	<u>\$ 3,989,112</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, 2011

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 units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements (see note below for descriptions) to emphasize that they are legally separate from the City.

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 is presented as a governmental fund type. 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 assets 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, 2011

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, 2011

1. Summary of Significant Accounting Policies (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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, 2011

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 Assets.

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, 2011

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, 2011

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 assets. 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.

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, 2011

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
	<u>General</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Fund Balances:						
Restricted for:						
Economic development	\$ -	\$ -	\$ -	\$ -	\$ 796,309	\$ 796,309
Public works	-	-	-	-	810,014	810,014
Capital improvements	-	-	-	2,557,895	-	2,557,895
Public safety	-	-	-	-	416,363	416,363
Debt payments	-	-	470,734	-	-	470,734
Committed for:						
General government	-	-	-	-	27,726	27,726
Culture and recreation	-	-	-	-	978	978
Unassigned:	<u>3,993,315</u>	<u>[686,335]</u>	<u>-</u>	<u>-</u>	<u>[251,791]</u>	<u>3,055,189</u>
Total Fund Balances	<u>\$ 3,993,315</u>	<u>\$ (686,335)</u>	<u>\$ 470,734</u>	<u>\$ 2,557,895</u>	<u>\$ 1,799,599</u>	<u>\$ 8,135,208</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, 2011

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 Trust, and the Debt Service Funds. Budgets are not required for the Military Affairs, Grants, Sundown Salute, Capital Projects, Rural Housing District, Revolving Loans, Water and Sewer, Rolling Hills Golf, 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 5th.
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 2011 budget was not amended.

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.

Deficit Fund Balances

The capital improvement fund, utility charges fund, employee benefits, and library fund had deficit fund balances of \$686,335, \$79,330, \$151,627, and \$20,834, respectively, at December 31, 2011.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2011, expenditures and transfer out exceeded appropriations in the utility charges fund, employee benefits fund, and the law enforcement trust fund by \$ 2,946, \$ 85,074, and \$190,461, respectively. 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, 2011

3. Restatement of Equity

The implementation of GASB 54 required the reclassification of the governmental fund balances. The following is the reclassification of fund balance as of December 31, 2010.

	Fund Balance Classification As of December 31, <u>2010</u> <u>Unreserved</u>
Governmental Fund:	
General Fund	\$ 1,190,569
Capital Improvement Fund	[1,411,161]
Debt Service Fund	486,115
Capital Projects Fund	2,050,646
Other Governmental Funds	<u>605,269</u>
Total Governmental Funds	<u>\$ 2,921,438</u>

	Fund Balance Classification As of December 31, 2010, Reclassified			
	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	<u>Total</u>
Governmental Fund:				
General Fund	\$ -	\$ -	\$ 1,190,569	\$ 1,190,569
Capital Improvement Fund	-	-	[1,411,161]	[1,411,161]
Debt Service Fund	486,115	-	-	486,115
Capital Projects Fund	2,050,646	-	-	2,050,646
Other Governmental Funds	<u>1,601,711</u>	<u>25,177</u>	<u>[1,021,619]</u>	<u>605,269</u>
Total Governmental Funds	<u>\$ 4,138,472</u>	<u>\$ 25,177</u>	<u>\$ [1,242,211]</u>	<u>\$ 2,921,438</u>

In 2011, it was determined that an adjustment to beginning accrued liabilities was required. The effect of which is as follows:

	Governmental <u>Activities</u>
Net Assets - December 31, 2010	\$ [2,970,752]
Accrued Liability Adjustment	<u>[419]</u>
Net Assets - December 31, 2010	<u>\$ [2,971,171]</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

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, 2011, 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, 2011, 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	\$3,599,783

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.

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, 2011, the City's investments were not exposed to custodial credit risk.

CITY OF JUNCTION CITY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

5. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

Primary Government:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,732,739	\$ -	\$ -	\$ 13,732,739
Construction in progress	<u>40,924</u>	<u>-</u>	<u>40,924</u>	<u>-</u>
Total capital assets not being depreciated	<u>13,773,663</u>	<u>-</u>	<u>40,924</u>	<u>13,732,739</u>
Capital assets being depreciated:				
Buildings and improvements	19,004,609	-	-	19,004,609
Machinery and equipment	19,857,994	-	-	19,857,994
Infrastructure	<u>83,710,318</u>	<u>79,724</u>	<u>-</u>	<u>83,790,042</u>
Total capital assets being depreciated	<u>122,572,921</u>	<u>79,724</u>	<u>-</u>	<u>122,652,645</u>
Less accumulated depreciation for:				
Buildings and improvements	8,339,746	336,441	-	8,676,187
Machinery and equipment	8,886,362	2,679,185	-	11,565,547
Infrastructure	<u>29,179,377</u>	<u>257,475</u>	<u>-</u>	<u>29,436,852</u>
Total accumulated depreciation	<u>46,405,485</u>	<u>3,273,101</u>	<u>-</u>	<u>49,678,586</u>
Total capital assets being depreciated, net	<u>76,167,436</u>	<u>[3,193,377]</u>	<u>-</u>	<u>72,974,059</u>
Governmental activities capital assets, net	<u>\$ 89,941,099</u>	<u>\$ [3,193,377]</u>	<u>\$ 40,924</u>	<u>\$ 86,706,798</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

5. **Capital Assets (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 610,446	\$ -	\$ -	\$ 610,446
Construction in progress	<u>358,493</u>	<u>13,317</u>	<u>-</u>	<u>371,810</u>
Total capital assets not being depreciated	<u>968,939</u>	<u>13,317</u>	<u>-</u>	<u>982,256</u>
Capital assets being depreciated:				
Buildings and improvements	26,613,364	-	-	26,613,364
Machinery and equipment	9,136,403	33,000	-	9,169,403
Infrastructure	<u>74,791,178</u>	<u>-</u>	<u>-</u>	<u>74,791,178</u>
Total capital assets being depreciated	<u>110,540,945</u>	<u>33,000</u>	<u>-</u>	<u>110,573,945</u>
Less accumulated depreciation for:				
Buildings and improvements	7,163,750	485,292	-	7,649,042
Machinery and equipment	7,364,655	253,357	-	7,618,012
Infrastructure	<u>26,035,556</u>	<u>1,284,138</u>	<u>-</u>	<u>27,319,694</u>
Total accumulated depreciation	<u>40,563,961</u>	<u>2,022,787</u>	<u>-</u>	<u>42,586,748</u>
Total capital assets being depreciated, net	<u>69,976,984</u>	<u>[1,989,787]</u>	<u>-</u>	<u>67,987,197</u>
Business-type activities capital assets, net	<u>\$ 70,945,923</u>	<u>\$ [1,976,470]</u>	<u>\$ -</u>	<u>\$ 68,969,453</u>

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

Governmental activities:	
General government	\$ 300,090
Public safety	347,765
Public works	2,557,542
Parks and recreation	<u>67,704</u>
Total depreciation expense - governmental activities	<u>\$ 3,273,101</u>
Business-type activities:	
Water and Sewer	\$ 1,699,794
Stormwater	237,258
Nonmajor	<u>85,735</u>
Total depreciation expense - business type activities	<u>\$ 2,022,787</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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 2011 was 6.74%. The City's employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$200,687, \$174,096, and \$165,786, respectively, equal to the statutory required contributions for each year. The City's KP&F uniform participating employer rate established for calendar year 2011 is 14.57%. 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, 2011, 2010, and 2009 were \$726,663, \$631,891, and \$670,348, 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 2011, the City contributed \$13,800 to the plan.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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	\$ 55,296
Interest on Net OPEB Obligation	3,569
Adjustment to Annual Required Contribution	<u>[5,133]</u>
Annual OPEB cost (expense)	53,732
Benefit payments	<u>13,800</u>
Change in net OPEB obligation	39,932
Net OPEB obligation - beginning of year	<u>71,384</u>
Net OPEB obligation - end of year	<u><u>\$ 111,316</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, 2009	\$ 48,126	\$ 13,776	\$ 34,350	28.63%
December 31, 2010	50,834	13,800	71,384	27.15%
December 31, 2011	53,732	13,800	111,316	25.68%

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.

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.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

7. Other Postemployment Healthcare Benefits (Continued)

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, 2011, industrial revenue bonds of \$26,051,835 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, 2011 of \$5,992,265.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

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
	January 1, 2011	Adjustment	Additions	Reductions	December 31, 2011
General obligation bonds	\$ 78,537,972	\$ [18,901,033]	\$ 4,245,000	\$ 2,015,410	\$ 61,866,529
Less: deferred amount on refunding	[538,262]	-	-	[26,044]	[512,218]
Plus: unamortized bond premium	-	-	182,074	6,002	176,072
Special assessment debt					
with government commitment	43,757,923	18,901,033	-	1,688,375	60,970,581
KDOT Loans Payable	15,265,655	-	50,443	818,561	14,497,537
Certificates of Participation	3,950,000	-	-	325,000	3,625,000
Capital leases payable	1,154,950	-	-	405,716	749,234
Compensated absences	582,595	-	315,551	280,857	617,289
Net other postemployment benefit obligation	71,384	-	53,732	13,800	111,316
	<u>\$ 142,782,217</u>	<u>\$ -</u>	<u>\$ 4,846,800</u>	<u>\$ 5,527,677</u>	<u>\$ 142,101,340</u>

Business-Type Activities

	Balance		Additions/		Balance
	January 1, 2011	Adjustment	Adjustments	Reductions	December 31, 2011
General obligation bonds	\$ 10,875,000	\$ -	\$ 825,000	\$ 935,000	\$ 10,765,000
Less: deferred amount on refunding	[175,801]	-	-	[31,024]	[144,777]
Plus: unamortized bond premium	80,641	-	22,465	12,543	90,563
Revolving loans payable	7,740,887	-	29,150	470,444	7,299,593
Notes payable	719,446	-	-	74,213	645,233
Capital leases payable	245,408	-	-	78,064	167,344
Compensated absences	55,839	-	26,507	51,369	30,977
	<u>\$ 19,541,420</u>	<u>\$ 19,541,420</u>	<u>\$ 903,122</u>	<u>\$ 1,590,609</u>	<u>\$ 18,853,933</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, 2011

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, 2011 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, 2011</u>
General Obligation Bonds:					
Governmental activities:					
Series 2001-DK	9/1/2011	3.65% to 4.80%	\$ 1,923,010	9/1/2022	\$ 821,646
Series 2003-DL	9/1/2013	2.60% to 4.5%	6,150,000	9/1/2023	3,455,000
Series 2004-DN	9/1/2014	4.00% to 4.75%	4,544,443	9/1/2024	3,619,025
Series 2005-DO	9/1/2015	4.50% to 4.875%	6,000,000	9/1/2025	4,875,000
Series 2007-DP	9/1/2017	4.00% to 5.00%	9,039,606	9/1/2027	8,052,202
Series 2008-DQ	9/1/2018	4.00% to 4.50%	1,320,000	9/1/2028	1,385,000
Series 2008-DR	9/1/2018	5.75% to 6.00%	10,265,000	9/1/2028	9,565,000
Series 2008-DS	anytime	4.125%	382,000	9/15/2028	342,423
Series 2008-DT	9/1/2016	5.25%	1,995,000	9/1/2024	1,809,687
Series 2009-DU	9/1/2019	3.00% to 5.00%	4,222,060	9/1/2014	3,977,580
Series 2010-DW	9/1/2031	2.00% to 4.50%	32,681,738	9/1/2031	15,102,563
Series 2010-DX	9/1/2031	2.40% to 6.20%	5,690,000	9/1/2031	4,616,404
Series 2011A	9/1/2034	4.50% to 5.00%	3,835,000	9/1/2034	3,835,000
Series 2011C	9/1/2026	5.00% to 5.75%	410,000	9/1/2026	410,000
					61,866,529
Business-type activities:					
Series 2007-DP	9/1/2017	4.00% to 5.00%	4,205,000	9/1/2027	3,740,000
Series 2008-DQ	9/1/2018	4.00% to 4.50%	1,950,000	9/1/2028	1,770,000
Series 2009-DV	noncallable	3.00% to 4.00%	5,765,000	9/1/2017	4,430,000
Series 2011B	9/1/2036	5.50%	825,000	9/1/2036	825,000
					10,765,000
					\$ 72,631,529

CITY OF JUNCTION CITY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

10. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The future annual requirements for general obligation bonds outstanding as of December 31, 2011 are as follows:

Year Ending <u>December 31,</u>	Governmental <u>Activities</u>	Business Type <u>Activities</u>
2012	\$ 5,394,747	\$ 1,414,220
2013	5,380,207	1,410,474
2014	5,382,092	1,411,688
2015	5,389,739	1,411,950
2016	5,387,686	1,403,907
2017-2021	28,019,404	3,279,922
2022-2026	23,648,843	2,679,164
2027-2031	12,292,655	867,048
2032-2036	<u>2,048,250</u>	<u>1,019,700</u>
Total Principal and Interest	92,943,623	14,898,073
Total Interest	<u>31,077,094</u>	<u>4,133,073</u>
Total Principal	<u>\$ 61,866,529</u>	<u>\$ 10,765,000</u>

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, 2011 are comprised of the following issues:

	Interest <u>Rates</u>	Original <u>Issue</u>	Final Maturity <u>Date</u>	Outstanding December 31, <u>2011</u>
Special Assessment Bonds:				
Governmental activities:				
Series 2001-DK	3.65% to 4.80%	\$ 336,990	9/1/2022	\$ 193,354
Series 2004-DN	4.00% to 4.75%	415,557	9/1/2024	310,975
Series 2007-DP	4.00% to 5.00%	15,185,394	9/1/2027	13,247,798
Series 2009-DU	3.00% to 5.00%	30,057,940	9/1/2029	28,317,420
Series 2010-DW	2.00% to 4.50%	17,984,037	9/1/2031	17,827,438
Series 2010-DX	2.40% to 6.20%	1,073,596	9/1/2031	<u>1,073,596</u>
				<u>\$ 60,970,581</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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>
2012	\$ 2,440,978	\$ 2,599,300
2013	2,495,317	2,515,493
2014	2,598,784	2,416,382
2015	2,693,158	2,335,000
2016	2,764,983	2,248,634
2017-2021	15,500,258	9,573,978
2022-2026	19,040,268	5,903,653
2027-2031	13,436,835	1,485,466
	<u>\$ 60,970,581</u>	<u>\$ 29,077,906</u>

Refunding

In the current year, the City issued Series 2011A, 2011B and 2011C totaling \$5,070,000 combined with existing city funds of \$2,273,488 for the purpose of advance refunding of the principal and interest due on September 1, 2011 on the City's outstanding general obligations as follows:

	September 1, 2011		
<u>Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series DP	\$ 1,070,000	\$ 610,575	\$ 1,680,575
Series DQ	30,000	68,565	98,565
Series DU	1,220,000	718,329	1,938,329
Series DW	290,000	621,297	911,297
Series DN	220,000	89,286	309,286
Series DS	13,729	14,691	28,420
Series DL	250,000	72,965	322,965
Series DT	48,144	48,768	96,912
Series DK	185,000	26,309	211,309
Series DV	705,000	82,956	787,956
Series DO	245,000	121,613	366,613
Series DR	315,000	282,800	597,800
	<u>\$ 4,591,873</u>	<u>\$ 2,758,154</u>	<u>\$ 7,350,027</u>

CITY OF JUNCTION CITY, KANSAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2011

10. Long-Term Debt (Continued)

Refunding (continued)

The 2011 refunding issues resulted in a combined economic loss of \$2,851,232.

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 \$3,194,623.

The following is a schedule of future minimum lease payments for capital leases as of December 31, 2011:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 270,849	\$ 28,962	\$ 53,109	\$ 8,713
2013	232,897	17,797	37,385	6,155
2014	176,661	8,566	38,247	4,021
2015	18,227	3,505	38,603	1,770
2016	19,234	2,498	-	-
2017-2018	<u>31,366</u>	<u>1,709</u>	<u>-</u>	<u>-</u>
	<u>\$ 749,234</u>	<u>\$ 63,037</u>	<u>\$ 167,344</u>	<u>\$ 20,659</u>

Subsequent Event

The City has entered into lease agreements to purchase equipment from Veolia. The City has decided to take over the public works and sanitation from the private contractor and bring the service into City operations.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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 \$142,924 were made in 2011, leaving a total outstanding balance of \$1,740,328 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 \$32,267 were made in 2011, leaving a total outstanding balance of \$440,228 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 \$258,678 were made in 2011, leaving a total outstanding balance of \$4,814,771 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 enables the City to borrow \$800,000 to finance improvements to the water system. As of December 31, 2011, the City has drawn \$340,841 on this loan. Payments of \$36,574 were made in 2011, leaving a total outstanding balance of \$304,266 which is shown as a liability in the water/sewer fund. The debt service requirements to the maturity date will not be determinable until the final draws have been made.

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 \$255,621 were made in 2011, leaving a total outstanding balance of \$1,618,510. 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, 2011

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 \$190,586 were made in 2011, leaving a total outstanding balance of \$4,404,751. 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%. Draws of \$32,027 and payments of \$183,427 were made in 2011, leaving a total outstanding balance of \$4,104,927. 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 \$133,857 were made in 2011, leaving a total outstanding balance of \$3,414,198. 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.

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%. Draws of \$1,968 and \$5,842 of payments were made in 2011, leaving a total outstanding balance of \$100,801. 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 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%. Draws of \$8,836 and \$26,143 of payments were made in 2011, leaving a total outstanding balance of \$452,702. 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 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%. Draws of \$7,612 and \$23,085 of payments were made in 2011, leaving a total outstanding balance of \$401,648. 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.

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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 December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 835,779	\$ 577,204	\$ 468,443	\$ 231,291
2013	871,611	541,372	483,294	216,440
2014	905,873	507,110	498,630	201,104
2015	941,486	471,497	514,468	185,266
2016	978,503	434,480	530,824	168,910
2017-2021	3,952,553	1,664,002	2,918,871	579,801
2022-2026	4,577,325	847,778	2,029,634	190,980
2027-2030	1,434,408	77,346	169,347	14,877
Total	<u>\$ 14,497,537</u>	<u>\$ 5,120,788</u>	<u>\$ 7,613,511</u>	<u>\$ 1,788,669</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	
	Principal	Interest
2012	\$ 340,000	\$ 149,488
2013	350,000	135,894
2014	365,000	121,888
2015	380,000	107,288
2016	395,000	92,088
2017-2021	1,215,000	241,400
2022	580,000	24,650
	<u>\$ 3,625,000</u>	<u>\$ 872,696</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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 \$74,213 were made in 2011 leaving an outstanding balance of \$645,233. This balance is shown as a liability in the Spin City nonmajor proprietary fund.

Future maturities of the note payable are as follows:

	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 76,981	\$ 27,634
2013	80,607	24,007
2014	84,321	20,294
2015	88,205	16,410
2016	92,229	12,385
2017-2019	<u>222,890</u>	<u>11,947</u>
	<u>\$ 645,233</u>	<u>\$ 112,677</u>

CITY OF JUNCTION CITY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

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, 2011, 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, 2011 was \$50,719,714.

12. Interfund Transactions

Interfund transfers for the year ended December 31, 2011, consisted of the following:

	Transfers		Due to Other Funds	Due from Other Funds
	<u>In</u>	<u>Out</u>		
Major funds:				
General Fund	\$ 300,000	\$ -	\$ -	\$ 254,459
Capital Improvement Fund	-	-	685,447	-
Other Governmental Funds	-	350,000	254,459	685,447
Debt Service Fund	800,000	360,815	-	-
Water and Sewer Fund	360,815	200,000	-	73,271
Stormwater Fund		550,000	-	-
Nonmajor funds:				
Other Proprietary Funds	-	-	73,271	-
	<u>\$ 1,460,815</u>	<u>\$ 1,460,815</u>	<u>\$ 1,013,177</u>	<u>\$ 1,013,177</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, 2011

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 4th 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 -

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.

CITY OF JUNCTION CITY, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2011

	<u>Economic Development</u>	<u>Utility Charges</u>	<u>Employee Benefits</u>	<u>Library</u>
ASSETS				
Cash and investments	\$ 71,389	\$ -	\$ -	\$ -
Receivables				
Property tax	169,295	41,663	370,990	782,729
Accounts	-	-	2,712	-
Notes	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 240,684</u>	<u>\$ 41,663</u>	<u>\$ 373,702</u>	<u>\$ 782,729</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 59	\$ 44	\$ -	\$ -
Deferred revenues	169,295	41,663	370,990	782,729
Due to other funds	-	79,286	154,339	20,834
Total liabilities	<u>169,354</u>	<u>120,993</u>	<u>525,329</u>	<u>803,563</u>
Fund balance:				
Restricted	71,330	-	-	-
Committed	-	-	-	-
Unassigned	-	[79,330]	[151,627]	[20,834]
Total fund balance [deficit]	<u>71,330</u>	<u>[79,330]</u>	<u>[151,627]</u>	<u>[20,834]</u>
Total liabilities and fund balances	<u>\$ 240,684</u>	<u>\$ 41,663</u>	<u>\$ 373,702</u>	<u>\$ 782,729</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, 2011

	<u>Special Highway</u>	<u>Fire Equipment</u>	<u>Drug and Alcohol</u>	<u>Military Affairs</u>
ASSETS				
Cash and investments	\$ 111,212	\$ 34,472	\$ 120,184	\$ 879
Receivables				
Property tax	-	139,233	-	-
Accounts	-	-	-	-
Notes	-	-	-	26,999
Due from other funds	<u>685,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 796,659</u>	<u>\$ 173,705</u>	<u>\$ 120,184</u>	<u>\$ 27,878</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16	\$ 1,470	\$ 142	\$ 152
Deferred revenues	-	139,233	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16</u>	<u>140,703</u>	<u>142</u>	<u>152</u>
Fund balance:				
Restricted	796,643	33,002	120,042	-
Committed	-	-	-	27,726
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance [deficit]	<u>796,643</u>	<u>33,002</u>	<u>120,042</u>	<u>27,726</u>
Total liabilities and fund balances	<u>\$ 796,659</u>	<u>\$ 173,705</u>	<u>\$ 120,184</u>	<u>\$ 27,878</u>

<u>Sundown Salute</u>	<u>Revolving Loans</u>	<u>Grants</u>	<u>Rural Housing District</u>	<u>Law Enforcement Trust</u>	<u>Totals</u>
\$ 631	\$ 336,623	\$ 16,433	\$ -	\$ 268,794	\$ 960,617
-	-	-	-	-	1,503,910
347	380,726	1,424	-	-	385,209
-	7,630	-	-	-	34,629
-	-	-	-	-	685,447
<u>\$ 978</u>	<u>\$ 724,979</u>	<u>\$ 17,857</u>	<u>\$ -</u>	<u>\$ 268,794</u>	<u>\$ 3,569,812</u>

\$ -	\$ -	\$ 4,486	\$ -	\$ 5,475	\$ 11,844
-	-	-	-	-	1,503,910
-	-	-	-	-	254,459
-	-	4,486	-	5,475	1,770,213

-	724,979	13,371	-	263,319	2,022,686
978	-	-	-	-	28,704
-	-	-	-	-	[251,791]
<u>978</u>	<u>724,979</u>	<u>13,371</u>	<u>-</u>	<u>263,319</u>	<u>1,799,599</u>
<u>\$ 978</u>	<u>\$ 724,979</u>	<u>\$ 17,857</u>	<u>\$ -</u>	<u>\$ 268,794</u>	<u>\$ 3,569,812</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
For the Year Ended December 31, 2011

	<u>Economic Development</u>	<u>Utility Charges</u>	<u>Employee Benefits</u>	<u>Library</u>
Revenues				
Taxes	\$ 172,032	\$ 123,680	\$ 738,809	\$ 803,885
Intergovernmental	106,000	-	-	-
Use of money and property	-	-	92	-
Miscellaneous	-	8,296	179,513	-
Total revenues	<u>278,032</u>	<u>131,976</u>	<u>918,414</u>	<u>803,885</u>
Expenditures				
General government	-	-	284,119	797,382
Public safety	-	-	-	-
Public works	-	2,946	-	-
Recreation	-	-	-	-
Economic development	264,352	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>264,352</u>	<u>2,946</u>	<u>284,119</u>	<u>797,382</u>
Excess [deficiency] of revenues over [under] expenditures	<u>13,680</u>	<u>129,030</u>	<u>634,295</u>	<u>6,503</u>
Other financing sources [uses]				
Loan proceeds	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>13,680</u>	<u>129,030</u>	<u>634,295</u>	<u>6,503</u>
Fund balances, beginning of the year	58,069	[208,360]	(785,922)	[27,337]
Prior period adjustment	<u>[419]</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of the year, restated	<u>57,650</u>	<u>[208,360]</u>	<u>[785,922]</u>	<u>[27,337]</u>
Fund balance, end of year	<u>\$ 71,330</u>	<u>\$ [79,330]</u>	<u>\$ [151,627]</u>	<u>\$ [20,834]</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, 2011

	Special <u>Highway</u>	Fire <u>Equipment</u>	Drug and <u>Alcohol</u>	Military <u>Affairs</u>	Sundown <u>Salute</u>
Revenues					
Taxes	\$ -	\$ 139,772	\$ 81,222	\$ -	\$ -
Intergovernmental	577,895	-	-	19,565	-
Interest income	-	-	-	-	-
Miscellaneous	-	5,143	-	14,687	5,201
Total revenues	<u>577,895</u>	<u>144,915</u>	<u>81,222</u>	<u>34,252</u>	<u>5,201</u>
Expenditures					
General government	-	-	-	30,717	-
Public safety	-	112,112	70,927	-	-
Public works	34,721	-	-	-	-
Recreation	-	-	-	-	5,209
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	18,417	-	-	-	-
Total Expenditures	<u>53,138</u>	<u>112,112</u>	<u>70,927</u>	<u>30,717</u>	<u>5,209</u>
Excess [deficiency] of revenues over [under] expenditures	<u>524,757</u>	<u>32,803</u>	<u>10,295</u>	<u>3,535</u>	<u>[8]</u>
Other financing sources [uses]					
Loan proceeds	50,443	-	-	-	-
Transfer [out]	[350,000]	-	-	-	-
Total other financing sources [uses]	<u>[299,557]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>225,200</u>	<u>32,803</u>	<u>10,295</u>	<u>3,535</u>	<u>[8]</u>
Fund balances, beginning of the year	571,443	199	109,747	24,191	986
Prior period adjustment	-	-	-	-	-
Fund balances, beginning of the year, restated	<u>571,443</u>	<u>199</u>	<u>109,747</u>	<u>24,191</u>	<u>986</u>
Fund balance, end of year	<u>\$ 796,643</u>	<u>\$ 33,002</u>	<u>\$ 120,042</u>	<u>\$ 27,726</u>	<u>\$ 978</u>

Revolving Loans	Grants	Rural Housing District	Law Enforcement Trust	Totals
\$ -	\$ -	\$ 296,777	\$ -	\$ 2,356,177
-	352,350	-	-	1,055,810
-	-	439	-	531
<u>26,891</u>	<u>-</u>	<u>-</u>	<u>472,334</u>	<u>712,065</u>
<u>26,891</u>	<u>352,350</u>	<u>297,216</u>	<u>472,334</u>	<u>4,124,583</u>
-	-	-	-	1,112,218
-	125,023	-	356,843	664,905
-	216,720	-	-	254,387
-	-	-	-	5,209
-	-	-	-	264,352
-	13,573	-	-	13,573
-	-	215,223	-	215,223
-	-	81,993	-	100,410
<u>-</u>	<u>355,316</u>	<u>297,216</u>	<u>356,843</u>	<u>2,630,277</u>
<u>26,891</u>	<u>[2,966]</u>	<u>-</u>	<u>115,491</u>	<u>1,494,306</u>
-	-	-	-	50,443
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[350,000]</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[299,557]</u>
<u>26,891</u>	<u>[2,966]</u>	<u>-</u>	<u>115,491</u>	<u>1,194,749</u>
698,088	16,337	-	147,828	605,269
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[419]</u>
<u>698,088</u>	<u>16,337</u>	<u>-</u>	<u>147,828</u>	<u>604,850</u>
<u>\$ 724,979</u>	<u>\$ 13,371</u>	<u>\$ -</u>	<u>\$ 263,319</u>	<u>\$ 1,799,599</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, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 3,006,218	\$ 3,122,656	\$ 3,122,656	\$ [116,438]
Special assessments	2,258,286	2,121,783	2,121,783	136,503
Sales tax	3,032,972	2,556,000	2,556,000	476,972
Use of money and property	86,526	-	-	86,526
Miscellaneous revenues	<u>210,391</u>	<u>150,000</u>	<u>150,000</u>	<u>60,391</u>
Total revenues	<u>8,594,393</u>	<u>7,950,439</u>	<u>7,950,439</u>	<u>643,954</u>
Expenditures				
Debt service				
Principal	5,958,387	4,686,949	4,686,949	[1,271,438]
Interest and other charges	6,707,257	6,524,328	6,524,328	[182,929]
Neighborhood revitalization	194,214	391,146	391,146	196,932
Other	<u>93,545</u>	<u>1,984,439</u>	<u>1,984,439</u>	<u>1,890,894</u>
Total expenditures	<u>12,953,403</u>	<u>13,586,862</u>	<u>13,586,862</u>	<u>633,459</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[4,359,010]</u>	<u>[5,636,423]</u>	<u>[5,636,423]</u>	<u>1,277,413</u>
Other financing sources [uses]				
Transfer in	800,000	800,000	800,000	-
Transfer [out]	[360,815]	-	-	[360,815]
Sale of bonds	<u>4,427,074</u>	<u>-</u>	<u>-</u>	<u>4,427,074</u>
Total other financing sources	<u>4,866,259</u>	<u>800,000</u>	<u>800,000</u>	<u>4,066,259</u>
Net change in fund balance	507,249	[4,836,423]	[4,836,423]	5,343,672
Fund balance, beginning	<u>2,050,646</u>	<u>-</u>	<u>-</u>	<u>2,050,646</u>
Fund balance, ending	<u>\$ 2,557,895</u>	<u>\$ [4,836,423]</u>	<u>\$ [4,836,423]</u>	<u>\$ 7,394,318</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, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 172,032	\$ 181,891	\$ 181,891	\$ [9,859]
Intergovernmental	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>-</u>
Total revenues	<u>278,032</u>	<u>287,891</u>	<u>287,891</u>	<u>[9,859]</u>
Expenditures				
Personal services	76,811	184,728	184,728	107,917
Contractual services	81,605	90,000	90,000	8,395
Commodities	105,936	8,000	8,000	[97,936]
Capital outlay	-	2,000	2,000	2,000
Neighborhood revitalization	<u>-</u>	<u>14,186</u>	<u>14,186</u>	<u>14,186</u>
Total expenditures	<u>264,352</u>	<u>298,914</u>	<u>298,914</u>	<u>34,562</u>
Net change in fund balances	<u>13,680</u>	<u>[11,023]</u>	<u>[11,023]</u>	<u>24,703</u>
Fund balance, beginning	58,069	-	-	58,069
Prior period adjustment	<u>[419]</u>	<u>-</u>	<u>-</u>	<u>[419]</u>
Fund balance, beginning, restated	<u>57,650</u>	<u>-</u>	<u>-</u>	<u>57,650</u>
Fund balance, ending	<u>\$ 71,330</u>	<u>\$ [11,023]</u>	<u>\$ [11,023]</u>	<u>\$ 82,353</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
 UTILITY CHARGES FUND
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 123,680	\$ 103,913	\$ 103,913	\$ 19,767
Miscellaneous	<u>8,296</u>	<u>-</u>	<u>-</u>	<u>8,296</u>
Total revenues	<u>131,976</u>	<u>103,913</u>	<u>103,913</u>	<u>28,063</u>
Expenditures				
Contractual services	<u>2,946</u>	<u>-</u>	<u>-</u>	<u>[2,946]</u>
Total expenditures	<u>2,946</u>	<u>-</u>	<u>-</u>	<u>[2,946]</u>
Net change in fund balances	129,030	103,913	103,913	25,117
Fund balance, beginning	<u>[208,360]</u>	<u>-</u>	<u>-</u>	<u>[208,360]</u>
Fund balance, ending	<u>\$ [79,330]</u>	<u>\$ 103,913</u>	<u>\$ 103,913</u>	<u>\$ [183,243]</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
 EMPLOYEE BENEFITS FUND
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 738,809	\$ 749,887	\$ 749,887	\$ [11,078]
Interest income	92	-	-	92
Miscellaneous revenues	<u>186,206</u>	<u>-</u>	<u>-</u>	<u>186,206</u>
Total revenues	<u>925,107</u>	<u>749,887</u>	<u>749,887</u>	<u>175,220</u>
Expenditures				
Personnel services	225,762	26,011	26,011	[199,751]
Contractual services	58,357	160,000	160,000	101,643
Neighborhood revitalization	<u>-</u>	<u>13,034</u>	<u>13,034</u>	<u>13,034</u>
Total expenditures	<u>284,119</u>	<u>199,045</u>	<u>199,045</u>	<u>[85,074]</u>
Net change in fund balances	<u>640,988</u>	<u>\$ 550,842</u>	<u>\$ 550,842</u>	<u>\$ 90,146</u>
Budgetary basis				
Fund balance, beginning	[785,922]			
Prior period adjustment for budgetary basis	<u>[9,405]</u>			
Budgetary basis				
Fund balance, beginning, restated	<u>[795,327]</u>			
Budgetary basis fund balance, ending	[154,339]			
GAAP Adjustments:				
Accounts Receivable	<u>2,712</u>			
Fund balance, ending	<u>\$ [151,627]</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

LIBRARY FUND

For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 803,885	\$ 844,458	\$ 844,458	\$ [40,573]
Intergovernmental	-	90,670	90,670	[90,670]
Investment income	-	37,000	37,000	[37,000]
Miscellaneous	-	9,400	9,400	[9,400]
Total revenues	<u>803,885</u>	<u>981,528</u>	<u>981,528</u>	<u>[177,643]</u>
Expenditures				
Contractual services	<u>797,382</u>	<u>946,505</u>	<u>946,505</u>	<u>149,123</u>
Total expenditures	<u>797,382</u>	<u>946,505</u>	<u>946,505</u>	<u>149,123</u>
Net change in fund balances	6,503	35,023	35,023	[28,520]
Fund balance, beginning	<u>[27,337]</u>	-	-	<u>[27,337]</u>
Fund balance, ending	<u>\$ [20,834]</u>	<u>\$ 35,023</u>	<u>\$ 35,023</u>	<u>\$ [55,857]</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
 SPECIAL HIGHWAY FUND
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 577,895	\$ 493,770	\$ 493,770	\$ 84,125
Total revenues	<u>577,895</u>	<u>493,770</u>	<u>493,770</u>	<u>84,125</u>
Expenditures				
Personnel services	-	110,000	110,000	110,000
Capital outlay	-	38,000	38,000	38,000
Contractual services	34,721	41,142	41,142	6,421
Debt service	<u>18,417</u>	<u>-</u>	<u>-</u>	<u>[18,417]</u>
Total expenditures	<u>53,138</u>	<u>189,142</u>	<u>189,142</u>	<u>136,004</u>
Excess [deficiency] of revenues over [under] expenditures	<u>524,757</u>	<u>304,628</u>	<u>304,628</u>	<u>220,129</u>
Other financing sources [uses]				
Transfer out	[350,000]	[350,000]	[350,000]	-
Loan proceeds	<u>50,443</u>	<u>-</u>	<u>-</u>	<u>50,443</u>
Total other financing sources [uses]	<u>[299,557]</u>	<u>[350,000]</u>	<u>[350,000]</u>	<u>50,443</u>
Net change in fund balances	225,200	[45,372]	[45,372]	270,572
Fund balance, beginning	<u>571,443</u>	<u>-</u>	<u>-</u>	<u>571,443</u>
Fund balance, ending	<u>\$ 796,643</u>	<u>\$ [45,372]</u>	<u>\$ [45,372]</u>	<u>\$ 842,015</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
 FIRE EQUIPMENT FUND
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Taxes	\$ 139,772	\$ 147,308	\$ 147,308	\$ [7,536]
Miscellaneous revenues	<u>5,143</u>	<u>-</u>	<u>-</u>	<u>5,143</u>
Total revenues	<u>144,915</u>	<u>147,308</u>	<u>147,308</u>	<u>[2,393]</u>
Expenditures				
Commodities	3,977	-	-	[3,977]
Contractual	9,728	-	-	[9,728]
Debt service	98,407	120,000	120,000	21,593
Capital outlay	<u>-</u>	<u>18,724</u>	<u>18,724</u>	<u>18,724</u>
Total expenditures	<u>112,112</u>	<u>138,724</u>	<u>138,724</u>	<u>26,612</u>
Net change in fund balances	32,803	8,584	8,584	24,219
Fund balance, beginning	<u>199</u>	<u>-</u>	<u>-</u>	<u>199</u>
Fund balance, ending	<u>\$ 33,002</u>	<u>\$ 8,584</u>	<u>\$ 8,584</u>	<u>\$ 24,418</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
 DRUG AND ALCOHOL FUND
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 81,222	\$ 80,000	\$ 80,000	\$ 1,222
Total revenues	<u>81,222</u>	<u>80,000</u>	<u>80,000</u>	<u>1,222</u>
Expenditures				
Personnel services	68,067	67,359	67,359	[708]
Commodities	-	10,000	10,000	10,000
Contractual services	<u>2,860</u>	<u>30,000</u>	<u>30,000</u>	<u>27,140</u>
Total expenditures	<u>70,927</u>	<u>107,359</u>	<u>107,359</u>	<u>36,432</u>
Net change in fund balances	10,295	[27,359]	[27,359]	37,654
Fund balance, beginning	<u>109,747</u>	<u>-</u>	<u>-</u>	<u>109,747</u>
Fund balance, ending	<u>\$ 120,042</u>	<u>\$ [27,359]</u>	<u>\$ [27,359]</u>	<u>\$ 147,401</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 TRUST FUND
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with
		<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Miscellaneous revenues	\$ 472,334	\$ 98,000	\$ 98,000	\$ 374,334
Total revenues	<u>472,334</u>	<u>98,000</u>	<u>98,000</u>	<u>374,334</u>
Expenditures				
Personnel services	18,338	18,382	18,382	44
Commodities	321,882	148,000	148,000	[173,882]
Contractual services	5,268	-	-	[5,268]
Debt service	<u>11,355</u>	<u>-</u>	<u>-</u>	<u>[11,355]</u>
Total expenditures	<u>356,843</u>	<u>166,382</u>	<u>166,382</u>	<u>[190,461]</u>
Net change in fund balance	115,491	[68,382]	[68,382]	183,873
Fund balance, beginning	<u>147,828</u>	<u>-</u>	<u>-</u>	<u>147,828</u>
Fund balance, ending	<u>\$ 263,319</u>	<u>\$ [68,382]</u>	<u>\$ [68,382]</u>	<u>\$ 331,701</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 ASSETS
 NONMAJOR PROPRIETARY FUNDS
 December 31, 2011

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
ASSETS				
Current assets:				
Cash and investments	\$ 500	\$ -	\$ -	\$ 500
Receivables (net of allowance for uncollectibles)				
Accounts	-	-	182,931	182,931
Inventory and prepaid supplies	8,000	-	-	8,000
Total current assets	<u>8,500</u>	<u>-</u>	<u>182,931</u>	<u>191,431</u>
Capital assets:				
Nondepreciable capital assets:				
Land	-	167,884	-	167,884
Depreciable capital assets:				
Capital assets	1,028,997	1,298,643	354,569	2,682,209
Less: accumulated depreciation	<u>[994,267]</u>	<u>[166,485]</u>	<u>[343,105]</u>	<u>[1,503,857]</u>
Total capital assets	<u>34,730</u>	<u>1,300,042</u>	<u>11,464</u>	<u>1,346,236</u>
Total assets	<u>\$ 43,230</u>	<u>\$ 1,300,042</u>	<u>\$ 194,395</u>	<u>\$ 1,537,667</u>
Liabilities:				
Current liabilities				
Accounts payable	\$ 8,797	\$ 1,526	\$ 110,811	\$ 121,134
Accrued payroll	331	1,647	-	1,978
Current portion of compensated absences payable	7,504	-	-	7,504
Current portion of leases payable	18,994	-	-	18,994
Current portion of loans payable	-	76,981	-	76,981
Total current liabilities	<u>35,626</u>	<u>80,154</u>	<u>110,811</u>	<u>226,591</u>
Noncurrent liabilities:				
Leases payable	1,265	-	-	1,265
Loans payable	-	568,252	-	568,252
Due to other funds	-	35,286	37,985	73,271
Total noncurrent liabilities	<u>1,265</u>	<u>603,538</u>	<u>37,985</u>	<u>642,788</u>
Total liabilities	<u>\$ 36,891</u>	<u>\$ 683,692</u>	<u>\$ 148,796</u>	<u>\$ 869,379</u>
Net Assets				
Invested in capital assets, net of related debt	\$ 14,471	\$ 654,809	\$ 11,464	\$ 680,744
Unrestricted	<u>[8,132]</u>	<u>[38,459]</u>	<u>34,135</u>	<u>[12,456]</u>
Total net assets	<u>\$ 6,339</u>	<u>\$ 616,350</u>	<u>\$ 45,599</u>	<u>\$ 668,288</u>

See independent auditor's report on the financial statements.

CITY OF JUNCTION CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
Operating revenues				
Charges for services	\$ 378,200	\$ 143,004	\$ 1,457,127	\$ 1,978,331
Miscellaneous	-	70,351	-	70,351
Total operating revenues	<u>378,200</u>	<u>213,355</u>	<u>1,457,127</u>	<u>2,048,682</u>
Operating expenses				
Personal services	138,768	105,113	-	243,881
Commodities	111,306	20,212	-	131,518
Contractual services	39,629	12,116	1,439,376	1,491,121
Depreciation	<u>43,133</u>	<u>41,621</u>	<u>982</u>	<u>85,736</u>
Total operating expenses	<u>332,836</u>	<u>179,062</u>	<u>1,440,358</u>	<u>1,952,256</u>
Operating income [loss]	<u>45,364</u>	<u>34,293</u>	<u>16,769</u>	<u>96,426</u>
Nonoperating revenues [expenses]				
Interest expense	<u>[31,755]</u>	<u>[39,120]</u>	-	<u>[70,875]</u>
Total nonoperating revenues [expenses]	<u>[31,755]</u>	<u>[39,120]</u>	-	<u>[70,875]</u>
Income [loss] before transfers	<u>13,609</u>	<u>[4,827]</u>	<u>16,769</u>	<u>25,551</u>
Change in net assets	13,609	[4,827]	16,769	25,551
Net assets, January 1	<u>[7,270]</u>	<u>621,177</u>	<u>28,830</u>	<u>642,737</u>
Net assets, December 31	<u>\$ 6,339</u>	<u>\$ 616,350</u>	<u>\$ 45,599</u>	<u>\$ 668,288</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, 2011

	Rolling Hills Golf	Spin City Skating	Sanitation	Total Nonmajor Proprietary Funds
Cash flows from operating activities				
Cash received from customers and users	\$ 378,200	\$ 143,004	\$ 1,445,193	\$ 1,966,397
Cash paid to suppliers of goods and services	[140,835]	[31,415]	[1,597,004]	[1,769,254]
Cash paid to employees	[167,871]	[105,370]	[4]	[273,245]
Other operating receipts	-	70,351	-	70,351
Net cash provided by [used in] operating activities	<u>69,494</u>	<u>76,570</u>	<u>[151,815]</u>	<u>[5,751]</u>
Cash flows from capital and related financing activities				
Interest payments	[31,755]	[39,120]	-	[70,875]
Principal payments - loans payable	<u>[38,045]</u>	<u>[74,213]</u>	<u>-</u>	<u>[112,258]</u>
Net cash provided by [used in] capital and related financing activities	<u>[69,800]</u>	<u>[113,333]</u>	<u>-</u>	<u>[183,133]</u>
Cash flows from noncapital financing activities				
Increase in due to	<u>-</u>	<u>35,286</u>	<u>37,985</u>	<u>73,271</u>
Net decrease in cash and cash equivalent	[306]	[1,477]	[113,830]	[115,613]
Cash and cash equivalents, beginning	<u>806</u>	<u>1,477</u>	<u>113,830</u>	<u>116,113</u>
Cash and cash equivalents, ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</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, 2011

	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]	\$ 45,364	\$ 34,293	\$ 16,769	\$ 96,426
Net cash provided by [used in] operating activities				
Depreciation expense	43,133	41,621	982	85,736
[Increase] decrease in accounts receivable	-	-	[11,934]	[11,934]
[Increase] decrease in inventory	1,868	-	-	1,868
Increase [decrease] in accounts payable	8,232	913	[157,628]	[148,483]
Increase [decrease] in accrued wages	[3,975]	[257]	[4]	[4,236]
Increase [decrease] in accrued compensated absences	[25,128]	-	-	[25,128]
Net cash provided by [used in] operating activities	<u>\$ 69,494</u>	<u>\$ 76,570</u>	<u>\$ [151,815]</u>	<u>\$ [5,751]</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. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF JUNCTION CITY, KANSAS
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS (1)
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Governmental Activities</u>									
Invested in capital assets, net of related debt	\$ 10,008,136	\$ 7,988,363	\$ 8,279,026	\$ 7,097,886	\$ 4,506,056	\$ [5,282,987]	\$ [46,755,055]	\$ [52,187,139]	\$ [54,665,937]
Restricted	596,109	3,163,573	5,091,216	5,490,971	7,463,306	12,160,233	43,671,684	45,735,080	49,923,874
Unrestricted	879,516	1,348,088	[7,690,663]	[8,172,358]	[5,960,530]	[1,115,780]	955,894	3,481,307	8,472,499
Total governmental activities net assets	\$ 11,483,761	\$ 12,500,024	\$ 5,679,579	\$ 4,416,499	\$ 6,008,832	\$ 5,761,466	\$ [2,127,477]	\$ [2,970,752]	\$ 3,730,436
<u>Business-type activities</u>									
Invested in capital assets, net of related debt	\$ 11,024,079	\$ 10,895,824	\$ 10,820,847	\$ 11,481,933	\$ 11,613,184	\$ 18,203,507	\$ 51,968,838	\$ 51,460,342	\$ 50,146,497
Restricted	519,193	395,150	206,359	-	-	-	-	-	-
Unrestricted	622,406	509,676	208,177	[484,993]	[271,769]	[485,171]	[539,480]	1,070,137	3,915,856
Total business-type activities net assets	\$ 12,165,678	\$ 11,800,650	\$ 11,235,383	\$ 10,996,940	\$ 11,341,415	\$ 17,718,336	\$ 51,429,358	\$ 52,530,479	\$ 54,062,353
<u>Primary government</u>									
Invested in capital assets, net of related debt	\$ 21,032,215	\$ 18,884,187	\$ 19,099,873	\$ 18,579,819	\$ 16,119,240	\$ 12,920,520	\$ 5,213,783	\$ [726,797]	\$ [4,519,440]
Restricted	1,115,302	3,558,723	5,297,575	5,490,971	7,463,306	12,160,233	43,671,684	45,735,080	49,923,874
Unrestricted	1,501,922	1,857,764	[7,482,486]	[8,657,351]	[6,232,299]	[1,600,951]	416,414	4,551,444	12,388,355
Total primary government net assets	\$ 23,649,439	\$ 24,300,674	\$ 16,914,962	\$ 15,413,439	\$ 17,350,247	\$ 23,479,802	\$ 49,301,881	\$ 49,559,727	\$ 57,792,789

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 ASSETS
LAST NINE FISCAL YEARS (1)
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities									
General government	\$ 4,210,218	\$ 5,138,247	\$ 11,839,659	\$ 7,293,604	\$ 6,842,828	\$ 11,965,528	\$ 6,181,566	\$ 5,078,582	\$ 3,216,686
Public safety	5,341,318	5,880,245	5,854,063	6,621,168	6,675,397	7,410,915	7,938,190	7,016,947	8,094,613
Public works	7,899,629	3,188,705	4,560,855	5,059,327	8,488,528	10,061,261	9,097,814	8,924,171	4,756,348
Culture and recreation	1,041,589	1,173,781	1,580,500	1,695,816	2,060,490	1,744,522	1,005,475	654,829	1,030,077
Economic Development	-	-	-	-	-	-	238,548	742,286	735,663
Public health and sanitation	-	-	-	-	-	-	-	1,134,918	1,803,687
Payments on other obligations (see note)	-	-	-	-	-	-	-	-	1,516,382
Interest long term debt	-	-	-	-	-	-	6,210,775	5,721,931	6,698,600
Total governmental expenses	18,492,754	15,380,978	23,835,077	20,669,915	24,067,243	31,182,226	30,672,368	29,273,664	27,852,056
Business-type activities									
Water and sewer	3,989,317	5,574,030	5,843,858	5,900,823	6,509,210	6,489,970	7,640,329	7,210,683	7,356,961
Rolling hills golf	561,998	555,660	525,259	523,165	543,841	548,355	555,128	477,042	332,836
Sanitation	779,359	806,518	1,026,459	835,574	935,241	1,005,900	1,236,329	1,366,544	1,440,358
Internal Services	266,589	21,755	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	253,430	246,341	408,349
Spin City skating	-	-	-	-	-	230,156	233,779	192,967	179,062
Total business-type activities expenses	5,597,263	6,957,963	7,395,576	7,259,562	7,988,292	8,274,381	9,918,995	9,493,577	9,717,566
Total primary government expenses	\$ 24,090,017	\$ 22,338,941	\$ 31,230,653	\$ 27,929,477	\$ 32,055,535	\$ 39,456,607	\$ 40,591,363	\$ 38,767,241	\$ 37,569,622
Program Revenues									
Governmental activities:									
Charges for Service	\$ 3,374,872	\$ 1,339,348	\$ 1,549,052	\$ 2,988,074	\$ 2,828,266	\$ 2,144,822	\$ 2,083,131	\$ 2,505,036	\$ 3,032,305
Intergovernmental	1,029,484	965,626	754,690	934,385	499,115	484,660	-	-	-
Operating grants and contributions	358,431	521,115	941,948	472,904	363,903	2,335,515	3,627,056	1,669,496	1,626,703
Other	563,990	2,163,105	1,818,957	1,407,233	1,896,914	451,597	-	-	-
Capital grants and contributions	-	-	59,426	5,960	4,385,178	5,749,283	33,674,775	4,875,055	6,432,843
Total governmental activities program revenues	5,326,777	4,989,194	5,124,073	5,808,556	9,973,376	11,165,877	39,384,962	9,049,587	11,091,851
Business-type activities:									
Charges for service	-	-	-	-	-	-	-	-	-
Water and sewer	5,107,888	5,574,030	5,271,541	6,112,332	6,918,957	6,948,085	7,154,180	7,857,651	8,527,278
Rolling hills golf	559,882	555,660	582,748	512,630	514,797	534,189	487,340	437,633	378,200
Sanitation	837,565	806,518	1,025,920	834,419	899,013	972,972	1,331,658	1,263,252	1,457,127
Storm water	-	-	-	-	-	-	464,447	722,161	836,450
Spin City skating	-	-	-	-	-	234,871	173,469	167,643	143,004
Capital grants and contributions	-	-	-	-	-	-	612,477	-	-
Total business-type activities program revenues	6,505,335	6,936,208	6,880,209	7,459,381	8,332,767	8,690,117	10,223,571	10,448,340	11,342,059
Total primary government program revenues	\$ 11,832,112	\$ 11,925,402	\$ 12,004,282	\$ 13,267,937	\$ 18,306,143	\$ 19,855,994	\$ 49,608,533	\$ 19,497,927	\$ 22,433,910
Net (Expense) Revenue									
Governmental activities	\$ [13,165,977]	\$ [10,391,784]	\$ [18,711,004]	\$ [14,861,359]	\$ [14,093,867]	\$ [20,016,349]	\$ 8,712,594	\$ [20,224,077]	\$ [16,760,205]
Business-type activities	908,072	[21,755]	[515,367]	199,819	344,475	415,736	304,576	954,763	1,624,493
Total primary government net expense	\$ [12,257,905]	\$ [10,413,539]	\$ [19,226,371]	\$ [14,661,540]	\$ [13,749,392]	\$ [19,600,613]	\$ 9,017,170	\$ [19,269,314]	\$ [15,135,712]
General Revenues and other Changes In Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 4,818,516	\$ 5,029,206	\$ 5,163,701	\$ 5,245,456	\$ 6,397,274	\$ 6,733,809	\$ 8,309,953	\$ 8,892,436	\$ 9,027,993
Sales taxes	3,884,092	4,434,424	4,523,234	5,581,003	5,911,908	6,109,101	6,194,501	6,790,642	10,578,965
Franchise taxes	1,202,226	1,225,289	1,316,876	1,388,710	1,527,318	1,667,953	1,700,570	1,807,406	1,769,991
Motor vehicle taxes	688,416	717,496	744,830	790,008	881,400	744,210	-	-	-
Payment in lieu of property tax	-	-	-	-	-	-	26,026	18,080	15,537
Investment earnings	25,474	20,239	91,918	154,840	-	-	78,974	487,162	115,395
Miscellaneous	-	-	-	-	-	-	15,575	1,226,273	1,564,746
Transfers	330,810	60,000	50,000	438,262	-	1,950,000	1,122,955	159,000	389,185
Total governmental activities	10,949,534	11,486,654	11,890,559	13,598,279	14,717,900	17,205,073	17,448,554	19,380,999	23,461,812
Business-type activities									
Miscellaneous	-	-	-	-	-	-	212	305,358	296,566
Transfers	[330,810]	[60,000]	[50,000]	[438,262]	-	[1,950,000]	[1,122,955]	[159,000]	[389,185]
Total business-type activities	[330,810]	[60,000]	[50,000]	[438,262]	\$ -	[1,950,000]	[1,122,743]	146,358	[92,619]
Total primary government	\$ 10,618,724	\$ 11,426,654	\$ 11,840,559	\$ 13,160,017	\$ 14,717,900	\$ 15,255,073	\$ 16,325,811	\$ 19,527,357	\$ 23,369,193
Change in Net Assets									
Governmental activities	\$ [2,216,443]	\$ 1,094,870	\$ [6,820,445]	\$ [1,263,080]	\$ 624,033	\$ [2,811,276]	\$ 26,161,148	\$ [843,078]	\$ 6,701,607
Business-type activities	577,262	[81,755]	[565,367]	[238,443]	344,475	[1,534,264]	[818,167]	1,101,121	1,531,874
Total primary government	\$ [1,639,181]	\$ 1,013,115	\$ [7,385,812]	\$ [1,501,523]	\$ 968,508	\$ [4,345,540]	\$ 25,342,981	\$ 258,043	\$ 8,233,481

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>2002</u>	<u>2003</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>General Fund</u>										
Unassigned	\$ 568,647	\$ 1,269,607	\$ 689,314	\$ 1,193,484	\$ 1,036,113	\$ 1,713,029	\$ 1,205,385	\$ -	\$ -	\$ 3,993,315
Reserved	383,408	164,811	835,344	8,782	375,742	98,778	101,189	962,602	-	-
Unreserved	\$ 952,055	\$ 1,434,418	\$ 1,524,658	\$ 1,202,266	\$ 1,411,855	\$ 1,811,807	\$ 1,306,574	\$ 962,602	\$ 1,190,569	\$ 3,993,315
<u>Total general fund</u>										
<u>All Other Governmental Funds</u>										
Reserved	\$ -	\$ 359,723	\$ 108,522	\$ 125,697	\$ 5,571,794	\$ 9,358,890	\$ 951,261	\$ 463,353	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	5,051,315
Committed	-	-	-	-	-	-	-	-	-	28,704
Unassigned	-	-	-	-	-	-	-	-	-	[938,126]
Unreserved, reported to:										
Special revenue funds	511,035	471,926	865,503	[448,754]	236,844	[3,149,811]	309,477	[828,373]	605,269	-
Capital projects funds	[138,225]	[3,912,478]	2,337,319	3,999,022	5,985,502	290,572	[5,207,298]	1,355,127	[925,046]	-
Debt service funds	3,675	[235,540]	218,418	[63]	460	963,655	435,817	-	2,050,646	-
<u>Total all other governmental funds</u>	\$ 376,485	\$ [3,316,369]	\$ 3,529,762	\$ 3,675,902	\$ 11,794,600	\$ 7,463,306	\$ [3,510,743]	\$ 990,107	\$ 1,730,869	\$ 4,141,893

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 9,895,156	\$ 10,329,741	\$ 11,289,455	\$ 11,744,704	\$ 12,936,838	\$ 14,662,708	\$ 15,480,091	\$ 16,231,050	\$ 17,508,564	\$ 21,392,486
Licenses and permits	111,143	169,374	140,477	223,760	852,683	756,896	300,193	357,056	338,229	372,856
Intergovernmental	1,637,609	1,029,484	1,169,722	1,456,216	1,448,602	1,881,970	5,648,140	4,581,294	1,812,306	1,626,703
Charges for service	514,933	702,402	483,906	651,983	906,029	558,398	916,784	869,244	1,250,530	1,688,547
Fines and forfeitures	584,304	694,640	649,291	557,812	561,542	665,595	807,395	856,831	916,275	970,902
Special assessments	309,417	439,483	261,768	203,935	194,266	242,965	987,788	1,174,124	1,845,972	2,258,286
Use of money and property	50,906	25,474	20,239	91,918	154,840	968,300	65,441	78,974	487,162	115,395
Miscellaneous	493,343	2,159,833	2,970,434	1,058,314	1,646,183	1,469,300	1,901,684	847,308	1,226,273	1,558,744
Total revenues	13,596,811	15,550,431	16,985,292	15,988,642	18,700,983	21,206,132	26,107,516	24,995,881	25,385,311	29,983,919
Expenditures										
General government	3,214,382	4,435,616	4,618,841	11,657,238	5,783,577	6,504,762	6,046,231	5,867,437	4,751,387	2,916,596
Public safety	5,216,319	5,040,180	5,492,368	5,581,258	6,256,968	6,736,805	7,043,074	7,529,777	6,567,932	7,672,222
Public works	2,434,576	1,981,494	1,982,642	3,737,437	3,558,897	6,713,919	12,973,947	5,979,284	5,922,418	1,856,020
Public health and sanitation	-	-	-	-	-	-	-	-	1,134,918	1,803,687
Culture & recreation	1,144,423	1,002,981	1,146,865	1,574,390	1,634,571	2,048,855	1,676,106	937,124	580,603	962,373
Economic development	-	-	-	-	-	-	-	238,548	742,137	735,663
Capital outlay	532,248	5,040,509	5,030,315	4,914,922	46,116,740	45,032,503	11,295,030	10,950,068	953,775	45,599
Debt service principal	1,430,000	1,435,000	1,205,000	1,215,000	1,260,000	1,035,000	1,714,133	62,020,310	36,602,730	4,847,347
Debt service interest & fees	414,144	574,341	406,883	548,952	617,274	624,262	2,181,625	5,349,260	7,523,380	6,794,931
Payment on contractual obligations	-	-	-	-	-	-	-	-	-	1,516,362
Bond issuance costs	-	-	-	-	-	-	297,051	888,425	-	149,625
Miscellaneous	-	-	-	-	-	-	-	-	-	335,987
Total expenditures	14,386,092	19,510,121	19,882,914	29,229,197	65,228,027	68,696,106	43,227,197	99,760,233	64,779,280	29,636,432
Excess of revenues over (under) expenditures	[789,281]	[3,959,690]	[2,897,622]	[13,240,555]	[46,527,044]	[47,489,974]	[17,119,681]	[74,764,352]	[39,393,969]	347,487
Other Financing Sources (Uses)										
Bonds issued	-	-	4,960,000	6,000,000	-	24,225,000	15,283,057	34,280,000	38,910,000	4,427,074
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	-	-	-	-	-	[43,617,396]	-	360,311	-	-
Loan repayments	-	-	-	-	[10,415,000]	-	-	-	-	-
Sale of capital assets	-	-	-	-	448,262	-	1,950,000	15,575	-	-
Transfers in	133,600	738,348	60,000	50,000	448,262	-	-	6,673,895	232,000	1,100,000
Transfers out	[612,116]	[407,538]	-	[10,000]	-	-	-	[5,116,205]	[73,000]	[710,815]
Total other financing sources (uses)	[478,516]	330,810	5,828,739	12,050,000	49,087,741	43,098,692	79,626,977	78,394,196	40,362,895	4,866,702
Net change in fund balances	\$ [1,267,797]	\$ [3,628,880]	\$ 2,931,117	\$ [1,190,555]	\$ 2,560,697	\$ [4,391,282]	\$ 62,507,296	\$ 3,629,844	\$ 968,926	\$ 5,214,189
Debt service as a percentage of noncapital expenditures	13.31%	13.89%	10.85%	7.25%	9.82%	7.01%	12.20%	75.86%	68.84%	39.34%

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	East Plant	Southwest Plt	Total Direct Rate								
							Base Rate (1)		Water Usage Rate (2)		Sewer Base Rate (4)		Sewer Usage Rate (5)		
							Rate	\$	Rate	\$	Rate	\$	Rate	\$	
2002	1,187,470,000	n/a	n/a	n/a	555,072,000	200,684,000	9.15	\$	1.10	\$	1.40	\$	12.00	\$	0.80
2003	1,159,360,000	1,105,475,000	174,995,000	15.09	511,104,000	220,271,000	9.50		1.15		1.45		22.00		0.90
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

- (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

n/a - information is not available

(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>
2002	n/a	n/a	n/a
2003	n/a	n/a	n/a
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

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
2002	7,471	643	7,471	643	8,114	8,114
2003	6,416	641	6,416	641	7,057	7,057
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

Source: City of Junction City Utility Department

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011
<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	\$ 9.15	\$ 9.50	\$ 9.50	\$ 10.12	\$ 10.53	\$ 10.78	\$ 11.38	\$ 11.38	\$ 23.51	\$ 15.51
2. Minimum charge, Not in excess of 200 cubic feet Over 1" and up to and including 1.5" meters	74.50	76.75	76.75	81.82	85.17	87.21	92.09	92.09	105.19	97.19
3. Minimum charge, Not in excess of 200 cubic feet Over 1.5" and up to and including 2" meters	150.00	155.00	155.00	165.24	172.01	176.13	185.99	185.99	200.22	192.22
4. Minimum charge, Not in excess of 200 cubic feet Over 2" and up to and including 3" meters	220.00	230.75	230.75	246.00	256.08	262.22	276.90	276.90	292.22	284.22
5. Minimum charge, Not in excess of 200 cubic feet Over 3" and up to and including 4" meters	298.00	307.00	307.00	327.28	340.69	348.86	368.39	368.39	384.81	376.81
6. Minimum charge, Not in excess of 200 cubic feet 4" meter and over	372.00	385.00	385.00	412.50	429.41	439.71	464.33	464.33	481.90	473.90
7. 300 cubic feet to 1,000 cubic feet, per 100 cubic feet	1.10	1.15	1.15	1.23	1.28	1.31	1.38	1.38	1.39	2.00
8. All above 1,000 cubic feet, per 100 cubic feet	1.40	1.45	1.45	1.55	1.61	1.64	1.73	1.73	1.75	2.30

WASTEWATER - 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	\$ 22.00	\$ 22.00	\$ 29.00	\$ 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	0.90	0.90	1.90

3. For users contributing wastewater which is greater strength than normal domestic sewage, the following surcharge is added:

- Large contributors (Over 500,000 gallons) \$.16 per pound BOD (biological oxygen demand)
- \$.018 per pound SS (suspended solids)
- \$.104 per pound BOD (biological oxygen demand)
- \$.117 per pound SS (suspended solids)

75

STORM WATER - rates per month (3)

1. Developed residential assessment per living unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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. Undeveloped residential property per month per lot or tract	-	-	-	-	-	-	-	-	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)

(UNAUDITED)

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

Customer	Fiscal Year 2011				
	Water Revenue		Sewer Revenue		
	Amount	Percent	Amount	Percent	
Amour Swift-Eckrich	\$ 245,931.60	6.33%	Amour Swift-Eckrich	\$ 291,607.73	7.87%
Grandview Plaza	119,531.01	3.08%	Hodgdon	34,560.00	0.93%
Geary Community Hospital	51,636.47	1.33%	Geary Community Hospital	28,153.80	0.76%
Rural Water District #1	19,425.67	0.50%	Green Park	14,302.65	0.39%
Green Park Apartments	19,165.55	0.49%	Penn Enterprises	7,704.90	0.21%
Valley View Estates	18,126.49	0.47%	Cottonwood Estates	7,304.05	0.20%
Penn Enterprises	16,675.30	0.43%	HRRS Enterprises	6,255.30	0.17%
Junghans Agency	14,778.80	0.38%	Valley View Estates	5,606.60	0.15%
HRRS Enterprises	13,218.27	0.34%	USD 475	5,598.90	0.15%
Winegarden & Hammons	<u>12,018.17</u>	<u>0.31%</u>	Cedar Point Car Wash	<u>5,301.10</u>	<u>0.14%</u>
Subtotal (10 largest)	\$ 530,507.33	13.65%	Subtotal (10 largest)	\$ 406,395.03	10.97%
Balance from other customers	<u>\$ 3,356,475.14</u>	<u>86.35%</u>	Balance from other customers	<u>\$ 3,299,203.55</u>	<u>89.03%</u>
Grand Total	<u>\$ 3,886,982.47</u>	<u>100.00%</u>	Grand Total	<u>\$ 3,705,598.58</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

Fiscal Year	Real Estate	Personal Property	Utilities	Assessed Value	Total Direct Tax Rate	Estimated		Assessed to Total Estimated Actual Value
						Actual Value	Actual Value	
2002	\$ 66,654,515	\$13,330,688	\$ 4,757,967	\$ 79,985,203	56.329	\$ 500,363,177	15.99%	
2003	68,796,298	14,530,340	5,500,224	83,326,638	56.049	516,912,289	16.12%	
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%	

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

<u>Fiscal Year</u>	<u>City Direct Rates</u>				<u>USD</u>	<u>Geary County</u>	<u>State of Kansas</u>	<u>Total</u>
	<u>Basic Rate</u>	<u>Debt Service</u>	<u>Library</u>	<u>Total Direct Rate</u>				
2002	34.277	17.612	4.440	56.329	39.479	53.136	1.500	150.444
2003	37.672	14.123	4.254	56.049	35.848	54.691	1.500	148.088
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

Source: Geary County Clerk

CITY OF JUNCTION CITY, KANSAS
 PRINCIPAL PROPERTY TAXPAYERS
 DECEMBER 31, 2011 AND TEN YEARS AGO

2011		2001	
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
1	Bluffs LLC, The	3,942,923	2.30%
2	FW Woolworth Co.	3,000,000	1.77%
3	Westar Energy	2,718,130	1.60%
4	John Q Hammonds	2,415,300	1.42%
5	Armour-Eckrich	2,349,918	1.39%
6	Patriot Group LLC	878,713	0.52%
7	Corefirst Bank	505,379	0.29%
8	Fort Development	451,477	0.27%
9	JCTD Properties	378,088	0.22%
10	Big Development	317,552	0.19%
Total Taxable Assessed Value in 2011		\$ 169,640,933	
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
1	F W Woolworth Co	2,937,500	3.89%
2	United Telephone	2,146,577	2.84%
3	Western Resources	1,997,684	2.64%
4	Wal-Mart Real Estate	1,424,967	1.89%
5	Armor Swift Eckrich Meats LLC	905,509	1.20%
6	Bramlage, Ron R	812,288	1.20%
7	Central National Bank	634,492	1.08%
8	Kansas Gas Service	578,840	0.84%
9	Weaver, Grace E	482,418	0.64%
10	R & R Investments	445,031	0.59%
Total Taxable Assessed Value in 2001		\$ 75,570,764	

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>
2002	\$ 4,272,008	\$ 4,121,198	96.47%	\$ 98,201	\$ 4,219,399	98.77%	\$ 151,472	3.55%
2003	4,491,713	4,282,971	95.35%	80,132	4,363,103	97.14%	173,739	3.87%
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	8,535,181	4,851,983	56.85%	25,374	4,877,357	57.14%		

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	Temporary Notes	General Obligation Bonds	Revenue Bonds	K.D.H.E. Revolving Loan	Notes Payable	Capital Lease Obligations	Capital Lease Obligations			
2002	\$ 8,060,000	\$ -	\$ -	\$ 501,214	\$ -	\$ -	\$ 8,820,000	\$ 3,923,704	\$ -	\$ -	\$ 772,877	\$ -	\$ 22,077,795	\$ 1,241
2003	11,130,000	-	-	543,612	3,690,000	-	8,350,000	3,781,220	-	-	322,797	-	27,817,629	1,589
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	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	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	167,344	156,961,051	7,324	

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Valuation (1)	\$185,936,772
Legal Debt Limit (2)	<u>37%</u>
Legal Debt Limit	\$ 68,796,606
Outstanding GO Debt Applicable to Debt Limit	\$ <u>67,860,839</u>
Legal debt margin	\$ <u>935,767</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$26,179,946	\$29,106,095	\$ 30,593,679	\$ 44,623,887	\$ 53,417,960	\$ 62,944,863	\$71,965,169	\$72,748,236	\$73,413,489	\$ 68,796,606
Total net debt applicable to limit	\$ 6,542,599	\$ 8,895,597	\$ 18,105,597	\$ 25,471,994	\$ 36,300,716	\$ 61,201,498	\$63,801,157	\$71,009,486	\$68,910,263	\$ 67,860,839
Legal debt margin	\$19,637,347	\$20,210,498	\$ 12,488,082	\$ 19,151,893	\$ 17,117,244	\$ 1,743,355	\$ 8,164,012	\$ 1,738,750	\$ 4,503,226	\$ 935,767

Total net debt applicable to the limit as a percentage of debt limit

2002	25%	2003	31%	2004	59%	2005	57%	2006	68%	2007	97%	2008	89%	2009	98%	2010	94%	2011	99%
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(1) Includes motor vehicle valuation

(2) Debt limit is set at 30% of assessed valuation per state statute. In 2009 the 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
2002	\$ 8,060,000	\$ 3,675	\$ 8,056,325	\$ 79,650,933	10.11%	\$ 426.64
2003	11,130,000	6,352	11,123,648	83,326,683	13.35%	589.08
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

(UNAUDITED)

(UNAUDITED)

CITY OF JUNCTION CITY, KANSAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011

<u>Government Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Geary County	\$ 33,440,000	77%	\$ 25,748,800
U.S.D. #475 School District	<u>31,205,000</u>	77%	<u>24,027,850</u>
Total Estimated Overlapping Debt	64,645,000		49,776,650
DIRECT DEBT			
City of Junction City	<u>156,961,051</u>	100%	<u>156,961,051</u>
DIRECT & ESTIMATED OVERLAPPING DEBT	<u>\$ 221,606,051</u>		<u>\$ 206,737,701</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, 2011

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal & Interest	Coverage
2002	n/a	n/a	n/a	n/a	n/a
2003	5,107,888	\$ 3,833,889	\$ 1,273,999	\$ 1,055,990	121%
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%

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)
				School	Enrollment		
2002	17,785	\$ 704,083,000	\$ 25,015	6,085	6,085	6.5	n/a
2003	17,502	736,018,000	25,729	6,012	6,012	6.4	n/a
2004	16,828	795,201,000	28,269	6,063	6,063	6.9	n/a
2005	16,402	852,544,000	29,485	6,426	6,426	6.2	n/a
2006	16,106	969,245,000	32,917	6,441	6,441	4.9	29.0
2007	20,059	1,090,335,000	36,912	6,784	6,784	3.9	n/a
2008	20,671	n/a	41,504	7,048	7,048	4.4	n/a
2009	21,931	n/a	n/a	6,983	6,983	3.4	30.4
2010	23,353	n/a	n/a	7,868	7,868	7.9	n/a
2011	24,440	n/a	n/a	8,151	8,151	6.7	n/a

88 (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

	2011		2000	
	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	2,845			
Other federal employees	550			
Non-appropriated fund	409			
Other civilian employees (including contractors)	3,982	27.3%	na	na
U.S.D. #475 School District	1,350	9.2%	912	7.80%
Geary Community Hospital	475	3.3%	365	3.12%
Wal-Mart Super Center	415	2.8%	0	0.00%
Amour Eckrich Inc.	400	2.7%	240	2.05%
Footlocker Distribution Center	338	2.3%	1047	8.96
Geary County	200	1.4%	130	1.11%
City of Junction City	153	1.0%	229	1.96%
Kaw Valley Engineering	152	1.0%	48	0.41%
Dillions	130	0.9%	na	na
Valley View Estates & Senior Life	120	0.8%	na	na

(1) Information Provided by Junction City/Geary County Economic Development as of 12/31/2011, 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

	2002		2003		2004		2005		2006		2007		2008		2009		2010*		2011			
	No.	%	No.	%	No.	%																
<u>Governmental Activities:</u>																						
General Government																						
General Administration	6	2.97	2.5	1.51	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		
Human Resources	5	2.48	7.5	4.52	5.5	3.33	6.5	3.81	11	5.25	7.5	3.73	4.5	2.12	4.5	2.04	1	0.63	1	0.64		
Information Services	0	0	0	0	0	0	0	0	5	2.5	5	2.49	4	1.89	4	1.81	2	1.27	1	0.64		
Economic Development	4	1.98	3	1.81	3	1.82	3	1.76	3	1.50	3	1.49	3	1.42	3	1.36	2	1.27	2	1.27		
Public Safety																						
Police Department	68.5	33.91	69	41.27	70.5	42.73	72.5	42.52	73	36.50	74	36.82	77	36.32	72	32.65	63	39.87	63	40.13		
Fire/EMS Department	48	23.76	48	28.92	44	26.67	44	25.81	48	24.00	49	24.38	51	24.06	56	25.40	50	31.65	50	31.85		
Codes/Inspection	5	2.48	5	3.01	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		
Public Works																						
Engineering	4	1.98	4	2.41	4	2.42	4	2.35	6.5	3.25	3	1.49	2	0.94	2	0.91	2	1.58	2.5	1.59		
Self Help Housing	0	0	0	0	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		
Streets (1)	33	16.34	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.63	1	0.64
Culture & Recreation																						
Recreation	12	5.94	12	7.23	12	7.27	12	7.04	15	7.50	9.5	4.73	13.5	6.37	13.5	6.12	2	1.27	2	1.27		
Parks	0	0	0	0	0	0	0	0	0	0	0	0	2	0.94	2	0.91	7	4.43	7	4.46		
Junction City Arts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	5.44	0	0	0	0		
Spin City	11.5	5.69	12	6.93	11.5	6.97	11.5	6.74	13	6.50	13	6.47	17.5	8.25	17.5	7.94	1	0.63	1	0.64		
Rolling Meadows Golf Course																						
Total for Gov't-type Activities	197	97.52	162	97.59	161	97.58	163	95.60	189	94.50	180	89.55	192	90.57	201	90.93	149	94.3	148	94.27		
Business-type Activities																						
Water/Sewer	5	2.48	4	2.41	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		
Total Business-type Activities	5	2.48	4	2.41	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		
Total Full-time Employees	202		166		165		171		200		201		212		221		158		157			

(1) In 2003, the City's 33 street employees became employees of Veolia Water, the contractor for the City's public works operations, water and wastewater plants.

*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

Function/Program:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>General Government</u>										
Building Permits Issued	28	46	65	146	848	1034	348	1209	1042	1022
Building Inspections Conducted	n/a	n/a	n/a	1748	11415	16712	13547	8322	7987	4675
<u>Police</u>										
Physical Arrests	na	na	1806	1644	1662	1797	2069	2086	2321	2444
Traffic Violations	9860	11325	9621	8361	9142	9101	10848	7332	7867	7724
<u>Fire</u>										
Fire Calls	636	595	741	805	1014	1079	1235	1736	1693	1625
Emergency Medical Service Calls	1834	1708	1870	1951	2245	2402	2726	2705	2627	2652
<u>Parks & Recreation</u>										
Golf course (Rounds of Golf)	28056	26818	25652	23478	24156	21680	21513	21575	17567	14468
Golf course (Rounds per Special Events)	1692	2800	2102	1929	1743	2341	1763	2198	2160	1431
<u>Water</u>										
Average daily consumption (gallons x 1,000)	3,250,000	3,180,000	3,040,000	2,880,000	3,110,000	3,000,000	2,860,000	2,939,748	3,419,414	3,268,000
Peak daily consumption (gallons x 1000)	5,292,000	5,292,000	4,252,000	4,266,000	5,135,000	4,988,000	4,516,000	4,358,000	5,734,000	6,216,000
<u>Wastewater</u>										
East Plant Average daily sewage treatment (gallons)	n/a	n/a	n/a	n/a	1,366,000	1,421,000	1,462,000	1,493,000	1,873,000	1,694,000
SW Plant Average daily sewage treatment (gallons)	n/a	n/a	739000	682,000	673,000	717,000	672,000	689,000	745,000	818,166

n/a - information is not available

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

Function/Program:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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>										
Fire Stations	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Streets (miles)	87.4	87.4	87.4	87.4	87.4	124	124	149	149	149
Streetlights	1,326	1,326	1,326	1,326	1,438	1,438	1,438	1,615	1,615	1,615
Traffic Signals	13	13	13	13	13	15	15	15	19	18
<u>Parks & Recreation</u>										
Public Parks	16	16	16	16	17	17	18	18	18	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	5/6	5/6	7
Tennis Courts	7	7	7	7	7	7	7	7	7	6
Community Centers	2	2	2	2	2	2	2	2	1*	1
Spin City Recreation Complex		1	1	1	1	1	1	1	1	1
<u>Water</u>										
Water mains (miles)	84	84	84	113.1	113.1	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	74.1	74.1	93.2	102.5	102.5	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	12	12	13	13	13	13	14.2	14.2	14.2

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

(UNAUDITED)