

**City of McMinnville, Oregon**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	Business-Type Activities				Governmental Activities
	Enterprise Funds				Internal Service Funds
	Wastewater	Ambulance	Non-Major Building	Total	
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 18,110,995	\$ 866,044	\$ 333,992	\$ 19,311,031	\$ 861,887
Receivables, net of allowance for uncollectibles	518,004	405,512	-	923,516	-
Due from component unit	647,558	-	-	647,558	77
Prepays	1,150	730	-	1,880	15,783
Total current assets	<u>19,277,707</u>	<u>1,272,286</u>	<u>333,992</u>	<u>20,883,985</u>	<u>877,747</u>
Non-current assets:					
Advance to other funds	280,000	-	-	280,000	-
Deferred charges	96,860	-	-	96,860	-
Capital assets:					
Non-depreciable capital assets	2,039,546	165,758	-	2,205,304	-
Depreciable capital assets	77,644,598	852,967	393,636	78,891,201	2,156,022
Accumulated depreciation	(31,057,053)	(301,216)	(48,685)	(31,406,954)	(1,249,064)
Total non-current assets	<u>49,003,951</u>	<u>717,509</u>	<u>344,951</u>	<u>50,066,411</u>	<u>906,958</u>
Total assets	<u>68,281,658</u>	<u>1,989,795</u>	<u>678,943</u>	<u>70,950,396</u>	<u>1,784,705</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	734,674	25,393	2,208	762,275	57,993
Accrued interest payable	159,818	-	-	159,818	-
Retainage payable	36,844	-	-	36,844	-
Other liabilities	-	-	-	-	31,589
Unearned revenue	1,300	-	-	1,300	-
Compensated absences	58,884	86,143	38,204	183,231	12,371
Revenue bonds payable	2,555,000	-	-	2,555,000	-
Total current liabilities	<u>3,546,520</u>	<u>111,536</u>	<u>40,412</u>	<u>3,698,468</u>	<u>101,953</u>
Non-current liabilities:					
Revenue bonds payable, net of unamortized premium & deferred amount on refunding	8,561,102	-	-	8,561,102	-
Other post employment benefits	36,618	44,085	9,515	90,218	6,509
Total non-current liabilities	<u>8,597,720</u>	<u>44,085</u>	<u>9,515</u>	<u>8,651,320</u>	<u>6,509</u>
Total liabilities	<u>12,144,240</u>	<u>155,621</u>	<u>49,927</u>	<u>12,349,788</u>	<u>108,462</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	37,510,989	717,509	344,951	38,573,449	906,958
Restricted for:					
Building	-	-	284,065	284,065	-
Unrestricted	18,626,429	1,116,665	-	19,743,094	769,285
Total net assets	<u>\$ 56,137,418</u>	<u>\$ 1,834,174</u>	<u>\$ 629,016</u>	<u>58,600,608</u>	<u>\$ 1,676,243</u>
Deduct:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(298,429)	
Total net assets, business-type activities				<u>\$ 58,302,179</u>	

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

**City of McMinnville, Oregon**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
	<b>Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Wastewater</b>	<b>Ambulance</b>	<b>Non-Major Building</b>	<b>Total</b>	
<b>Operating Revenues</b>					
Charges for services	\$ 7,848,888	\$ 2,297,974	\$ 334,380	\$ 10,481,242	\$ 1,347,360
Miscellaneous	-	-	-	-	86,411
Total operating revenues	<u>7,848,888</u>	<u>2,297,974</u>	<u>334,380</u>	<u>10,481,242</u>	<u>1,433,771</u>
<b>Operating Expenses</b>					
Personal services	1,492,685	1,839,492	352,372	3,684,549	266,643
Materials and services	1,581,412	523,612	74,453	2,179,477	927,838
Depreciation	2,355,675	73,409	15,594	2,444,678	298,260
Total operating expenses	<u>5,429,772</u>	<u>2,436,513</u>	<u>442,419</u>	<u>8,308,704</u>	<u>1,492,741</u>
Operating income (loss)	<u>2,419,116</u>	<u>(138,539)</u>	<u>(108,039)</u>	<u>2,172,538</u>	<u>(58,970)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment earnings	82,340	3,929	1,619	87,888	3,323
Interest expense, net of capitalized interest	(527,120)	-	-	(527,120)	-
Amortization of debt premiums and issuance costs	127,267	-	-	127,267	-
Development charges and fees	374,218	-	-	374,218	-
Other revenue	46,140	30,983	-	77,123	4,243
Gain/Loss on disposal of assets	(4,224)	1,070	-	(3,154)	-
Total non-operating revenues (expenses)	<u>98,621</u>	<u>35,982</u>	<u>1,619</u>	<u>136,222</u>	<u>7,566</u>
Income (loss) before contributions and transfers	<u>2,517,737</u>	<u>(102,557)</u>	<u>(106,420)</u>	<u>2,308,760</u>	<u>(51,404)</u>
<b>Contributions and Transfers</b>					
Capital contributions	34,704	-	-	34,704	-
Transfers from other funds	-	515,667	-	515,667	-
Transfers to other funds	-	(60,040)	-	(60,040)	(47,000)
Total contributions and transfers	<u>34,704</u>	<u>455,627</u>	<u>-</u>	<u>490,331</u>	<u>(47,000)</u>
Change in net assets	<u>2,552,441</u>	<u>353,070</u>	<u>(106,420)</u>	<u>2,799,091</u>	<u>(98,404)</u>
Total net assets - beginning - as previously reported	53,354,584	1,480,419	735,436		1,774,647
Restatement - change in accounting principle	230,393	685	-		-
Total net assets - beginning - as restated	<u>53,584,977</u>	<u>1,481,104</u>	<u>735,436</u>		<u>1,774,647</u>
Total net assets - ending	<u>\$ 56,137,418</u>	<u>\$ 1,834,174</u>	<u>\$ 629,016</u>		<u>\$ 1,676,243</u>
<b>Deduct</b>					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				738	
Change in net assets, business-type activities				<u>\$ 2,799,829</u>	

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

**City of McMinnville, Oregon**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Wastewater	Ambulance	Non-Major	Total	Internal
Building			Service		
					Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 7,844,977	\$ 2,305,606	\$ 334,380	\$ 10,484,963	\$ -
Receipts from interfund services provided	-	-	-	-	1,347,360
Other operating receipts	46,140	30,470	-	76,610	94,231
Payments to suppliers	(1,642,406)	(468,447)	(59,372)	(2,170,225)	(987,660)
Payments to employees	(1,450,701)	(1,774,389)	(337,084)	(3,562,174)	(259,881)
Payments for interfund services used	(151,786)	(87,743)	(16,990)	(256,519)	(2,140)
Net cash from operating activities	<u>4,646,224</u>	<u>5,497</u>	<u>(79,066)</u>	<u>4,572,655</u>	<u>191,910</u>
<b>Cash Flows From Non-Capital Financing Activities</b>					
Transfers from other funds	70,000	515,667	-	585,667	-
Transfers to other funds	-	(60,040)	-	(60,040)	(47,000)
Net cash from non-capital financing activities	<u>70,000</u>	<u>455,627</u>	<u>-</u>	<u>525,627</u>	<u>(47,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Additions to capital assets	(1,317,454)	(238,724)	-	(1,556,178)	(66,626)
Interest paid on capital debt	(528,411)	-	-	(528,411)	-
Principal paid on capital debt	(2,874,727)	-	-	(2,874,727)	-
Proceeds on the disposition of capital assets	-	4,557	-	4,557	-
Development charges and fees	374,218	-	-	374,218	-
Net cash from capital and related financing activities	<u>(4,346,374)</u>	<u>(234,167)</u>	<u>-</u>	<u>(4,580,541)</u>	<u>(66,626)</u>
<b>Cash Flows From Investing Activities</b>					
Interest received	82,340	3,929	1,619	87,888	3,323
Net cash flows from investing activities	<u>82,340</u>	<u>3,929</u>	<u>1,619</u>	<u>87,888</u>	<u>3,323</u>
Increase (decrease) in cash and investments	452,190	230,886	(77,447)	605,629	81,607
Cash and investments - beginning	17,658,805	635,158	411,439	18,705,402	780,280
Cash and investments - ending	<u>\$ 18,110,995</u>	<u>\$ 866,044</u>	<u>\$ 333,992</u>	<u>\$ 19,311,031</u>	<u>\$ 861,887</u>
<b>Reconciliation of Operating Income (Loss) to</b>					
<b>Net Cash From Operating Activities</b>					
Operating income (loss)	\$ 2,419,116	\$ (138,539)	\$ (108,039)	\$ 2,172,538	\$ (58,970)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	2,355,675	73,409	15,594	2,444,678	298,260
Other revenues	46,140	30,983	-	77,123	4,243
Change in current assets and liabilities:					
Receivables	(3,142)	7,632	-	4,490	3,024
Due from component unit	(769)	-	-	(769)	553
Prepays	1,081	4,974	427	6,482	(8,706)
Accounts payable	(203,563)	(5,242)	1,040	(207,765)	(43,422)
Retainage payable	31,649	-	-	31,649	-
Compensated absences	(18,815)	9,975	7,612	(1,228)	3,134
Other post employment benefits	18,852	22,818	4,300	45,970	3,287
Other liabilities	-	-	-	-	(9,493)
Unearned revenue	-	(513)	-	(513)	-
Net cash from operating activities	<u>\$ 4,646,224</u>	<u>\$ 5,497</u>	<u>\$ (79,066)</u>	<u>\$ 4,572,655</u>	<u>\$ 191,910</u>
<b>Non-Cash Investing, Capital, and Financing Activities</b>					
Capital assets transferred to other funds	\$ (4,224)	\$ -	\$ -	\$ (4,224)	\$ -
Capital asset contributions from developers	34,704	-	-	34,704	-
Capital assets accrued in accounts payable	657,163	11,950	-	669,113	-

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