

FUND FINANCIAL STATEMENTS

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City of McMinnville, Oregon
Balance Sheet
Governmental Funds
June 30, 2009

	<u>General</u>	<u>Airport Maintenance</u>	<u>Public Safety Facilities Construction</u>	<u>Park Development</u>
Assets				
Cash and investments	\$ 7,182,453	\$ 943,126	\$ -	\$ -
Receivables	1,138,426	26,594	-	8,708
Due from other funds	1,060,668	-	-	-
Due from component unit	87,217	-	-	-
Prepays	73,792	-	-	-
Restricted cash and investments	23,230	-	1,956,019	4,457,090
Total assets	<u>\$ 9,565,786</u>	<u>\$ 969,720</u>	<u>\$ 1,956,019</u>	<u>\$ 4,465,798</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 221,409	\$ 41,177	\$ -	\$ 15,483
Accrued payroll and other payroll liabilities	726,598	-	-	-
Due to other funds	-	-	-	44,654
Due to component unit	15,670	-	-	-
Retainage payable	1,068	8,827	-	-
Advances and deposits	397,496	-	-	-
Advance from other funds	-	350,000	-	-
Deferred revenue	844,568	2,629	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	473,696	12,088
Due to other funds	-	-	1,016,014	-
Total liabilities	<u>2,206,809</u>	<u>402,633</u>	<u>1,489,710</u>	<u>72,225</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Park system improvements	-	-	-	4,357,308
Public safety capital outlay	-	-	466,309	-
Highways and streets	-	-	-	-
System expansion	-	-	-	-
Nonexpendable library endowment	23,230	-	-	-
Prepays	73,792	-	-	-
Unreserved, undesignated, reported in:				
General fund	7,261,955	-	-	-
Special revenue funds	-	567,087	-	-
Capital projects funds	-	-	-	36,265
Total fund balances	<u>7,358,977</u>	<u>567,087</u>	<u>466,309</u>	<u>4,393,573</u>
Total liabilities and fund balances	<u>\$ 9,565,786</u>	<u>\$ 969,720</u>	<u>\$ 1,956,019</u>	<u>\$ 4,465,798</u>

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

Debt Service	Total Non-Major Governmental Funds	Total Governmental Funds
\$ 1,019,981	\$ 2,820,580	\$ 11,966,140
136,504	171,669	1,481,901
-	-	1,060,668
-	-	87,217
-	5	73,797
-	-	6,436,339
<u>\$ 1,156,485</u>	<u>\$ 2,992,254</u>	<u>\$ 21,106,062</u>

\$ -	\$ 138,346	\$ 416,415
-	-	726,598
-	-	44,654
-	672	16,342
-	-	9,895
-	-	397,496
-	-	350,000
86,967	28,868	963,032
-	-	485,784
-	-	1,016,014
<u>86,967</u>	<u>167,886</u>	<u>4,426,230</u>

1,069,518	-	1,069,518
-	-	4,357,308
-	-	466,309
-	576,486	576,486
-	1,532,374	1,532,374
-	-	23,230
-	5	73,797
-	-	7,261,955
-	474,482	1,041,569
-	241,021	277,286
<u>1,069,518</u>	<u>2,824,368</u>	<u>16,679,832</u>
<u>\$ 1,156,485</u>	<u>\$ 2,992,254</u>	<u>\$ 21,106,062</u>



City of McMinnville, Oregon
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Total fund balances - governmental funds \$ 16,679,832

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial
resources, and therefore, are not reported in the funds.

Capital assets	\$ 127,601,339	
Accumulated depreciation	<u>(49,147,597)</u>	78,453,742

Other long-term assets are not available to pay for current-period
expenditures, and therefore, are not reported in the funds:

Property taxes earned but not available	770,693	
Other receivables earned but not available	<u>31,374</u>	802,067

Long-term liabilities are not due and payable in the current period,
and therefore, are not reported in the funds:

Bonds payable	(19,659,842)	
Loans and notes payable	(27,877)	
Capital leases payable	(7,743)	
Deferred charges	126,239	
Interest payable	(357,931)	
Other post employment benefits payable	(153,658)	
Compensated absences payable	<u>(718,359)</u>	(20,799,171)

Internal service funds are used by management to charge costs of
insurance and information systems and services to individual funds.

Assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.		<u>2,073,814</u>
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Total net assets - governmental activities \$ 77,210,284

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

City of McMinnville, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2009

	General	Airport Maintenance	Improvements	Fire
Revenues				
Property taxes	\$ 9,338,463	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	2,006,015	-	-	-
Intergovernmental	1,291,118	2,571,985	-	-
Charges for services	1,811,691	181,341	-	-
Fines and forfeitures	862,073	-	-	-
Miscellaneous	270,199	18,823	-	-
Total revenues	15,579,559	2,772,149	-	-
Expenditures				
Current:				
General government	1,632,168	-	-	-
Community development	1,254,944	-	-	-
Public safety	8,276,363	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	4,620,062	-	-	-
Airport	-	3,004,101	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	238,748	-	-	-
Interest	11,278	-	-	-
Total expenditures	16,033,563	3,004,101	-	-
Excess (deficiency) of revenues over (under) expenditures	(454,004)	(231,952)	-	-
Other Financing Sources (Uses)				
Transfers from other funds	4,815,153	-	-	-
Transfers to other funds	(1,493,620)	(760)	(1,174,359)	(2,038,274)
Total other financing sources (uses)	3,321,533	(760)	(1,174,359)	(2,038,274)
Net change in fund balances	2,867,529	(232,712)	(1,174,359)	(2,038,274)
Fund balances - beginning	4,491,448	799,799	1,174,359	2,038,274
Fund balances - ending	\$ 7,358,977	\$ 567,087	\$ -	\$ -

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

Parks & Recreation	Public Safety Facilities Construction	Park Development	Debt Service	Total Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,537,698	\$ -	\$ 10,876,161
-	-	-	-	55,139	55,139
-	-	-	-	246,964	2,252,979
-	41,022	8,708	-	1,848,067	5,760,900
-	-	203,328	-	123,411	2,319,771
-	-	-	-	-	862,073
-	82,752	118,372	7,892	59,436	557,474
-	123,774	330,408	1,545,590	2,333,017	22,684,497
-	-	-	-	310,913	1,943,082
-	-	-	-	-	1,254,944
-	43,513	-	-	752,192	9,072,067
-	-	-	-	1,460,403	1,460,403
-	-	58,639	-	-	4,678,701
-	-	-	-	-	3,004,101
-	3,231,395	-	-	-	3,231,395
-	159,798	-	-	-	159,798
-	-	-	-	391,442	391,442
-	-	446,908	-	-	446,908
-	-	-	835,000	-	1,073,748
-	-	-	876,140	-	887,418
-	3,434,706	505,547	1,711,140	2,914,950	27,604,007
-	(3,310,932)	(175,139)	(165,550)	(581,933)	(4,919,510)
-	50,050	-	400,000	657,445	5,922,648
(1,583,721)	-	(101,130)	-	(382,860)	(6,774,724)
(1,583,721)	50,050	(101,130)	400,000	274,585	(852,076)
(1,583,721)	(3,260,882)	(276,269)	234,450	(307,348)	(5,771,586)
1,583,721	3,727,191	4,669,842	835,068	3,131,716	22,451,418
\$ -	\$ 466,309	\$ 4,393,573	\$ 1,069,518	\$ 2,824,368	\$ 16,679,832

City of McMinnville, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances - governmental funds \$ (5,771,586)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the difference between capital outlays and depreciation in the current period.

Capital asset expenditures	\$ 7,070,726	
Current year depreciation expense	<u>(4,199,499)</u>	2,871,227

Transfers of capital assets are not recorded in the governmental funds as they do not require the use of current financial resources. However, the Statement of Activities reports transfers of capital assets as transfers when made between business type activities.

Capital asset transfers from business type activities	5,653	
Capital asset transfers to business type activities	<u>(362,388)</u>	(356,735)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Donations of capital assets	6,500	
Change in property taxes earned but not available	176,877	
Change in fire fees earned but not available	93	
Change in assessments earned but not available	<u>1,949</u>	185,419

In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in governmental funds, the proceeds from these sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets disposed.

Cost	(1,266,580)	
Accumulated depreciation	<u>853,527</u>	(413,053)

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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.

Principal repayments - general obligation bonds	835,000	
Principal repayments - certificates of participation	205,000	
Principal repayments - loans and notes payable	26,520	
Principal repayments - capital leases	7,228	
Amortization of premium - general obligation bonds	9,775	
Amortization of premium - certificate of participation	<u>998</u>	1,084,521

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences change	(30,886)	
Other post employment benefits change	(153,657)	
Accrued interest change	15,596	
Amortization of issuance costs	<u>(11,289)</u>	(180,236)

Internal service funds are used by management to charge costs of insurance and information systems and services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities

235,926

Change in net assets - governmental activities \$ (2,344,517)

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

City of McMinnville, Oregon
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 9,024,960	\$ 9,024,960	\$ 9,338,463	\$ 313,503
Licenses and permits	2,210,000	2,210,000	2,006,015	(203,985)
Intergovernmental	1,593,023	1,593,023	1,291,118	(301,905)
Charges for services	998,700	998,700	893,177	(105,523)
Fines and forfeitures	983,215	983,215	862,073	(121,142)
Miscellaneous	420,067	420,067	270,199	(149,868)
Total revenues	<u>15,229,965</u>	<u>15,229,965</u>	<u>14,661,045</u>	<u>(568,920)</u>
Expenditures				
General government:				
Administration	772,007	888,007	805,344	82,663
Finance	781,896	831,896	784,441	47,455
Debt service	212,690	212,690	212,688	2
Community development:				
Engineering	703,435	703,435	664,025	39,410
Planning	629,147	629,147	548,536	80,611
Public safety:				
Police	5,750,038	5,796,318	5,462,939	333,379
Municipal court	533,743	543,893	483,003	60,890
Fire	2,699,256	2,734,256	2,274,881	459,375
Culture and recreation:				
Parks and recreation	2,185,685	2,215,685	2,083,919	131,766
Park maintenance	1,075,350	1,099,350	1,017,942	81,408
Library	1,590,602	1,590,602	1,483,931	106,671
Contingencies	750,000	408,820	-	408,820
Total expenditures	<u>17,683,849</u>	<u>17,654,099</u>	<u>15,821,649</u>	<u>1,832,450</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,453,884)</u>	<u>(2,424,134)</u>	<u>(1,160,604)</u>	<u>1,263,530</u>
Other Financing Sources (Uses)				
Transfers from other funds	5,397,314	5,397,314	5,733,667	336,353
Transfers to other funds	(1,712,804)	(1,742,554)	(1,705,534)	37,020
Total other financing sources (uses)	<u>3,684,510</u>	<u>3,654,760</u>	<u>4,028,133</u>	<u>373,373</u>
Net change in fund balances	<u>1,230,626</u>	<u>1,230,626</u>	<u>2,867,529</u>	<u>1,636,903</u>
Fund balances, budgetary basis - beginning	3,998,230	3,998,230	4,491,448	493,218
Fund balances, budgetary basis - ending	<u>\$ 5,228,856</u>	<u>\$ 5,228,856</u>	<u>\$ 7,358,977</u>	<u>\$ 2,130,121</u>
Reconciliation:				
Charges for services, budgetary basis			\$ 893,177	
Transfers from other funds - services provided			918,514	
Charges for services, modified accrual basis			<u>\$ 1,811,691</u>	
Expenditures, budgetary basis			\$ 15,821,649	
Transfers to other funds - services provided			211,914	
Expenditures, modified accrual basis			<u>\$ 16,033,563</u>	
Other financing sources (uses), budgetary basis			\$ 4,028,133	
Transfers from other funds - services provided			(918,514)	
Transfers to other funds - services provided			211,914	
Other financing sources (uses), modified accrual basis			<u>\$ 3,321,533</u>	

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

City of McMinnville, Oregon

Airport Maintenance Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,730,353	\$ 3,841,353	\$ 2,571,985	\$ (1,269,368)
Charges for services	181,180	181,180	181,341	161
Miscellaneous	28,800	28,800	18,823	(9,977)
Total revenues	3,940,333	4,051,333	2,772,149	(1,279,184)
Expenditures				
Airport:				
Materials and services	343,829	454,829	283,193	171,636
Capital outlay	4,149,359	4,149,359	2,687,938	1,461,421
Contingencies	300,000	300,000	-	300,000
Total expenditures	4,793,188	4,904,188	2,971,131	1,933,057
Excess (deficiency) of revenues over (under) expenditures	(852,855)	(852,855)	(198,982)	653,873
Other Financing Sources (Uses)				
Transfers from other funds	350,000	350,000	350,000	-
Transfers to other funds	(33,730)	(33,730)	(33,730)	-
Total other financing sources (uses)	316,270	316,270	316,270	-
Net change in fund balances	(536,585)	(536,585)	117,288	653,873
Fund balances, budgetary basis - beginning	788,500	788,500	799,799	11,299
Fund balances, budgetary basis - ending	\$ 251,915	\$ 251,915	917,087	\$ 665,172
Add (deduct):				
Transfers from other funds			(350,000)	
Fund balance, modified accrual - ending			\$ 567,087	
Reconciliation:				
Expenditures, budgetary basis			\$ 2,971,131	
Transfers to other funds - services provided			32,970	
Expenditures, modified accrual basis			\$ 3,004,101	
Other financing sources (uses), budgetary basis			\$ 316,270	
Transfers from other funds - advance from other funds			(350,000)	
Transfers to other funds - services provided			32,970	
Other financing sources (uses), modified accrual basis			\$ (760)	

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

City of McMinnville, Oregon
Improvements Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Contingencies	\$ 100,000	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Transfers to other funds	(1,060,000)	(1,175,000)	(1,174,359)	641
Net change in fund balances	(1,160,000)	(1,175,000)	(1,174,359)	641
Fund balances - beginning	1,160,000	1,175,000	1,174,359	(641)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

City of McMinnville, Oregon

Fire Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Contingencies	\$ 100,000	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Transfers to other funds	(1,925,000)	(2,039,000)	(2,038,274)	726
Net change in fund balances	(2,025,000)	(2,039,000)	(2,038,274)	726
Fund balances - beginning	2,025,000	2,039,000	2,038,274	(726)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

City of McMinnville, Oregon
Parks & Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Contingencies	\$ 100,000	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Transfers to other funds	(1,475,000)	(1,584,000)	(1,583,721)	279
Net change in fund balances	(1,575,000)	(1,584,000)	(1,583,721)	279
Fund balances - beginning	1,575,000	1,584,000	1,583,721	(279)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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