

FUND FINANCIAL STATEMENTS

- **Governmental Funds:**
 - Balance Sheet
 - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
 - Statement of Revenues, Expenditures, and Changes in Fund Balances
 - Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
 - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
 - General Fund
 - Improvements Fund
 - Fire Fund
 - Parks & Recreation Fund
- **Proprietary Funds:**
 - Statement of Net Assets
 - Statement of Revenues, Expenses, and Changes in Fund Net Assets
 - Statement of Cash Flows





City of McMinnville, Oregon
Balance Sheet
Governmental Funds
June 30, 2008

	<u>General</u>	<u>Improvements</u>	<u>Fire</u>	<u>Parks & Recreation</u>
Assets				
Cash and investments	\$ 3,151,566	\$ 1,191,576	\$ 1,941,678	\$ 1,590,360
Receivables	543,498	78,500	151,078	253,742
Due from other funds	1,788,121	-	-	-
Due from component unit	129,804	-	-	-
Prepays	20,928	-	64,154	1,252
Restricted cash and investments	23,230	-	-	-
Total assets	\$ 5,657,147	\$ 1,270,076	\$ 2,156,910	\$ 1,845,354
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 81,309	\$ 48,014	\$ 13,223	\$ 98,186
Accrued payroll and other payroll liabilities	485,607	-	-	-
Due to other funds	-	-	-	-
Due to component unit	-	-	-	-
Advances and deposits	247,230	-	-	-
Deferred revenue	351,553	47,703	105,413	163,447
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to component unit	-	-	-	-
Retainage payable	-	-	-	-
Total liabilities	1,165,699	95,717	118,636	261,633
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Park system improvements	-	-	-	-
Building division	762,980	-	-	-
Public safety capital outlay	-	-	-	-
Highways and streets	-	-	-	-
System expansion	-	-	-	-
Nonexpendable library endowment	23,230	-	-	-
Prepays	20,928	-	64,154	1,252
Unreserved, undesignated, reported in:				
General fund	3,684,310	-	-	-
Special revenue funds	-	1,174,359	1,974,120	1,582,469
Capital projects funds	-	-	-	-
Total fund balances	4,491,448	1,174,359	2,038,274	1,583,721
Total liabilities and fund balances	\$ 5,657,147	\$ 1,270,076	\$ 2,156,910	\$ 1,845,354

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

Public Safety Facilities Construction	Park Development	Debt Service	Total Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 790,805	\$ 3,935,702	\$ 12,601,687
-	10,083	107,796	104,149	1,248,846
-	-	-	-	1,788,121
59,505	-	-	-	189,309
319	319	-	1,759	88,731
6,329,074	4,832,202	-	-	11,184,506
<u>\$ 6,388,898</u>	<u>\$ 4,842,604</u>	<u>\$ 898,601</u>	<u>\$ 4,041,610</u>	<u>\$ 27,101,200</u>
\$ -	\$ 13,120	\$ -	\$ 62,347	\$ 316,199
-	-	-	-	485,607
-	152,006	-	-	152,006
-	-	-	1,689	1,689
-	-	-	-	247,230
-	5,000	63,533	46,059	782,708
673,871	2,636	-	-	676,507
1,636,115	-	-	-	1,636,115
22,217	-	-	-	22,217
329,504	-	-	-	329,504
<u>2,661,707</u>	<u>172,762</u>	<u>63,533</u>	<u>110,095</u>	<u>4,649,782</u>
-	-	835,068	-	835,068
-	4,669,523	-	-	4,669,523
-	-	-	-	762,980
3,726,872	-	-	-	3,726,872
-	-	-	681,777	681,777
-	-	-	1,697,000	1,697,000
-	-	-	-	23,230
319	319	-	1,759	88,731
-	-	-	-	3,684,310
-	-	-	1,272,072	6,003,020
-	-	-	278,907	278,907
<u>3,727,191</u>	<u>4,669,842</u>	<u>835,068</u>	<u>3,931,515</u>	<u>22,451,418</u>
<u>\$ 6,388,898</u>	<u>\$ 4,842,604</u>	<u>\$ 898,601</u>	<u>\$ 4,041,610</u>	<u>\$ 27,101,200</u>



City of McMinnville, Oregon
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2008

Total fund balances - governmental funds \$ 22,451,418

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	\$ 122,055,648	
Accumulated depreciation	<u>(45,709,844)</u>	76,345,804

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	593,816	
Other receivables earned but not available	<u>29,332</u>	623,148

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

Bonds payable	(20,504,617)	
Certificates of participation payable	(205,998)	
Loans and notes payable	(54,397)	
Capital leases payable	(14,970)	
Deferred charges	137,527	
Interest payable	(373,528)	
Compensated absences payable	<u>(687,472)</u>	(21,703,455)

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>1,837,886</u>
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Total net assets - governmental activities \$ 79,554,801

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 Balances
Governmental Funds
For the Year Ended June 30, 2008

	<u>General</u>	<u>Improvements</u>	<u>Fire</u>	<u>Parks & Recreation</u>
Revenues				
Property taxes	\$ 4,103,735	\$ 1,014,242	\$ 1,785,226	\$ 1,846,212
Special assessments	-	-	-	-
Licenses and permits	3,097,282	-	-	-
Intergovernmental	993,507	3,361	283,718	115,977
Charges for services	135,192	-	3,774	845,258
Fines and forfeitures	909,071	-	-	-
Miscellaneous	291,696	72,512	81,330	148,439
Total revenues	<u>9,530,483</u>	<u>1,090,115</u>	<u>2,154,048</u>	<u>2,955,886</u>
Expenditures				
Current:				
General government	1,580,772	294,421	-	-
Community development	1,720,377	-	-	-
Public safety	5,450,076	48,194	1,494,768	-
Highways and streets	-	-	-	-
Culture and recreation	1,324,750	3,706	-	2,877,518
Airport	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public Safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	6,747	215,229	-	-
Interest	1,288	18,412	-	-
Total expenditures	<u>10,084,010</u>	<u>579,962</u>	<u>1,494,768</u>	<u>2,877,518</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(553,527)</u>	<u>510,153</u>	<u>659,280</u>	<u>78,368</u>
Other Financing Sources (Uses)				
Transfers from other funds	1,079,670	-	701,228	61,166
Transfers to other funds	(570,827)	(906,000)	(924,407)	(193,649)
Total other financing sources (uses)	<u>508,843</u>	<u>(906,000)</u>	<u>(223,179)</u>	<u>(132,483)</u>
Net change in fund balances	<u>(44,684)</u>	<u>(395,847)</u>	<u>436,101</u>	<u>(54,115)</u>
Fund balances - beginning	4,536,132	1,570,206	1,602,173	1,637,836
Fund balances - ending	<u>\$ 4,491,448</u>	<u>\$ 1,174,359</u>	<u>\$ 2,038,274</u>	<u>\$ 1,583,721</u>

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

Public Safety Facilities Construction	Park Development	Debt Service	Total Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,471,819	\$ -	\$ 10,221,234
-	-	-	55,997	55,997
-	-	-	241,289	3,338,571
59,505	-	-	1,927,584	3,383,652
-	416,338	-	1,069,846	2,470,408
-	-	-	-	909,071
458,342	236,877	16,296	181,991	1,487,483
<u>517,847</u>	<u>653,215</u>	<u>1,488,115</u>	<u>3,476,707</u>	<u>21,866,416</u>
-	-	-	288,171	2,163,364
-	-	-	-	1,720,377
3,027	-	-	699,911	7,695,976
-	-	-	1,171,346	1,171,346
-	1,650	-	-	4,207,624
-	-	-	337,342	337,342
218,256	-	-	-	218,256
9,444,023	-	-	-	9,444,023
-	-	-	170,828	170,828
-	917,603	-	-	917,603
-	-	685,000	-	906,976
-	-	1,025,495	-	1,045,195
<u>9,665,306</u>	<u>919,253</u>	<u>1,710,495</u>	<u>2,667,598</u>	<u>29,998,910</u>
<u>(9,147,459)</u>	<u>(266,038)</u>	<u>(222,380)</u>	<u>809,109</u>	<u>(8,132,494)</u>
-	-	400,000	770,178	3,012,242
(30,528)	(140,087)	-	(825,325)	(3,590,823)
<u>(30,528)</u>	<u>(140,087)</u>	<u>400,000</u>	<u>(55,147)</u>	<u>(578,581)</u>
(9,177,987)	(406,125)	177,620	753,962	(8,711,075)
12,905,178	5,075,967	657,448	3,177,553	31,162,493
<u>\$ 3,727,191</u>	<u>\$ 4,669,842</u>	<u>\$ 835,068</u>	<u>\$ 3,931,515</u>	<u>\$ 22,451,418</u>



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, 2008

Net change in fund balances - governmental funds \$ (8,711,075)

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	\$ 11,151,569	
Current year depreciation expense	<u>(3,657,633)</u>	7,493,936

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	2,642,339	
Change in property taxes earned but not available	129,315	
Change in fire fees earned but not available	(1,524)	
Change in assessments earned but not available	<u>5,310</u>	2,775,440

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	(85,772)	
Accumulated depreciation	<u>83,111</u>	(2,661)

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	685,000	
Principal repayments - certificates of participation	190,000	
Principal repayments - loans and notes payable	25,230	
Principal repayments - capital leases	6,747	
Amortization of premium - general obligation bonds	9,776	
Amortization of premium - certificate of participation	<u>1,089</u>	917,842

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	(36,815)	
Accrued interest change	129,652	
Amortization of issuance costs	<u>(11,655)</u>	81,182

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.

529,217

Change in net assets - governmental activities \$ 3,083,881

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 4,083,507	\$ 4,083,507	\$ 4,103,735	\$ 20,228
Licenses and permits	2,991,800	2,991,800	3,097,282	105,482
Intergovernmental	920,394	920,394	993,507	73,113
Charges for services	155,000	155,000	135,192	(19,808)
Fines and forfeitures	768,720	768,720	909,071	140,351
Miscellaneous	224,468	224,468	291,696	67,228
Total revenues	<u>9,143,889</u>	<u>9,143,889</u>	<u>9,530,483</u>	<u>386,594</u>
Expenditures				
General government:				
Administration and finance	1,508,896	1,709,046	1,580,772	128,274
Community development:				
Engineering	647,847	661,847	641,616	20,231
Building	635,108	660,108	558,819	101,289
Planning	559,338	559,338	519,942	39,396
Public safety:				
Police	5,248,895	5,366,195	5,045,852	320,343
Municipal court	420,054	474,104	412,259	61,845
Culture and recreation:				
Library	1,387,821	1,413,821	1,324,750	89,071
Contingencies	750,000	313,500	-	313,500
Total expenditures	<u>11,157,959</u>	<u>11,157,959</u>	<u>10,084,010</u>	<u>1,073,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,014,070)</u>	<u>(2,014,070)</u>	<u>(553,527)</u>	<u>1,460,543</u>
Other Financing Sources (Uses)				
Transfers from other funds	1,079,670	1,079,670	1,079,670	-
Transfers to other funds	(570,827)	(570,827)	(570,827)	-
Total other financing sources (uses)	<u>508,843</u>	<u>508,843</u>	<u>508,843</u>	<u>-</u>
Net change in fund balances	<u>(1,505,227)</u>	<u>(1,505,227)</u>	<u>(44,684)</u>	<u>1,460,543</u>
Fund balances - beginning	4,278,230	4,278,230	4,536,132	257,902
Fund balances - ending	<u>\$ 2,773,003</u>	<u>\$ 2,773,003</u>	<u>\$ 4,491,448</u>	<u>\$ 1,718,445</u>

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 788,204	\$ 788,204	\$ 1,014,242	\$ 226,038
Intergovernmental	3,750	3,750	3,361	(389)
Miscellaneous	61,000	61,000	72,512	11,512
Total revenues	852,954	852,954	1,090,115	237,161
Expenditures				
General government:				
Materials and services	51,000	51,000	29,332	21,668
Capital outlay	379,305	379,305	294,393	84,912
Total general government	430,305	430,305	323,725	106,580
Public safety:				
Materials and services	50,000	50,000	48,194	1,806
Total public safety	50,000	50,000	48,194	1,806
Culture and recreation:				
Materials and services	-	5,000	3,622	1,378
Capital outlay	25,000	25,000	84	24,916
Total culture and recreation	25,000	30,000	3,706	26,294
Debt service	204,340	204,340	204,337	3
Contingencies	175,000	170,000	-	170,000
Total expenditures	884,645	884,645	579,962	304,683
Excess (deficiency) of revenues over (under) expenditures	(31,691)	(31,691)	510,153	541,844
Other Financing Sources (Uses)				
Transfers to other funds	(906,000)	(906,000)	(906,000)	-
Total other financing sources (uses)	(906,000)	(906,000)	(906,000)	-
Net change in fund balances	(937,691)	(937,691)	(395,847)	541,844
Fund balances - beginning	1,540,000	1,540,000	1,570,206	30,206
Fund balances - ending	\$ 602,309	\$ 602,309	\$ 1,174,359	\$ 572,050

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,767,678	\$ 1,767,678	\$ 1,785,226	\$ 17,548
Intergovernmental	581,190	581,190	283,718	(297,472)
Charges for services	3,000	3,000	3,774	774
Miscellaneous	82,900	82,900	81,330	(1,570)
Total revenues	<u>2,434,768</u>	<u>2,434,768</u>	<u>2,154,048</u>	<u>(280,720)</u>
Expenditures				
Public safety:				
Personal services	1,191,797	1,170,797	1,057,377	113,420
Materials and services	425,423	464,923	417,391	47,532
Capital outlay	350,000	370,000	20,000	350,000
Contingencies	150,000	111,500	-	111,500
Total expenditures	<u>2,117,220</u>	<u>2,117,220</u>	<u>1,494,768</u>	<u>622,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>317,548</u>	<u>317,548</u>	<u>659,280</u>	<u>341,732</u>
Other Financing Sources (Uses)				
Transfers from other funds	701,228	701,228	701,228	-
Transfers to other funds	(924,407)	(924,407)	(924,407)	-
Total other financing sources (uses)	<u>(223,179)</u>	<u>(223,179)</u>	<u>(223,179)</u>	<u>-</u>
Net change in fund balances	<u>94,369</u>	<u>94,369</u>	<u>436,101</u>	<u>341,732</u>
Fund balances - beginning	1,535,000	1,535,000	1,602,173	67,173
Fund balances - ending	<u>\$ 1,629,369</u>	<u>\$ 1,629,369</u>	<u>\$ 2,038,274</u>	<u>\$ 408,905</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,832,604	\$ 1,832,604	\$ 1,846,212	\$ 13,608
Intergovernmental	45,000	110,000	115,977	5,977
Charges for services	880,150	881,050	845,258	(35,792)
Miscellaneous	135,835	139,815	148,439	8,624
Total revenues	<u>2,893,589</u>	<u>2,963,469</u>	<u>2,955,886</u>	<u>(7,583)</u>
Expenditures				
Culture and recreation:				
Parks and recreation administration	167,088	173,088	166,214	6,874
Aquatic center	604,775	625,475	609,900	15,575
Community center and recreation programs	446,513	483,013	402,885	80,128
Kids on the block	221,478	251,358	227,109	24,249
Recreational sports	336,780	371,280	354,028	17,252
Senior center	202,657	211,657	149,838	61,819
Parks maintenance	922,785	998,785	967,544	31,241
Contingencies	300,000	157,300	-	157,300
Total expenditures	<u>3,202,076</u>	<u>3,271,956</u>	<u>2,877,518</u>	<u>394,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(308,487)</u>	<u>(308,487)</u>	<u>78,368</u>	<u>386,855</u>
Other Financing Sources (Uses)				
Transfers from other funds	61,166	61,166	61,166	-
Transfers to other funds	(193,649)	(193,649)	(193,649)	-
Total other financing sources (uses)	<u>(132,483)</u>	<u>(132,483)</u>	<u>(132,483)</u>	<u>-</u>
Net change in fund balances	<u>(440,970)</u>	<u>(440,970)</u>	<u>(54,115)</u>	<u>386,855</u>
Fund balances - beginning	1,500,000	1,500,000	1,637,836	137,836
Fund balances - ending	<u>\$ 1,059,030</u>	<u>\$ 1,059,030</u>	<u>\$ 1,583,721</u>	<u>\$ 524,691</u>

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