



# City of McMinnville

City of McMinnville, Oregon

## Annual Comprehensive Financial Report



Year Ended June 30, 2025

**City of McMinnville, Oregon**  
**Annual Comprehensive Financial Report**  
**Year Ended June 30, 2025**

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# City of McMinnville

230 NE Second Street McMinnville, Oregon 97128 [www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

December 30, 2025

Mayor Kim Morris  
City Councilors  
Residents of the City of McMinnville

City management is pleased to submit the City of McMinnville's *Annual Comprehensive Financial Report (ACFR)* for the fiscal year ended June 30, 2025. The ACFR presents the financial position of the City of McMinnville (City) as of June 30, 2025, and the results of City operations and proprietary fund cash flows for the year then ended. The City's financial statements and schedules were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The City's statements and schedules were audited by Merina and Company, LLP in accordance with auditing standards generally accepted in the United States of America. Merina and Company, LLP concluded the basic financial statements are free of material misstatement and issued an unmodified opinion which is presented in the second section of this report. Financial accuracy, completeness, and fairness of presentations in the ACFR are the responsibility of City of McMinnville's management. City management has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented. Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. City management asserts the ACFR is complete and reliable in all material respects.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the report of the independent auditors.

## **Profile of the Government:**

**City of McMinnville:** The city is located in the agriculturally rich Willamette Valley 40 miles southwest of Portland, the largest metropolitan area in Oregon. McMinnville is the county seat of Yamhill County, the eighteenth largest city in Oregon, and the economic hub of the region.

The City is a municipal government, incorporated as a town in 1876 and as a city in 1882, operating under the council-manager form of government. The elected officials are a Mayor and six City Council members. The City provides a full range of services, including police; municipal court; wastewater treatment, system construction and maintenance; street

**Transmittal Letter  
Year Ended June 30, 2025**

construction and maintenance; engineering and planning services; building permitting and inspection services; parks, recreational and cultural activities; and a municipal airport.

**McMinnville Water and Light Department:** In addition to the City's primary services the City has one discretely presented component unit, the McMinnville Water and Light Department (Department). The Department is governed by the Water and Light Commission, which is appointed by the Mayor and confirmed by City Council members. The Department provides water and electrical services to McMinnville residents. Additional information on the Department is located in the notes to the financial statements, Note I.B.3.

**McMinnville Urban Renewal Agency:** The City's financial statements also include the McMinnville Urban Renewal Agency (URA) as a blended component unit. Additional information on the URA is located in the notes to the financial statements, Note I.B.2.

**Local Economy:**

McMinnville's local economy is operating within the environment of the overall Oregon experience. The Oregon Economic and Revenue Forecast of December 2025 (put together by the Oregon Office of Economic Analysis) is projecting that Oregon's baseline economic outlook will be stable and may see growth pick up in 2026. Stating that "it appears the multi-year, post-pandemic growth slowdown has reached an inflection point". Excerpts from the report are below:

In recent years, slowing growth and modestly higher unemployment bore some resemblance to the proverbial economic "soft-landing" pursued by policymakers — i.e. a slowdown that does not progress into recession but does lower inflation. The goal line remains uncrossed, as it does not appear the landing was soft enough for long enough to sufficiently restrain inflation pressures. Instead, recent inflation trends suggest price pressures are potentially re-emerging across a wide spectrum of goods and services, and at a pace that remains stubbornly above the Federal Reserve's target of 2%.

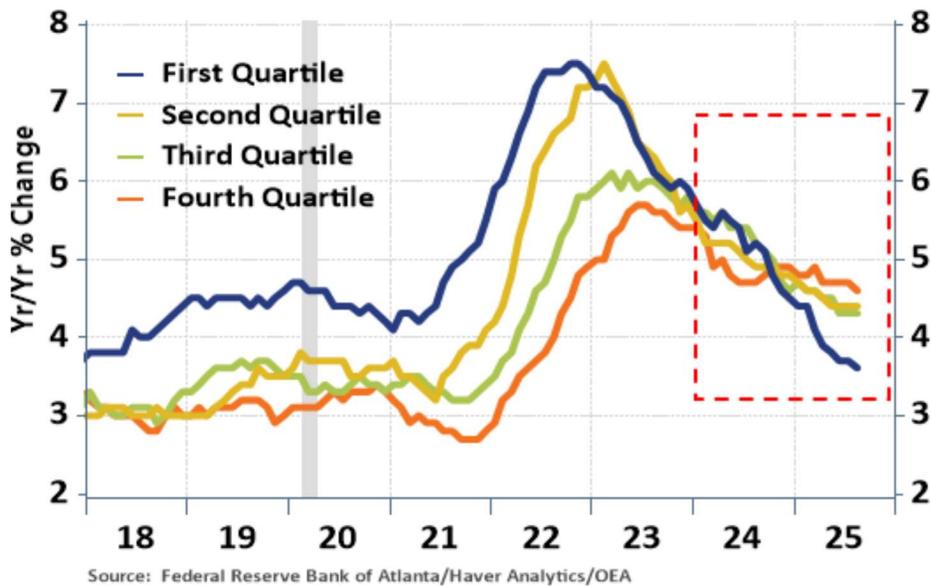
While the economic resilience displayed to date is impressive, an equally remarkable development may be materializing in 2026—a growth rebound. The overarching narrative post-pandemic has been the application of policy brakes to restrain inflation by slowing the economy and rebalancing conditions. As a result, a broad swath of economic indicators, spanning growth, labor and inflation, have consistently looked cooler in any given year compared to the preceding year.

However, the 2026 economic profile is set to break this trend, marked by faster economic growth and a rebound in job creation - all of which are likely to limit any relief on the inflation front to only incremental improvement.

The Forecast does note that there is great uncertainty at the federal level which means that economic projections should be approached with caution.

The Forecast includes several charts that give additional context. The first included in this transmittal letter focuses on wage growth differences between differing income levels. It also states that "This unequal, or K-shaped, dynamic also applies across industries, as sectors related to tech, semi-conductors, artificial intelligence and data centers witness an ongoing boom, while other sectors such as commercial real estate, homebuilding and manufacturing continue to struggle".

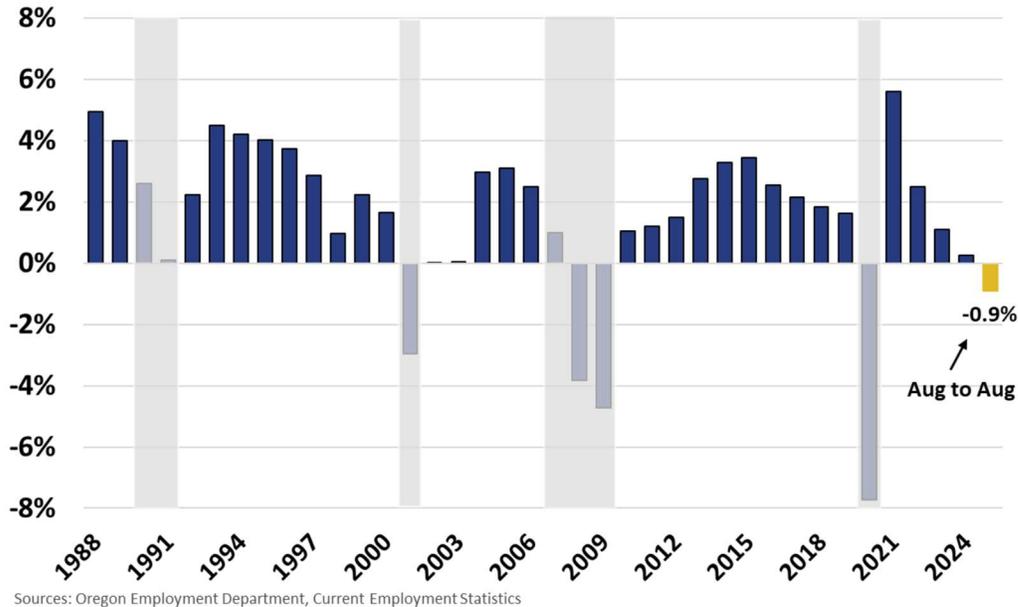
### Wage Growth Tracker: Median Wage Growth 12 MMA (NSA)



The next graphic plots nonfarm job growth. The Forecast describes the trend by saying "Revisions from the Oregon Employment Department show employment conditions weakening across most industries, with year-over-year job growth remaining negative."

### Annual Total Nonfarm Job Growth in Oregon

December to December, Monthly data



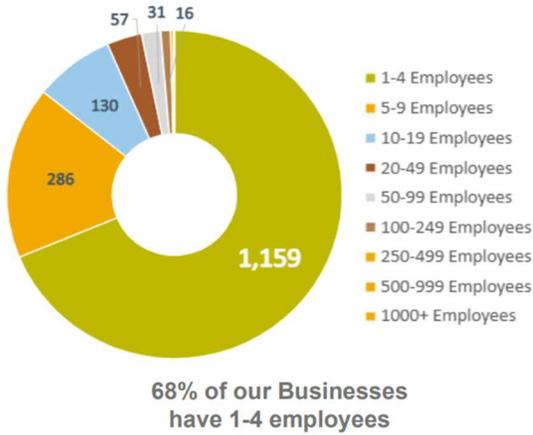
McMinnville, as the regional seat of government and the largest of Yamhill County's municipalities, has a diverse economic base that blends all of the County's commercial sectors.

**Transmittal Letter**  
**Year Ended June 30, 2025**

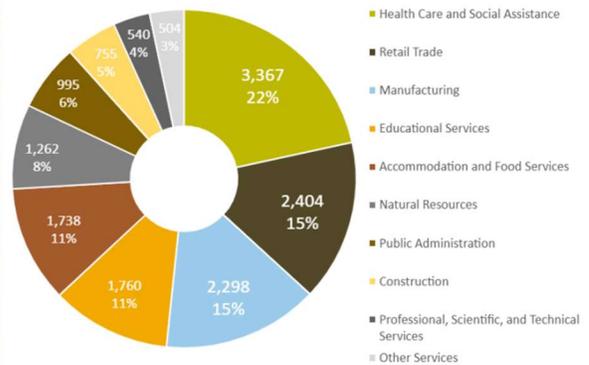
The top ten employers in McMinnville are in economic sectors related to education, government, healthcare and manufacturing, providing a stable base for the City's economy. The McMinnville Economic Development Partnership (MEDP) includes this graphic on McMinnville workforce in its October 2025 annual report.

# MCMINNVILLE WORKFORCE

**Business Size by Number of Employees**



**Number of Employees per Industry**



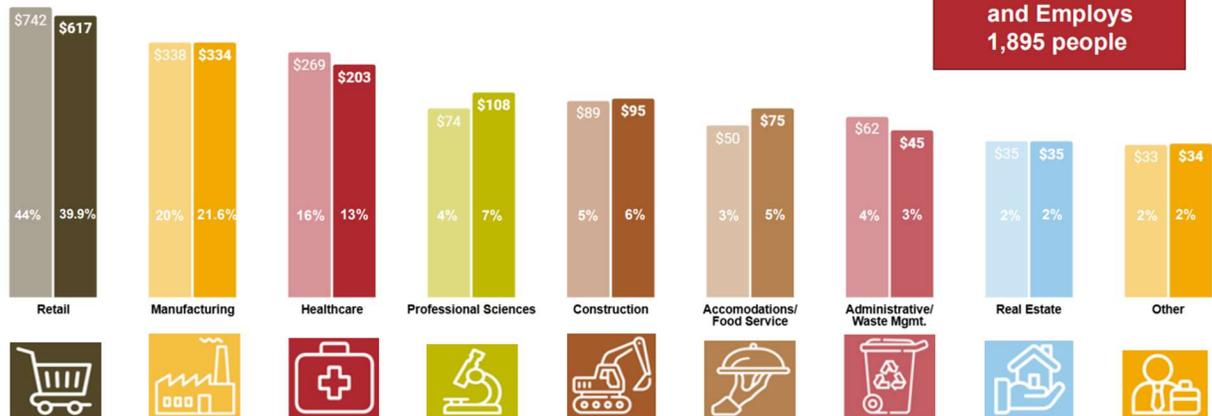
Source: Oregon Employment Department, Geocoded Quarterly Census of Employment and Wages

McMinnville hosts over 100 manufacturers that employ over 1,800 individuals. While this sector is among the smallest in business percentage, its revenue impact on the City is only surpassed by retail (see MEDP graphic below). These businesses are engaged in the

# MCMINNVILLE ECONOMIC DRIVERS

**Revenue Impact 2024-2025 (M)**

NAICS Code Overall Revenue Impact = \$1.7B  
 Establishments = 1,656



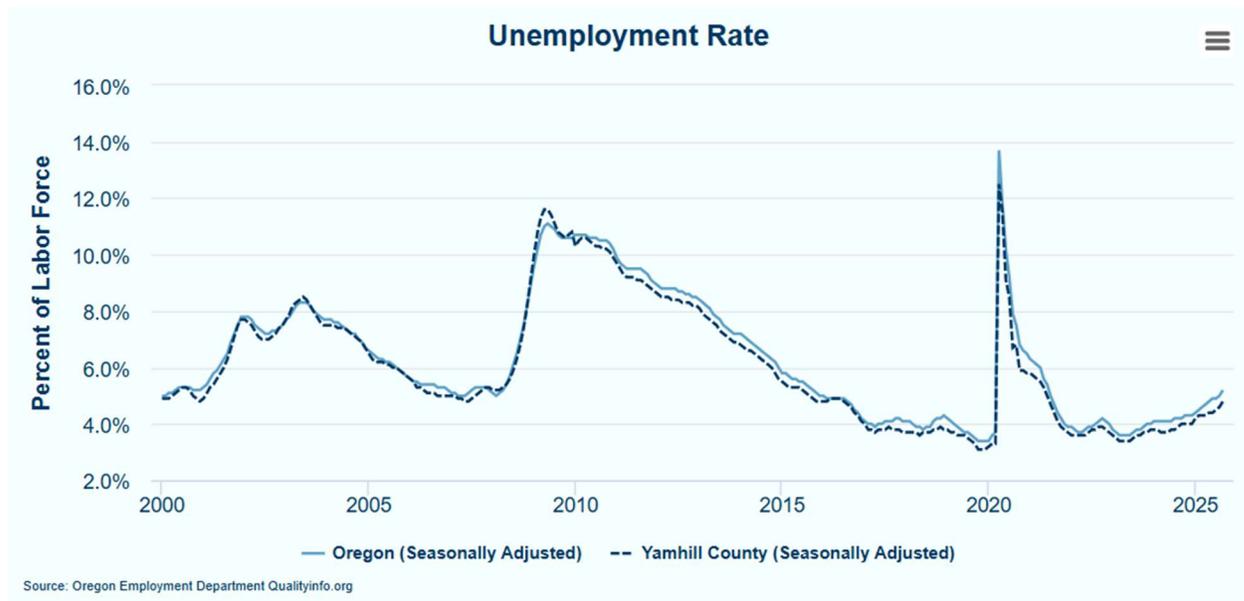
\* Source: Oregon Prospector, Data Axle GIS Planning Integration, October 2025

## Transmittal Letter Year Ended June 30, 2025

production of a diverse range of products such as recycled steel rebar, food and beverage, metalworking and metal fabrication, Computer Numerical Control (CNC) machining, medical devices, aerospace products and parts, unmanned aerial vehicles, software, electronics, and high technology. Additionally, McMinnville has attracted emerging, potentially high-value businesses at the forefront of pioneering research and development in sustainability, carbon sequestration, and regenerative agricultural.

Along Three Mile Lane, on Highway 18, the McMinnville Landing Innovation District is being planned. It is envisioned as a 190-acre innovation district built to shape what's next. Designed for visionaries, builders, and makers, this all-new hub promises the space, support, and flexibility to turn bold ideas into big opportunity across industry, commerce, and community life. The preferred draft concept was completed in June 2025.

**Employment:** Yamhill County unemployment rates (seasonally adjusted) are trending lower than those of the state and nation as a whole. According to the Oregon Employment Department (OED), the Yamhill County's unemployment increased from 4.0% in September 2024 to 4.8% in September 2025. The state's unemployment rate increased from 4.2% to 5.2% over the same period of time.



**Tourism and wine sector:** McMinnville is located in the heart of Oregon wine country, where an ideal combination of soil types and a mild climate enable area winemakers to produce world-class wines. Approximately 250 wineries are found within a 20-mile radius of McMinnville with 20 craft beverage tasting rooms and nine wineries operating within the City. The strength of the wine industry in McMinnville and surrounding area has been a significant factor in growth of the local economy. Yamhill County, the Oregon county with the largest number of acreage in vineyards, is part of the North Willamette Valley region. Wineries and tasting rooms open to the public are a natural draw for tourists throughout the year. Many wineries also have festivals, music performances, and picnics during the summer.

Other notable annual activities that take place in McMinnville and draw significant visitors include the Oregon International Air Show (since 2019) and McMinnville UFO festival (since 1999).

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**Year Ended June 30, 2025**

The Evergreen Museum campus buildings include the Evergreen Air Museum, the Space Museum, the Wings and Waves Waterpark, an event center, and an iMax theatre. The Museums display a number of military and civilian aircraft and spacecraft, most notably, the Hughes H-4 Hercules Spruce Goose.

The City imposes a transient lodging tax to provide funding for tourism promotion and marketing of McMinnville as a premiere destination for wine and culinary tourism. These dollars remained stable in FY2024-25.

**Population Growth:** Over the last ten years, McMinnville’s population has grown by 5.25%, with the most recent census estimates indicating a very small increase in 2025. For comparison, during the same ten-year period, Yamhill County’s population grew 6.90%, while the State of Oregon’s population grew 7.14%.

**Population Estimates**

Year	McMinnville		Yamhill County		State of Oregon	
	Population	Percent Change	Population	Percent Change	Population	Percent Change
2015	33,080	1.15%	103,630	1.10%	4,013,845	1.30%
2022	34,051	0.32%	108,287	0.36%	4,255,112	0.48%
2023	34,623	1.68%	108,987	0.65%	4,269,152	0.33%
2024	34,735	0.32%	109,910	0.85%	4,286,443	0.41%
2025	34,818	0.24%	110,777	0.79%	4,300,464	0.33%

Source: Portland State University Population Research Center (PRC) yearly estimates.

Both new employers and residents are attracted to McMinnville because of its livability and proximity to the Portland metropolitan area, Salem (the state capital), the Cascade mountain range, and the Oregon coast. Other factors contributing to the livability are the vitality of McMinnville’s Historic Downtown District, Linfield University, and excellence of medical and City services.

**Residential, Commercial, and Industrial Development:** Fiscal year 2024-25 saw a continued decline in permits issued relative the prior year with 881 this year compared to 1,061 in FY2023-24 and 1,176 in FY2022-23. The McMinnville Growth Management and Urbanization Plan (MGMUP) was adopted in December 2020, adding 662.40 gross buildable acres to the McMinnville Urban Growth Boundary.

**Property Values:** Taxable values and real market values are factors that are useful in measuring the economic health of a community. As illustrated in the table below, the taxable value for McMinnville increased by 24% in the last five years and 56% over the last ten years. Real market value decreased by 2.75% this year in the City while rising minimally at 3.8% in the County relative the prior year.

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**Year Ended June 30, 2025**

**Property Values --- Maximum Assessed Value and Real Market Value**  
(\$s in thousands)

<u>Fiscal Year End</u>	<u>McMinnville</u>				<u>Yamhill County</u>	
	<u>Taxable Value</u>	<u>Percent Change</u>	<u>Real Market Value</u>	<u>Percent Change</u>	<u>Real Market Value</u>	<u>Percent Change</u>
2015	2,298,038	2.90%	2,861,726	4.11%	9,699,390	5.93%
2020	2,882,809	5.12%	4,191,800	6.66%	14,869,587	8.88%
2021	2,989,998	3.72%	4,617,332	10.15%	15,713,023	5.67%
2022	3,144,390	5.16%	5,072,516	9.86%	17,480,598	11.25%
2023	3,296,309	4.83%	6,155,627	21.35%	21,280,443	21.74%
2024	3,476,523	5.47%	6,751,156	9.67%	22,501,533	5.74%
2025	3,586,720	3.17%	6,565,304	-2.75%	23,356,306	3.80%

Source: Yamhill County Assessor's Office

From 2015 to 2025, real market value for McMinnville increased by over 110% and Yamhill County's real market value grew by over 140%. After showing a steady increase for years, with a spike in 2023, the City's real market value now shows a decline as the housing market begins to stabilize. Taxable value as a percentage of estimated real market value was 55% in 2025.

**Property Tax Rates:** In FY2024-25, the City added back \$0.50 of the under-levy contributing to a 10% increase in the total city property tax levy but only a 2.7% increase in the overall total property tax levy for overlapping debt.

**Property Tax Rates**  
(per thousand of assessed valuation)

<u>Fiscal Year Ended</u>	<u>City of McMinnville Only</u>				<u>McMinnville Tax Code #40</u>
	<u>Permanent Operating Levy</u>	<u>Debt Service Levy</u>	<u>Urban Renewal</u>	<u>Total Property Tax Levy</u>	<u>Consolidated Property Tax Rate</u>
2015	5.02	0.68	0.04	5.74	16.49
2021	5.02	1.27	0.14	6.43	17.09
2022	5.02	0.92	0.17	6.11	16.51
2023	5.02	0.89	0.20	6.11	16.69
2024	3.52	0.89	0.21	4.62	17.11
2025	4.02	0.84	0.20	5.06	17.58

Source: Yamhill County Assessor's Office

**Transmittal Letter  
Year Ended June 30, 2025**

Oregon law allows the City to levy property taxes for payment on debt that has been approved by the voters. The City's debt service levy includes Public Safety-Civic Building bonds (ending in FY2026-27) and two rounds of Transportation bonds issued as authorized by voters in 2014. The property taxes received to support McMinnville's Urban Renewal (UR) plan do not result in an additional property tax extended to payers but are shares of tax receipts that would have otherwise gone to taxing districts that the UR district overlaps with such as the City of McMinnville, Yamhill County, McMinnville School District and McMinnville Fire District.

**Fiscal Policy and Financial Planning:**

FY2024-25 was a year of continuing transition with a change in several elected officials, including the mayor, and a renewed focus on transparency, impact of decisions on citizens, and a desire to look more closely at the drivers behind the City's financial position. In the second half of the year, executive staff was encouraged to limit spending as much as possible and prepare for a more difficult budget for FY2025-26 with potential cuts in order to stabilize fund balances and plan for much-needed facility repairs.

Concerns about the erosion of property taxes as a sustainable funding source to support the City's General Fund and the core services it encompasses (police, parks and recreation, library and general governmental services) have driven study for solutions and difficult decisions by the governing body. As the table in the Statistical Section of the ACFR on the difference between taxable value and estimated real market value, 10 years ago taxable value was 78.5% of real market value. In 2025, it was 54.6%. The addition of the City Services fee has helped to balance out the impact of inadequate tax revenue to support general funded services like public safety but the future of this revenue source is uncertain as community and council remain divided on whether this fee should continue into the future as is or if it should be modified.

To facilitate long-term planning, City management utilizes a five-year financial forecast model. Forecasting enables policymakers to take action in a timely manner, to mitigate future financial problems, and to allow planning for expansion when economic conditions improve. The City's fiscal policy is to budget for the upcoming fiscal year, while taking into consideration factors that will impact subsequent years' budgets.

**Major Initiatives:**

The Innovation Campus concept was identified in the Mac Town 2032 Economic Development Strategic Plan, adopted by Resolution No. 2019-16, and the Three Mile Lane Area Plan (3MLAP) adopted by Ordinance No. 5126 on November 8, 2022. The 3MLAP identified a community vision of a Retail Center and Innovation Campus on this acreage to serve the community's future needs of commercial development and high density, upwardly mobile employment opportunities. The culmination of this project in June 2025 with the unveiling of the McMinnville Landing Project was a major achievement in FY2024-25.

Other projects and core service activity metrics have seen advancement including:

- Completed construction of the Cypress and Fellows Paving, 13th and Galloway Stormwater Improvement, and Meadows Drive Street Improvement projects.
- Transitioned to a full-time Airport Manager and completed the Airport Master Plan.
- A ballot measure for bonds to build a new aquatic and recreation center was brought forward and approved to move forward. (This failed by only 13 votes, just prior to the release of these financial statements)

**Transmittal Letter  
Year Ended June 30, 2025**

- McMinnville Police Department was re-accredited by the Northwest Accreditation Alliance. NWAA is the accrediting body for Oregon Law Enforcement agencies certifying agencies meet US Department of Justice standards for safe policing.
- The Police took almost 32,000 calls for service in calendar year 2024, down 0.5% relative the prior calendar year.
- The library saw a reduction in staffing and hours in an effort to address decreasing General Fund balances. Despite this, the Library continues to serve children and adults alike, with 2025 having the largest Día de los Niños in 10 years with hundreds of families joining the festivities.
- The Library and Parks and Recreation joined together to bring Summer Fun to the community, serving over 5,000 people at the events.
- The City began the master planning of the Innovation Campus, renamed as McMinnville Landing. This will be a multiuse area with commercial, enterprise, and recreational spaces.

In FY2022-23, the City formally spent its \$7.7 million allotment of American Rescue Plan Act (ARPA) grant dollars. This choice was made in an abundance of caution due to concerns about a possible federal initiative to pull back unspent ARPA dollars. The City established a committed reserve to hold the funding not yet spent on approved projects in order to make good on its commitment to implement those 28 Council-approved projects. During the current year, \$1.3 million was spent on these investments, with a total spent as of June 30, 2025 of \$4.4 million. \$2.8 million remains.

**Certificate of Achievement:**

The Government Finance Officers Association of the United States and Canada (GFOA) most recently awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of McMinnville for its *Annual Comprehensive Financial Report (ACFR)* for the fiscal year ended June 30, 2024. The City has received this recognition for over 30 consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized *ACFR* and must satisfy both generally accepted accounting principles and applicable legal requirements. This award is the highest form of recognition for excellence in state and local government financial reporting.

A Certificate of Achievement is valid for a period of one year only.

**Acknowledgements:**

The preparation of the *Annual Comprehensive Financial Report (ACFR)* is the final step in the completion of a successful year for the City's Finance Department. We would like to thank the City's accounting staff for their day-to-day dedication to professional accounting standards and to producing accurate accounting records, which are the basis for the financial statements included in the City's *ACFR*.

Furthermore, we would like to acknowledge the efforts of all City department personnel who conscientiously adhere to internal controls throughout the year, helping to ensure accuracy and compliance with accounting policies. Department personnel also provide important statistical information, making the *ACFR* a meaningful presentation of the City's financial statements.

**Transmittal Letter**  
**Year Ended June 30, 2025**

The City contracted with Merina and Co to prepare the ACFR report and we recognize the time, effort and care this additional line of service has required.

Special appreciation is also extended to the City of McMinnville Mayor, City Councilors, and Budget Committee for their support and for their continuing effort to conduct the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Adam D. Garvin  
Interim City Manager



**City of  
McMinnville**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of McMinnville  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**CITY OF McMinnville, Oregon**  
**Elected Officials**  
**AND**  
**Principal Appointed Officers of the City**  
**June 30, 2025**

	<u>City Council</u>	<u>Term Expires</u>
<b>Kim Morris</b>	Mayor	December 31, 2028
<b>Chris Chenoweth</b>	Ward I	December 31, 2028
<b>Sal Peralta</b>	Ward I Council President	December 31, 2026
<b>Dan Tucholsky</b>	Ward II	December 31, 2028
<b>Zack Geary</b>	Ward II	December 31, 2026
<b>Scott Cunningham</b>	Ward III	December 31, 2028
<b>Jessica Payne</b>	Ward III	December 31, 2026

**CITY ADMINISTRATION**

<b>Adam Garvin</b>	<b>City Manager-Interim</b>
<b>Katie Henry</b>	<b>Finance Director</b>



McMinnville Residents

Mayor and City Council

Municipal Judge

City Manager

Boards, Commissions, Committees and Project Advisory Committees

Administration

Legal

Human Resources

Information Systems

Finance/Municipal Court

Community Development

Public Works

Library

Police

Parks and Recreation

City Recorder

Communications and Engagement

Planning

Code Compliance

Building

Economic Development

Wastewater

Streets and Fleet

Emergency Management

Airport

Engineering

Park and Facility Maintenance

Chief's Office/Records

Field Operations

Investigations & Support

Community Center & Rec Programs

Aquatic Center

Senior Center

Recreational Sports

Parks Development

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, City Council, and Audit Committee  
City of McMinnville, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of McMinnville, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of McMinnville, Oregon's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of McMinnville, Oregon, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of McMinnville Water & Light Department, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of the City of McMinnville, Oregon, as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions insofar as it relates to the amounts included for the City of McMinnville, Oregon are based solely on the report of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of McMinnville, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of McMinnville Water & Light Department was not audited in accordance with *Government Auditing Standards*.

#### ***Change in Accounting Principle***

As discussed in Note I. G. 10 to the financial statements, in 2025, the City of McMinnville adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

City of McMinnville, Oregon's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of McMinnville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of McMinnville's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of McMinnville's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and statement of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions – pensions, schedule of the proportionate share of OPEB – RHIA, schedule of contributions to OPEB – RHIA, and schedule of changes in OPEB liability and related ratios – implicit rate subsidy, as listed in the table of contents under 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.

The statement of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of McMinnville, Oregon’s basic financial statements. The accompanying other supplementary information, as listed in the table of contents including the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Reports on Other Legal and Regulatory Requirements**

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025 on our consideration of the City of McMinnville, Oregon’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of McMinnville, Oregon’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of McMinnville, Oregon’s internal control over financial reporting and compliance.

### **Other Reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 26, 2025 on our consideration of the City of McMinnville, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



Tonya Moffitt, Partner  
For Merina+Co  
Tualatin, Oregon  
December 26, 2025

## **City of McMinnville, Oregon Management’s Discussion and Analysis**

The “Management’s Discussion and Analysis” (MD&A) section of the City of McMinnville’s (City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements, the accompanying notes to those financial statements, and the City’s “Letter of Transmittal” contained in the ACFR. In an effort to make the MD&A more readable, all amounts have been rounded to the nearest million or in some cases the nearest thousand.

### **Financial Highlights**

- The City’s assets and deferred outflows of resources totaled \$270.5 million at June 30, 2025, consisting of \$187.3 million in capital assets, \$45.6 million in unrestricted cash and investments, \$16.8 million in restricted cash and investments, and \$20.8 million in other assets and deferred outflows of resources. Total assets and deferred outflows of resources increased by \$4.8 million from the previous fiscal year.
- The City’s liabilities and deferred inflows of resources totaled \$65.4 million at June 30, 2025 consisting of \$43.5 million in long-term liabilities and \$14.2 million in accounts payable and other current liabilities, \$4.7 million in deferred inflows related to pensions and \$3.0 million in other deferred inflows of resources.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$205.2 million at the close of fiscal year 2025. Unrestricted net position totaled \$20.3 million. The City’s net investment in capital assets totaled \$169.2 million and net position restricted for capital projects, the airport, OPEB, and debt service totaled \$15.7 million.
- For its governmental activities, the City generated \$11.7 million in charges for services and received \$900,000 in operating grants and \$2.0 million in capital grants and contributions. Direct expenses, including interest on long-term debt, were \$42.1 million for the year. Total revenues, including \$30.5 million of general revenues received, and total expenditures resulted in an increase in net position of \$2.9 million.
- For its business-type activities, the City generated \$12.1 million in charges for services, capital grants and contributions, and other revenue to fund direct expenses of \$8.7 million. Year over year, an increase in net position of \$6.7 million was seen.
- Fund balance in the City’s governmental funds was \$24.1 million on June 30, 2025, a decrease of \$2.7 million from June 30, 2024. Approximately \$2.5 million is available for spending at the City’s discretion (unassigned fund balance), down \$3.8 million from the prior year. Additional information regarding governmental funds ending fund balances is included in the Fund Financial Analysis section of Management’s Discussion and Analysis.
- During the fiscal year, the fire and emergency medical services function was transferred to a separate taxing district.

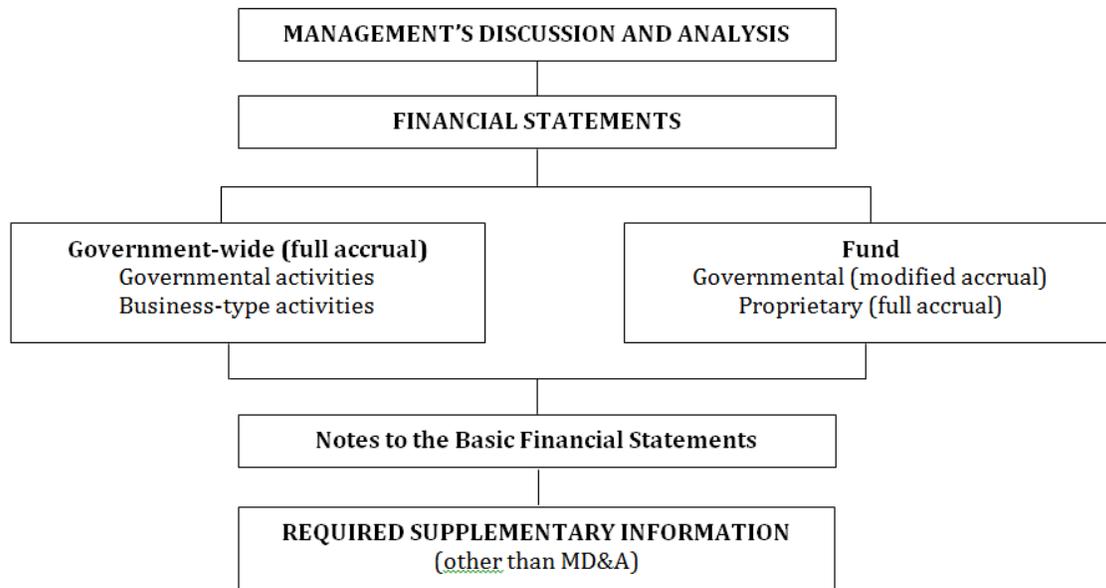
### **Overview of the Financial Statements**

In addition to this discussion and analysis, the financial section of this annual report contains the *basic financial statements*, *required supplementary information*, and *other supplementary information*, including the *combining statements and schedules* of the non-major funds.

The basic financial statements also include *notes* that explain the information in the financial statements and provide additional details. The following chart illustrates how the various sections of this annual report are arranged relative to one another.

## City of McMinnville - Management's Discussion and Analysis

Chart 1 – Required Elements of the Annual Comprehensive Financial Report



**Government-wide financial statements:** The government-wide financial statements are prepared using the full accrual method of accounting similar to private-sector accounting. Both the Statement of Net Position and the Statement of Activities distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- These government-wide financial statements include three reporting units; i.e., governmental activities and business-type activities that are combined for the primary government total, including the McMinnville Urban Renewal District, and the discretely presented component unit, McMinnville Water & Light Department (Department).
- Governmental activities of the City are general government, public safety, community development, culture and recreation, airport, and highways and streets. Property taxes, charges for services, and operating and capital grants and contributions fund most of these activities.
- Business-type activity of the City is in the Wastewater Services funds. The City charges fees to customers to recover the majority of the costs of these services.
- **Statement of Net Position:** This statement includes all assets, liabilities, deferred outflows and deferred inflows of resources with the difference reported as net position. Evaluating increases or decreases in net position over time can serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- **Statement of Activities:** This statement presents information showing how the City's net position changed during the fiscal year. The statement reports governmental and business-type activities' function/program expenses and program revenues and indicates the amount that must be supplemented by general revenues. General revenues include property taxes, franchise fees, unrestricted state shared revenues and investment earnings.

**Fund financial statements:** A fund is a grouping of related accounts that is 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. Fund financial statements focus on major governmental and proprietary funds separately. The City's major governmental funds are each presented separately and the remaining non-major funds are combined in a column titled "Total Non-Major Governmental Funds." Statements for the City's proprietary funds follow the governmental statements.

## City of McMinnville - Management's Discussion and Analysis

- **Governmental funds:** Governmental funds are used to account for the 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. This fund reporting method may be more useful in evaluating the City's short-term financial requirements and position.

Because the focus of 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City has fourteen governmental funds this year, six of which are considered major funds. The General Fund, Airport Maintenance Fund and Urban Renewal Debt Service Fund are major funds; the Transportation Fund, Affordable Housing Fund and Debt Service Fund are also classified as a major fund due to public interest in these activities. The remaining governmental funds, six special revenue and two capital projects funds, are classified as non-major funds and are aggregated for reporting in the fund financial statements. Non-major governmental funds data is provided in combining and individual fund statements and schedules.

- **Proprietary funds:** The City maintains two types of proprietary funds, enterprise funds and internal service funds.

Enterprise funds are used to account for Wastewater Services. Wastewater Services is a major fund. Enterprise funds use the full accrual method of accounting, as do the government-wide financial statements; therefore, no separate reconciliation is necessary.

Internal service funds are used to accumulate and allocate costs internally among the operating funds. The City's internal service funds are Information Systems & Services and Insurance Services. These funds are included with the proprietary funds in the fund financial statements and with the governmental activities in the government-wide financial statements since the funds served are primarily governmental activities.

### Government-Wide Financial Analysis

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$205.1 million at the close of fiscal year 2025.

## City of McMinnville - Management's Discussion and Analysis

### Statement of Net Position:

The following table is a summary of the City's net position compared to the prior fiscal year.

**Statement of Net Position**  
**June 30, 2025 and 2024**  
**(in millions)**

	Primary Government									Component Unit		
	Governmental			Business-Type			Total			Water and		
	Activities			Activities			City			Light		
	Restated			Restated			Restated			The "Department"		
	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change
Cash and investments	\$ 31.0	\$ 29.9	\$ 1.1	\$ 31.4	\$ 41.9	\$(10.5)	\$ 62.4	\$ 71.8	\$ (9.4)	\$ 76.3	\$ 72.2	\$ 4.1
Other assets	1.9	3.1	(1.2)	7.1	6.6	0.5	9.0	9.7	(0.7)	11.4	11.1	0.3
Capital assets	104.6	106.0	(1.4)	82.7	68.3	14.4	187.3	174.3	13.0	159.7	154.5	5.2
<b>Total assets</b>	<b>137.5</b>	<b>139.0</b>	<b>\$ (1.5)</b>	<b>121.2</b>	<b>116.8</b>	<b>4.4</b>	<b>258.7</b>	<b>255.8</b>	<b>2.9</b>	<b>247.4</b>	<b>237.8</b>	<b>9.6</b>
Deferred outflows of resources	10.6	9.0	\$ 1.6	1.2	0.9	0.3	11.8	9.9	1.9	5.4	4.5	0.9
Other liabilities	12.3	12.5	\$ (0.2)	1.9	2.3	(0.4)	14.2	14.8	(0.6)	6.6	5.7	0.9
Non-current liabilities	40.4	42.0	\$ (1.6)	3.1	2.5	0.6	43.5	44.5	(1.0)	14.6	12.5	2.1
<b>Total liabilities</b>	<b>52.7</b>	<b>54.5</b>	<b>\$ (1.8)</b>	<b>5.0</b>	<b>4.8</b>	<b>0.2</b>	<b>57.7</b>	<b>59.3</b>	<b>(1.6)</b>	<b>21.2</b>	<b>18.2</b>	<b>3.0</b>
Deferred inflows of resources	7.0	7.4	\$ (0.4)	0.7	0.6	0.1	7.7	8.0	(0.3)	2.0	1.1	0.9
Net investment in capital assets	86.5	84.7	\$ 1.8	82.7	68.3	14.4	169.2	153.0	16.2	159.7	154.5	5.2
Restricted	15.7	10.6	\$ 5.1	-	-	-	15.7	10.6	5.1	-	-	-
Unrestricted	(13.8)	(9.2)	\$ (4.6)	34.0	44.0	(10.0)	20.2	34.8	(14.6)	69.9	68.5	1.4
<b>Total net position</b>	<b>\$ 88.4</b>	<b>\$ 86.1</b>	<b>\$ 2.3</b>	<b>\$ 116.7</b>	<b>\$ 112.3</b>	<b>\$ 4.4</b>	<b>\$ 205.1</b>	<b>\$ 198.4</b>	<b>\$ 6.7</b>	<b>\$ 229.6</b>	<b>\$ 223.0</b>	<b>\$ 6.6</b>

The largest portion of the City's net position, or \$169.2 million, is invested in capital assets. The City uses these capital assets to provide services to its citizens. Therefore, they do not represent resources available for future spending. Total restricted net position is \$15.7 million and represents amounts that are legally restricted for capital expansion, debt service, or other purposes. The total \$20.2 million unrestricted net position is the net of a \$13.8 million unrestricted net position deficit in governmental activities and \$34.0 million unrestricted net position in business-type activities.

**For governmental activities**, total net position increased by \$2.3 million compared to fiscal year 2024. Net investment in capital assets increased by \$1.8 million. Restricted net position increased by \$5.1 million and the unrestricted net position deficit increased by \$4.6 million compared to the previous fiscal year. Capital assets decreased by \$1.4 million compared to 2024. Governmental depreciation of \$5.0 million exceeded capital additions of \$3.7 million. Deferred outflow of resources, predominantly related to future pension obligations, increased by \$1.6 million. Long term liabilities decreased by \$1.6 million, primarily due to a decrease in net pension liabilities and notes and bonds payable.

**For business-type activities**, total net position increased by \$4.4 million. The increase is primarily due to the outlays for construction in progress offset somewhat by a lower cash and investment position in Wastewater Services.

**Department - Statement of Net Position:** Total net position for the Department increased by \$6.6 million due to increased net investment in capital assets as well as a stronger cash and investment position relative the prior year. Total combined non-current liabilities increased in 2025 by \$2.1 million.

## City of McMinnville - Management's Discussion and Analysis

**Statement of Activities:** The table below is a summary of the City's governmental and business-type activities compared to the prior fiscal year.

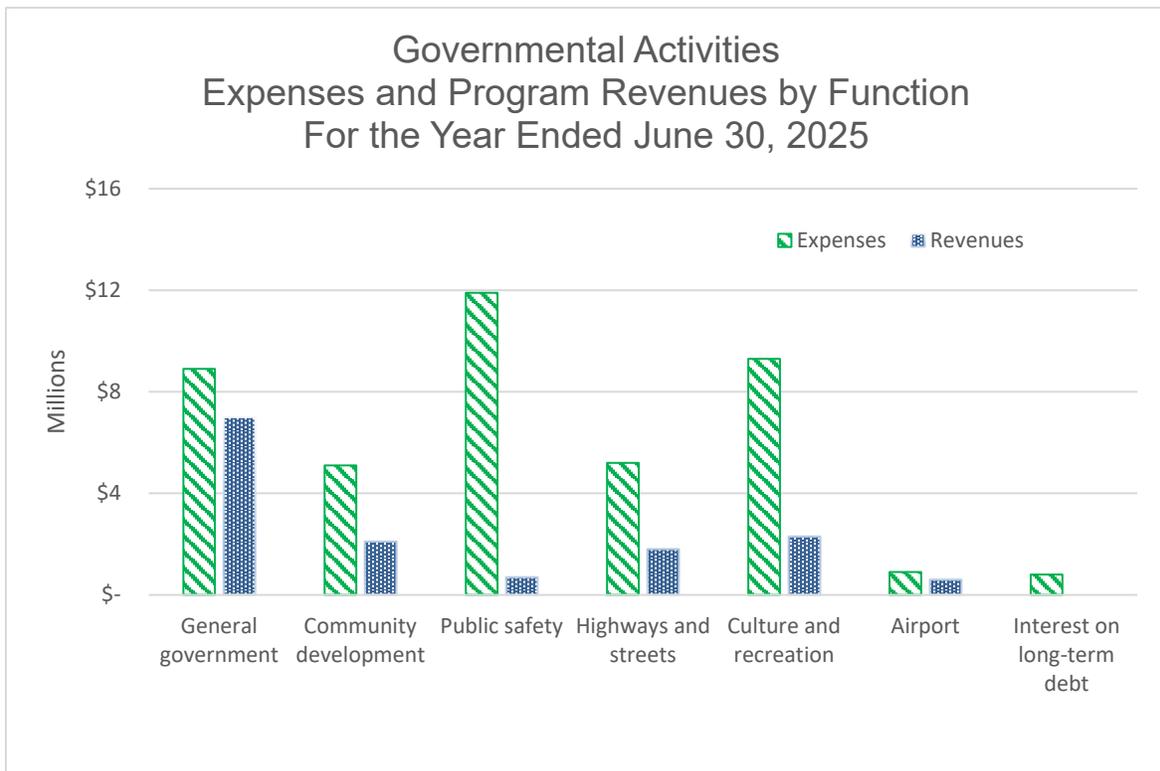
Statement of Activities June 30, 2025 and 2024 (in millions)												
	Primary Government									Component Unit		
	Governmental Activities			Business-Type Activities			Total City			Water and Light The "Department"		
	Restated			Restated			Restated			Restated		
	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change
<b>Revenues:</b>												
Program revenues:												
Charges for service	\$ 11.7	\$ 11.4	\$ 0.3	\$ 12.1	\$ 11.5	\$ 0.6	\$ 23.8	\$ 22.9	\$ 0.9	\$ 55.6	\$ 50.5	\$ 5.1
Operating grants & contributions	0.9	0.7	0.2	-	-	-	0.9	0.7	0.2	-	-	-
Capital grants & contributions	2.0	5.1	(3.1)	0.6	1.7	(1.1)	2.6	6.8	(4.2)	1.9	1.2	0.7
General revenues:												
Property taxes	17.4	15.4	2.0	-	-	-	17.4	15.4	2.0	-	-	-
Franchise taxes	4.7	4.4	0.3	-	-	-	4.7	4.4	0.3	-	-	-
Other	8.4	9.6	(1.2)	1.8	2.3	(0.5)	10.2	11.9	(1.7)	5.7	7.3	(1.6)
<b>Total revenues</b>	<b>45.1</b>	<b>46.6</b>	<b>(1.5)</b>	<b>14.5</b>	<b>15.5</b>	<b>(1.0)</b>	<b>59.6</b>	<b>62.1</b>	<b>(2.5)</b>	<b>63.2</b>	<b>59.0</b>	<b>4.2</b>
<b>Expenses:</b>												
Governmental activities:												
General government	8.9	14.9	(6.0)	-	-	-	8.9	14.9	(6.0)	-	-	-
Community development	5.1	4.7	0.4	-	-	-	5.1	4.7	0.4	-	-	-
Public safety	11.9	10.9	1.0	-	-	-	11.9	10.9	1.0	-	-	-
Highways and streets	5.2	4.9	0.3	-	-	-	5.2	4.9	0.3	-	-	-
Culture and recreation	9.3	8.0	1.3	-	-	-	9.3	8.0	1.3	-	-	-
Airport	0.9	1.0	(0.1)	-	-	-	0.9	1.0	(0.1)	-	-	-
Interest on long-term debt	0.8	0.7	0.1	-	-	-	0.8	0.7	0.1	-	-	-
Business-type activities:												
Wastewater	-	-	-	10.1	8.7	1.4	10.1	8.7	1.4	-	-	-
Component unit	-	-	-	-	-	-	-	-	-	55.3	49.9	5.4
<b>Total expenses</b>	<b>42.1</b>	<b>45.1</b>	<b>(3.0)</b>	<b>10.1</b>	<b>8.7</b>	<b>1.4</b>	<b>52.2</b>	<b>53.8</b>	<b>(1.6)</b>	<b>55.3</b>	<b>49.9</b>	<b>5.4</b>
<b>Transfers</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.1)</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>2.9</b>	<b>1.5</b>	<b>1.4</b>	<b>4.5</b>	<b>6.8</b>	<b>(2.3)</b>	<b>7.4</b>	<b>8.3</b>	<b>(0.9)</b>	<b>7.9</b>	<b>9.1</b>	<b>(1.2)</b>
Beginning net position as previously reported	86.1	84.6	1.5	112.3	105.5	6.8	198.4	190.1	8.3	223.0	212.6	10.4
Change in accounting principle	(0.6)	-	(0.6)	-	-	-	(0.6)	-	(0.6)	(1.3)	-	(1.3)
Beginning net position as restated	85.5	84.6	0.9	112.3	105.5	6.8	197.8	190.1	7.7	221.7	212.6	9.1
<b>Total net position</b>	<b>\$ 88.4</b>	<b>\$ 86.1</b>	<b>\$ 2.3</b>	<b>\$ 116.8</b>	<b>\$ 112.3</b>	<b>\$ 4.5</b>	<b>\$ 205.2</b>	<b>\$ 198.4</b>	<b>\$ 6.8</b>	<b>\$ 229.6</b>	<b>\$ 221.7</b>	<b>\$ 7.9</b>

**For governmental activities,** program revenues decreased by \$3.1 million due to decreased capital grants and contributions for services. Lower capital grants was due in large part to one time increase in Federal Exchange funds in the prior year for transportation activity of \$1.5 million. Charges for services are up slightly with the full implementation of engineering fees part way through the year and the cost of living increase in the City Service Fee. General revenues increased by \$1.1 million compared to the prior year due to the addition of a portion of the underlevy after separating from the Fire District. Franchise taxes saw a slight increase as well.

Total expenses for governmental activities decreased by \$3.0 million compared to the prior year. There was a one-time purchase of a property of \$4.3 million and one-time special payment of \$4.4 million to the fire district both of which occurred in the prior year. As is generally the case, in this year expenses for on-going governmental activities increased due to higher salaries and fringe benefits costs. Frequently the impacts of pension expense (income) related to GASB 68 as well as GASB 75 can vary significantly year to year depending on changes in the total pension liability, changes in actuarial assumptions, and differences between projected and actual earnings on pension plan investments, as well as other factors. The City's employee retirement pension plan is discussed in more detail in the notes to the financial statements, Note III.M.

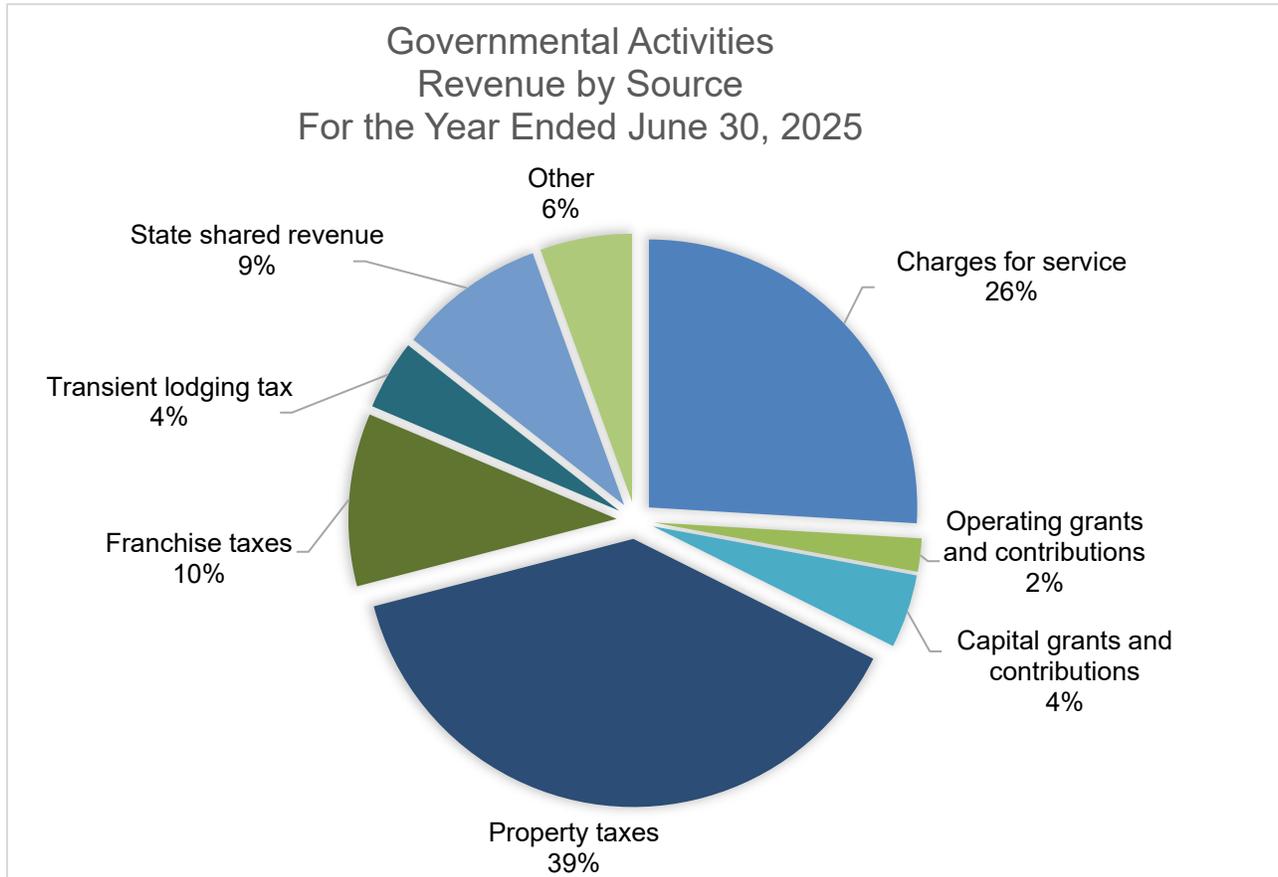
The following bar chart compares each governmental activity expense with the revenue stream for each activity and illustrates the extent to which different programs are subsidized with general revenues.

# City of McMinnville - Management's Discussion and Analysis



## City of McMinnville - Management's Discussion and Analysis

The following pie chart illustrates the relative amount of the different categories of revenue sources for governmental activities.

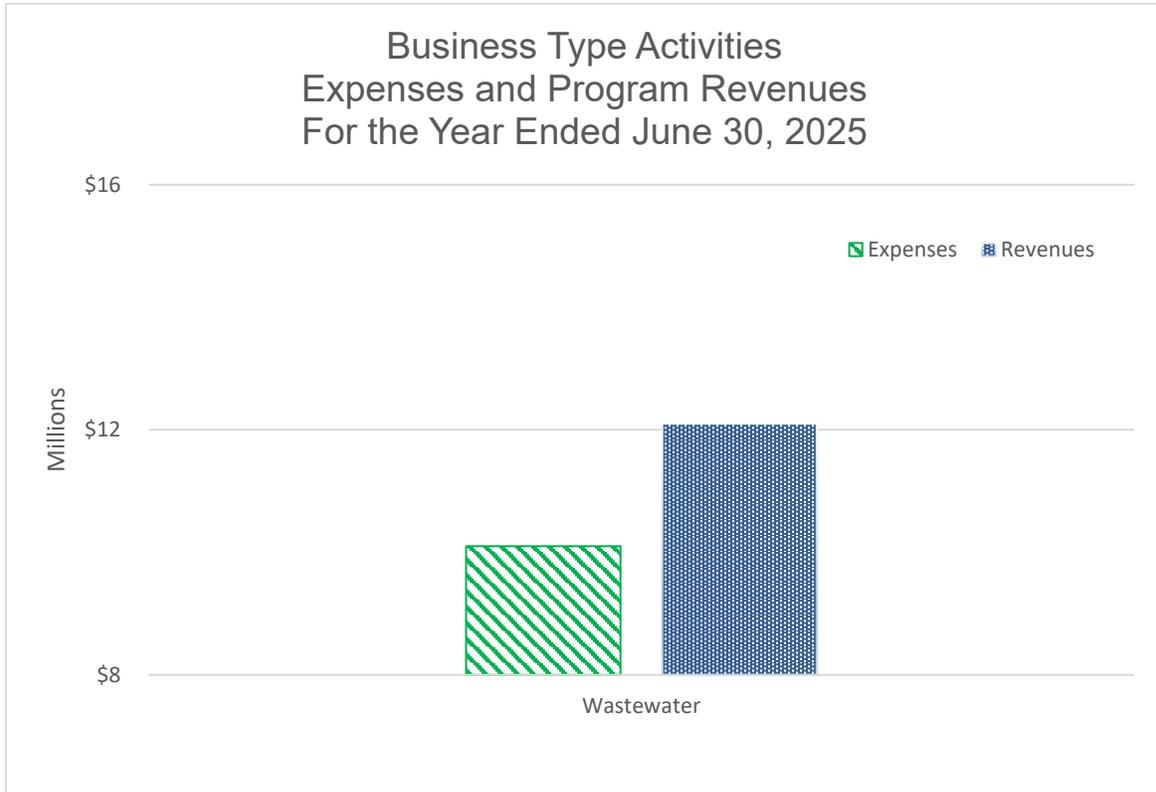


## City of McMinnville - Management's Discussion and Analysis

**For business-type activities**, total revenue decreased by \$1.0 million, the largest driver of the decrease was lower capital grants & contributions followed by decreases in miscellaneous revenues.

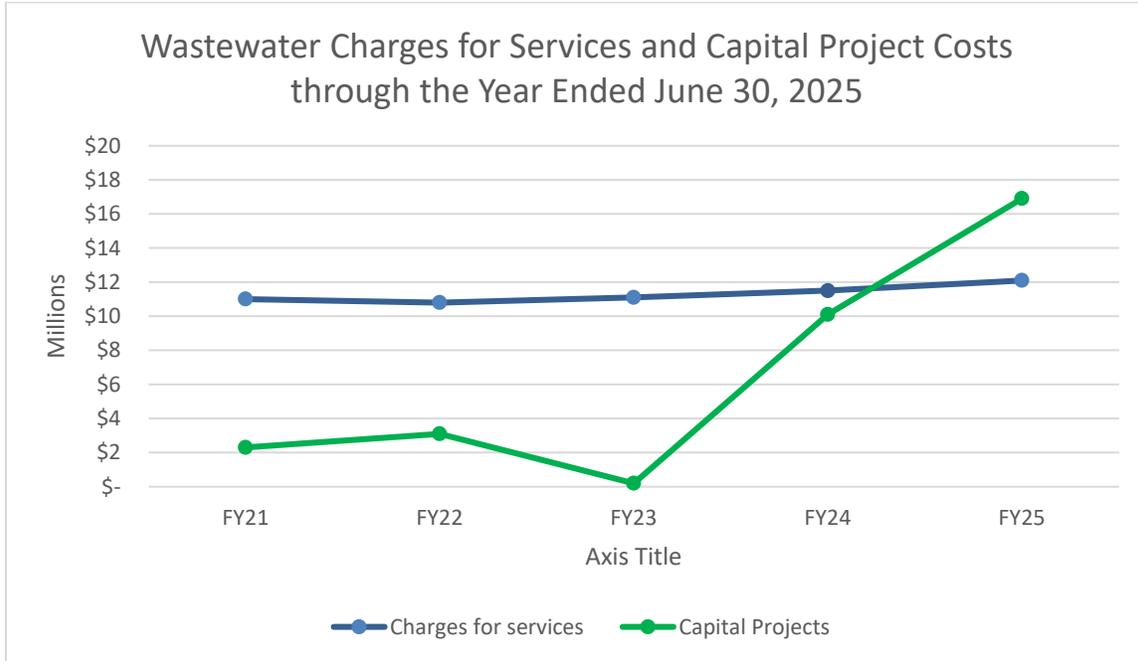
Expenses for business-type activities increased by \$1.4 million compared to the prior year. This is largely due to higher payroll costs year over year, and a small pension cost increase.

The following bar chart compares each business-type activity expense with the revenue stream for that activity. The significant difference between Wastewater revenue and expenses is due to a financial policy adopted by City Council to set sewer rates at a level sufficient to fund future capital projects on a “pay as you go” basis.



**City of McMinnville - Management’s Discussion and Analysis**

The line graph below focuses on Wastewater charges for services and capital project costs for the last five years. The graph illustrates that charges for services are relatively consistent. Capital spending varies due to the number and size of projects in any given year. In the current fiscal year, investment in the renewal of capital assets for the community was the highest it’s been in a number of years.



**Department - Statement of Activities:**

Combined operating revenue for electric and water increased by 10% from the prior year. This was due to an increase in consumption, a rate increase of 2.75% and 5% for electric and water respectively, and an increase in purchased power costs passed through to industrial customers resulting in higher industrial revenues. The power cost increase was due to a reduction in BPA's reserve distribution credits compared to the prior year. Total combined FY 2025 operating expenses increased \$6.5 million (13%) from the prior year. However, excluding supply and transmission costs, total combined operating costs increased \$1.7 million (3.5%) due largely to inflationary increases. The FY 2025 increase in power and transmission costs was largely due to the completion of BPA's reserve distribution credit in September 2024. As a result, FY 2025 operating income decreased by \$1.5 million over the prior year. Other revenues decreased by \$1.5 million largely due to a reduction in timber sales. Other expenses consist of asset disposition costs which increased \$230,000. Finally, the \$774,000 increase in contributions was mostly due to large commercial and multi-family housing developments added during FY 2025. The overall result was a \$2.4 million decrease in the change in net position for FY 2025. Economic and/or weather conditions, along with conservation continue to be factors for both water and electric consumption.

# City of McMinnville - Management's Discussion and Analysis

## Fund Financial Analysis

The General Fund is the City's main operating fund and is used to account for administration and finance (general government); engineering and planning (community development); police and municipal court (public safety); and parks and recreation and library (culture and recreation activities).

Total General Fund revenues decreased by \$968,000, or 3.3%, compared to the prior year. Property tax increased by over \$2.1 million; in the prior year there was an underlevy of the City's permanent tax rate. Intergovernmental saw a decline of \$3.3 million mainly associated with a decrease in Federal Equity transportation dollars. Charges for services and licenses and permits saw modest increases relative the prior year.

Total General Fund expenditure decreased by \$7.1 million compared to the prior year. Almost 61% of the decrease is associated with a one-time purchase of an economic development property of \$4.3 million made in the prior year in relation to community development. Over \$1.1 million in increased culture and recreation activities took place, with park and recreation programs, library and park maintenance activities all increasing year over year. In the prior year, there was a special payment of \$4.4 million which was the other significant year over year variance.

Fund accounting segregates revenues according to their intended purposes and is used to aid management in demonstrating legal and contractual compliance with revenue source spending requirements. The following schedule reflects fund balance classifications as defined in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

**Governmental Fund - Ending Fund Balances**  
**June 30, 2025 and 2024**  
(in thousands)

	Ending Fund Balances							Total
	Major Funds				Debt Service	Urban Renewal	Non-major Funds	
	General	Airport Maintenance	Affordable Housing	Transportation				
	<b>2025</b>							
Nonspendable	\$ 14	\$ -	\$ -	\$ 201	\$ -	\$ -	\$ -	\$ 215
Restricted	150	1,146	1,232	6,676	248	-	5,471	14,923
Committed	3,318	-	-	-	-	-	174	3,492
Assigned	-	-	-	-	-	-	2,286	2,286
Unassigned	2,874	-	-	-	-	345	-	3,219
<b>Ending Fund Balance</b>	<b>\$ 6,356</b>	<b>\$ 1,146</b>	<b>\$ 1,232</b>	<b>\$ 6,877</b>	<b>\$ 248</b>	<b>\$ 345</b>	<b>\$ 7,931</b>	<b>\$ 24,135</b>
	<b>2024</b>							
Nonspendable	\$21	\$ -	\$ -	\$ 201	\$ -	\$ -	\$ 27	\$ 249
Restricted	-	1,098	795	5,978	301	-	5,519	13,691
Committed	4,654	-	-	-	-	-	170	4,824
Assigned	-	-	-	-	-	-	2,289	2,289
Unassigned	2,473	-	-	-	-	25	-	2,498
<b>Ending Fund Balance</b>	<b>\$ 7,148</b>	<b>\$ 1,098</b>	<b>\$ 795</b>	<b>\$ 6,179</b>	<b>\$ 301</b>	<b>\$ 25</b>	<b>\$ 8,005</b>	<b>\$ 23,551</b>

## City of McMinnville - Management's Discussion and Analysis

General Fund nonspendable fund balance includes \$14,000 in prepaid expenses. Restricted fund balance is made up of donations restricted for use at the Senior Center and unspent grant funds. The committed fund balance is for programs and projects created to assist the City and community in the response and recovery from the COVID-19 pandemic by the City Council. Unassigned fund balance increased by \$401,000 compared with the prior year, due principally to tightening on general fund spending by management in the second half of the year, including reduction of hours and hiring freeze in some departments.

The Airport Maintenance Fund restricted balance was \$1.1 million at the end of FY25, up by approximately \$48,000. Charges for services revenue, including rental payments for land and building leases, were 19.4% under the previous year due to a decline in hangar rentals. Beginning balance resources, grant funds to offset management activities and increased interest earnings are the major contributors to the increased fund balance. Expenditures were down this year by \$10,000 with one-time expenses associated with planned investments approved by the Federal Aviation Administration and reimbursed with grant funds in the prior year.

The Transportation Fund's fund balance rose by \$700,000 in FY25 with revenue down by \$1.2 million and expenses up by \$374,000. A draw down of \$1.3 million in fund exchange funds that previously had been held at the State of Oregon took place in the prior year with most of it contributing to the higher beginning balance. Higher interest earnings revenues made up the rest of the funds driving the increased fund balance.

The Debt Service Fund restricted balance decreased by \$53,000 compared with the prior year as debt service payments are made as planned and no new voter-approved bonded debt was added in the year. The restricted balance includes the amount of taxes carried forward from the previous fiscal year to pay general obligation debt service payments that are due in August before property taxes are collected in November.

The Affordable Housing Fund's fund balance rose by \$436,000 this year. This fund established in FY22 includes the Affordable Housing Construction Excise Tax and its programming and grants that pay for affordable housing projects. In FY25, the grant revenues and expenses offset and did not impact fund balance. The fund balance increase is due to the excise tax which began in FY23 and the delay in building out the programming for the activities supported by this restricted revenue source.

The Urban Renewal Debt Service fund is positive this year due to a combination of factors: debt service on an internal loan included in its fund balance has declined with its annual payment, a higher beginning fund balance for the year and a change of practice where the UR Debt Service fund only reimburses its companion UR project fund by its requirements to offset its costs and it no longer holds ending fund balance like it has in prior years.

Non-major governmental fund ending fund balances include amounts restricted for urban renewal programs, street maintenance, and transient lodging taxes. Year over year the resources available for those activities decreased by \$74,000; six out of the eight funds had modest increases in fund balance whereas the building fund had a modest decrease and the street fund decreased by over \$0.5 million due to transfers to the transportation fund.

**For proprietary funds**, total ending net position, including internal services funds, increased by \$4.4 million compared to FY24; Wastewater's unrestricted net position increased by \$4.5 million while internal service fund net position declined by \$149,000. The increase occurred due to Wastewater charges for services revenue exceeding expenses, as the City continues to build a reserve in the Wastewater Fund to pay for future capital projects.

**City of McMinnville - Management's Discussion and Analysis**

**Proprietary Funds - Ending Fund Balances  
June 30, 2025 and 2024  
(in thousands)**

	<b>Ending Net Position</b>					
	<b>Wastewater</b>		<b>Internal Service</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Unrestricted	\$ 34,043	\$ 43,981	\$ (6)	\$ 117	\$ 34,037	\$ 44,098
Restricted	47	27	12	7	59	34
Net investment in capital assets	82,687	68,254	480	510	83,167	68,764
<b>Ending Fund Balance</b>	<b>\$ 116,777</b>	<b>\$ 112,262</b>	<b>\$ 486</b>	<b>\$ 634</b>	<b>\$ 117,263</b>	<b>\$ 112,896</b>

Internal service funds include Information Systems & Services (IS) and Insurance Services Funds. Net position for the IS fund decreased by \$149,000 relative to the prior year. IS Department personnel provide computer support to other funds of the City, this year additional support was needed to complete the fire district transition. The Insurance Services fund has an ending fund balance \$29,000 less than the prior year. That was primarily driven by relatively consistent activity in the fund with no significant transfers in the current year. Operating departments pay premiums to the Insurance Services Fund for property, liability, and workers compensation insurance. The City purchases property, liability insurance from City County Insurance Services, a public entity risk pool, and workers compensation insurance from an Oregon non-profit called SAIF.

**General Fund and Other Budgetary Highlights**

During the fiscal year, two supplemental budgets were adopted by the City Council that amended City's adopted budget. The first supplemental budget recognized General Fund new revenue that was not known at the time of the budget was adopted; the Affordable Housing Fund being a recipient via transfer of unused fund balances in the General Fund in order to complete a project; the Grants and Special Assessments Fund adding an appropriation; the Wastewater Services Fund having additional beginning fund balance beyond what was originally budgeted and transfer out to the General Fund, the contingency transfer in the Wastewater Capital Fund to allow additional transfers out to the General Fund, and the Information Services Fund adding an additional appropriation and additional changes to resources and requirements. The second supplemental budget added unexpected revenues of new library donations and an insurance rebate. Transfers from contingency covered unanticipated retirement costs and increased insurance costs.

**Capital Assets**

The City's capital assets are used to provide services to the public and include land, buildings, machinery and equipment, and vehicles. Infrastructure includes streets, traffic lights, sanitary sewer lines, and storm drains.

**Capital Assets:** The City's total net capital assets was flat year over year.

- Governmental activities total capital assets decreased \$1.4 million including the capital categories of lease assets and subscription-based information technology arrangement assets.
- For business-type activities, total capital assets increased \$14.4 million, because wastewater asset additions and construction in process exceeded depreciation and amortization expense by that margin.

**City of McMinnville - Management's Discussion and Analysis**

**Capital Assets  
June 30, 2025 and 2024  
(in millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total City</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Capital assets</b>						
Land	\$ 13.7	\$ 13.7	\$ 2.5	\$ 0.8	\$ 16.2	\$ 14.5
Easements	23.9	23.9	0.2	0.2	24.1	24.1
Public art	0.4	0.4	-	-	0.4	0.4
Land improvements	31.1	31.0	0.1	0.1	31.2	31.1
Buildings	31.1	31.0	57.1	55.4	88.2	86.4
Machinery and equipment	6.6	6.3	3.9	3.7	10.5	10.0
Vehicles	4.0	3.4	2.2	1.9	6.2	5.3
Infrastructure	96.4	95.4	62.9	60.6	159.3	156.0
Construction in progress	2.1	1.0	22.5	11.9	24.6	12.9
<b>Total capital assets</b>	<b><u>209.3</u></b>	<b><u>206.1</u></b>	<b><u>151.4</u></b>	<b><u>134.6</u></b>	<b><u>360.7</u></b>	<b><u>340.7</u></b>
Accumulated depreciation	(106.4)	(101.8)	(68.8)	(66.4)	(175.2)	(168.2)
<b>Lease assets</b>						
Land	0.5	0.5	-	-	0.5	0.5
Equipment	0.1	0.1	-	-	0.1	0.1
<b>Total lease assets</b>	<b><u>0.6</u></b>	<b><u>0.6</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>0.6</u></b>	<b><u>0.6</u></b>
Accumulated lease amortization	(0.2)	(0.2)	-	-	(0.2)	(0.2)
<b>Subscription-based information technology arrangement assets</b>						
SBITA assets	1.8	1.6	0.1	0.1	1.9	1.7
<b>Total SBITA assets</b>	<b><u>1.8</u></b>	<b><u>1.6</u></b>	<b><u>0.1</u></b>	<b><u>0.1</u></b>	<b><u>1.9</u></b>	<b><u>1.7</u></b>
SBITA amortization	(0.5)	(0.3)	-	-	(0.5)	(0.3)
<b>Net capital assets</b>	<b><u>\$ 104.6</u></b>	<b><u>\$ 106.0</u></b>	<b><u>\$ 82.7</u></b>	<b><u>\$ 68.3</u></b>	<b><u>\$ 187.3</u></b>	<b><u>\$ 174.3</u></b>

Additional information regarding City and Department capital assets can be found in the notes to the financial statements, Note III.C.

## City of McMinnville - Management's Discussion and Analysis

### Debt Administration

The City issues general obligation bonds and full faith and credit obligations to finance capital improvement projects. City debt also includes a PERS related debt for the PERS transition liability.

#### Outstanding Debt June 30, 2025 and 2024 (in millions)

	Governmental Activities		Business-Type Activities		Total City	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 13.8	\$ 16.4	\$ -	\$ -	\$ 13.8	\$ 16.4
Full faith and credit	3.0	3.3	-	-	3.0	3.3
Pension related debt	1.0	1.3	0.1	0.1	1.1	1.4
Leases and subscriptions	1.4	1.5	-	0.1	1.4	1.6
<b>Total outstanding debt</b>	<b>\$ 19.2</b>	<b>\$ 22.5</b>	<b>\$ 0.1</b>	<b>\$ 0.2</b>	<b>\$ 19.3</b>	<b>\$ 22.7</b>

**Outstanding Debt:** At June 30, 2025, the City had \$19.2 million in outstanding debt compared to \$22.5 million in the prior year, excluding liabilities related to other post-employment benefits (OPEB), for a net decrease of \$3.3 million. The decrease in general obligation bonds of \$2.6 million was due to planned debt service payments. Full faith and credit debt also decreased due to planned debt service payments. PERS related debt also decreased by \$0.3 million due to principal payments on the loan executed in 2017 to pay off the balance of the City's PERS transition liability. Leases and subscription technology arrangements decreased primarily due to not as many new technology contracts. Of the total outstanding debt for governmental activities, approximately \$3.8 million is due within one year.

For business-type activities, the total debt outstanding of \$0.1 million at June 30, 2025 is PERS related debt and contract commitments. Business type PERS related debt came down by \$7,734 due to planned principal payments in the fiscal year.

The \$13.8 million in governmental activities general obligation debt is entirely payable from property taxes levied specifically for that purpose. The remaining \$3.0 million in full faith and credit obligation and \$1.0 million in PERS related debt will be repaid from general revenues of the City. City and Department outstanding debt are described in more detail in the notes to the financial statements, beginning with Note III. J.

**Bond Ratings:** The City maintained its Aa3 rating from Moody's Investor's Services, Inc. in its Annual Comment publication issued in March 2025. The review was of the City's outstanding general obligation debt.

### Economic Factors and Future Operations

**Governmental activities:** The following economic factors currently affect the City of McMinnville's governmental activities:

- In 2025, taxable assessed property values increased by 3% compared to the prior year, per the Yamhill County Assessor. The increase in assessed values has gone down to the simple increase allowable by law, showing a slowdown of construction activity.
- Real market values decreased by 2.8% in 2025 compared to the prior year. Real market values had been steadily increasing the last five years but with political and economic pressures, saw a downturn in 2025. For fiscal year 2025, assessed property values are 54.63% of real market value compared to 51.5% in 2024.
- The total value of commercial, industrial and residential building permits increased to \$105.6 million in 2025 compared to \$97.4 million in 2024.

## City of McMinnville - Management's Discussion and Analysis

- Yamhill County unemployment rates (seasonally adjusted) were lower than the employment trends both of the state of Oregon and US as a whole with 4.8% unemployed in September 2025 compared to 4.0% in September 2024.
- For the fiscal year ended June 30, 2025, the assessed value of McMinnville's Urban Renewal district was \$137.3 million, an increase of 59.1% compared to the frozen base of \$86.3 million. This is down from last year's overall increase of 63.5%. The goal of the district is to promote development of the historic downtown and neighboring properties.
- The cost of employee fringe benefits, including health insurance premiums, continues to rise.
- The City's PERS employer contribution rates for the FY2023-25 biennia increased by 5.7% compared to the average of PERS categories in the prior biennia although the rates remained the same for FY2024-25 compared to FY2023-24.

### Business-type activities:

- **Wastewater operations:** The updated Wastewater System Financial Plan from 2020 available on the City's website projected moderate annual rate increases of 2.5% for the five-year period from FY22 to FY26. New rates were adopted for July 2025 with this increase moving from a residential rate of \$23.97 per living unit to a new rate of \$24.57 per unit. Updates to the Wastewater Conveyance and Facilities master plans are underway and will likely be before Council for adoption in 2026.

Additional economic factors affecting McMinnville are described in the transmittal letter of this report.

### Information Requests

The City's *Annual Comprehensive Financial Report* has been prepared to provide a general overview of the City of McMinnville's finances. Questions concerning any of the information provided in this report or requests for additional information may be directed to the City's Finance Department at 230 NE Second Street, McMinnville, OR 97128. The Finance department can also be contacted at 503-434-7301.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF MCMINNVILLE, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 14,221,200	\$ 31,394,330	\$ 45,615,530	\$ 76,313,362
Property taxes receivable	1,073,344	-	1,073,344	-
Accounts receivable, net	2,420,719	365,237	2,785,956	5,029,821
Due from component unit	414,292	986,850	1,401,142	-
Assessments receivables	8,233	-	8,233	1,321
Lease receivable, current portion	216,549	11,714	228,263	267,860
Prepays and inventories	370,435	1,971	372,406	2,904,504
Other current assets	-	-	-	406,973
Loans receivable, net	58,088	-	58,088	-
Internal balances	(5,012,651)	5,012,651	-	-
Restricted cash and investments	16,793,355	-	16,793,355	-
Total current assets	<u>30,563,564</u>	<u>37,772,753</u>	<u>68,336,317</u>	<u>84,923,841</u>
Noncurrent assets:				
Intergovernmental receivable	109,197	581,774	690,971	-
Lease receivable	1,622,670	71,501	1,694,171	-
Loans receivable	280,861	-	280,861	1,033,254
Renewable energy certificates	-	-	-	134,019
Regulatory assets-pension and conservation charges	-	-	-	1,562,772
Capital assets:				
Non-depreciable	40,067,301	25,218,720	65,286,021	13,537,402
Depreciable, net	62,898,849	57,473,255	120,372,104	146,162,274
Lease asset, net	439,416	1,647	441,063	-
Subscription-based information technology asset, net	1,218,498	45,313	1,263,811	-
Net OPEB asset	392,870	47,114	439,984	-
Total noncurrent assets	<u>107,029,662</u>	<u>83,439,324</u>	<u>190,468,986</u>	<u>162,429,721</u>
Total assets	<u>137,593,226</u>	<u>121,212,077</u>	<u>258,805,303</u>	<u>247,353,562</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	64,443	-	64,443	-
Deferred outflows related to pensions	10,364,254	1,242,920	11,607,174	5,159,326
Deferred outflows related to OPEB	146,882	17,615	164,497	256,108
Total deferred outflows of resources	<u>10,575,579</u>	<u>1,260,535</u>	<u>11,836,114</u>	<u>5,415,434</u>
Total assets and deferred outflows of resources	<u>\$ 148,168,805</u>	<u>\$ 122,472,612</u>	<u>\$ 270,641,417</u>	<u>\$ 252,768,996</u>

The accompanying notes are an integral part of these financial statements

**CITY OF MC MINNVILLE, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,719,238	\$ 1,212,787	\$ 2,932,025	\$ 2,858,519
Due to primary government	-	-	-	1,401,142
Accrued payroll and other payroll liabilities	1,480,328	55,181	1,535,509	463,433
Retainage payable	20,181	5,803	25,984	-
Deposits	260,157	-	260,157	443,178
Other liabilities	-	-	-	348,689
Unearned revenue	972,736	81,875	1,054,611	529,003
Interest payable	281,599	-	281,599	-
Total pension liability	3,264,678	391,512	3,656,190	-
Total OPEB liability	51,816	6,214	58,030	-
PERS related liabilities	379,445	32,995	412,440	-
Compensated absences	461,096	58,260	519,356	556,332
Current lease payable	78,057	1,672	79,729	-
Current subscription-based information technology payable	243,147	14,154	257,301	-
Current notes and bonds payable	3,076,471	-	3,076,471	-
Total current liabilities	<u>12,288,949</u>	<u>1,860,453</u>	<u>14,149,402</u>	<u>6,600,296</u>
Noncurrent liabilities:				
Compensated absences	1,146,532	172,938	1,319,470	2,083,211
Total pension liability	23,308,925	2,795,294	26,104,219	10,858,115
Total OPEB liability	580,191	69,579	649,770	1,623,973
PERS related liability	616,014	53,566	669,580	-
Lease payable	165,690	-	165,690	-
Subscription-based information technology arrangements payable	914,250	30,044	944,294	-
Notes and bonds payable	13,676,986	-	13,676,986	-
Total noncurrent liabilities	<u>40,408,588</u>	<u>3,121,421</u>	<u>43,530,009</u>	<u>14,565,299</u>
Total liabilities	<u>52,697,537</u>	<u>4,981,874</u>	<u>57,679,411</u>	<u>21,165,595</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	4,228,418	507,088	4,735,506	1,747,684
Deferred inflows related to OPEB	1,081,570	129,706	1,211,276	243,088
Deferred inflows related to leases	1,738,613	77,082	1,815,695	1,321
Total deferred inflows of resources	<u>7,048,601</u>	<u>713,876</u>	<u>7,762,477</u>	<u>1,992,093</u>
<b>NET POSITION:</b>				
Net investment in capital assets	86,513,725	82,687,262	169,200,987	159,699,676
Restricted for:				
Airport	1,146,474	-	1,146,474	-
Capital projects	10,072,352	-	10,072,352	-
Debt service	592,889	-	592,889	-
Highways and streets	1,894,586	-	1,894,586	-
Affordable Housing	1,231,366	-	1,231,366	-
OPEB asset	392,870	47,114	439,984	-
Other restricted	329,908	-	329,908	-
Unrestricted	<u>(13,751,503)</u>	<u>34,042,486</u>	<u>20,290,983</u>	<u>69,911,632</u>
Total net position	<u>88,422,667</u>	<u>116,776,862</u>	<u>205,199,529</u>	<u>229,611,308</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 148,168,805</u>	<u>\$ 122,472,612</u>	<u>\$ 270,641,417</u>	<u>\$ 252,768,996</u>

The accompanying notes are an integral part of these financial statements

**CITY OF MCMINNVILLE, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 8,939,659	\$ 6,930,604	\$ 67,546	\$ 996
Public safety	11,919,245	542,360	114,079	40,467
Highways and streets	5,162,189	569,646	15,768	1,253,037
Culture and recreation	9,277,929	1,557,649	533,999	207,943
Community development	5,101,970	1,666,853	104,280	286,266
Airport	944,485	397,035	15,415	194,403
Interest on long-term debt	759,537	-	-	-
Total governmental activities	42,105,014	11,664,147	851,087	1,983,112
Business-type activities:				
Wastewater	10,062,076	12,101,981	-	606,366
Total government	\$ 52,167,090	\$ 23,766,128	\$ 851,087	\$ 2,589,478
<b>Component Unit</b>				
Water and Light	\$ 55,329,098	\$ 55,588,779	\$ -	\$ 1,949,086

General revenues:  
Taxes:  
Property taxes  
Franchise taxes  
Transient lodging tax  
State shared and local tax revenue  
Unrestricted interest and investment earnings  
Timber sales, net of related expenses  
Miscellaneous revenues  
Gain (loss) on sale of capital assets  
Transfers in (out)

Total general revenues and transfers

Change in net position

Net position, beginning as originally reported

Change in accounting principle - GASB 101  
Change in leases receivable to derecognize regulated leases

Net position, as adjusted

Net position, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Change in Net Position			
Governmental Activities	Business Type Activities	Total	Component Unit Water and Light
\$ (1,940,513)	\$ -	\$ (1,940,513)	\$ -
(11,222,339)	-	(11,222,339)	-
(3,323,738)	-	(3,323,738)	-
(6,978,338)	-	(6,978,338)	-
(3,044,571)	-	(3,044,571)	-
(337,632)	-	(337,632)	-
(759,537)	-	(759,537)	-
(27,606,668)	-	(27,606,668)	-
-	2,646,271	2,646,271	-
(27,606,668)	2,646,271	(24,960,397)	-
			2,208,767
17,430,617	-	17,430,617	-
4,673,208	-	4,673,208	-
1,909,934	-	1,909,934	-
4,047,409	-	4,047,409	-
550,662	1,819,707	2,370,369	3,340,150
-	-	-	1,674,901
1,906,205	13,732	1,919,937	1,326,306
-	-	-	(694,284)
(105,472)	105,472	-	-
30,412,563	1,938,911	32,351,474	5,647,073
2,805,895	4,585,182	7,391,077	7,855,840
86,151,716	112,261,520	198,413,236	223,067,226
(620,734)	(69,840)	(690,574)	(1,311,758)
85,790	-	85,790	-
85,530,982	112,191,680	197,722,662	221,755,468
\$ 88,422,667	\$ 116,776,862	\$ 205,199,529	\$ 229,611,308

The accompanying notes are an integral part of these financial statements

## **FUND FINANCIAL STATEMENTS**

### **Major Governmental Funds**

#### **General Fund**

The General Fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenues are property taxes, licenses and permits, intergovernmental and charges for services. Expenditures are for police, municipal court, parks and recreation, park maintenance, library, engineering, planning, administration, and finance.

#### **Airport Maintenance Fund**

This fund accounts for fees for airport services, including building, hangar, and land lease rental payments. Revenue is committed for airport operations.

#### **Affordable Housing Fund**

This fund accounts for housing related grant projects and activity associated with the City's Construction Excise Tax.

#### **Transportation Fund**

This fund accounts for capital street, road and bridge projects supported by federal highway funds, transfers of state gas tax funds from the Street Fund and system development charges.

#### **Debt Service Fund**

This fund accounts for the City's property tax debt service levy used to pay principal and interest on general obligation bonds.

#### **Urban Renewal Debt Services Fund**

This fund accounts for urban renewal tax increment revenue and payment of principal and interest on urban renewal debt.

CITY OF MCMINNVILLE, OREGON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2025

	General Fund	Airport Maintenance Fund	Affordable Housing Fund	Transportation Fund	Debt Service Fund	Urban Renewal Debt Services Fund	Total Non-Major Governmental Funds	Total Governmental
<b>ASSETS:</b>								
Cash and cash equivalents	\$11,324,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,310,933	\$13,635,226
Property taxes receivable	847,517	-	-	-	186,742	39,085	-	1,073,344
Accounts receivable, net	1,308,844	99,935	12,132	38,672	-	-	913,718	2,373,301
Assessments receivables	-	-	-	-	-	-	8,233	8,233
Lease receivables	-	216,549	-	-	-	-	-	216,549
Prepaid expenses	13,608	-	239	201,248	-	-	-	215,095
Due from component unit	394,669	-	5,915	-	-	-	13,708	414,292
Intergovernmental receivables	109,197	-	-	-	-	-	-	109,197
Interfund loan receivables	1,134,750	-	-	-	-	-	-	1,134,750
Restricted cash and investments	-	1,114,550	1,227,948	6,911,526	189,993	1,467,939	5,881,399	16,793,355
<b>Total assets</b>	<b>\$15,132,878</b>	<b>\$ 1,431,034</b>	<b>\$ 1,246,234</b>	<b>\$ 7,151,446</b>	<b>\$ 376,735</b>	<b>\$ 1,507,024</b>	<b>\$ 9,127,991</b>	<b>\$35,973,342</b>
<b>LIABILITIES:</b>								
Accounts payable and accrued expenses	\$ 779,745	\$ 54,233	\$ 5	\$ 215,907	\$ -	\$ -	\$ 575,534	\$ 1,625,424
Accrued payroll and other payroll liabilities	1,418,035	1,807	2,492	-	-	-	43,941	1,466,275
Retainage payable	-	-	-	20,181	-	-	-	20,181
Deposits	260,157	-	-	-	-	-	-	260,157
Interfund loans payable	5,012,651	-	-	-	-	1,134,750	-	6,147,401
Unearned revenue	451,578	11,971	-	-	-	-	509,187	972,736
<b>Total liabilities</b>	<b>7,922,166</b>	<b>68,011</b>	<b>2,497</b>	<b>236,088</b>	<b>-</b>	<b>1,134,750</b>	<b>1,128,662</b>	<b>10,492,174</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable revenue - property taxes	\$ 612,495	\$ -	\$ -	\$ -	\$ 128,657	\$ 27,463	-	768,615
Unavailable revenue - other	241,773	-	12,132	38,672	-	-	68,793	361,370
Unavailable revenue - leases receivable	-	216,549	-	-	-	-	-	216,549
<b>Total deferred inflows of resources</b>	<b>854,268</b>	<b>216,549</b>	<b>12,132</b>	<b>38,672</b>	<b>128,657</b>	<b>27,463</b>	<b>68,793</b>	<b>1,346,534</b>
<b>FUND BALANCES:</b>								
Nonspendable	13,608	-	239	201,248	-	-	-	215,095
Restricted	150,274	1,146,474	1,231,366	6,675,438	248,078	344,811	5,471,134	15,267,575
Committed	3,318,755	-	-	-	-	-	173,940	3,492,695
Assigned	-	-	-	-	-	-	2,285,462	2,285,462
Unassigned	2,873,807	-	-	-	-	-	-	2,873,807
<b>Total fund balances</b>	<b>6,356,444</b>	<b>1,146,474</b>	<b>1,231,605</b>	<b>6,876,686</b>	<b>248,078</b>	<b>344,811</b>	<b>7,930,536</b>	<b>24,134,634</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$15,132,878</b>	<b>\$ 1,431,034</b>	<b>\$ 1,246,234</b>	<b>\$ 7,151,446</b>	<b>\$ 376,735</b>	<b>\$ 1,507,024</b>	<b>\$ 9,127,991</b>	<b>\$35,973,342</b>

The accompanying notes are an integral part of these financial statements

**CITY OF MCMINNVILLE, OREGON**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

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Total fund balances - governmental funds		\$ 24,134,634
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid leases are not financial resources and therefore are not reported in the governmental funds.		155,340
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Non-depreciable	40,067,301	
Depreciable, net	62,418,474	
Lease assets, net	439,416	
Subscription-based information technology arrangements, net	<u>1,218,498</u>	104,143,689
Other long-term assets are unearned or not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes earned but not available	768,615	
Other receivables earned but not available	439,675	
Leases receivable earned but not available	<u>100,606</u>	1,308,896
Pension-related changes		(19,796,928)
OPEB related-changes		(1,137,020)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable	(1,525,604)	
Lease payable	(243,747)	
Subscription-based information technology arrangements payable	(1,157,397)	
Notes and bonds payable	(16,753,457)	
PERS related liabilities	(973,818)	
Deferred amount on bond refunding	64,443	
Interest payable	<u>(281,599)</u>	(20,871,179)
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 position.		<u>485,235</u>
Total net position - governmental activities		<u><u>\$ 88,422,667</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF MCMINNVILLE, OREGON  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2025

	General Fund	Airport Maintenance Fund	Affordable Housing Fund	Transportation Fund	Debt Service Fund	Urban Renewal Debt Services Fund	Total Non-Major Governmental Funds	Total Governmental
<b>REVENUES:</b>								
Property taxes	\$ 13,834,036	\$ -	\$ -	\$ -	\$ 2,911,545	\$ 684,168	\$ -	\$ 17,429,749
Special assessments	2,770,056	-	-	-	-	-	62,474	2,832,530
Licenses and permits	2,201,035	-	378,566	-	-	-	2,903,997	5,483,598
Intergovernmental	2,313,228	292,085	15,000	429,007	1,207	288	2,903,499	5,954,314
Charges for services	4,901,189	306,854	-	569,632	-	-	-	5,777,675
Fines and forfeitures	381,657	-	-	-	-	-	643,906	1,025,563
Interest revenue	577,563	50,925	47,344	285,396	21,737	63,719	382,995	1,429,679
Miscellaneous	1,019,223	19,163	-	-	10,014	1,934	65,579	1,115,913
<b>Total revenues</b>	<b>27,997,987</b>	<b>669,027</b>	<b>440,910</b>	<b>1,284,035</b>	<b>2,944,503</b>	<b>750,109</b>	<b>6,962,450</b>	<b>41,049,021</b>
<b>EXPENDITURES:</b>								
Current:								
General government	4,001,802	-	-	-	-	-	1,631,613	5,633,415
Public safety	11,294,566	-	-	-	-	-	648,646	11,943,212
Highways and streets	-	-	-	160,978	-	-	2,980,564	3,141,542
Culture and recreation	8,613,481	-	-	-	-	-	80,568	8,694,049
Community development	3,723,950	-	154,667	-	-	-	1,039,386	4,918,003
Airport	-	613,949	-	-	-	-	-	613,949
Nondepartmental	182,693	-	-	-	-	-	-	182,693
Capital outlay:								
Highways and streets	-	-	-	723,679	-	-	37,002	760,681
Culture and recreation	-	-	-	-	-	-	301,586	301,586
Community development	-	-	174,734	-	-	-	66,543	241,277
Airport	-	6,964	-	-	-	-	-	6,964
Debt service:								
Principal	548,380	-	-	143,410	2,390,000	-	34,268	3,116,058
Interest	73,693	-	-	57,838	607,900	241,392	2,903	983,726
<b>Total expenditures</b>	<b>28,438,565</b>	<b>620,913</b>	<b>329,401</b>	<b>1,085,905</b>	<b>2,997,900</b>	<b>241,392</b>	<b>6,823,079</b>	<b>40,537,155</b>
Revenues over (under) expenditures	(440,578)	48,114	111,509	198,130	(53,397)	508,717	139,371	511,866
<b>OTHER FINANCING SOURCES (USES):</b>								
Proceeds on the sale of capital assets	12,000	-	-	-	-	-	-	12,000
Issuance of debt - leases and subscriptions	230,745	-	-	-	-	-	-	230,745
Transfers in	563,270	-	327,975	500,000	-	-	847,090	2,238,335
Transfers out	(1,157,215)	-	(3,303)	-	-	(189,221)	(1,059,967)	(2,409,706)
<b>Total other financing sources (uses)</b>	<b>(351,200)</b>	<b>-</b>	<b>324,672</b>	<b>500,000</b>	<b>-</b>	<b>(189,221)</b>	<b>(212,877)</b>	<b>71,374</b>
Net change in fund balance	(791,778)	48,114	436,181	698,130	(53,397)	319,496	(73,506)	583,240
<b>FUND BALANCE, BEGINNING</b>	<b>7,148,222</b>	<b>1,098,360</b>	<b>795,424</b>	<b>6,178,556</b>	<b>301,475</b>	<b>25,315</b>	<b>8,004,042</b>	<b>23,551,394</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 6,356,444</b>	<b>\$ 1,146,474</b>	<b>\$ 1,231,605</b>	<b>\$ 6,876,686</b>	<b>\$ 248,078</b>	<b>\$ 344,811</b>	<b>\$ 7,930,536</b>	<b>\$ 24,134,634</b>

The accompanying notes are an integral part of these financial statements

**CITY OF MCMINNVILLE, OREGON**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2025**

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Amounts reported in the statement of activities are different because:

Net change in fund balance		\$ 583,240
Governmental funds report lease payments as expenditures. However, for governmental activities the cost of those assets is allocated over the life of the lease. This is the amount of prepaid lease recognized as an expense when earned.		(2,665)
The statement of revenues, expenditures, and changes in fund balance 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 or amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period.		
Current year depreciation	(4,501,738)	
Current year amortization	(295,684)	
Loss on disposal of asset	(66,788)	
Capital asset additions	<u>2,732,492</u>	(2,131,718)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.		
Capital contributions		790,253
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		114,681
Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		6,339
Governmental funds report OPEB contributions as expenditures. However, in the statements of activities, the cost of OPEB earned net of employee contributions is reports as OPEB expense.		196,277
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.		
Accrued interest expense	49,881	
Interest expense associated with deferred charge on refunding	<u>(36,825)</u>	13,056
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Changes in compensated absences	(78,492)	
Lease principal payments	82,725	
Subscription-based information technology arrangement principal payments	278,901	
Debt service principal payments	2,959,020	
PERS related liability payments	348,048	3,359,457
Issuance of debt - leases and subscriptions	<u>(230,745)</u>	
Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(123,025)</u>
Change in net position of governmental activities		<u>\$ 2,805,895</u>

The accompanying notes are an integral part of these financial statements

## FUND FINANCIAL STATEMENTS

### Proprietary Funds

#### Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges.

#### Wastewater Operations

##### **Wastewater Services Fund**

This fund accounts for charges for services to support wastewater operations and rate payer transfer to the Wastewater Capital Fund.

##### **Wastewater Capital Fund**

This fund is used to account for system development charges earmarked for design and construction of major wastewater system capital projects.

For Generally Accepted Accounting Principles purposes, the Wastewater Services and Wastewater Capital funds are consolidated and included as a single enterprise fund.

#### Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

##### **Informational Systems & Services Fund**

This fund accounts for information technology services provided to operating departments by the IS Fund.

##### **Insurance Services Fund**

This fund charges operating departments for the cost of property, liability and workers' compensation premiums and claims.

CITY OF MCMINNVILLE, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 June 30, 2025

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Wastewater Operations	Total	Internal Service Funds
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 31,394,330	\$ 31,394,330	\$ 585,974
Accounts receivable, net	365,237	365,237	47,418
Due from component unit	986,850	986,850	-
Lease receivable, current portion	11,714	11,714	-
Prepaid expenses	1,971	1,971	260,644
Interfund loan receivables	5,012,651	5,012,651	-
Total current assets	37,772,753	37,772,753	894,036
Noncurrent assets:			
Intergovernmental receivables	581,774	581,774	-
Lease receivables	71,501	71,501	-
Capital assets:			
Non-depreciable	25,218,720	25,218,720	-
Depreciable, net	57,473,255	57,473,255	480,375
Lease assets, net	1,647	1,647	-
Subscription-based information technology arrangement assets, net	45,313	45,313	-
Net OPEB asset	47,114	47,114	12,319
Total noncurrent assets	83,439,324	83,439,324	492,694
Total assets	121,212,077	121,212,077	1,386,730
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	1,242,920	1,242,920	324,977
Deferred outflows related to OPEB	17,615	17,615	4,606
Total deferred outflows of resources	1,260,535	1,260,535	329,583
Total assets and deferred outflows of resources	\$ 122,472,612	\$ 122,472,612	\$ 1,716,313
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	1,212,787	\$ 1,212,787	\$ 93,814
Accrued payroll and other payroll liabilities	55,181	55,181	14,053
Unearned revenue	81,875	81,875	-
Retainage payable	5,803	5,803	-
Total pension liability - due in one year	391,512	391,512	102,366
Total OPEB liability - due in one year	6,214	6,214	1,625
PERS related liabilities - due in one year	32,995	32,995	8,249
Accrued compensated absences	58,260	58,260	15,675
Current portion of lease payable	1,672	1,672	-
Current portion of subscription-based information technology arrangements payable	14,154	14,154	-
Total current liabilities	1,860,453	1,860,453	235,782
Noncurrent liabilities:			
Noncurrent portion of subscription-based information technology arrangements payable	30,044	30,044	-
Accrued compensated absences	172,938	172,938	66,349
Total pension liability	2,795,294	2,795,294	730,865
Total OPEB liability	69,579	69,579	18,192
PERS related liabilities	53,566	53,566	13,392
Total noncurrent liabilities	3,121,421	3,121,421	828,798
Total liabilities	4,981,874	4,981,874	1,064,580
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	507,088	507,088	132,585
Deferred inflows related to OPEB	129,706	129,706	33,913
Deferred inflows related to lease receivables	77,082	77,082	-
Total deferred inflows of resources	713,876	713,876	166,498
<b>NET POSITION:</b>			
Net investment in capital assets	82,687,262	82,687,262	480,375
Restricted for:			
OPEB asset	47,114	47,114	12,319
Unrestricted	34,042,486	34,042,486	(7,459)
Total net position	116,776,862	116,776,862	485,235
Total liabilities, deferred inflows of resources, and net position	\$ 122,472,612	\$ 122,472,612	\$ 1,716,313

The accompanying notes are an integral part of these financial statements

**CITY OF MCMINNVILLE, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 For the Fiscal Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Wastewater Operations	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 12,067,930	\$ 12,067,930	\$ 2,871,361
Intergovernmental	-	-	42,546
Miscellaneous	34,051	34,051	134,198
Total operating revenues	12,101,981	12,101,981	3,048,105
<b>OPERATING EXPENSES:</b>			
Personnel service	3,023,878	3,023,878	788,739
Materials and service	4,668,850	4,668,850	2,393,437
Depreciation/amortization	2,367,956	2,367,956	82,347
Total operating expenses	10,060,684	10,060,684	3,264,523
Operating income (loss)	2,041,297	2,041,297	(216,418)
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
System development revenues	583,155	583,155	-
Interest income	1,819,707	1,819,707	27,494
Interest expense	(1,392)	(1,392)	-
Other revenue	13,732	13,732	-
Total non-operating revenues (expenses)	2,415,202	2,415,202	27,494
Net income (loss) before transfers	4,456,499	4,456,499	(188,924)
<b>TRANSFERS:</b>			
Transfers from other funds	105,472	105,472	65,899
Total transfers	105,472	105,472	65,899
Net income (loss) before contributions	4,561,971	4,561,971	(123,025)
<b>CAPITAL CONTRIBUTIONS:</b>			
Capital contributions - infrastructure	23,211	23,211	-
Total capital contributions	23,211	23,211	-
Change in net position	4,585,182	4,585,182	(123,025)
<b>NET POSITION, BEGINNING</b>	112,261,520	112,261,520	634,024
Change in accounting principle - GASB 101	(69,840)	(69,840)	(25,764)
<b>NET POSITION, BEGINNING as restated</b>	112,191,680	112,191,680	608,260
<b>NET POSITION, ENDING</b>	\$ 116,776,862	\$ 116,776,862	\$ 485,235

The accompanying notes are an integral part of these financial statements

**CITY OF MCMINNVILLE, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Wastewater Operations	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and users	\$ 12,075,675	\$ 12,075,675	\$ -
Cash received from interfund services provided	-	-	2,884,369
Cash received from other operating sources - insurance reimbursements	-	-	134,132
Cash paid to employees and others for salaries and benefits	(2,596,134)	(2,596,134)	(664,048)
Cash paid to suppliers and others	(5,248,765)	(5,248,765)	(2,347,622)
Cash received for rental revenue	13,732	13,732	-
Net cash provided by (used for) operating activities	4,244,508	4,244,508	6,831
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Principal paid on pension-related obligations	(30,938)	(30,938)	(7,734)
Transfers (to)/from other funds	105,472	105,472	65,899
Net cash provided by (used for) non-capital financing activities	74,534	74,534	58,165
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of capital assets	(16,768,285)	(16,768,285)	(52,637)
Principal paid on lease payable	(1,805)	(1,805)	-
Proceeds from system development charges	583,155	583,155	-
Principal paid on subscription-based information technology arrangements	(13,870)	(13,870)	-
Interest paid	(1,392)	(1,392)	-
Net cash provided by (used for) capital and related financing activities	(16,202,197)	(16,202,197)	(52,637)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	1,819,707	1,819,707	27,494
Net cash provided by investing activities	1,380,251	1,380,251	27,494
Net increase (decrease) in cash and cash equivalents	(10,502,904)	(10,502,904)	39,853
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	41,897,234	41,897,234	546,121
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 31,394,330</u>	<u>\$ 31,394,330</u>	<u>\$ 585,974</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>			
Operating Income	\$ 2,041,297	\$ 2,041,297	\$ (216,418)
Adjustments:			
Cash from rental activities, recognized as non-operating on the Statement of Revenue, Expenses, and Changes in Net Position	13,732	13,732	-
Depreciation and amortization	2,367,956	2,367,956	82,347
Amortization of deferred lease resources	(13,274)	(13,274)	-
Decrease (increase) in:			
Accounts receivable and due from other funds	480,915	480,915	(29,604)
Due from component unit	(125,590)	(125,590)	-
Prepays	(57)	(57)	(17,148)
Increase (decrease) in:			
Accounts payable	(585,661)	(585,661)	62,963
Accrued payroll and other payroll liabilities	1,147	1,147	918
Retainage payable	5,803	5,803	-
Unearned revenue	59,614	59,614	-
Compensated absences	40,166	40,166	4,124
Net other post employment benefits	1,657	1,657	1,607
Net pension benefits	384,774	384,774	118,042
Net cash provided by (used for) operating activities	<u>\$ 4,244,508</u>	<u>\$ 4,244,508</u>	<u>\$ 6,831</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>			
Capital contributions	\$ 23,211	\$ 23,211	\$ -
Total non-cash capital financing activities	<u>\$ 23,211</u>	<u>\$ 23,211</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2025**

**I. Summary of Significant Accounting Policies**

The financial statements of the City of McMinnville, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Description of Government-Wide Financial Statements**

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

**B. Reporting Entity**

**1. Primary Government**

The City of McMinnville, Oregon (City), an Oregon municipal corporation, is organized under the general laws of the State of Oregon and the provisions of the *McMinnville City Charter*. The City's council-manager form of government provides for a governing body, or legislative branch, consisting of the Mayor and a six-member City Council. The Mayor and City Council appoint a City Manager who, along with the City department heads, form a management team to lead and direct the administrative and service functions of the City and carry out City Council policy.

The accompanying basic financial statements present the City and its component units, McMinnville Water and Light Department (Department) and McMinnville Urban Renewal Agency (Agency). The Department is a discretely presented component unit and as such is reported in a separate column in the government-wide financial statements to emphasize the Department's separate enterprise operations. The City and the Department have June 30<sup>th</sup> fiscal year ends.

Various other governmental agencies and special service districts provide services within the City's boundaries. However, the City is not financially accountable for any of these entities and accordingly, their financial information is not included in these basic financial statements.

**2. Blended Component Unit**

In accordance with GASB Statement No. 61, the activities of the McMinnville Urban Renewal Agency (the Agency) are included in the City's financial statements as a blended component unit. The Agency is a legally separate entity, created in July 2013, which is governed by a board comprised of the City Council, as stipulated in the bylaws. The Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding. City staff has operational responsibility for the component unit and has the financial burden of performing administrative and programmatic activities which are only partially offset by the Agency. The purpose of the Agency is to undertake urban renewal projects and activities pursuant to the City's downtown and NE Gateway District redevelopment plans. The financial results of the Agency are reported herein as one debt service fund and one capital projects fund. The Agency also prepares a separate component unit financial report which may be obtained from the Agency's administrative offices at 230 NE Second Street, McMinnville, Oregon 97128.

**3. Discretely Presented Component Unit**

The Department, which operates under the provisions of *Chapter X* of the *McMinnville City Charter*, is reported as a discretely presented component unit enterprise fund type. The Department provides electricity and water to residential and commercial customers in the city limits and adjacent areas of McMinnville, Oregon. The Department's governing board, the five-member Water and Light Commission, appoints a General Manager who is responsible for the day-to-day operations of the Department.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

The Department is presented as a discreetly presented component unit as the City's Mayor appoints and the City Council affirms all members of the Department's Water and Light Commission. While the Department operates as a separate financial entity, the City receives significant payments from the Department based on a percentage established by the City Council and as outlined in state law for municipal electric utilities that are otherwise exempt from property taxes.

Financial statements for the Department may be obtained at the McMinnville Water and Light Department, Administrative Office, 855 Marsh Lane, McMinnville, Oregon 97128.

**C. Basic Financial Statements**

**1. Government-Wide Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally 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.

Government-wide financial statements present information about the primary government and its component units. The effect of interfund activity has been removed from these statements except for interfund services provided and used between funds which, if eliminated, would distort the direct costs and program revenues reported for the various functions. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position.

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 a function or segment or are otherwise directly affected by it; 2) operating grants and contributions that are restricted to meeting requirements of a particular function or segment; and 3) capital grants and contributions that are restricted to meeting requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

**2. Fund Financial Statements**

Fund financial statements present information at the individual fund level. Funds are classified and summarized as governmental, proprietary, or fiduciary type. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are combined into a single column in the fund financial statements and are detailed in the supplemental information. Internal service funds are also combined into a single column in the fund financial statements and are detailed in the supplemental information.

**D. Measurement Focus and Basis of Accounting**

Government-wide financial statements, proprietary fund financial statements, and the fiduciary fund financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time 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 revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets are capitalized and depreciated, and City debt is reported as a liability with premiums and discounts amortized over the life of the debt.

Governmental fund financial statements are presented 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*. *Measurable* means the amount of the transaction can be determined and revenues are considered to be *available* when

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of year end. Property taxes, franchise fees from the Department, assessment liens, and state shared revenues are susceptible to the year-end 60-day accrual. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

An unavailable revenue deferred inflow arises on the balance sheets of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide statement of activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the balance sheets of the governmental funds for unavailable revenue, is eliminated.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**E. 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, liabilities and deferred inflows, the disclosure of contingent assets, liabilities and deferred inflows at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

**F. Financial Statement Presentation**

The financial transactions of the City are recorded in individual funds. A fund is an independent accounting entity with a self-balancing set of accounts comprised of assets, liabilities, deferred inflows/outflows of resources, fund balances, revenues, and expenditures. Fund accounting segregates resources according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

Accounting principles generally accepted in the United States of America (GAAP) set forth minimum criteria for the determination of major funds. The City elected to include the Airport Maintenance Fund as a major funds due to community interest.

The City reports the following major governmental funds:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

- General Fund – is the City’s primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes; licenses and permits, which includes franchise fees; intergovernmental revenues; and charges for services. Expenditures are for police, municipal court, parks and recreation, park maintenance, library, engineering, planning, administration, and finance.
- Airport Maintenance Fund – is a special revenue fund which accounts for airport property rental income committed for operations and Federal Aviation Administration (FAA) grants restricted for airport improvement projects.
- Affordable Housing Fund – is a special revenue fund which accounts for housing-related grant projects and activity associated with the City's Affordable Housing Construction Excise Tax.
- Transportation Fund – accounts for the acquisition and construction of major capital projects related to highways and roads.
- Debt Service Fund – accounts for property taxes levied for payment of principal and interest on general obligation bonds.
- Urban Renewal Debt Service Fund – accounts for urban renewal tax increment revenue and payment of principal and interest on urban renewal debt.

Additionally, the City reports non-major funds within the governmental classification which include the following fund types:

- Special Revenue Funds – account for revenue sources that are restricted or committed to expenditures for specific purposes.
- Capital Projects Funds – account for the acquisition and construction of major capital projects other than those being financed by proprietary funds.

The City reports the following major enterprise funds:

- Wastewater Fund – combines budgetary basis Wastewater Services Fund and Wastewater Capital Fund for full accrual presentation.
  - Wastewater Services Fund – accounts for charges for services to support wastewater operations and rate payer transfer to the Wastewater Capital Fund.
  - Wastewater Capital Fund – accounts for sanitary sewer system development charges used for major sanitary sewer system construction projects and transfers from the Wastewater Services Fund supporting debt service and major capital projects.

The City also reports internal service funds within the proprietary fund type. The City’s internal service funds include the Insurance Services Fund which accounts for the City’s property, liability, and workers’ compensation insurance and the Informational Systems and Services Fund which accounts for computer support, including personnel services, repairs and maintenance, and software and hardware purchases.

**G. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position/Fund Balance**

**1. Cash and Investments**

Cash and investments, including restricted cash and investments, consist of cash on hand, demand deposits, short-term investments with original maturities of seven months or less from the date of acquisition, and the State of Oregon Local Government Investment Pool (LGIP) deposits. Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the state's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City's investment policy, adopted by the City Council, essentially mirrors the requirements of the Oregon Revised Statutes. Currently, the City's investment portfolio consists of investments in the LGIP and a Public Money Market Savings account.

Investments are stated at fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as revenue. GASB Statement 72, *Fair Value Measurement and Application* provides a fair value hierarchy that prioritizes the inputs for valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

## **2. Receivables and Payables**

Transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds or between the primary government and its component unit are referred to as "due to", "advance to" or "due from", "advance from" other funds or component unit. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes are assessed as of January 1 and become a lien as of July 1 on all taxable property. Property taxes are due on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. In the fund financial statements, property taxes receivable which have been collected within 60 days subsequent to year-end are considered *measurable* and *available* and are recognized as revenues. All other property taxes receivable are offset by deferred inflows of resources as they are deemed unavailable to finance operations of the current period.

In the government-wide financial statements an allowance for uncollectible accounts is recorded in the Department. No allowance for uncollectible accounts is recorded for sewer charges as uncollectible accounts are deemed immaterial. No allowance for uncollectible accounts is considered necessary in governmental activities as receivables either become property liens when past due or are considered immaterial.

Receivables of the proprietary fund types and the Department are recorded as revenue when earned. Accounts receivables in the Department also include estimated revenues, that are accrued for power and water deliveries not yet billed to customers from meter reading dates prior to month end (unbilled revenue) and are reversed in the following year when the billings occur. In the Department, the allowance for uncollectible accounts is determined by considering a number of factors, including the length of time trade accounts receivable are past due, the customer's previous loss history, the customer's current ability to pay its obligation, and the condition of the general economy and the industry as a whole.

## **3. Lease Receivables**

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments received.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**4. Inventories and Prepaid Items**

Inventories of the Department are valued at the lower of average cost or market and charged against operations or construction in progress as they are used.

In both government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future City accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**5. Restricted Assets**

Certain cash and investments are restricted, including unspent funds from bond and other debt issues, and certain monies received for capital improvements.

**6. Capital Assets**

In the government-wide financial statements, capital assets include property, plant, equipment, infrastructure assets (streets, traffic lights, storm drain, and sanitary sewer), and intangible assets (easements, land rights, and right-to-use assets) and are reported in the applicable governmental activity, business-type activity, or component unit columns. In the governmental fund financial statements, capital assets are charged to expenditures as purchased; while in the proprietary fund financial statements, capital assets are capitalized when purchased.

Capital assets, including intangibles, are defined by the City as assets with an initial cost of \$10,000 or more and an estimated useful life of more than one year. With respect to the Department, utility plant is stated at cost and includes property, plant, and equipment with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Cost generally includes materials, labor and an allocation of overhead costs. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

All easements and infrastructure assets, including those acquired before the fiscal year ended June 30, 1980, have been capitalized. Estimated historical cost has been determined by estimating current cost and trending back to the acquisition date using an applicable cost index. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Land, land rights, and easements have an indefinite life and therefore are not amortized. Exhaustible assets of the City and the Department are depreciated using the straight-line method.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
City:	
Land improvements	20
Buildings and buildings improvements	20-50
Computer equipment	4-5
Machinery and equipment	5-15
Vehicles	5-10
Computer infrastructure	10-50
Street and sewer infrastructure	20-50
Right-to-use assets	*
Department:	
Office and other equipment	5-10
Transportation and equipment	5-10
Electricity and water infrastructures	20-100

\* Estimated useful life depends on the life of the lease or subscription

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**7. Lease and Subscription-Based Information Technology Arrangement Assets**

Lease and subscription-based information technology arrangement assets are assets which the City has the right to use for a term of more than one year. The value of these assets is determined by the net present value of the asset's payback at the City's incremental borrowing rate at the time of the agreement, amortized over the term of the agreement.

**8. Renewable Energy Certificates**

Renewable Energy Certificates (REC or Certificate) are a unique representation of the environmental, economic, and social benefits associated with the generation of electricity from renewable energy sources that produce qualifying electricity. One Certificate is created in association with the generation of one megawatt-hour (MWh) of qualifying electricity. While a Certificate is always directly associated with the generation of one MWh of electricity, transactions for Certificates may be conducted independently of transactions for the associated electricity.

The Department receives RECs as part of its purchase agreements with Bonneville Power Administration (BPA), Grant County Public Utility District, and Waste Management Renewable Energy (WMRE). RECs received include Incremental Efficiency Hydro RECs (from BPA and Grant County), Wind Resource RECs (from BPA), and Bio Gas RECs from WMRE. These RECs are also available for sale or are banked to satisfy future Oregon Renewable Portfolio Standard obligations. Markets for the sale of RECs are very limited at the present time. Future sales will be transaction specific and subject to Commission approval. The RECs are recorded at cost, based on the most recent price at which the Department purchases the RECs.

**9. Regulatory Asset – Conservation Charges**

In November 2008, the Department entered into a long-term power purchase agreement with the BPA. The McMinnville Water and Light (MWL) Commission also authorized conservation funding in order to secure a more favorable rate structure over the delivery period of 17 years. The Department will amortize these expenditures over the 17-year period which commenced October 1, 2011. The amortization period is equivalent to the period these charges will be recovered through the Department's rates.

**10. Compensated Absences**

The City implemented GASB Statement No. 101, "Compensated Absences" during the fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. For the City, this resulted in increased estimated liability related to sick leave that was previously not recorded and is only paid when used and not upon termination of employment. The cumulative effect of this change resulted in an increase to compensated absence liability and a decrease to beginning net position for governmental activities of \$620,734 and business type activities of \$69,840.

The City's and Department's policies permit employees to accumulate earned but unused vacation, compensatory time, and sick leave benefits. No liability is reported for unpaid accumulated sick leave benefits as sick leave benefits do not vest. In the government-wide and proprietary fund financial statements, all vacation and compensatory time is accrued when incurred. Management uses historical averages to estimate the current portion of compensated absences for the City. The Department considers all compensated absences as current liabilities. For governmental activities, compensated absences are generally liquidated by the fund that incurred the liability. The significant fund incurring these liabilities is the General Fund. In the governmental fund financial statements, a liability for compensated absences is reported only if they have matured and thus become due.

**11. Leases and Subscription-Based Information Technology Arrangements Payable**

In the government-wide financial statements, leases and subscription-based information technology arrangements payable are both reported as liabilities in the Statement of Net Position.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**12. Long-Term Debt**

In the government-wide and proprietary fund type financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums, discounts and deferred amounts on refunding are amortized over the life of the related debt issue. Long-term debt payable is reported net of the related unamortized premium or discount. Issuance costs are reported as period costs in the year of issue.

In the governmental fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums are also reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt issuance received, are reported as expenditures.

**13. Pensions**

A pension liability is reported in government-wide and proprietary fund financial statements as a liability in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Interest and amortization are reported as pension expense in the government-wide statement of activities for governmental and business-type activities, and as operating expense in the proprietary funds.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows or resources related to pension, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**14. Other Postemployment Benefit Obligations**

For purposes of measuring the OPEB asset and liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City and Department's two separate plans the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems (OPERS) and additions to/deductions from Implicit Rate Subsidy and OPERS's fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**15. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of deferred inflows that qualify for reporting in this category. *Unavailable revenue* is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that amount becomes available. The governmental funds report unavailable revenues from three sources: property taxes, other receivables, and lease receivables where a timing requirement has not been met and grants that have been approved for payment that have not been received within 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City and Department also reports deferred amounts related to pension and OPEB. These amounts are deferred and recognized as inflows of

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

resources in the period when the City and Department recognizes pension and OPEB income. Deferred inflows are included in the government-wide statement of net position, and proprietary funds statement of net position.

**16. Net Position Flow Assumption**

The City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and the proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**17. Fund Balance**

In the governmental fund financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balance is reported as *nonspendable* when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepayments.

Fund balance is reported as *restricted* when the constraints placed on the use of the resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority are reported as *committed* fund balances. The City reports fund balances as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the resolution at any time through passage of an additional resolution.

Amounts that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as *assigned* fund balance. Intent is expressed when the City Council approves certain amounts during the adoption of the annual budget.

*Unassigned* fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to report deficit fund balance amounts in other governmental funds.

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. For unrestricted fund balance amounts, the City considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The McMinnville fund balance policy establishes a goal for General Fund unassigned fund balance levels and is intended to serve as a guide for important budgetary decisions. It also establishes fund balance targets for other City funds. For the General Fund, two months of budgeted operating expense is the target for unassigned ending fund balance.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

All City governmental funds adopt annual budgets on a budgetary basis of accounting, which is similar to the modified accrual basis of accounting with certain differences. All City proprietary funds adopt annual budgets on a budgetary

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

basis of accounting, which is similar to the modified accrual basis of accounting, with certain full accrual basis adjustments that are acceptable under State of Oregon Budget Law. Budget to modified accrual or budget to full accrual reconciling items are listed on the individual fund Statements/Schedules of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual. All annual appropriations lapse at June 30<sup>th</sup>.

The City begins its budgeting process by appointing Budget Committee members in January of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the proposed budget in May. Public notices of the approved budget and City Council public hearing are generally published in May and June with the budget public hearing held in June. The City Council adopts the budget, makes appropriations, and declares the operating and debt service property tax levies and tax rate no later than June 30<sup>th</sup>.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. For the General and Wastewater Services Funds, levels of budgetary control are established at the department level. For all other funds, appropriations are established at the program (personnel services, materials and services, capital outlay), debt service, operating contingencies, and other requirements level.

All changes and amendments to the budget require the approval of the City Council. Supplemental budgets less than 10 percent of a fund’s original budget may be adopted by the City Council at a regular City Council meeting. A supplemental budget greater than 10 percent of a fund’s original budget requires publication, a hearing before the public, and approval by the City Council. The City Council approved one amendments to the budget during the fiscal year ending June 30, 2025. Original and supplemental budgets may be modified by the use of appropriation transfers between levels of control. Such transfers also require approval by the City Council. The City Council approved one appropriation transfers during the fiscal year ending June 30, 2025. The Statements/Schedules of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual present both the budget as originally adopted and the budget after adjustments for all legally authorized revisions.

For the year ended June 30, 2025, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
General Fund	Nondepartmental	\$ 17,863

The Department is exempt from Oregon Local Budget Law, pursuant to Oregon Revised Statutes (ORS) 294.316, due to being a municipal public utility operating under a separate commission and not receiving ad valorem tax support.

**III. Detailed Notes on Accounts**

**A. Cash and Investments**

Oregon Revised Statutes authorize the City to invest in general obligations of the U.S. Government and its agencies; certain bonded obligations of Oregon municipalities; bank repurchase agreements; certificates of deposit; bankers’ acceptances; the State of Oregon Local Government Investment Pool; and certain corporate indebtedness, which includes only the four highest ratings by the ratings agencies.

The State of Oregon Local Government Investment Pool (Pool) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool’s investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested, and the investments managed as a prudent investor would, exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board which establishes diversification percentages and specifies the types and maturities of investments. The Oregon Audits Division audits the Pool annually. The Division’s report on the Pool as of and for the year ended June 30, 2025 was unmodified. The fair value of the City’s position in the Pool at June 30, 2025 was 100 percent of the value of the Pool shares. The Pool does not have a credit quality rating by a nationally recognized statistical rating organization and is therefore unrated.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

At year end, the City's total book balance for deposits with financial institutions was \$2,086,978 and the bank balance was \$1,566,480. The City's bank balances were covered by \$250,000 Federal Depository Insurance. Of the Department's bank balances, \$250,000 was covered by Federal Depository Insurance. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer.

At June 30, 2025, the City's cash, cash equivalents and investment balances were as follows:

Cash held in City offices	\$ 2,500
Deposits with financial institutions	2,086,978
Oregon State Local Government Investment Pool – City's general account	49,277,465
Investments:	
Money market account	11,041,942
Total City cash and investments	\$ 62,408,885

The City's cash and investments are reflected in the government-wide statement of net position as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and investments:			
Unrestricted	\$ 14,221,200	\$ 31,394,330	\$ 45,615,530
Restricted	16,793,355	-	16,793,355
Total cash and investments	\$ 31,014,555	\$ 31,394,330	\$ 62,408,885

At June 30, 2025, the Department's cash and investment balances were as follows:

	<b>Fair Value</b>
Cash on hand	\$ 13,463
Deposits with financial institutions	791,070
Oregon State Local Government Investment Pool	59,536,239
Oregon State Local Government Intermediate Fund	7,004,180
US Treasury investments	8,968,410
Total Department cash and investments	\$ 76,313,362

**1. Custodial Risk**

Custodial credit risk is the risk that, in the event of failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy relating to custodial credit risk. At June 30, 2025, the City does not have investments exposed to custodial credit risk.

**2. Interest Rate Risk**

The City's investment policy allows 100 percent of the City's investments to be invested in the Pool. As a means to limit exposure to fair value losses arising from changes in interest rates, the City's investment policy requires that all investments other than the Pool mature in less than one year.

As of June 30, 2025, the City had the following investments organized using the segmented time distribution method as noted below:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity &lt; 12 Months</u>
Money market account	11,041,942	11,041,942
	<u>\$ 11,041,942</u>	<u>\$ 11,041,942</u>

**3. Credit Risk**

State statutes govern the City’s investment policy. Permissible investments for governmental funds include general obligations of the United States government and its agencies, obligations of the states of Oregon, California, Idaho, and Washington that have a rating at settlement of AA or better, A-1 rated commercial paper and bankers’ acceptances, Aa rated corporate bonds, time deposits, repurchase agreements, and the LGIP.

The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The LGIP funds are approved by the Oregon Investment Council (ORS 294.805 to 294.898). Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP and money market account are unrated for credit quality.

**4. Concentration of Credit Risk**

To avoid incurring unreasonable risks inherent in over-investing in specific instruments or in individual financial institutions, the City diversifies its portfolio and follows the City’s investment policy which sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. In accordance with GASB 40, the City is required to report all individual non-federal investments which exceed 5.0% of total invested funds. As of June 30, 2025 the City held no individual investments which exceeded this threshold.

**5. Fair Value of Investments**

The City categorizes its fair value investments within the guidelines established by GAAP. All of the City’s investments are classified as level 1 and are valued using prices quoted in active markets for those securities.

**B. Receivables**

**1. Government Funds and Governmental Activities**

Receivables as of year-end for the City’s governmental individual major, non-major funds and internal service funds in the aggregate are as follows:

	<u>General</u>	<u>Airport Maintenance</u>	<u>Affordable Housing</u>	<u>Transportation</u>	<u>Debt Service</u>	<u>UR Debt Service</u>	<u>Total Non-Major</u>	<u>Governmental Activities</u>
Receivables:								
Accounts	\$ 1,308,844	\$ 99,935	\$ 12,132	\$ 38,672	\$ -	\$ -	\$ 913,718	\$ 2,373,301
Property taxes	847,517	-	-	-	186,742	39,085	-	1,073,344
Intergovernmental	109,197	-	-	-	-	-	-	109,197
Assessments	-	-	-	-	-	-	8,233	8,233
Lease	-	216,549	-	-	-	-	-	216,549
Due from component unit	394,669	-	5,915	-	-	-	13,708	414,292
Total	<u>\$ 2,660,227</u>	<u>\$ 316,484</u>	<u>\$ 18,047</u>	<u>\$ 38,672</u>	<u>\$ 186,742</u>	<u>\$ 39,085</u>	<u>\$ 935,659</u>	<u>\$ 4,194,916</u>

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

As of June 30, 2025, the City reported the following development loans receivable:

<b>Fiscal Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 20,217	\$ 1,888
2027	13,478	958
2028	13,478	718
2029	13,478	479
2030	13,478	239
2031	4,176	31
<b>Total</b>	<b>\$ 78,305</b>	<b>\$ 4,313</b>

In the government-wide financial statements, property tax revenue is reported net of discounts, adjustments, and interest as follows:

	<b>Total Governmental</b>
Gross revenue	\$ 17,942,160
Less: discounts and adjustment	(511,543)
Net revenue	<b>\$ 17,430,617</b>

In the fund financial statements, governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, unavailable revenue at the fund statement level includes delinquent property taxes, delinquent special assessments, delinquent fire fees, and long-term development loans.

Unearned revenue at the government-wide level includes operating funds received but not earned. At the end of the current fiscal year, unearned revenue at the government-wide level mainly consists of an airport land lease credit and fees for summer recreation programs.

**2. Lease Receivable**

<b>Governmental Activities:</b>	<b>Balance June 30, 2024</b>	<b>Restatement</b>	<b>Restated June 30,</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2025</b>
Airport Ground Leases; interest between 1.38% and 2.30%, annual principal and interest payments range from \$4,850 to \$67,000, due 2053	\$ 759,392	\$ (759,392)	\$ -	\$ -	\$ -	\$ -
Airport Building Leases; interest between 0.89% and 1.99%, annual principal and interest payments range from \$131,000 to \$193,000, due 2036	1,852,449	(27,622)	\$ 1,824,827	-	133,798	\$ 1,691,029
Airport Land Leases; interest between 1.06% and 1.76%, annual principal and interest payments range from \$7,100 to \$89,000, due 2033	220,397	-	\$ 220,397	-	72,207	\$ 148,190
	<b>\$ 2,832,238</b>	<b>\$ (787,014)</b>	<b>\$ 2,045,224</b>	<b>\$ -</b>	<b>\$ 206,005</b>	<b>\$ 1,839,219</b>

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**Business-Type Activities:**

WRF Land Leases; interest at 1.45%, total annual principal and interest payments are \$12,500, due 2030

\$ 71,334    \$ -    \$ 11,466    \$ 59,868

WRF Stormwater Discharge Pond Lease; interest at 2.58%, total annual principal and interest payments are \$686, due 2108

23,427	-	80	23,347
\$ 94,761	\$ -	\$ 11,546	\$ 83,215

Future maturities are as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$216,549	\$34,187	\$11,714	\$1,472
2027	218,486	30,420	11,885	1,301
2028	148,387	26,608	12,058	1,127
2029	151,369	23,627	12,234	951
2030	154,410	20,585	12,413	773
2031-2035	819,853	55,122	494	2,934
2036-2040	130,165	1,082	561	2,867
2041-2045	-	-	637	2,791
2046-2050	-	-	724	2,704
2051-2055	-	-	822	2,606
2056-2060	-	-	934	2,494
2061-2065	-	-	1,061	2,367
2066-2070	-	-	1,206	2,222
2071-2075	-	-	1,370	2,058
2076-2080	-	-	1,556	1,872
2081-2085	-	-	1,768	1,661
2086-2090	-	-	2,008	1,420
2091-2095	-	-	2,281	1,147
2096-2100	-	-	2,591	837
2101-2105	-	-	2,944	484
2106-2108	-	-	1,954	102
	\$ 1,839,219	\$ 191,631	\$ 83,215	\$ 36,190

Deferred inflows of resources mirror the principal payment maturities described above.

**Regulated leases:**

The City's airport is subject to financial regulation by the Federal Aviation Administration (FAA). This regulation, among other objectives, ensures that the City's lease rates cannot exceed a reasonable amount, the City charges a similar lease rate for lessees that are similarly situated, or that the City cannot deny potential lessees the right to enter into leases if facilities are available. Furthermore, the City considers only leases that are "aeronautical" (as defined by the FAA) as being includable in the regulated leases.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

The City has 19 leases that are considered aeronautical, such as tract land within the airport and tracts with hangers. Annual payments range from \$4,850 to \$67,000 with terms through 2055. The annual payments are as follows:

Regulated leases	
Fiscal Year	Principal
2026	\$ 62,331
2027	51,334
2028	52,371
2029	49,181
2030	50,203
2031-2035	230,512
2036-2040	145,323
2041-2045	50,040
2046-2050	21,425
2051-2055	9,365
	\$ 722,083

**3. Department**

In the government-wide financial statements, receivables as of year-end for the Department are as follows:

Accounts and notes receivable	\$ 5,067,611
Less: allowance for uncollectibles	(37,790)
Net receivables	\$ 5,029,821

The Department is a lessor for a non-cancellable lease of real property with lease terms through 2025. For the year ended June 30, 2025, the Department recognized lease revenue of \$15,404 and lease interest income of \$472.

**C. Capital Assets**

At June 30, 2025, the City's government-wide governmental activities construction in progress consisted of costs related to the Urban Renewal Agency's 3<sup>rd</sup> Street improvements, Discovery Meadows splash pad renovation, Dancer Park irrigation renovation, and Meadows Drive parks improvement.

Depreciation and amortization expense was charged to governmental activities functions as follows:

	Total
General government	\$ 375,305
Comm development	49,338
Public safety:	
Police	505,895
Emergency communications	6,095
Highways and streets	2,891,049
Parks & Rec/Maintenance	691,342
Library	50,109
Airport	360,754
I/S Fund	78,934
Building Fund (Govtl-Cmty Dev)	15,843
Total	\$ 5,024,664

In the government-wide financial statements and proprietary fund financial statements, the City's business-type activities' capital asset, lease, and subscription-based information technology arrangement activity for the year ended

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

June 30, 2025 is illustrated in the following table. Activity includes additions, dispositions, annual depreciation/amortization expense, and adjustments.

In the government-wide financial statements, the City's governmental activities' capital asset, lease, and subscription-based information technology arrangement activity for the year ended June 30, 2025 is illustrated in the following table.

	<b>Balance</b> <b>June 30, 2024</b>	<b>Additions</b>	<b>Reductions</b>	<b>Reclassification</b>	<b>Balance</b> <b>June 30, 2025</b>
<b>Capital assets not being depreciated</b>					
Land	\$ 13,693,304	\$ -	\$ -	\$ -	\$ 13,693,304
Easements	23,915,959	-	-	-	23,915,959
Public art	393,573	-	-	-	393,573
Construction in process	1,007,977	1,316,615	(9,867)	(250,260)	2,064,465
Total capital assets not being depreciated	<u>39,010,813</u>	<u>1,316,615</u>	<u>(9,867)</u>	<u>(250,260)</u>	<u>40,067,301</u>
<b>Capital assets being depreciated</b>					
Land improvements	31,034,204	-	-	-	31,034,204
Buildings	30,981,558	121,118	-	-	31,102,676
Machinery and equipment	6,313,363	321,797	(49,385)	-	6,585,775
Vehicles	3,409,118	553,450	(191,897)	250,260	4,020,931
Infrastructure	95,350,499	1,176,934	(74)	-	96,527,359
Total capital assets being depreciated	<u>167,088,742</u>	<u>2,173,299</u>	<u>(241,356)</u>	<u>250,260</u>	<u>169,270,945</u>
<b>Less accumulated depreciation</b>					
Land improvements	(16,762,115)	(853,821)	-	-	(17,615,936)
Buildings	(22,120,165)	(668,696)	-	-	(22,788,861)
Machinery and equipment	(5,477,896)	(182,430)	33,105	-	(5,627,221)
Vehicles	(2,049,262)	(207,098)	151,330	-	(2,105,030)
Infrastructure	(55,418,113)	(2,816,935)	-	-	(58,235,048)
Total accumulated depreciation	<u>(101,827,551)</u>	<u>(4,728,980)</u>	<u>184,435</u>	<u>-</u>	<u>(106,372,096)</u>
<b>Total capital assets being depreciated</b>	<u>65,261,191</u>	<u>(2,555,681)</u>	<u>(56,921)</u>	<u>250,260</u>	<u>62,898,849</u>
<b>Lease assets</b>					
Land	524,185	-	-	-	524,185
Equipment	88,149	29,024	-	-	117,173
Total lease assets being amortized	<u>612,334</u>	<u>29,024</u>	<u>-</u>	<u>-</u>	<u>641,358</u>
<b>Less accumulated amortization:</b>					
Land	(96,787)	(33,020)	-	-	(129,807)
Equipment	(54,859)	(17,276)	-	-	(72,135)
Total accumulated amortization	<u>(151,646)</u>	<u>(50,296)</u>	<u>-</u>	<u>-</u>	<u>(201,942)</u>
Total lease assets being amortized	<u>460,688</u>	<u>(21,272)</u>	<u>-</u>	<u>-</u>	<u>439,416</u>
<b>Subscription-based information technology arrangement assets</b>					
Subscription-based information technology arrangements	1,557,909	201,338	-	-	1,759,247
Total subscription-based information technology arrangement assets being depreciated	<u>1,557,909</u>	<u>201,338</u>	<u>-</u>	<u>-</u>	<u>1,759,247</u>
<b>Less accumulated amortization:</b>					
Subscription-based information technology arrangements	(295,361)	(245,388)	-	-	(540,749)
Total accumulated amortization	<u>(295,361)</u>	<u>(245,388)</u>	<u>-</u>	<u>-</u>	<u>(540,749)</u>
Total subscription-based information technology arrangement assets being amortized	<u>1,262,548</u>	<u>(44,050)</u>	<u>-</u>	<u>-</u>	<u>1,218,498</u>
<b>Total capital assets, net</b>	<u>\$ 105,995,240</u>	<u>\$ (1,304,388)</u>	<u>\$ (66,788)</u>	<u>\$ -</u>	<u>\$ 104,624,064</u>

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

In the government-wide financial statements, the City's business type activities' capital asset, lease, and subscription-based information technology arrangement activity for the year ended June 30, 2025 is illustrated in the following table.

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Reclassification</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>Capital assets not being depreciated</b>					
Land	\$ 757,486	\$ 1,697,926	\$ -	\$ -	\$ 2,455,412
Easements	268,472	-	-	-	268,472
Construction in process	11,892,871	12,808,304	(61,638)	(2,144,701)	22,494,836
Total capital assets not being depreciated	<u>12,918,829</u>	<u>14,506,230</u>	<u>(61,638)</u>	<u>(2,144,701)</u>	<u>25,218,720</u>
<b>Capital assets being depreciated</b>					
Land improvements	80,655	43,700	-	-	124,355
Buildings	55,478,609	1,661,600	-	-	57,140,209
Machinery and equipment	3,657,102	316,432	(29,470)	-	3,944,064
Vehicles	1,950,776	209,121	(2,849)	-	2,157,048
Infrastructure	60,599,406	138,428	(23,408)	2,144,701	62,859,127
Total capital assets being depreciated	<u>121,766,548</u>	<u>2,369,281</u>	<u>(55,727)</u>	<u>2,144,701</u>	<u>126,224,803</u>
<b>Less accumulated depreciation</b>					
Land improvements	(80,656)	(1,457)	-	-	(82,113)
Buildings	(43,074,237)	(729,335)	-	-	(43,803,572)
Machinery and equipment	(2,255,212)	(232,354)	29,470	-	(2,458,096)
Vehicles	(937,355)	(135,105)	-	-	(1,072,460)
Infrastructure	(20,085,477)	(1,253,710)	3,880	-	(21,335,307)
Total accumulated depreciation	<u>(66,432,937)</u>	<u>(2,351,961)</u>	<u>33,350</u>	<u>-</u>	<u>(68,751,548)</u>
<b>Total capital assets being depreciated</b>	<u>55,333,611</u>	<u>17,320</u>	<u>(22,377)</u>	<u>2,144,701</u>	<u>57,473,255</u>
<b>Lease assets</b>					
Equipment	8,787	-	-	-	8,787
Total lease assets being amortized	<u>8,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,787</u>
<b>Less accumulated amortization:</b>					
Equipment	(5,355)	(1,785)	-	-	(7,140)
Total accumulated amortization	<u>(5,355)</u>	<u>(1,785)</u>	<u>-</u>	<u>-</u>	<u>(7,140)</u>
<b>Total lease assets being amortized</b>	<u>3,432</u>	<u>(1,785)</u>	<u>-</u>	<u>-</u>	<u>1,647</u>
<b>Subscription-based information technology arrangement assets</b>					
Subscription-based information technology arrangements	86,315	-	-	-	86,315
Total subscription-based information technology arrangement assets being depreciated	<u>86,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,315</u>
<b>Less accumulated amortization:</b>					
Subscription-based information technology arrangements	(26,792)	(14,210)	-	-	(41,002)
Total accumulated amortization	<u>(26,792)</u>	<u>(14,210)</u>	<u>-</u>	<u>-</u>	<u>(41,002)</u>
Total subscription-based information technology arrangement assets being amortized	<u>59,523</u>	<u>(14,210)</u>	<u>-</u>	<u>-</u>	<u>45,313</u>
<b>Total capital assets, net</b>	<u>\$ 68,315,395</u>	<u>\$ 14,507,555</u>	<u>\$ (84,015)</u>	<u>\$ -</u>	<u>\$ 82,738,935</u>

At June 30, 2025, the City's business-type activities construction in progress consisted of costs related to various wastewater projects.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

Depreciation and amortization expense was charged to business-type activities functions as follows:

	<b>Total</b>
Wastewater Operations	\$ 2,367,956
Total	\$ 2,367,956

The Department's capital asset activity for the year ended June 30, 2025 was as follows:

	<b>Balance June 30, 2024</b>	<b>Additions</b>	<b>Reductions</b>	<b>Reclassification</b>	<b>Balance June 30, 2025</b>
<b>Capital assets not being depreciated</b>					
Land	\$ 10,970,697	\$ -	\$ -	\$ -	\$ 10,970,697
Construction in process	2,938,217	9,104,188	(9,475,700)	-	2,566,705
Total capital assets not being depreciated	13,908,914	9,104,188	(9,475,700)	-	13,537,402
<b>Capital assets being depreciated</b>					
Structures and improvements	12,475,206	-	-	278,830	12,754,036
Water treatment plant	35,739,632	203,637	-	-	35,943,269
Supply and distribution systems	160,677,529	9,741,248	(1,454,035)	(278,830)	168,685,912
Furniture and equipment	3,814,316	210,065	-	-	4,024,381
Transportation equipment	5,162,175	913,607	(189,055)	-	5,886,727
Total capital assets being depreciated	217,868,858	11,068,557	(1,643,090)	-	227,294,325
<b>Less accumulated depreciation</b>					
Electric plant	(35,936,233)	(2,739,276)	687,656	-	(37,987,853)
Water plant	(38,390,799)	(2,128,904)	499,070	-	(40,020,633)
Transportation equipment	(2,957,845)	(354,789)	189,069	-	(3,123,565)
Total accumulated depreciation	(77,284,877)	(5,222,969)	1,375,795	-	(81,132,051)
<b>Total capital assets, net</b>	154,492,895	14,949,776	(9,742,995)	-	159,699,676

**D. Interfund Balances and Transfers**

The City's General Fund receives a monthly payment in lieu of tax payment from the Department as required by ORS 225.270 when the electric utility is operated by the municipal government. The Department bills and collects the City's sewer user charges and its city services fee which are turned over to the City on a monthly basis. The City and Department also work together on common projects which result in miscellaneous reimbursements between the two entities.

The following due to/due from balances between the primary government and its component unit resulted from the routine monthly cycle timing between the dates that payments between entities were made and received:

<b>Receivable Entity</b>	<b>Payable Entity</b>	<b>Amount</b>
Major governmental fund - General Fund	Department	\$ 394,669
Major governmental fund - Affordable Housing Fund	Department	5,915
Non-Major governmental funds	Department	13,708
Major enterprise fund - Wastewater Fund	Department	986,850
		\$ 1,401,142

Interfund transfers for the year ended June 30, 2025, consisted of the following:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

	<b>Transfers In:</b>						
	General Fund	Affordable Housing Fund	Transportation Fund	Nonmajor Governmental Funds	Wastewater Operations	Internal Service Funds	Total
<b>Transfers Out:</b>							
General Fund	\$ -	\$ 327,975	\$ -	\$ 657,869	\$ 105,472	\$ 65,899	\$ 1,157,215
Affordable Housing Fund	3,303	-	-	-	-	-	3,303
Urban Renewal Debt Service Fund	-	-	-	189,221	-	-	189,221
Nonmajor Governmental Funds	559,967	-	500,000	-	-	-	1,059,967
	<u>\$ 563,270</u>	<u>\$ 327,975</u>	<u>\$ 500,000</u>	<u>\$ 847,090</u>	<u>\$ 105,472</u>	<u>\$ 65,899</u>	<u>\$ 2,409,706</u>

Transfers are used to: 1) move allocation of transient lodging tax from the receipting funds to the general fund; 2) move portion of street fund gas tax to support specific capital projects or programs in transportation fund; 3) move urban renewal tax receipts from receipting fund for specific projects in the urban renewal plan; 4) transfer police contributions for 911 services.

**E. Due To/From Other Funds**

<b>Due From:</b>	<b>Due To:</b>		
	<b>Governmental Activities</b>	<b>Business Type Activities</b>	
	<b>General</b>	<b>Wastewater Capital</b>	<b>Total Internal Loans Payable</b>
Governmental Activities:			
General - General Government		\$ 71,475	\$ 71,475
General - Police		350,322	350,322
General - Community Development		4,405,396	4,405,396
General - Culture and Recreation		185,458	185,458
Urban Renewal Debt Service Fund	\$ 1,134,750		1,134,750
	<u>\$ 1,134,750</u>	<u>\$ 5,012,651</u>	<u>\$ 6,147,401</u>
Total Internal Loans receivable	<u>\$ 1,134,750</u>	<u>\$ 5,012,651</u>	<u>\$ 6,147,401</u>

The amount payable to the General Fund relates to a loan for street improvements in the urban renewal district, as follows:

<b>Fiscal Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 164,980	\$ 238,078
2027	168,370	234,695
2028	171,810	231,243
2029	175,350	227,720
2030	178,930	8,359
2031-2032	275,310	5,635
Total	<u>\$ 1,134,750</u>	<u>\$ 945,730</u>

The amount payable to the Wastewater Capital Fund relates to the purchase of three patrol vehicles and emergency communications equipment for the police, general fund portion of information technology capital investments, resurfacing the Community Center gym, Community Development Center building improvements and the acquisition of a property in the general fund is as follows:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

<b>Fiscal Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 176,007	\$ 252,330
2027	140,174	244,748
2028	147,314	237,609
2029	4,427,417	230,100
2030	121,739	6,439
Total	<u>\$ 5,012,651</u>	<u>\$ 971,226</u>

**F. Renewable Energy Certificates (REC) – Department**

As of June 30, 2025, the Department has 268,068 RECs banked in its Western Renewable Energy Generation Information System (WREGIS) account, with an average value of \$.50 per REC, for a total value of \$134,019.

The Department also holds 640,246 in its WREGIS account for RECs received from Waste Management Renewable Energy. As these RECs are internally generated, they have no corresponding value on the statement on net position at June 30, 2025.

**G. Regulatory Asset - Conservation Charges - Department**

In November 2008, the Department entered into a long-term power purchase agreement with the Bonneville Power Administration. The Commission also authorized conservation funding in order to secure a more favorable rate structure over the delivery period of 17 years. The Department will amortize these expenditures over the 17-year period which commenced October 1, 2011. The amortization period is equivalent to the period these charges will be recovered through the Department’s rates.

**H. Leases Payable**

Lease information with outstanding balances as of June 30, 2025 are as follows:

	<b>Interest Rate(s)</b>	<b>Date of Issue</b>	<b>Amount of Original Note</b>	<b>Principal Outstanding</b>
<b>Governmental Activities:</b>				
Emergency Comms Equip, Govt Cap Corp, matures 2026	4.15	05/14/19	\$ 228,449	\$ 35,691
Police parking storage lot, matures 2031	2.84	07/01/22	235,404	164,953
Copier and postage leases, matures 2031	0.51 - 11.26	Various	72,561	43,103
Total governmental leases payable:			<u>\$ 536,414</u>	<u>\$ 243,747</u>
<b>Business-type Activities:</b>				
Copier and postage leases, matures 2027	1.06	Various	\$ 8,787	\$ 1,672
Total business-type leases payable:			<u>\$ 8,787</u>	<u>\$ 1,672</u>

Lease payable outstanding as of June 30, 2025 are as follows:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

<b>Fiscal Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 78,057	\$ 5,517
2027	35,845	4,266
2028	35,736	3,258
2029	33,761	2,277
2030	30,872	1,378
2031	29,476	525
Total	<u>\$ 243,747</u>	<u>\$ 17,221</u>

Annual debt service requirements for leases payable for business-type activities are as follows:

<b>Fiscal Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 1,672	\$ 9
Total	<u>\$ 1,672</u>	<u>\$ 9</u>

**I. Subscription-Based Information Technology Arrangements Payable**

The City has entered into several subscription-based information technology arrangements (SBITAs) involving various desktop, server, and equipment related applications with interest rates ranging from 1.71%-3.53%, terms ending up to 2034, with annual payments ranging from \$1,500-\$81,000.

	<b>Balance June 30, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2025</b>
Subscription-based information technology arrangements				
Governmental	\$ 1,234,960	\$ 200,920	\$ (278,483)	\$ 1,157,397
Business-Type	58,068	-	(13,870)	44,198
	<u>\$ 1,293,028</u>	<u>\$ 200,920</u>	<u>\$ (292,353)</u>	1,201,595
Current portion				(257,301)
Long-term portion				<u>\$ 944,294</u>

The future subscription payments under subscription-based information technology arrangements are as follows:

<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 243,147	\$ 33,026	2026	\$ 14,154	\$ 891
2027	245,465	26,714	2027	14,441	603
2028	241,819	20,402	2028	14,735	309
2029	106,685	14,303	2029	737	19
2030	93,660	11,005	2030	131	2
2031-2035	226,621	16,180	2031-2035		
	<u>\$ 1,157,397</u>	<u>\$ 121,630</u>		<u>\$ 44,198</u>	<u>\$ 1,824</u>

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**J. Long-Term Liabilities**

**1. General Obligation Bonds – Governmental Activities**

General obligation bonds have been issued for governmental activities to provide funds for the acquisition and construction of major capital facilities including transportation improvements and the public safety and civic hall buildings.

The 2006 Public Safety and Civic Buildings Bonds were subject to federal arbitrage rebate calculations. The final calculation was completed in 2016 and there is no contingent rebatable arbitrage liability as of June 30, 2025.

Interest rates are associated with respective maturities and do not represent variable rate debt.

General Obligation bonds currently outstanding as of June 30, 2025, are as follows:

<b>Governmental Activities:</b>	<b>Bond Series</b>	<b>Interest Rate(s)</b>	<b>Date of Issue</b>	<b>Amount of Original Issue</b>	<b>Principal Outstanding</b>
Public Safety and Civic Center Bldgs, matures 2027	2015	2.50 - 5.00	04/16/15	\$ 7,235,000	\$ 1,620,000
Transportation, matures 2030	2015	2.50 - 5.00	04/16/15	16,085,000	6,520,000
Transportation, matures 2033	2018	3.00 - 4.00	02/28/18	7,915,000	4,645,000
Total Governmental Activities Bonds:				<u>\$ 31,235,000</u>	<u>\$ 12,785,000</u>

Annual debt service requirements to maturity for general obligation bonds for governmental activities are as follows:

<b>June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 2,500,000	\$ 498,500
2027	2,615,000	383,900
2028	1,865,000	263,950
2029	1,930,000	189,350
2030	2,005,000	117,850
2031-2035	<u>1,870,000</u>	<u>118,050</u>
Total	<u>\$ 12,785,000</u>	<u>\$ 1,571,600</u>

**2. Full Faith and Credit Obligations**

Full Faith and Credit obligations include a loan from Oregon Department of Transportation related to the Newberg-Dundee Bypass (OTIB), a loan to purchase fire equipment, and an Urban Renewal Agency loan for capital improvement projects.

In December 2022, the original OTIB loan balance for the Dundee Bypass Project, originally issued in 2013, was refinanced and an additional \$3,622,000 loan was added to the new loan amount, as of June 30, 2025 no drawdowns had taken place so actual outstanding balance was \$1,864,842.

In October 2016, the City also entered into a financing agreement with JPMorgan Chase Bank to borrow \$2,192,300 for urban renewal related capital improvements. The loan is subject to interest at 2.04% through 2032.

Loans and notes payable currently outstanding as of June 30, 2025, are as follows:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

<b>Governmental Activities:</b>	<b>Interest Rate(s)</b>	<b>Date of Issue</b>	<b>Amount of Original Note</b>	<b>Principal Outstanding</b>
OTIB Loan Dundee Bypass, ODOT, matures 2066 *	2.88	12/13/23	\$ 2,330,450	\$ 1,864,842
Urban Renewal, Chase, matures 2032	2.04	10/31/16	2,192,300	1,134,750
Total Governmental Activities Notes:			<u>\$ 4,522,750</u>	<u>\$ 2,999,592</u>

\* Original OTIB loan balance, originally issued in 2013, was refinanced and an additional \$3,622,000 loan was added of the new loan amount in FY23, no drawdowns have taken place so actual outstanding balance at FYE is \$2,008,252.

Annual debt service requirements for loans and notes payable for governmental activities, are as follows:

<b>June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 312,521	\$ 64,176
2027	320,160	57,191
2028	327,971	50,055
2029	336,009	42,766
2030	344,216	35,318
2031-2035	1,175,944	79,540
2036-2040	182,771	114,957
Total	<u>\$ 2,999,592</u>	<u>\$ 444,003</u>

### 3. Pension Related Debt

In 2001 the City and Department became members of OPERS Local Government Rate Pool (LGRP). Subsequent to the City joining the LGRP, the Oregon legislature merged the LGRP with the State/Community College Pool, forming the State and Local Government Rate Pool (SLGRP). In 2001, the City elected to become a member of the SLGRP.

Upon joining the LGRP in 2001, a transition liability or surplus was calculated to ensure that each employer entered the pool on a comparable basis.

In 2024, the fire and ambulance workforce of the City was transferred to a new taxing district, the McMinnville Fire District. The total debt obligation remains with the City but the MFD has agreed to pay its proportion of the debt service ahead of each debt service payment through its 2028 maturity date.

The City and Department elected to pay the balance owed on the PERS transition liability in 2016. The City entered into a financing agreement to pay its share of the transition liability. The Department used available cash to pay its share. Pension obligation notes payable currently outstanding as of June 30, 2025, are as follows:

	<b>Interest Rate(s)</b>	<b>Date of Issue</b>	<b>Amount of Original Note</b>	<b>Principal Outstanding</b>
PERS Transitional Liability, Chase, matures 2028	2.73	10/31/16	\$ 3,525,860	\$ 1,082,020
<u>Allocation</u>				
<b>Governmental Activities:</b>				
Allocation Governmental Funds	90.00%		\$ 3,173,274	\$ 973,818
Allocation Internal Service Funds	2.00%		70,517	21,641
Total Governmental				
<b>Business Type</b>	8.00%		282,069	86,561
Total Pension Obligation Notes			<u>\$ 3,525,860</u>	<u>\$ 1,082,020</u>

Annual debt service requirements for pension obligation notes payable are as follows:

<b>Fiscal Year ending June 30</b>	<b>Governmental Funds</b>		<b>Govt. Internal Service Funds</b>		<b>Business Type</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 371,196	\$ 24,092	\$ 8,249	\$ 535	\$ 32,995	\$ 2,142	\$ 412,440	\$ 26,769
2027	395,442	13,795	8,788	307	35,150	1,226	439,380	15,328
2028	207,180	2,828	4,604	63	18,416	251	230,200	3,142
Total	<u>\$ 973,818</u>	<u>\$ 40,715</u>	<u>\$ 21,641</u>	<u>\$ 905</u>	<u>\$ 86,561</u>	<u>\$ 3,619</u>	<u>\$ 1,082,020</u>	<u>\$ 45,239</u>

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**4. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2025 follows:

	Beginning Balance	Restatement	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>							
General obligation bonds	\$ 15,175,000	\$ -	\$ 15,175,000	\$ -	\$ 2,390,000	\$ 12,785,000	\$ 2,500,000
Unamortized premium	1,232,815	-	1,232,815	-	263,950	968,865	263,950
Notes payable	3,304,662	-	3,304,662	-	305,070	2,999,592	312,521
PERS Transitional Liability, Chase	1,321,866	-	1,321,866	-	348,048	973,818	371,196
Lease liabilities	290,645	-	290,645	29,407	76,305	243,747	75,975
Subscription liabilities	1,234,960	-	1,234,960	200,920	278,483	1,157,397	243,147
Compensated absences	852,142	594,970	1,447,112	152,008	73,516	1,525,604	445,421
<b>Governmental Totals</b>	<b>\$ 23,412,090</b>	<b>\$ 594,970</b>	<b>\$ 24,007,060</b>	<b>\$ 382,335</b>	<b>\$ 3,735,372</b>	<b>\$ 20,654,023</b>	<b>\$ 4,212,210</b>
<b>Internal service funds</b>							
PERS Transitional Liability, Chase	\$ 29,375	\$ -	\$ 29,375	\$ -	\$ 7,734	\$ 21,641	\$ 8,249
Compensated absences	52,136	25,764	77,900	4,124	-	82,024	15,675
<b>Internal service fund Totals</b>	<b>\$ 81,511</b>	<b>\$ 25,764</b>	<b>\$ 107,275</b>	<b>\$ 4,124</b>	<b>\$ 7,734</b>	<b>\$ 103,665</b>	<b>\$ 23,924</b>
<b>Business type activities</b>							
PERS Transitional Liability, Chase	\$ 117,499	\$ -	\$ 117,499	\$ -	\$ 30,938	\$ 86,561	\$ 32,995
Lease liabilities	3,478	-	3,478	-	1,806	1,672	1,672
Subscription liabilities	58,068	-	58,068	-	13,870	44,198	14,154
Compensated absences	121,192	69,840	191,032	40,166	-	231,198	58,260
<b>Business type totals</b>	<b>\$ 300,237</b>	<b>\$ 69,840</b>	<b>\$ 370,077</b>	<b>\$ 40,166</b>	<b>\$ 46,614</b>	<b>\$ 363,629</b>	<b>\$ 107,081</b>

Pension-related debt is liquidated primarily by the General Fund.

**K. Fund Balances**

Fund balances by classification for the year ended June 30, 2025 were as follows:

Fund Balances	General Fund	Airport	Affordable	Transportation	Debt Service	Urban Renewal	Other Non-	Total
		Maintenance Fund	Housing Fund	Fund	Fund	Debt Service Fund	Major Governmental Funds	Governmental Funds
Nonspendable:								
In Form	\$ 13,608	\$ -	\$ 239	\$ 201,248	\$ -	\$ -	\$ -	\$ 215,095
Restricted for:								
Street Maintenance	-	-	-	-	-	-	1,894,586	1,894,586
Airport Maintenance	-	1,146,474	-	-	-	-	-	1,146,474
Grants and Assessments	150,274	-	1,231,366	-	-	-	179,634	1,561,274
Capital Projects	-	-	-	6,675,438	-	-	3,396,914	10,072,352
Debt Service	-	-	-	-	248,078	344,811	-	592,889
Committed to:								
Emergency Communications	-	-	-	-	-	-	173,940	173,940
Community Impact	3,318,755	-	-	-	-	-	-	3,318,755
Assigned to:								
Telecommunications	-	-	-	-	-	-	2,234	2,234
Building	-	-	-	-	-	-	2,283,228	2,283,228
Unassigned:	2,873,807	-	-	-	-	-	-	2,873,807
<b>Total fund balances</b>	<b>\$ 6,356,444</b>	<b>\$ 1,146,474</b>	<b>\$ 1,231,605</b>	<b>\$ 6,876,686</b>	<b>\$ 248,078</b>	<b>\$ 344,811</b>	<b>\$ 7,930,536</b>	<b>\$ 24,134,634</b>

**L. Other Post-Employment Benefits (OPEB)**

The other postemployment benefits (OPEB) for the City and Department combine two separate plans for each entity. The City and Department provide an implicit rate subsidy for a retiree post-employment healthcare plan, which is administered by City County Insurance Services (CIS) Trust, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit plan. Information for the Department's OPEB follows the City's information.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**1. Financial Statement Presentation**

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy	PERS RHIA Plan	Total OPEB on Financials
OPEB Asset	\$ -	\$ 439,984	\$ 439,984
Deferred Outflows of Resources			
Change in Assumptions	19,326	-	19,326
Difference in Expected and Actual Experience	67,492	-	67,492
Difference in Earnings	-	12,423	12,423
Change in Proportionate Share	-	7,226	7,226
Contributions After MD	58,020	10	58,030
OPEB Liability	(707,800)	-	(707,800)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(684,894)	(8,605)	(693,499)
Difference in Earnings	-	-	-
Change in Assumptions	(456,292)	(5,565)	(461,857)
Change in Proportionate Share	-	(55,920)	(55,920)
OPEB Expense/(Income)*	(95,970)	(38,930)	(134,900)

\*Included in program expenses on Statement of Activities

**2. Post-Employment Healthcare Plan – City**

**Plan Description:**

The City's single-employer defined benefit postemployment healthcare plan is administered by CityCounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

**Benefits Provided:**

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2024, the following employees were covered by the benefit terms:

Active employees	108
Eligible retirees	6
Spouses of ineligible retirees	0
Total participants	114

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**OPEB Plan Liability, OPEB (Income) / Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

The City's total OPEB liability of \$707,800 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024.

For the fiscal year ended June 30, 2025, the City recognized OPEB income from this plan of \$95,970. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 67,492	\$ 684,894
Changes of assumptions	19,326	456,292
Total (prior to post-MD contributions)	86,818	1,141,186
Contributions subsequent to the MD	58,020	-
Total	\$ 144,838	\$ 1,141,186

Deferred outflows of resources related to OPEB of \$58,020 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (income) / expense as follows:

**Actuarial Assumptions and Other Inputs:**

Year ended June 30:	
2026	\$ (228,177)
2027	(228,177)
2028	(216,670)
2029	(101,762)
2030	(106,299)
Thereafter	(173,283)
Total	\$ (1,054,368)

The total OPEB liability in the July 1, 2024, valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Discount Rate	3.93 percent
Projected Salary Increases	3.40 percent overall payroll growth
Retiree Healthcare Participation	45% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Mortality	<b>Health retirees and beneficiaries:</b> Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
	Future mortality improvement: Generational Unisex Social Security Data Scale
	<b>Healthcare cost trend rate:</b> Medical: 6.9 percent per year decreasing to 3.75 percent.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

**Changes in Total OPEB Liability:**

Changes in assumptions are the result of the change in the discount rate from 3.65% to 3.93%.

	<b>Total OPEB Liability</b>
Balance as of June 30, 2024	\$ 1,210,255
Changes for the year:	
Service cost	86,384
Interest on total OPEB liability	45,823
Effect of changes to benefit terms	-
Effect of economic demographic gains or losses	(335,591)
Effect of assumptions changes or inputs	(215,889)
Benefit payments	(83,182)
Balance as of June 30, 2025	<u>\$ 707,800</u>

**Sensitivity of the total OPEB liability:**

The following presents the City’s OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Total OPEB Liability	\$ 753,804	\$ 707,800	\$ 664,288

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 648,099	\$ 707,800	\$ 776,630

**3. Oregon Public Employees’ Retirement Systems (OPERS) Retirement Health Insurance Account (RHIA) - City**

**Plan Description:**

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>.

**Benefits Provided:**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in

**City of McMinnville, Oregon**  
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PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions:**

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2022 actuarial valuation and a percentage of payroll that first became effective July 1, 2023. . The City contributed 0.04% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. A (0.4%) unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2023. Consequently, PERS employers had an effective contributions rate of 0.00% for the RHIA program. The City’s total for the year ended June 30, 2024 contributions was \$10.

**OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

At June 30, 2025, the City reported an asset of \$439,984 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the net OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. The City’s proportion of the net OPEB asset was based on the City’s contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At the measurement date of June 30, 2024, the City’s proportionate share was 0.1089%, which is an increase from its proportion of 0.0788% as of June 30, 2023.

For the year ended June 30, 2025, the City recognized OPEB income from this plan of \$38,930. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 8,605
Changes of assumptions	-	5,565
Net difference between projected and actual earnings on investments	12,423	-
Changes in proportionate share	7,226	55,920
Total (prior to post-MD contributions)	19,649	70,090
Contributions subsequent to the MD	10	-
Total	\$ 19,659	\$ 70,090

The City reported deferred outflows of resources and deferred inflows of resources related to OPEB which will be recognized in OPEB (income) / expense as follows:

	<b>Year ended June 30:</b>
2026	\$ (68,551)
2027	9,955
2028	6,721
2029	1,434
Total	\$ (50,441)

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**Actuarial Methods & Assumptions:**

The net OPEB asset in the December 31, 2022 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, published July 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Projected Salary Increases	3.40 percent
Retiree Healthcare Participation	Healthy retirees: 25% Disabled retirees: 15%
Mortality	<p><b>Health retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>Target Allocation</u>
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Total	100.00%	
Assumed Inflation - Mean		2.35%

**Discount rate:**

The discount rate used to measure the net OPEB asset was 6.90% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the net OPEB asset.

**Sensitivity of the City's proportionate share of the net OPEB asset to changes in the discount rate:**

The following presents the City's proportionate share of the net OPEB asset calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

Discount Rate:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
Net OPEB Asset	\$ (407,292)	\$ (439,984)	\$ (468,133)

**OPEB plan fiduciary net position:**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS financial report.

**Changes in Plan Provisions During the Measurement Period:**

There were no changes during the June 30, 2024 measurement period that require disclosure.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**Changes in Plan Provisions Subsequent to Measurement Date:**

There were no changes subsequent to the June 30, 2024 measurement period that require disclosure.

**4. Oregon Public Employees' Retirement Systems (OPERS) Retirement Health Insurance Account (RHIA) – Department**

The Department's RHIA plan is the same plan as the City's plan discussed above in Note III.L.3.

**Contributions:**

The Department contributed 0.04% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. The Department's total for the year ended June 30, 2025 contributions was \$0.

**5. Post-Employment Healthcare Plan – Department**

The Department's plan is a single employer plan administered by the Department. The authority to establish and amend the benefit terms and financing is accomplished through contractual agreement with union employees and through board adopted personnel policies for non-union employees.

**Employees covered by benefit terms:**

At July 1, 2025, the following employees were covered by the benefit terms:

Active employees	70
Retired employees	6
Total	76

**Changes in Total OPEB Liability:**

	<b>Total OPEB Liability</b>
Balance as of June 30, 2024	\$ 1,474,770
Changes for the year:	
Service cost	57,244
Interest on total OPEB liability	59,833
Effect of changes to benefit terms	-
Effect of economic demographic gains or losses	135,326
Effect of assumptions changes or inputs	13,321
Benefit payments	(94,546)
Net RHIA change	(21,975)
Balance as of June 30, 2025	\$ 1,623,973

**Sensitivity of the total OPEB liability to changes in the discount rate:**

The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Discount Rate:

	<b>1% Decrease (2.93%)</b>	<b>Current Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
Total OPEB Liability	\$ 1,772,449	\$ 1,623,973	\$ 1,483,981

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:**

The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates:

Healthcare Cost Trend:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 1,477,217	\$ 1,623,973	\$ 1,796,623

**OPEB (Income) / Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended June 30, 2025, the Department recognized an OPEB income of \$7,843. At June 30, 2025, the Department reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 130,466	\$ 5,678
Changes of assumptions	27,358	235,612
Net difference between projected and actual earnings on investments	4,971	-
Changes in proportionate share	490	2,798
Total (prior to post-MD contributions)	163,285	244,088
Contributions subsequent to the MD	92,823	-
Total	\$ 256,108	\$ 244,088

Deferred outflows of resources related to OPEB of \$92,823 resulting from the Department's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (income) / expense as follows:

Year ended June 30:		
2026	\$	(92,726)
2027		(40,850)
2028		8,179
2029		6,828
2030		6,187
Thereafter		32,579
Total	\$	(79,803)

**M. Employee Retirement Pension Plan**

**1. Oregon Public Employees Retirement System (OPERS)**

**Plan Description:**

The City and the Department are participating employers in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

**ORS 238 Tier One/Tier Two Retirement Benefits:**

*Pension Benefits* – The PERS retirement allowance benefit is payable monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2021. The limit will be equal to \$232,976 in 2024 and will be indexed with inflation in later years.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have had a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General services employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of eligible service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Death Benefits* – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met: (1) member was employed by a OPERS employer at the time of death; (2) member died within 120 days after termination of OPERS-covered employment; (3) member died as a result of injury sustained while employed in a OPERS-covered job; or (4) member was on an official leave of absence from a OPERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lumpsum and monthly payments, if eligible. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2023.

*Disability Benefits* – A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

*Benefit Changes after Retirement* – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

**ORS 238A OPSRP Pension Program Benefits:**

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits under this portion of OPSRP provide a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

For police and fire members, 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

For general service members, 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$232,976 in 2024 and will be indexed with inflation in later years.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits – A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes after Retirement – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

**OPSRP Individual Account Program (IAP):**

Pension Benefits – The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established.

Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

Death Benefits – Upon the death of a non-retired member, the beneficiary receives, in a lump sum, the member’s account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum amount.

Recordkeeping – OPERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions:**

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2024. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees’ salaries as if they were an active member, excluding IAP (6 percent) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement. Employer contributions for the year ended June 30, 2025 were \$3,656,190, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2025 were 28.74 percent for Tier One/Tier Two General Service Member and Tier One/Tier Two Police and Fire, 22.15 percent for OPSRP Pension Program General Service Members, 26.94 percent for OPSRP Pension Program Police and Fire Members.

Employee Contributions – Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$768,598 for the year ended June 30, 2025.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$3,688 per month, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member’s IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member’s IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

**Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources related to Pensions:**

At June 30, 2025, the City and Department reported liabilities of \$29,760,409 and \$10,858,115, respectively for their proportionate share of the plan pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. Their proportionate shares were based on a projection of their long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the measurement date of June 30, 2024, the City’s proportionate share of the net pension liability as of the measurement date was 0.1339% and the Department’s proportion was 0.0489%. The City’s and Department’s proportionate share at the prior measurement date was 0.1478% and 0.0589%, respectively.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

For the year ended June 30, 2025, the City and Department recognized pension expense of \$4,078,293 and \$1,827,954, respectively. The Department has elected to use regulatory accounting to recognize pension expense in conjunction with the required employer contribution rates.

At June 30, 2025, the City and Department reported deferred outflows of resources and deferred inflows of resources related to pensions. The City's deferred inflows and outflows were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,763,029	\$ 71,028
Changes of assumptions	2,992,121	3,833
Net difference between projected and actual earnings on investments	1,890,618	-
Changes in proportion	352,332	3,327,143
Differences between employer contributions and proportionate share of contributions	952,884	1,333,502
Total (prior to post-MD contributions)	7,950,984	4,735,506
Contributions subsequent to the MD	3,656,190	-
<b>Total</b>	<b>\$ 11,607,174</b>	<b>\$ 4,735,506</b>

Deferred outflow and inflow pension data for the Department:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 643,243	\$ 25,915
Changes of assumptions	1,091,678	1,302,769
Net difference between projected and actual earnings on investments	743,782	1,399
Changes in proportion	689,794	-
Differences between employer contributions and proportionate share of contributions	300,637	417,601
Total (prior to post-MD contributions)	3,469,134	1,747,684
Contributions subsequent to the MD	1,690,193	-
<b>Total</b>	<b>\$ 5,159,327</b>	<b>\$ 1,747,684</b>

City and Department's contributions subsequent to the measurement date of \$3,656,190 and \$1,690,193, respectively, are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

City:

Year ended June 30:	
2026	\$ (940,957)
2027	2,460,835
2028	945,942
2029	560,735
2030	188,923
Total	\$ 3,215,478

Department:

Year ended June 30:	
2026	\$ (20,314)
2027	1,093,111
2028	501,738
2029	150,882
2030	(3,967)
Total	\$ 1,721,450

**Actuarial Methods and Assumptions:**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the actuarial methods and assumptions that are the same as listed above in Note III.L.3 – Actuarial Methods and Assumptions.

**Long-Term Expected Rate of Return:**

Are the same as listed above in Note III.L.3 – Long-Term Expected Rate of Return.

**Depletion Date Projection:**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; that is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Discount Rate:**

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's and Department's proportionate share of the net pension asset to changes in the discount rate:**

The following presents the City and Department's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability (asset)	\$ 46,945,836	\$ 29,760,409	\$ 15,366,774
Department's proportionate share of the net pension liability (asset)	\$ 17,128,235	\$ 10,858,115	\$ 5,606,583

**Pension Plan Fiduciary Net Position:**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**Payable to OPERS:**

At June 30, 2025, the City's payable to OPERS for defined benefit contributions was approximately \$351,696. This amount represents legally required contributions to the plan for services incurred in the current fiscal year. The Department did not have outstanding contributions at June 30, 2025.

**Changes in Plan Provisions During the Measurement Period:**

There were no changes during the June 30, 2024 measurement period that require disclosure.

**Changes in Plan Provisions Subsequent to Measurement Period:**

There were no changes subsequent to the June 30, 2024 measurement period that require disclosure.

**IV. Other Information**

**A. Risk Management**

**1. City**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees. The City is covered for comprehensive liability, property, auto liability and physical damage, employer's liability, and workers' compensation insurance through City County Insurance Services (CIS), a public entity risk pool. The pooling agreement does not permit the pool to make additional assessments to its members in the event of unanticipated losses.

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

Additional insurance policies are in place to cover cybersecurity risk and the specialized risks associated with operating a municipal airport. For property and liability insurance, cyber security, airport and for workers' compensation insurance, settlements did not exceed insurance coverage in any of the past four fiscal years.'

**2. Department**

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees. The Department is covered for comprehensive liability, property, auto liability and physical damage, employer's liability, and workers' compensation insurance through City County Insurance Services (CIS), a public entity risk pool. For property and liability insurance, settlements did not exceed insurance coverage in any of the past three fiscal years.

**B. Commitments and Contingencies**

**1. City**

At June 30, 2025, the City was committed to 26 contracts totaling \$5.8M. In the governmental funds, approximately \$469,000 remains to complete construction and capital purchases, \$1.8 million for a variety of non-capital professional services, including audit, city engineering services, and economic development contracts, and \$944,000 million in Municipal Airport master planning and professional services. In the Wastewater Fund, a business-type activity, approximately \$437,000 in capital contracts is committed for sanitary sewer projects and \$2.2 million on other contracts including wastewater planning, biosolid hauling services, and facilities maintenance.

**2. Department**

The Department purchases power from Priest Rapids Development and Wanapum Development and is required to pay a portion of the development costs under these contracts through April 1, 2052, which coincides with the expiration of the new FERC license (unless terminated earlier under terms of the contract.) Costs associated with these contracts for the year ended June 30, 2025 were approximately \$872,000.

**C. Pollution Remediation Liability**

GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations established accounting and financial reporting standards for pollution remediation obligations. The City had three properties with remediation issues that were resolved during the year ended June 30, 2025.

**D. Major Customer and Supplier – Department**

Department sales of electricity were made to one major commercial customer during the year ended June 30, 2025 in amounts exceeding 29% of total sales. This customer accounted for approximately \$15,500,000 of revenues during the year ended June 30, 2024. At June 30, 2024, accounts receivable from this same customer amounted to approximately \$1,250,000

Department purchases were made from one major supplier of power, including supply, transmission and distribution during the year ended June 30, 2025, which accounted for 91% of the total of such purchases. The supplier accounted for \$29,120,000 of purchases during the year ended June 30, 2025. At June 30, 2025, amounts due to this same supplier, and included in accounts payable, amounted to approximately \$2,260,000.

**E. Jointly Governed Organization – City**

The City entered into a joint operational agreement effective January 1, 1988 with other local governments. Under the terms of this agreement, an intergovernmental agency known as Yamhill Communications Agency (YCOM) was established to provide public safety communication services to member jurisdictions.

YCOM is partially funded by member contributions, which are based on a cost-sharing formula determined by the YCOM Executive Board. The City paid \$540,800 in member contributions to YCOM in fiscal year 2025. YCOM also

**City of McMinnville, Oregon**  
**Notes to Basic Financial Statements (Continued)**  
**Year Ended June 30, 2025**

receives 911 Excise Taxes that are charged on telephone exchange access services and are collected by the State of Oregon. The City received approximately \$33,300 from YCOM for providing operational space within the Police Department.

The governing body of YCOM is a five-member Executive Board. The five members include the Sheriff of Yamhill County, a Yamhill County Commissioner, a representative of the City of McMinnville, a representative of YCOM’s city members excluding the City of McMinnville, and a representative of YCOM’s fire districts. The Sheriff serves as the Chair of the Executive Board. The Executive Board members have full voting powers over all areas affecting YCOM including budget, public policy, and administration.

Associate members do not receive direct public safety communication services but wish to remain affiliated with YCOM. Associate members may not serve on the Executive Board. Contributions for associate members are determined by the Executive Board.

Financial statements for YCOM may be obtained at Yamhill County, Accounting Division, 535 NE 5th Street, McMinnville, Oregon 97128.

**F. Tax Abatement**

The City of McMinnville has entered into property tax abatement agreements whereby the assessed value of property tax has been reduced. The City’s property tax revenue for the year ended June 30, 2025 has been abated under the following programs:

Program and Statutory Authority	Amount of Abatement
Housing for low income rental      ORS 307.517	\$      54,631
Historic property                      ORS 358.475 - 358.545	2,087
Total	\$      56,718

**G. New Accounting Pronouncements**

The Government Accounting Standards Board (GASB) issues new pronouncements from time to time. For copies of original pronouncements please visit the GASB's website [www.gasb.org](http://www.gasb.org).

**GASB Statement No. 102, “Certain Risk Disclosures”.** The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. There is no impact of this statement for the year ended June 30, 2025.

**GASB Statement No. 103, “Financial Reporting Model Improvements”.** The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**GASB Statement No. 104, “Disclosure of Certain Capital Assets”.** The objective introduces new disclosure requirements for state and local governments for affected asset categories. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**H. Prior Period Adjustments**

During the year ended June 30, 2025, the City derecognized leases that are exempt from GASB 87 as regulated leases. This adjustment resulted in a decrease in leases receivable of \$787,015 and a decrease in deferred inflows related to leases of \$701,225 and a change in net position of \$85,790.

During the year ended June 30, 2025, the City implemented GASB 101, Compensated Absences, see Note I.G.10.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
  - General Fund
  - Airport Maintenance Fund
  - Affordable Housing Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of the Proportionate Share of OPEB - RHIA
- Schedule of Contributions to OPEB - RHIA
- Schedule of Changes in OPEB Liability and Related Ratios - Implicit Rate Subsidy
- Notes to Required Supplementary Information

**CITY OF MCMINNVILLE, OREGON  
GENERAL FUND - BUDGETARY BASIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 13,750,000	\$ 13,750,000	\$ 13,834,036	\$ 84,036
Special assessments	2,550,000	2,550,000	2,770,056	220,056
Licenses and permits	1,950,500	1,995,500	2,201,035	205,535
Intergovernmental	2,791,910	2,891,910	2,313,228	(578,682)
Charges for services	3,134,280	3,134,280	3,175,234	40,954
Fines and forfeitures	275,540	275,540	381,657	106,117
Interest revenue	520,050	520,050	551,937	31,887
Miscellaneous	618,398	672,398	1,019,223	346,825
<b>Total revenues</b>	<b>25,590,678</b>	<b>25,789,678</b>	<b>26,246,406</b>	<b>456,728</b>
<b>EXPENDITURES:</b>				
General government:				
Administration	2,672,914	2,719,020	2,300,387	418,633
Finance	999,729	999,729	916,771	82,958
Community development:				
Engineering	1,623,431	1,945,177	1,668,238	276,939
Planning	2,731,053	2,831,053	2,055,712	775,341
Public safety:				
Police	11,500,790	11,541,615	10,671,484	870,131
Municipal court	1,044,538	1,044,538	606,025	438,513
Culture and recreation:				
Parks and recreation	4,093,950	4,166,983	3,383,128	783,855
Park maintenance	3,484,061	3,484,061	2,410,625	1,073,436
Library	2,935,490	2,975,490	2,819,728	155,762
Nondepartmental:				
Personnel services	10,080	10,080	27,941	(17,861) *
Materials and services	154,750	154,750	154,752	(2) *
Debt service:				
Principal	548,380	548,380	548,380	-
Interest	63,128	63,128	63,127	1
Contingency	1,962,400	1,947,400	-	1,947,400
<b>Total expenditures</b>	<b>33,824,694</b>	<b>34,431,404</b>	<b>27,626,298</b>	<b>6,805,106</b>
<b>Revenues over (under) expenditures</b>	<b>(8,234,016)</b>	<b>(8,641,726)</b>	<b>(1,379,892)</b>	<b>7,261,834</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	6,000	6,000	12,000	6,000
Interfund loan proceeds received	1,047,010	1,047,010	550,595	(496,415)
Interfund loan payments received from other funds	403,052	403,052	403,052	-
Interfund loan payments made to other funds	(392,955)	(392,955)	(337,471)	55,484
Transfers in	2,367,807	2,409,297	2,289,225	(120,072)
Transfers out	(1,607,215)	(1,757,969)	(1,728,171)	29,798
<b>Total other financing sources (uses)</b>	<b>1,823,699</b>	<b>1,714,435</b>	<b>1,189,230</b>	<b>(525,205)</b>
<b>Net change in fund balance</b>	<b>(6,410,317)</b>	<b>(6,927,291)</b>	<b>(190,662)</b>	<b>6,736,629</b>
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>8,852,118</b>	<b>9,369,092</b>	<b>10,647,649</b>	<b>1,278,557</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>(222,642)</b>	<b>(222,642)</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 2,441,801</b>	<b>\$ 2,441,801</b>	<b>\$ 10,234,345</b>	<b>\$ 7,792,544</b>
Outstanding interfund loan receivable			1,134,750	
Outstanding interfund loan payable			(5,012,651)	
<b>FUND BALANCE, ENDING GAAP BASIS</b>			<b>\$ 6,356,444</b>	

\* Appropriated together as non-departmental

**CITY OF MCMINNVILLE, OREGON**  
**AIRPORT MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,340,000	\$ 1,340,000	\$ 292,085	\$ (1,047,915)
Charges for services	331,500	331,500	306,854	(24,646)
Interest revenue	38,000	38,000	50,925	12,925
Miscellaneous	20,000	20,000	19,163	(837)
<b>Total revenues</b>	<b>1,729,500</b>	<b>1,729,500</b>	<b>669,027</b>	<b>(1,060,473)</b>
<b>EXPENDITURES:</b>				
Airport:				
Personnel services	64,837	64,837	67,417	(2,580) *
Materials and services	1,786,146	1,786,146	484,396	1,301,750 *
Capital outlay	21,243	21,243	6,964	14,279 *
Contingency	300,000	300,000	-	300,000
<b>Total expenditures</b>	<b>2,172,226</b>	<b>2,172,226</b>	<b>558,777</b>	<b>1,613,449</b>
<b>Revenues over (under) expenditures</b>	<b>(442,726)</b>	<b>(442,726)</b>	<b>110,250</b>	<b>552,976</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(62,136)	(62,136)	(62,136)	-
<b>Total other financing sources (uses)</b>	<b>(62,136)</b>	<b>(62,136)</b>	<b>(62,136)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(504,862)</b>	<b>(504,862)</b>	<b>48,114</b>	<b>552,976</b>
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>915,142</b>	<b>915,142</b>	<b>1,098,360</b>	<b>183,218</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 410,280</b>	<b>\$ 410,280</b>	<b>\$ 1,146,474</b>	<b>\$ 736,194</b>

\* Expenditures are appropriated together as airport operations.

**CITY OF MCMINNVILLE, OREGON**  
**AFFORDABLE HOUSING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 450,000	\$ 450,000	\$ 378,566	\$ (71,434)
Intergovernmental	500,000	500,000	15,000	(485,000)
Interest revenue	85,000	85,000	47,344	(37,656)
<b>Total revenues</b>	<b>1,035,000</b>	<b>1,035,000</b>	<b>440,910</b>	<b>(594,090)</b>
<b>EXPENDITURES:</b>				
General government:				
Personnel services	123,796	123,796	114,719	9,077
Materials and services	1,651,009	1,651,009	30,495	1,620,514
Capital outlay	182	325,936	174,734	151,202
Contingency	6,064	6,064	-	6,064
<b>Total expenditures</b>	<b>1,781,051</b>	<b>2,106,805</b>	<b>319,948</b>	<b>1,786,857</b>
<b>Revenues over (under) expenditures</b>	<b>(746,051)</b>	<b>(1,071,805)</b>	<b>120,962</b>	<b>1,192,767</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	325,754	327,975	2,221
Transfers out	(18,000)	(18,000)	(12,756)	5,244
<b>Total other financing sources (uses)</b>	<b>(18,000)</b>	<b>307,754</b>	<b>315,219</b>	<b>7,465</b>
<b>Net change in fund balance</b>	<b>(764,051)</b>	<b>(764,051)</b>	<b>436,181</b>	<b>1,200,232</b>
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>764,973</b>	<b>764,973</b>	<b>795,424</b>	<b>30,451</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 922</b>	<b>\$ 922</b>	<b>\$ 1,231,605</b>	<b>\$ 1,230,683</b>

**CITY OF MCMINNVILLE, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Ten Fiscal Years**

City	Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c)	Plan fiduciary net position as a percentage of the total pension liability
					City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	
	2024	0.13389159%	\$ 29,760,409	\$ 16,007,275	185.92%	79.30%
	2023	0.14784583%	27,692,538	16,333,325	169.55%	81.70%
	2022	0.16313456%	24,979,174	15,464,857	161.52%	84.50%
	2021	0.15898886%	19,025,370	15,074,044	126.21%	87.60%
	2020	0.15816053%	34,516,068	14,648,781	235.62%	75.80%
	2019	0.16803680%	29,066,342	14,345,060	202.62%	80.20%
	2018	0.14991760%	22,710,542	13,566,496	167.40%	82.10%
	2017	0.15823662%	21,330,356	12,704,671	167.89%	83.10%
	2016	0.16659100%	25,009,124	12,346,146	202.57%	80.53%
	2015	0.18762836%	10,772,610	11,689,472	92.16%	91.90%

Department	Measurement Date June 30,	(a) Department's proportion of the net pension liability (asset)	(b) Department's proportionate share of the net pension liability (asset)	(c) Department's covered payroll	(b/c)	Plan fiduciary net position as a percentage of the total pension liability
					Department's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	
	2024	0.04885050%	\$ 10,858,115	\$ 6,853,835	158.42%	79.30%
	2023	0.05895000%	11,041,547	5,655,384	195.24%	84.50%
	2022	0.05244552%	8,030,461	5,630,164	142.63%	84.50%
	2021	0.05228808%	6,257,043	5,330,572	117.38%	75.80%
	2020	0.05025634%	10,967,662	5,000,050	219.35%	75.80%
	2019	0.04704994%	8,138,513	4,865,881	167.26%	80.20%
	2018	0.05375311%	8,142,888	4,888,679	166.57%	82.10%
	2017	0.05938144%	8,004,641	4,999,100	160.12%	83.10%
	2016	0.06251600%	9,385,171	4,876,213	192.47%	80.53%
	2015	0.07041000%	3,990,001	4,858,713	82.12%	91.90%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

**CITY OF MCMINNVILLE, OREGON**  
**SCHEDULE OF CONTRIBUTIONS - PENSIONS**  
**For the Last Ten Fiscal Years**

**City**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ 3,656,190	\$ 3,656,190	\$ -	\$ 14,510,166	25.20%
2024	4,160,667	4,160,667	-	16,007,275	25.99%
2023	3,977,745	3,977,745	-	16,333,325	24.35%
2022	3,705,946	3,705,946	-	15,464,857	23.96%
2021	3,661,207	3,661,207	-	15,074,044	24.29%
2020	3,366,306	3,366,306	-	14,648,781	22.98%
2019	2,671,712	2,671,712	-	14,345,060	18.62%
2018	2,420,608	2,420,608	-	13,566,496	17.84%
2017	2,144,698	2,144,698	-	12,704,671	16.88%
2016	2,115,936	2,115,936	-	12,346,146	17.14%

**Department**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) Department's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ 1,690,193	\$ 1,690,193	\$ -	\$ 6,853,835	24.66%
2024	1,617,230	1,617,230	-	6,032,786	26.81%
2023	1,344,110	1,344,110	-	5,655,384	23.77%
2022	1,287,835	1,287,835	-	5,630,164	22.87%
2021	1,154,464	1,154,464	-	5,330,572	21.66%
2020	1,086,161	1,086,161	-	5,000,050	21.72%
2019	820,096	820,096	-	4,865,881	16.85%
2018	751,095	751,095	-	4,888,679	15.36%
2017	804,840	804,840	-	4,999,100	16.10%
2016	691,701	691,701	-	4,876,213	14.19%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

**CITY OF MCMINNVILLE, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB - RHIA**  
**For the Last Ten Fiscal Years<sup>1</sup>**

**City - OPERS Retirement Health Insurance Account**

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.10893166%	\$ (439,984)	\$ 16,007,275	-2.75%	220.6%
2023	0.07877962%	(288,464)	16,333,325	-1.77%	201.6%
2022	0.09667870%	(343,533)	15,464,857	-2.22%	194.6%
2021	0.17570348%	(603,367)	15,074,044	-4.00%	183.9%
2020	0.11569878%	(235,748)	14,648,781	-1.61%	150.1%
2019	0.13236308%	(255,773)	14,345,060	-1.78%	144.4%
2018	0.12981751%	(144,912)	13,566,496	-1.07%	124.0%
2017	0.12462946%	(52,013)	12,704,671	-0.41%	108.9%
2016	0.13230662%	35,930	12,346,146	0.29%	108.9%

**Department - OPERS Retirement Health Insurance Account**

Measurement Date June 30,	(a) Department's proportion of the net OPEB liability (asset)	(b) Department's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c) Department's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.04358906%	\$ (176,060)	\$ 6,853,835	-2.57%	220.6%
2023	0.04208064%	(154,085)	5,655,384	-2.72%	201.6%
2022	0.04329466%	(153,841)	5,630,164	-2.73%	194.6%
2021	0.03948631%	(135,596)	5,330,572	-2.54%	183.9%
2020	0.02964946%	(60,414)	5,000,050	-1.21%	150.1%
2019	0.04619607%	(89,267)	4,865,881	-1.83%	144.4%
2018	0.04653525%	(51,946)	4,888,679	-1.06%	124.0%
2017	0.04676968%	(19,519)	4,999,100	-0.39%	108.9%
2016	0.04965069%	13,483	4,876,213	0.28%	108.9%

**NOTES TO SCHEDULE**

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**Changes of Assumptions:**

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.20 to 6.90 percent and the inflation rate from 2.5 to 2.4 percent. In addition, the healthy healthcare participation and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups.

**CITY OF MCMINNVILLE, OREGON**  
**SCHEDULE OF CONTRIBUTIONS TO OPEB - RHIA**  
**For the Last Ten Fiscal Years<sup>1</sup>**

**City - OPERS Retirement Health Insurance Account**

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ 10	\$ -	\$ -	\$ 14,510,166	0.00%
2024	157	157	-	16,007,275	0.00%
2023	1,552	1,552	-	16,333,325	0.01%
2022	2,383	2,383	-	15,464,857	0.02%
2021	44,056	44,056	-	15,074,044	0.29%
2020	8,262	8,262	-	14,648,781	0.06%
2019	65,602	65,602	-	14,345,060	0.46%
2018	62,455	62,455	-	13,566,496	0.46%
2017	61,907	61,907	-	12,704,671	0.49%

**Department - OPERS Retirement Health Insurance Account**

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ -	-	\$ -	\$ 6,853,835	0.00%
2024	64	64	-	6,032,786	0.00%
2023	829	829	-	5,655,384	0.01%
2022	1,067	2,383	-	5,630,164	0.04%
2021	1,057	1,057	-	5,330,572	0.02%
2020	2,117	2,117	-	5,000,050	0.04%
2019	22,896	22,896	-	4,865,881	0.47%
2018	24,000	24,000	-	4,888,679	0.49%
2017	23,000	23,000	-	4,999,100	0.46%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF MC MINN VILLE, OREGON**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS - IMPLICIT RATE SUBSIDY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

City	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service Interest	\$ 86,384	\$ 84,767	\$ 104,287	\$ 101,203	\$ 79,797	\$ 70,664	\$ 143,891	\$ 156,197
Interest	45,823	43,230	33,119	32,133	45,165	45,716	79,991	64,110
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between economic/demographic gains or losses	(335,591)	-	(164,942)	-	142,487	-	(959,788)	-
Changes of assumptions	(215,889)	(9,839)	(188,509)	5,851	(70,713)	40,455	(179,625)	(164,168)
Benefit payment	(83,182)	(87,886)	(65,548)	(60,445)	(48,629)	(64,858)	(63,859)	(54,197)
<b>Net change in total OPEB liability</b>	<b>(502,455)</b>	<b>30,272</b>	<b>(281,593)</b>	<b>78,742</b>	<b>148,107</b>	<b>91,977</b>	<b>(979,390)</b>	<b>1,942</b>
<b>Total OPEB liability - beginning</b>	<b>1,210,255</b>	<b>1,179,983</b>	<b>1,461,576</b>	<b>1,382,834</b>	<b>1,234,727</b>	<b>1,142,750</b>	<b>2,122,140</b>	<b>2,120,198</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 707,800</b>	<b>\$ 1,210,255</b>	<b>\$ 1,179,983</b>	<b>\$ 1,461,576</b>	<b>\$ 1,382,834</b>	<b>\$ 1,234,727</b>	<b>\$ 1,142,750</b>	<b>\$ 2,122,140</b>

Covered-employee payroll	\$ 14,510,166	\$ 16,007,275	\$ 16,333,325	\$ 15,464,857	\$ 15,074,044	\$ 14,648,781	\$ 14,345,060	\$ 13,566,496
Total OPEB liability as a percentage of covered-employee payroll	4.88%	7.56%	7.22%	9.45%	9.17%	8.43%	7.97%	15.64%

Department	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service Interest	\$ 57,244	\$ 56,309	\$ 53,662	\$ 52,032	\$ 44,132	\$ 38,871	\$ 80,853	\$ 88,568
Interest	59,833	57,525	30,604	32,293	53,716	59,779	81,690	70,010
Differences between economic/demographic gains or losses	-	-	5,102	-	(3,225)	-	-	-
Difference between expected and actual experience	135,326	-	309,482	-	-	-	34,195	-
Changes of assumptions	13,321	(13,268)	(90,513)	4,803	(34,242)	42,160	(699,861)	(138,226)
Benefit payment	(94,546)	(80,122)	(125,515)	(144,637)	(138,581)	(173,010)	(210,866)	(164,408)
Net RHIA change	(21,975)	(244)	(18,245)	(75,182)	28,853	(37,320)	(32,427)	(33,002)
<b>Net change in total OPEB liability</b>	<b>149,203</b>	<b>20,200</b>	<b>164,577</b>	<b>(130,691)</b>	<b>(49,347)</b>	<b>(69,520)</b>	<b>(746,416)</b>	<b>(177,058)</b>
<b>Total OPEB liability - beginning</b>	<b>1,474,770</b>	<b>1,454,570</b>	<b>1,289,993</b>	<b>1,420,684</b>	<b>1,470,031</b>	<b>1,539,551</b>	<b>2,285,967</b>	<b>2,463,025</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 1,623,973</b>	<b>\$ 1,474,770</b>	<b>\$ 1,454,570</b>	<b>\$ 1,289,993</b>	<b>\$ 1,420,684</b>	<b>\$ 1,470,031</b>	<b>\$ 1,539,551</b>	<b>\$ 2,285,967</b>

Covered-employee payroll	\$ 6,853,835	\$ 6,032,786	\$ 5,655,384	\$ 5,630,164	\$ 5,330,572	\$ 5,000,050	\$ 4,865,881	\$ 4,888,679
Total OPEB liability as a percentage of covered-employee payroll	23.69%	24.45%	25.72%	22.91%	26.65%	29.40%	31.64%	46.76%

**NOTES TO SCHEDULE**

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required

Plan is provided to employees with other postemployment benefits through defined benefit plans that are not administered through trusts or equivalent arrangements.

**City of McMinnville, Oregon**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2025**

**A. Schedule of the Proportionate Share of the Total Pension Liability**

**Changes in Benefit Terms**

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. For 2024, annual salary in excess of \$232,976 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability. The increase in the Total Pension Liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the “Effect of plan changes” during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System’s funding and administration, the change in the death benefit provision is the only change that affects the measured Total Pension Liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021 in the plan provisions basis used to determine the Total Pension Liability as of those two respective Measurement Dates.

**Changes of Assumptions**

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from, 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

**City of McMinnville, Oregon**  
**Notes to Required Supplementary Information (Continued)**  
**Year Ended June 30, 2025**

**B. Schedule of Contributions – Pension**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

	December 31, 2021	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013
Actuarial valuation	July 2023 - June 2025	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017
Effective	Entry Age Normal				
Actuarial cost method	Level percentage of				
Amortization method	Market Value				
Asset valuation method	20 years				
Remaining amortization periods	Actuarial assumptions:				
Actuarial assumptions:	Inflation rate				
Inflation rate	2.40 percent	2.50 percent			2.75 percent
Projected salary increases	3.40 percent	3.50 percent			
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	

**C. Schedule of the Proportionate Share of OPEB - RHIA**

**Changes of Assumptions**

The Plan is provided to employees with other post-employment benefits through defined benefit plans that are not administered through trusts or equivalent arrangements.

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups.

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include lowering of the long-term expected rate of return to 6.9 percent.

**D. Schedule of Contributions to OPEB – RHIA**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

	December 31, 2021	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013
Actuarial valuation:	July 2023 - June 2025	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017
Effective:	Entry Age Normal				
Actuarial cost method:	Level percentage of payroll, closed				
Amortization method:	10 years				
Amortization period:	Market value				
Asset valuation method:	10 years			20 years	
Remaining amortization periods:	Actuarial assumptions				
Actuarial assumptions	Inflation rate				
Inflation rate	2.40 percent	2.50 percent			2.75 percent
Projected salary increases	3.40 percent	3.50 percent			
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	
Healthcare cost trend rates	None. Statute stipulates \$60 monthly payment for healthcare insurance				

**E. Schedule of Changes in OPEB Liability and Related Ratios – Implicit Rate Subsidy**

The Plan is provided to employees with other post-employment benefits through defined benefit plans that are not administered through trusts or equivalent arrangements.

**City of McMinnville, Oregon**  
**Notes to Required Supplementary Information (Continued)**  
**Year Ended June 30, 2025**

**F. Schedule of Contributions to OPEB – Implicit Rate Subsidy**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	July 1, 2024	July 1, 2022	July 1, 2020	July 1, 2018	July 1, 2016
Effective:	June 30, 2025 and 2026	June 30, 2023 and 2024	June 30, 2021 and 2022	June 30, 2019 and 2020	June 30, 2017 and 2018
Actuarial cost method:	Entry Age Normal				
Amortization method:	Level percentage of payroll, closed				
Amortization period:	7.7 years	10.0 years	5.8 years	6.8 years	7.7 years
Asset valuation method:	Market value				
Remaining amortization periods:	20 years				
Actuarial assumptions:					
Inflation rate	2.40 percent	2.50 percent			
Projected salary increases	3.40 percent	3.50 percent			

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules
  - Transportation Fund
  - Debt Service Fund
  - Urban Renewal Debt Service Fund
  
- Combining Statements – Nonmajor Governmental Funds
  
- Budgetary Comparison Schedules
  - Nonmajor Governmental Funds
  - Enterprise Funds
  - Internal Service Funds

**CITY OF MCMINNVILLE, OREGON**  
**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 526,720	\$ 526,720	\$ 429,007	\$ (97,713)
Charges for services	600,000	600,000	569,632	(30,368)
Interest revenue	215,000	215,000	285,396	70,396
<b>Total revenues</b>	<b>1,341,720</b>	<b>1,341,720</b>	<b>1,284,035</b>	<b>(57,685)</b>
<b>EXPENDITURES:</b>				
Highways and streets:				
Materials and services	752,920	752,920	22,903	730,017
Capital outlay	815,000	815,000	723,679	91,321
Debt service:				
Principal	155,862	155,862	143,410	12,452 *
Interest	45,387	45,387	57,838	(12,451) *
Contingency	500,000	500,000	-	500,000
<b>Total expenditures</b>	<b>2,269,169</b>	<b>2,269,169</b>	<b>947,830</b>	<b>1,321,339</b>
<b>Revenues over (under) expenditures</b>	<b>(927,449)</b>	<b>(927,449)</b>	<b>336,205</b>	<b>1,263,654</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	500,000	500,000	500,000	-
Transfers out	(138,075)	(138,075)	(138,075)	-
<b>Total other financing sources (uses)</b>	<b>361,925</b>	<b>361,925</b>	<b>361,925</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(565,524)</b>	<b>(565,524)</b>	<b>698,130</b>	<b>1,263,654</b>
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>6,003,615</b>	<b>6,003,615</b>	<b>6,178,556</b>	<b>174,941</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 5,438,091</b>	<b>\$ 5,438,091</b>	<b>\$ 6,876,686</b>	<b>\$ 1,438,595</b>

\* Appropriated together as debt service

**CITY OF MCMINNVILLE, OREGON**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,944,600	\$ 2,944,600	\$ 2,911,545	\$ (33,055)
Intergovernmental	-	-	1,207	1,207
Interest revenue	15,000	15,000	21,737	6,737
Miscellaneous	7,975	7,975	10,014	2,039
Total revenues	<u>2,967,575</u>	<u>2,967,575</u>	<u>2,944,503</u>	<u>(23,072)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	2,390,000	2,390,000	2,390,000	-
Interest	<u>607,900</u>	<u>607,900</u>	<u>607,900</u>	<u>-</u>
Total expenditures	<u>2,997,900</u>	<u>2,997,900</u>	<u>2,997,900</u>	<u>-</u>
Net change in fund balance	(30,325)	(30,325)	(53,397)	(23,072)
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>304,575</u>	<u>304,575</u>	<u>301,475</u>	<u>(3,100)</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 274,250</u>	<u>\$ 274,250</u>	<u>\$ 248,078</u>	<u>\$ (26,172)</u>

**CITY OF MCMINNVILLE, OREGON**  
**URBAN RENEWAL DEBT SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 720,100	\$ 720,100	\$ 684,168	\$ (35,932)
Intergovernmental	-	-	288	288
Interest revenue	20,000	20,000	63,719	43,719
Miscellaneous	800	800	1,934	1,134
<b>Total revenues</b>	<b>740,900</b>	<b>740,900</b>	<b>750,109</b>	<b>9,209</b>
<b>EXPENDITURES:</b>				
Contingency	300,000	300,000	-	300,000
<b>Total expenditures</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>
Revenues over (under) expenditure:	440,900	440,900	750,109	309,209
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan payments made to other funds	(403,052)	(403,052)	(403,052)	-
Transfers out	(984,048)	(984,048)	(189,221)	794,827
<b>Total other financing sources (uses)</b>	<b>(1,387,100)</b>	<b>(1,387,100)</b>	<b>(592,273)</b>	<b>794,827</b>
Net change in fund balance	(946,200)	(946,200)	157,836	1,104,036
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>1,258,026</b>	<b>1,258,026</b>	<b>1,321,725</b>	<b>63,699</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 311,826</b>	<b>\$ 311,826</b>	<b>1,479,561</b>	<b>\$ 1,167,735</b>
Interfund loan payable			(1,134,750)	
<b>FUND BALANCE, ENDING</b>			<b>\$ 344,811</b>	

# COMBINING STATEMENTS

## Nonmajor Governmental Funds

### **Special Revenue Funds**

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

#### **Grants and Special Assessment Fund**

This fund accounts for both federal and state grants in addition to downtown economic improvement district (DEID) assessments, which are collected by the City and turned over to the McMinnville Downtown Association.

#### **Transient Lodging Fund**

This fund accounts for transient lodging taxes collected from the occupants of temporary lodgings, such as hotels, motels and other short term rentals.

#### **Telecommunications Fund**

This fund accounts for franchise fees received from service providers that operate telecommunications and cable systems within the public rights-of-way.

#### **Emergency Communications Fund**

This fund accounts for the City's participation in the 911 Central Emergency Dispatch Center operated by Yamhill Communications Agency (YCOM).

#### **Street Fund**

The principal revenue for this fund is state gas tax revenues used to pay for street maintenance, pavement repairs, equipment purchases, and street lighting.

#### **Building Fund**

This fund accounts for fees for building inspections and plan review of residential, commercial and industrial projects.

### **Capital Projects Fund**

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. The funds included in this category are:

#### **Park Development Fund**

This fund accounts for the 2001 Park System Improvement bond proceeds. Other revenues include park system development charges (SDCs), grants, and donations which are used for park system expansion and improvements.

#### **Urban Renewal Fund**

This fund accounts for capital improvement projects intended to foster economic growth and revitalization with the City.

**CITY OF MCMINNVILLE, OREGON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2025**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 2,310,933	\$ -	\$ 2,310,933
Restricted cash and investments	2,404,382	3,477,017	5,881,399
Accounts receivable, net	896,553	17,165	913,718
Assessments receivables	8,233	-	8,233
Due from component unit	-	13,708	13,708
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total assets	<u><u>\$ 5,620,101</u></u>	<u><u>\$ 3,507,890</u></u>	<u><u>\$ 9,127,991</u></u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 481,723	\$ 93,811	\$ 575,534
Accrued payroll and other payroll liabilities	43,941	-	43,941
Unearned revenue	509,187	-	509,187
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities	<u>1,034,851</u>	<u>93,811</u>	<u>1,128,662</u>
<b>DEREFFED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - other	51,628	17,165	68,793
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total deferred inflows of resources	<u>51,628</u>	<u>17,165</u>	<u>68,793</u>
<b>FUND BALANCE:</b>			
Restricted	2,074,220	3,396,914	5,471,134
Committed	173,940	-	173,940
Assigned	2,285,462	-	2,285,462
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total fund balance	<u>4,533,622</u>	<u>3,396,914</u>	<u>7,930,536</u>
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 5,620,101</u></u>	<u><u>\$ 3,507,890</u></u>	<u><u>\$ 9,127,991</u></u>

**CITY OF MCMINNVILLE, OREGON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2025**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Special assessments	\$ 62,474	\$ -	\$ 62,474
Licenses and permits	2,903,997	-	2,903,997
Intergovernmental	2,903,499	-	2,903,499
Fines and forfeitures	-	643,906	643,906
Miscellaneous	55,201	10,378	65,579
Interest revenue	228,464	154,531	382,995
	<u>6,153,635</u>	<u>808,815</u>	<u>6,962,450</u>
<b>EXPENDITURES:</b>			
Current:			
General government	1,631,613	-	1,631,613
Public safety	648,646	-	648,646
Highways and streets	2,980,564	-	2,980,564
Culture and recreation	-	80,568	80,568
Community development	895,250	144,136	1,039,386
Capital outlay:			
Highways and streets	37,002	-	37,002
Culture and recreation	-	301,586	301,586
Community development	11,200	55,343	66,543
Debt service:			
Principal	34,268	-	34,268
Interest	2,903	-	2,903
	<u>6,241,446</u>	<u>581,633</u>	<u>6,823,079</u>
Total expenditures	<u>6,241,446</u>	<u>581,633</u>	<u>6,823,079</u>
Revenues over (under) expenditures	<u>(87,811)</u>	<u>227,182</u>	<u>139,371</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	657,869	189,221	847,090
Transfers out	(1,059,967)	-	(1,059,967)
	<u>(402,098)</u>	<u>189,221</u>	<u>(212,877)</u>
Total other financing sources (uses)	<u>(402,098)</u>	<u>189,221</u>	<u>(212,877)</u>
Net change in fund balance	(489,909)	416,403	(73,506)
<b>FUND BALANCE, BEGINNING</b>	<u>5,023,531</u>	<u>2,980,511</u>	<u>8,004,042</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 4,533,622</u>	<u>\$ 3,396,914</u>	<u>\$ 7,930,536</u>

**CITY OF MCMINNVILLE, OREGON**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2025**

	Grants and Special Assessment Fund	Transient Lodging Fund	Telecommunications Fund
<b>ASSETS:</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 2,234
Restricted cash and investments	682,571	-	-
Accounts receivable, net	6,250	543,386	47,904
Due from other funds	-	-	-
Assessments receivables	8,233	-	-
	<u>8,233</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 697,054</u>	<u>\$ 543,386</u>	<u>\$ 50,138</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ -	\$ 373,074	\$ 47,904
Accrued payroll and other payroll liabilities	-	-	-
Due to other funds	-	170,312	-
Unearned revenue	509,187	-	-
	<u>509,187</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>509,187</u>	<u>543,386</u>	<u>47,904</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - other	8,233	-	-
	<u>8,233</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>8,233</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE:</b>			
Restricted	179,634	-	-
Committed	-	-	-
Assigned	-	-	2,234
	<u>-</u>	<u>-</u>	<u>2,234</u>
Total fund balance	<u>179,634</u>	<u>-</u>	<u>2,234</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 697,054</u>	<u>\$ 543,386</u>	<u>\$ 50,138</u>

Emergency Communications Fund	Street Fund	Building Fund	Total
\$ 173,317	\$ -	\$ 2,135,382	\$ 2,310,933
-	1,721,811	-	2,404,382
3,035	295,974	4	896,553
-	-	170,312	170,312
-	-	-	8,233
<u>\$ 176,352</u>	<u>\$ 2,017,785</u>	<u>\$ 2,305,698</u>	<u>\$ 5,790,413</u>
\$ 2,412	\$ 51,770	\$ 6,563	\$ 481,723
-	28,034	15,907	43,941
-	-	-	170,312
-	-	-	509,187
<u>2,412</u>	<u>79,804</u>	<u>22,470</u>	<u>1,205,163</u>
-	43,395	-	51,628
-	43,395	-	51,628
-	1,894,586	-	2,074,220
173,940	-	-	173,940
-	-	2,283,228	2,285,462
<u>173,940</u>	<u>1,894,586</u>	<u>2,283,228</u>	<u>4,533,622</u>
<u>\$ 176,352</u>	<u>\$ 2,017,785</u>	<u>\$ 2,305,698</u>	<u>\$ 5,790,413</u>

**CITY OF MCMINNVILLE, OREGON**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2025**

	Grants and Special Assessment Fund	Transient Lodging Fund	Telecommunications Fund
<b>REVENUES:</b>			
Special assessments	\$ 62,474	\$ -	\$ -
Licenses and permits	-	1,909,934	177,359
Intergovernmental	-	-	-
Interest revenue	27,523	2,974	111
Miscellaneous	24,999	25	-
	<u>114,996</u>	<u>1,912,933</u>	<u>177,470</u>
Total revenues	<u>114,996</u>	<u>1,912,933</u>	<u>177,470</u>
<b>EXPENDITURES:</b>			
Current:			
General government	101,288	1,352,966	177,359
Public safety	-	-	-
Highways and streets	-	-	-
Community development	-	-	-
Capital outlay:			
Highways and streets	-	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>101,288</u>	<u>1,352,966</u>	<u>177,359</u>
Total expenditures	<u>101,288</u>	<u>1,352,966</u>	<u>177,359</u>
Revenues over (under) expenditures	<u>13,708</u>	<u>559,967</u>	<u>111</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	15,000	-	-
Transfers out	-	(559,967)	-
	<u>15,000</u>	<u>(559,967)</u>	<u>-</u>
Total other financing sources (uses)	<u>15,000</u>	<u>(559,967)</u>	<u>-</u>
Net change in fund balance	28,708	-	111
<b>FUND BALANCE, BEGINNING</b>	<u>150,926</u>	<u>-</u>	<u>2,123</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 179,634</u>	<u>\$ -</u>	<u>\$ 2,234</u>

Emergency Communications Fund	Street Fund	Building Fund	Total
\$ -	\$ -	\$ -	\$ 62,474
30,748	14	785,942	2,903,997
8,000	2,895,499	-	2,903,499
8,133	84,144	105,579	228,464
-	18,625	11,552	55,201
<u>46,881</u>	<u>2,998,282</u>	<u>903,073</u>	<u>6,153,635</u>
-	-	-	1,631,613
648,646	-	-	648,646
-	2,980,564	-	2,980,564
-	-	895,250	895,250
-	37,002	-	37,002
-	-	11,200	11,200
34,268	-	-	34,268
2,903	-	-	2,903
<u>685,817</u>	<u>3,017,566</u>	<u>906,450</u>	<u>6,241,446</u>
<u>(638,936)</u>	<u>(19,284)</u>	<u>(3,377)</u>	<u>(87,811)</u>
642,869	-	-	657,869
-	(500,000)	-	(1,059,967)
<u>642,869</u>	<u>(500,000)</u>	<u>-</u>	<u>(402,098)</u>
3,933	(519,284)	(3,377)	(489,909)
<u>170,007</u>	<u>2,413,870</u>	<u>2,286,605</u>	<u>5,023,531</u>
<u>\$ 173,940</u>	<u>\$ 1,894,586</u>	<u>\$ 2,283,228</u>	<u>\$ 4,533,622</u>

**CITY OF MCMINNVILLE, OREGON**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2025**

	Park Development Fund	Urban Renewal Fund	Total
<b>ASSETS:</b>			
Restricted cash and investments	\$ 3,464,471	\$ 12,546	\$ 3,477,017
Accounts receivable, net	17,165	-	17,165
Due from component unit	-	13,708	13,708
Total assets	<u>\$ 3,481,636</u>	<u>\$ 26,254</u>	<u>\$ 3,507,890</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	<u>\$ 67,557</u>	<u>\$ 26,254</u>	<u>\$ 93,811</u>
Total liabilities	<u>67,557</u>	<u>26,254</u>	<u>93,811</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - other	<u>17,165</u>	<u>-</u>	<u>17,165</u>
Total deferred inflows of resources	<u>17,165</u>	<u>-</u>	<u>17,165</u>
<b>FUND BALANCE:</b>			
Restricted	<u>3,396,914</u>	<u>-</u>	<u>3,396,914</u>
Total fund balance	<u>3,396,914</u>	<u>-</u>	<u>3,396,914</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,481,636</u>	<u>\$ 26,254</u>	<u>\$ 3,507,890</u>

**CITY OF MCMINNVILLE, OREGON**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2025**

	Park Development Fund	Urban Renewal Fund	Total
<b>REVENUES:</b>			
Fines and forfeitures	\$ 643,906	\$ -	\$ 643,906
Interest revenue	154,427	104	154,531
Miscellaneous	224	10,154	10,378
Total revenues	<u>798,557</u>	<u>10,258</u>	<u>808,815</u>
<b>EXPENDITURES:</b>			
Current:			
Culture and recreation	80,568	-	80,568
Community development	-	144,136	144,136
Capital outlay:			
Culture and recreation	301,586	-	301,586
Community development	-	55,343	55,343
Total expenditures	<u>382,154</u>	<u>199,479</u>	<u>581,633</u>
Revenues over (under) expenditures	<u>416,403</u>	<u>(189,221)</u>	<u>227,182</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	189,221	189,221
Total other financing sources (uses)	<u>-</u>	<u>189,221</u>	<u>189,221</u>
Net changes in fund balances	416,403	-	416,403
<b>FUND BALANCES, BEGINNING</b>	<u>2,980,511</u>	<u>-</u>	<u>2,980,511</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 3,396,914</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,396,914</u></u>

## BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balance - budget and actual be displayed for each fund where legally adopted budgets are required.

Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Grants and Special Assessment Fund
  - Transient Lodging Fund
  - Telecommunications Fund
  - Emergency Communications Fund
  - Street Fund
  - Building Fund
  
- Capital Project Fund
  - Park Development Fund
  - Urban Renewal Fund

**CITY OF MCMINNVILLE, OREGON**  
**GRANTS AND SPECIAL ASSESSMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Special assessments	\$ 62,300	\$ 62,300	\$ 62,474	\$ 174
Charges for services	250,000	250,000	-	(250,000)
Interest revenue	10,000	10,000	27,523	17,523
Miscellaneous	25,000	25,000	24,999	(1)
Total revenues	347,300	347,300	114,996	(232,304)
<b>EXPENDITURES:</b>				
Community development:				
Materials and services	314,000	329,000	89,130	239,870
Total expenditures	314,000	329,000	89,130	239,870
Revenues over (under) expenditures	33,300	18,300	25,866	7,566
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	15,000	15,000	-
Transfers out	(12,158)	(12,158)	(12,158)	-
Total other financing sources (uses)	(12,158)	2,842	2,842	-
Net changes in fund balances	21,142	21,142	28,708	7,566
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	152,934	152,934	150,926	(2,008)
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 174,076</u>	<u>\$ 174,076</u>	<u>\$ 179,634</u>	<u>\$ 5,558</u>

**CITY OF MCMINNVILLE, OREGON**  
**TRANSIENT LODGING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 2,100,403	\$ 2,100,403	\$ 1,909,934	\$ (190,469)
Interest revenue	2,000	2,000	2,974	974
Miscellaneous	-	-	25	25
Total revenues	<u>2,102,403</u>	<u>2,102,403</u>	<u>1,912,933</u>	<u>(189,470)</u>
<b>EXPENDITURES:</b>				
General government:				
Materials and services	<u>1,442,273</u>	<u>1,442,273</u>	<u>1,309,204</u>	<u>133,069</u>
Total expenditures	<u>1,442,273</u>	<u>1,442,273</u>	<u>1,309,204</u>	<u>133,069</u>
Revenues over (under) expenditures	<u>660,130</u>	<u>660,130</u>	<u>603,729</u>	<u>(56,401)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(660,130)</u>	<u>(660,130)</u>	<u>(603,729)</u>	<u>56,401</u>
Total other financing sources (uses)	<u>(660,130)</u>	<u>(660,130)</u>	<u>(603,729)</u>	<u>56,401</u>
Net change in fund balance	-	-	-	-
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MCMINNVILLE, OREGON**  
**TELECOMMUNICATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 190,150	\$ 190,150	\$ 177,359	\$ (12,791)
Interest revenue	100	100	111	11
Total revenues	<u>190,250</u>	<u>190,250</u>	<u>177,470</u>	<u>(12,780)</u>
<b>EXPENDITURES:</b>				
General government:				
Materials and services	190,150	190,150	177,359	12,791
Contingency	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenditures	<u>191,650</u>	<u>191,650</u>	<u>177,359</u>	<u>14,291</u>
Net change in fund balance	(1,400)	(1,400)	111	1,511
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>2,105</u>	<u>2,105</u>	<u>2,123</u>	<u>18</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 705</u>	<u>\$ 705</u>	<u>\$ 2,234</u>	<u>\$ 1,529</u>

**CITY OF MCMINNVILLE, OREGON**  
**EMERGENCY COMMUNICATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 46,550	\$ 46,550	\$ 30,748	\$ (15,802)
Intergovernmental	8,000	8,000	8,000	-
Interest revenue	7,000	7,000	8,133	1,133
Total revenues	61,550	61,550	46,881	(14,669)
<b>EXPENDITURES:</b>				
Public safety:				
Materials and services	656,254	656,254	646,312	9,942
Debt service:				
Principal	34,269	34,269	34,268	1
Interest	2,904	2,904	2,903	1
Contingency	50,000	50,000	-	50,000
Total expenditures	743,427	743,427	683,483	59,944
Revenues over (under) expenditures	(681,877)	(681,877)	(636,602)	45,275
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	642,869	642,869	642,869	-
Transfers out	(2,334)	(2,334)	(2,334)	-
Total other financing sources (uses)	640,535	640,535	640,535	-
Net change in fund balance	(41,342)	(41,342)	3,933	45,275
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	145,633	145,633	170,007	24,374
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 104,291</u>	<u>\$ 104,291</u>	<u>\$ 173,940</u>	<u>\$ 69,649</u>

**CITY OF MCMINNVILLE, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,757,197	\$ 2,757,197	\$ 2,895,499	\$ 138,302
Licenses and permits	50	50	14	(36)
Interest revenue	100,000	100,000	84,144	(15,856)
Miscellaneous	10,000	10,000	18,625	8,625
Total revenues	<u>2,867,247</u>	<u>2,867,247</u>	<u>2,998,282</u>	<u>131,035</u>
<b>EXPENDITURES:</b>				
Highways and streets:				
Personnel services	1,213,015	1,253,015	1,232,857	20,158
Materials and services	1,588,737	1,588,737	1,430,484	158,253
Capital outlay	26,456	38,456	37,002	1,454
Contingency	500,000	448,000	-	448,000
Total expenditures	<u>3,328,208</u>	<u>3,328,208</u>	<u>2,700,343</u>	<u>627,865</u>
Revenues over (under) expenditures	<u>(460,961)</u>	<u>(460,961)</u>	<u>297,939</u>	<u>758,900</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(817,223)</u>	<u>(817,223)</u>	<u>(817,223)</u>	<u>-</u>
Total other financing sources (uses)	<u>(817,223)</u>	<u>(817,223)</u>	<u>(817,223)</u>	<u>-</u>
Net change in fund balance	(1,278,184)	(1,278,184)	(519,284)	758,900
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>2,283,798</u>	<u>2,283,798</u>	<u>2,413,870</u>	<u>130,072</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 1,005,614</u>	<u>\$ 1,005,614</u>	<u>\$ 1,894,586</u>	<u>\$ 888,972</u>

**CITY OF MCMINNVILLE, OREGON**  
**BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 627,000	\$ 627,000	\$ 785,942	\$ 158,942
Interest revenue	95,000	95,000	105,579	10,579
Miscellaneous	2,500	2,500	2,099	(401)
	<u>724,500</u>	<u>724,500</u>	<u>893,620</u>	<u>169,120</u>
<b>EXPENDITURES:</b>				
Community development:				
Personnel services	725,831	725,831	708,518	17,313
Materials and services	154,659	154,659	105,149	49,510
Capital outlay	14,559	14,559	11,200	3,359
Contingency	200,000	200,000	-	200,000
	<u>1,095,049</u>	<u>1,095,049</u>	<u>824,867</u>	<u>270,182</u>
Revenues over (under) expenditures	(370,549)	(370,549)	68,753	439,302
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,218	9,218	9,453	235
Transfers out	(81,583)	(81,583)	(81,583)	-
	<u>(72,365)</u>	<u>(72,365)</u>	<u>(72,130)</u>	<u>235</u>
Net changes in fund balances	(442,914)	(442,914)	(3,377)	439,537
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>2,033,846</u>	<u>2,033,846</u>	<u>2,286,605</u>	<u>252,759</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 1,590,932</u>	<u>\$ 1,590,932</u>	<u>\$ 2,283,228</u>	<u>\$ 692,296</u>

**CITY OF MCMINNVILLE, OREGON**  
**PARK DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 500,000	\$ 500,000	\$ 643,906	\$ 143,906
Interest revenue	110,000	110,000	154,427	44,427
Miscellaneous	-	-	224	224
Total revenues	<u>610,000</u>	<u>610,000</u>	<u>798,557</u>	<u>188,557</u>
<b>EXPENDITURES:</b>				
Culture and recreation:				
Materials and services	100,530	100,530	9,920	90,610
Capital outlay	500,000	500,000	301,586	198,414
Contingency	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total expenditures	<u>1,100,530</u>	<u>1,100,530</u>	<u>311,506</u>	<u>789,024</u>
Revenues over (under) expenditures	<u>(490,530)</u>	<u>(490,530)</u>	<u>487,051</u>	<u>977,581</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(70,648)</u>	<u>(70,648)</u>	<u>(70,648)</u>	<u>-</u>
Total other financing sources (uses)	<u>(70,648)</u>	<u>(70,648)</u>	<u>(70,648)</u>	<u>-</u>
Net change in fund balance	(561,178)	(561,178)	416,403	977,581
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>2,629,409</u>	<u>2,629,409</u>	<u>2,980,511</u>	<u>351,102</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 2,068,231</u>	<u>\$ 2,068,231</u>	<u>\$ 3,396,914</u>	<u>\$ 1,328,683</u>

**CITY OF MCMINNVILLE, OREGON**  
**URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ -	\$ -	\$ 104	\$ 104
Miscellaneous	14,914	14,914	10,154	(4,760)
Total revenues	14,914	14,914	10,258	(4,656)
<b>EXPENDITURES:</b>				
Programs and improvements:				
Materials and services	457,162	457,162	82,336	374,826
Capital outlay	280,000	280,000	55,343	224,657
Contingency	200,000	200,000	-	200,000
Total expenditures	937,162	937,162	137,679	799,483
Revenues over (under) expenditures	(922,248)	(922,248)	(127,421)	794,827
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	984,048	984,048	189,221	(794,827)
Transfers out	(61,800)	(61,800)	(61,800)	-
Total other financing sources (uses)	922,248	922,248	127,421	(794,827)
Net changes in fund balances	-	-	-	-
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>				
	-	-	-	-
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>				
	\$ -	\$ -	\$ -	\$ -

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balance - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Combining Statements – Wastewater Operations
  
- Wastewater Operations
  - Wastewater Services Fund
  - Wastewater Capital Fund

**CITY OF MCMINNVILLE, OREGON**  
**COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2025**

	Wastewater Services Fund	Wastewater Capital Fund	Total
<b>REVENUES:</b>			
Charges for services	\$ 12,067,842	\$ -	\$ 12,067,842
Miscellaneous	44,133	3,650	47,783
Interest revenue	53,564	1,538,171	1,591,735
System development charges	-	583,155	583,155
<b>Total revenues</b>	<b>12,165,539</b>	<b>2,124,976</b>	<b>14,290,515</b>
<b>EXPENDITURES:</b>			
Wastewater services administration	1,975,326	978,351	2,953,677
Plant	2,151,848	1,078,306	3,230,154
Environmental services	587,237	-	587,237
Conveyance systems	1,014,373	-	1,014,373
Capital outlay	-	15,348,368	15,348,368
<b>Total expenditures</b>	<b>5,728,784</b>	<b>17,405,025</b>	<b>23,133,809</b>
Revenues over (under) expenditures	6,436,755	(15,280,049)	(8,843,294)
<b>OTHER FINANCING SOURCES (USES):</b>			
Interfund loan payments received from other funds	-	337,471	337,471
Interfund loan payments made to other funds	-	(550,595)	(550,595)
Transfers in	105,472	6,076,520	6,181,992
Transfers out	(6,774,396)	(250,736)	(7,025,132)
<b>Total other financing sources (uses)</b>	<b>(6,668,924)</b>	<b>5,612,660</b>	<b>(1,056,264)</b>
Net change in fund balance	(232,169)	(9,667,389)	(9,899,558)
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>3,114,549</b>	<b>38,759,525</b>	<b>41,874,074</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 2,882,380</b>	<b>\$ 29,092,136</b>	<b>31,974,516</b>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Interfund loan receivable			5,012,651
Capital assets, net			82,691,975
Lease assets, net			1,647
Subscription-based information technology arrangement assets, net			45,313
Net OPEB asset			47,114
Deferred outflows related to pensions			1,242,920
Deferred outflows related to OPEB			17,615
Lease payable			(1,672)
Subscription-based information technology arrangements payable			(44,198)
Compensated absences payable			(231,198)
Net pension liability			(3,186,806)
Total OPEB liability			(75,793)
Pension related debt			(86,561)
Deferred inflows related to pensions			(507,088)
Deferred inflows related to OPEB			(129,706)
Deferred inflows related lease receivables			(77,082)
Lease receivable			83,215
<b>NET POSITION</b>			<b>\$ 116,776,862</b>

**CITY OF MCMINNVILLE, OREGON**  
**WASTEWATER SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 11,727,607	\$ 11,727,607	\$ 12,067,842	\$ 340,235
Miscellaneous	1,000	1,000	44,133	43,133
Interest revenue	100,000	100,000	53,564	(46,436)
Total revenues	<u>11,828,607</u>	<u>11,828,607</u>	<u>12,165,539</u>	<u>336,932</u>
<b>EXPENDITURES:</b>				
Wastewater services administration	2,079,107	2,079,107	1,975,326	103,781 *
Plant	2,370,395	2,370,395	2,151,848	218,547 *
Environmental services	788,660	788,660	587,237	201,423 *
Conveyance systems	1,394,244	1,259,244	1,014,373	244,871 *
Contingency	900,000	900,000	-	900,000
Total expenditures	<u>7,532,406</u>	<u>7,397,406</u>	<u>5,728,784</u>	<u>1,668,622</u>
Revenues over (under) expenditures	<u>4,296,201</u>	<u>4,431,201</u>	<u>6,436,755</u>	<u>2,005,554</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	263,525	128,525	105,472	(23,053)
Transfers out	(6,791,098)	(6,811,843)	(6,774,396)	37,447
Total other financing sources (uses)	<u>(6,527,573)</u>	<u>(6,683,318)</u>	<u>(6,668,924)</u>	<u>14,394</u>
Net change in fund balance	(2,231,372)	(2,252,117)	(232,169)	2,019,948
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>2,570,771</u>	<u>2,591,516</u>	<u>3,114,549</u>	<u>523,033</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 339,399</u>	<u>\$ 339,399</u>	<u>\$ 2,882,380</u>	<u>\$ 2,542,981</u>

\* Appropriated together as wastewater services program

**CITY OF MCMINNVILLE, OREGON**  
**WASTEWATER CAPITAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 13,500	\$ 13,500	\$ 3,650	\$ (9,850)
Interest revenue	1,100,000	1,100,000	1,538,171	438,171
System development charges	700,000	700,000	583,155	(116,845)
<b>Total revenues</b>	<b>1,813,500</b>	<b>1,813,500</b>	<b>2,124,976</b>	<b>311,476</b>
<b>EXPENDITURES:</b>				
Wastewater:				
Materials and services	4,381,190	4,381,190	2,056,657	2,324,533
Capital outlay	24,865,000	24,865,000	15,348,368	9,516,632
Contingency	2,500,000	2,479,255	-	2,479,255
<b>Total expenditures</b>	<b>31,746,190</b>	<b>31,725,445</b>	<b>17,405,025</b>	<b>14,320,420</b>
<b>Revenues over (under) expenditures</b>	<b>(29,932,690)</b>	<b>(29,911,945)</b>	<b>(15,280,049)</b>	<b>14,631,896</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan payments received from other funds	469,857	469,857	337,471	(132,386)
Interfund loan payments made to other funds	(1,047,010)	(1,047,010)	(550,595)	496,415
Transfers in	6,076,520	6,076,520	6,076,520	-
Transfers out	(250,736)	(271,481)	(250,736)	20,745
<b>Total other financing sources (uses)</b>	<b>5,248,631</b>	<b>5,227,886</b>	<b>5,612,660</b>	<b>384,774</b>
<b>Net change in fund balance</b>	<b>(24,684,059)</b>	<b>(24,684,059)</b>	<b>(9,667,389)</b>	<b>15,016,670</b>
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>39,943,528</b>	<b>39,943,528</b>	<b>38,759,525</b>	<b>(1,184,003)</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ 15,259,469</b>	<b>\$ 15,259,469</b>	<b>\$ 29,092,136</b>	<b>\$ 13,832,667</b>

**BUDGETARY COMPARISON SCHEDULES**  
**Internal Service Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

- Combining Schedules - Internal Service Funds
- Budgetary Comparison Schedules
  - Informational Systems & Services Fund
  - Insurance Services Fund

**CITY OF MCMINNVILLE, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2025**

	Governmental Activities - Internal Service Funds		
	Informational	Insurance Services	Total
	Systems & Services Fund	Fund	
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 313,608	\$ 272,366	\$ 585,974
Accounts receivable, net	47,418	-	47,418
Prepaid expenses	7,950	252,694	260,644
Total current assets	368,976	525,060	894,036
Noncurrent assets:			
Capital assets:			
Depreciable, net	480,375	-	480,375
Net OPEB asset	12,319	-	12,319
Total noncurrent assets	492,694	-	492,694
Total assets	861,670	525,060	1,386,730
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	324,977	-	324,977
Deferred outflows related to OPEB	4,606	-	4,606
Total deferred outflows of resources	329,583	-	329,583
Total assets and deferred outflows of resources	\$ 1,191,253	\$ 525,060	\$ 1,716,313
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 88,401	\$ 5,413	\$ 93,814
Accrued payroll and other payroll liabilities	14,053	-	14,053
Total pension liability - due in one year	102,366	-	102,366
Total OPEB liability - due in one year	1,625	-	1,625
PERS related liabilities - due in one year	8,249	-	8,249
Accrued compensated absences	15,675	-	15,675
Total current liabilities	230,369	5,413	235,782
Noncurrent liabilities:			
Accrued compensated absences	66,349	-	66,349
Total pension liability	730,865	-	730,865
Total OPEB liability	18,192	-	18,192
PERS related liabilities	13,392	-	13,392
Total noncurrent liabilities	828,798	-	828,798
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	132,585	-	132,585
Deferred inflows related to OPEB	33,913	-	33,913
Total deferred inflows of resources	166,498	-	166,498
<b>NET POSITION:</b>			
Net investment in capital assets	480,375	-	480,375
Restricted for:			
OPEB asset	12,319	-	12,319
Unrestricted	(527,106)	519,647	(7,459)
Total net position	(34,412)	519,647	485,235
Total liabilities, deferred inflows of resources and net position	\$ 1,191,253	\$ 525,060	\$ 1,716,313

**CITY OF MCMINNVILLE, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2025**

	Governmental Activities - Internal Service Funds		
	Informational Systems & Services Fund	Insurance Services Fund	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,654,100	\$ 1,217,261	\$ 2,871,361
Intergovernmental	42,546	-	42,546
Miscellaneous	66	134,132	134,198
Total operating revenues	<u>1,696,712</u>	<u>1,351,393</u>	<u>3,048,105</u>
<b>OPERATING EXPENSES:</b>			
Personnel service	788,739	-	788,739
Materials and service	997,719	1,395,718	2,393,437
Depreciation/amortization	82,347	-	82,347
Total operating expenses	<u>1,868,805</u>	<u>1,395,718</u>	<u>3,264,523</u>
Operating income (loss)	(172,093)	(44,325)	(216,418)
<b>NON-OPERATING REVENUES (EXPENSE):</b>			
Interest income	11,647	15,847	27,494
Total non-operating income (expenses)	<u>11,647</u>	<u>15,847</u>	<u>27,494</u>
Net income (loss) before transfers	(160,446)	(28,478)	(188,924)
<b>TRANSFERS:</b>			
Transfers from other funds	65,899	-	65,899
Total transfers	<u>65,899</u>	<u>-</u>	<u>65,899</u>
Change in net position	(94,547)	(28,478)	(123,025)
<b>NET POSITION, BEGINNING</b>	85,899	548,125	634,024
Change in accounting principle - GASB 101	<u>(25,764)</u>	<u>-</u>	<u>(25,764)</u>
<b>NET POSITION, BEGINNING as restated</b>	<u>60,135</u>	<u>548,125</u>	<u>608,260</u>
<b>NET POSITION, ENDING</b>	<u>\$ (34,412)</u>	<u>\$ 519,647</u>	<u>\$ 485,235</u>

CITY OF MC MINNVILLE, OREGON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2025

	Governmental Activities - Internal Service Funds		
	Informational Systems & Services Fund	Insurance Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from interfund services provided	\$ 1,667,108	\$ 1,217,261	\$ 2,884,369
Cash received from other operating sources - insurance reimbursements	-	134,132	134,132
Cash paid to employees and others for salaries and benefits	(664,048)	-	(664,048)
Cash paid to suppliers and others	(947,695)	(1,399,927)	(2,347,622)
Net cash provided by (used for) operating activities	55,365	(48,534)	6,831
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Principal paid on pension-related obligations	(7,734)	-	(7,734)
Transfers (to)/from other funds	65,899	-	65,899
Net cash provided by (used for) non-capital financing activities	58,165	-	58,165
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(52,637)	-	(52,637)
Net cash provided by capital and related financing activities	(52,637)	-	(52,637)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	11,647	15,847	27,494
Net cash provided by investing activities	11,647	15,847	27,494
Net increase (decrease) in cash and cash equivalents	72,540	(32,687)	39,853
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	241,068	305,053	546,121
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 313,608	\$ 272,366	\$ 585,974
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income	\$ (172,093)	\$ (44,325)	\$ (216,418)
Adjustments:			
Depreciation and amortization	82,347	-	82,347
Decrease (increase) in:			
Accounts receivable and due from other funds	(29,604)	-	(29,604)
Prepays	(7,950)	(9,198)	(17,148)
Increase (decrease) in:			
Accounts payable	57,974	4,989	62,963
Accrued payroll and other payroll liabilities	918	-	918
Compensated absences	4,124	-	4,124
Net other post employment benefits	1,607	-	1,607
Net pension benefits	118,042	-	118,042
Net cash provided by (used for) operating activities	\$ 55,365	\$ (48,534)	\$ 6,831

**CITY OF MCMINNVILLE, OREGON**  
**INFORMATIONAL SYSTEMS & SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 77,036	\$ 42,546	\$ (34,490)
Charges for services	1,128,452	1,205,452	988,240	(217,212)
Interest revenue	9,000	9,000	11,647	2,647
Miscellaneous	-	-	66	66
<b>Total revenues</b>	<b>1,137,452</b>	<b>1,291,488</b>	<b>1,042,499</b>	<b>(248,989)</b>
<b>EXPENDITURES:</b>				
Information technology services:				
Personnel services	666,911	666,911	672,700	(5,789) *
Materials and services	1,084,154	1,106,154	899,974	206,180 *
Capital outlay	174,000	251,036	150,382	100,654 *
Contingency	75,000	75,000	-	75,000
<b>Total expenditures</b>	<b>2,000,065</b>	<b>2,099,101</b>	<b>1,723,056</b>	<b>376,045</b>
Revenues over (under) expenditures	(862,613)	(807,613)	(680,557)	127,056
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	795,725	740,725	731,759	(8,966)
<b>Total other financing sources (uses)</b>	<b>795,725</b>	<b>740,725</b>	<b>731,759</b>	<b>(8,966)</b>
Net change in fund balance	(66,888)	(66,888)	51,202	118,090
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>207,864</b>	<b>207,864</b>	<b>215,320</b>	<b>7,456</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>140,976</b>	<b>140,976</b>	<b>266,522</b>	<b>125,546</b>
Add (deduct):				
Capital assets, net			480,375	
Net OPEB asset			12,319	
Deferred outflows related to pensions			324,977	
Deferred outflows related to OPEB			4,606	
Pension related debt			(21,641)	
Accrued compensated absences			(82,024)	
Net pension liability			(833,231)	
Net OPEB liability			(19,817)	
Deferred inflows related to pensions			(132,585)	
Deferred inflows related to OPEB			(33,913)	
Net Position, full accrual - ending			<u>\$ (34,412)</u>	

\* Appropriated together as information technology services

**CITY OF MCMINNVILLE, OREGON**  
**INSURANCE SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	1,251,232	1,251,232	1,217,261	(33,971)
Miscellaneous	119,335	139,335	134,132	(5,203)
Interest revenue	9,000	9,000	15,847	6,847
<b>Total revenues</b>	<b>1,379,567</b>	<b>1,399,567</b>	<b>1,367,240</b>	<b>(32,327)</b>
<b>EXPENDITURES:</b>				
Insurance services:				
Materials and services	1,324,465	1,324,465	1,250,644	73,821 *
Capital outlay	30,000	60,000	62,546	(2,546) *
Contingency	150,000	140,000	-	140,000
<b>Total expenditures</b>	<b>1,504,465</b>	<b>1,524,465</b>	<b>1,313,190</b>	<b>211,275</b>
Revenues over (under) expenditures	(124,898)	(124,898)	54,050	178,948
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(82,528)	(82,528)	(82,528)	-
<b>Total other financing sources (uses)</b>	<b>(82,528)</b>	<b>(82,528)</b>	<b>(82,528)</b>	<b>-</b>
Net changes in fund balances	(207,426)	(207,426)	(28,478)	178,948
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>467,698</b>	<b>467,698</b>	<b>548,125</b>	<b>80,427</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 260,272</b>	<b>\$ 260,272</b>	<b>\$ 519,647</b>	<b>\$ 259,375</b>

\* Appropriated together as insurance services

## STATISTICAL SECTION

This part of the City's *Annual Comprehensive Financial Report (ACFR)* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health.

### 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 sources, property tax and sewer charges.

### 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 Economic 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 relates 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 comprehensive financial reports for the relevant year.

**City of McMinnville, Oregon**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(full accrual basis of accounting)

	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018 Restated</b>	<b>2019</b>
<b>Primary Government:</b>				
Governmental activities:				
Invested in capital assets	\$ 60,243,871	\$ 66,165,718	\$ 72,977,099	\$ 75,161,026
Restricted (b)	22,841,795	16,277,620	15,270,498	10,997,806
Unrestricted (a) (b)	<u>(20,675,519)</u>	<u>(20,166,704)</u>	<u>(18,800,083)</u>	<u>(17,136,984)</u>
Total governmental activities net position	<u>\$ 62,410,147</u>	<u>\$ 62,276,634</u>	<u>\$ 69,447,514</u>	<u>\$ 69,021,848</u>
Business-type activities:				
Invested in capital assets	\$ 58,125,477	\$ 56,791,990	\$ 55,036,414	\$ 56,285,132
Restricted	437,036	707,615	1,132,758	1,094,349
Unrestricted (a) (b)	<u>14,733,277</u>	<u>18,380,560</u>	<u>23,260,392</u>	<u>25,027,458</u>
Total business-type activities net position	<u>\$ 73,295,790</u>	<u>\$ 75,880,165</u>	<u>\$ 79,429,564</u>	<u>\$ 82,406,939</u>
Primary government:				
Invested in capital assets	\$ 118,369,348	\$ 122,957,708	\$ 128,013,513	\$ 131,446,158
Restricted	23,278,831	16,985,235	16,403,256	12,092,155
Unrestricted (a) (b)	<u>(5,942,242)</u>	<u>(1,786,144)</u>	<u>4,460,309</u>	<u>7,890,474</u>
Total primary government net position	<u>\$ 135,705,937</u>	<u>\$ 138,156,799</u>	<u>\$ 148,877,078</u>	<u>\$ 151,428,787</u>
<b>Component unit:</b>				
Water and Light:				
Invested in capital assets	\$ 123,113,177	\$ 123,366,419	\$ 124,776,038	\$ 128,423,468
Restricted	-	-	-	-
Unrestricted (a) (b) (c) (d)	<u>36,415,854</u>	<u>40,284,763</u>	<u>45,312,269</u>	<u>49,459,337</u>
Total component unit	<u>\$ 159,529,031</u>	<u>\$ 163,651,182</u>	<u>\$ 170,088,307</u>	<u>\$ 177,882,805</u>

(a) In fiscal year 2017-18, the City and the Department had a restatement of \$526,351 and \$1,187,975, respectively, to account for the implementation of GASB Statement 75, Accounting and Financial Reporting for Other post-employment benefits (OPEB).

(b) In fiscal year 2019-20, the City and the Department recorded a restricted Net Position to account for OPEB benefits.

(c) In fiscal year 2021-22, the City had restatements to account for \$97,219 in assets that should have been capitalized and to recognize revenue of \$112,000 in loans receivable.

(d) In fiscal year 2021-22, the component unit Water & Light had a restatement to correct the period that some timber revenue accounts receivable were recorded of \$942,320.

**Fiscal Year Ended June 30,**

<u>2020</u>	<u>2021</u>	<u>2022 Restated</u>	<u>2023</u>	<u>2024 Restated</u>	<u>2025</u>
\$ 69,862,297	\$ 74,795,521	\$ 78,219,700	\$ 81,076,620	\$ 84,744,476	\$ 86,513,725
11,411,706	8,672,824	7,278,114	8,110,760	10,619,501	15,660,445
<u>(17,176,002)</u>	<u>(20,978,032)</u>	<u>(14,829,322)</u>	<u>(4,609,936)</u>	<u>(9,212,261)</u>	<u>(13,751,503)</u>
<u>\$ 64,098,001</u>	<u>\$ 62,490,313</u>	<u>\$ 70,668,492</u>	<u>\$ 84,577,444</u>	<u>\$ 86,151,716</u>	<u>\$ 88,422,667</u>
\$ 56,189,935	\$ 55,881,180	\$ 57,964,430	\$ 58,209,114	\$ 68,253,850	\$ 82,687,262
19,122	18,568	45,796	27,435	26,617	47,114
<u>33,956,973</u>	<u>38,359,430</u>	<u>42,573,514</u>	<u>47,329,818</u>	<u>43,981,053</u>	<u>34,042,486</u>
<u>\$ 90,166,030</u>	<u>\$ 94,259,178</u>	<u>\$ 100,583,740</u>	<u>\$ 105,566,367</u>	<u>\$ 112,261,520</u>	<u>\$ 116,776,862</u>
\$ 126,052,232	\$ 130,676,701	\$ 136,184,130	\$ 139,285,734	\$ 152,998,326	\$ 169,200,987
11,430,828	8,691,392	7,323,910	8,138,195	10,646,118	15,707,559
<u>16,780,971</u>	<u>17,381,398</u>	<u>27,744,192</u>	<u>42,719,882</u>	<u>34,768,792</u>	<u>20,290,983</u>
<u>\$ 154,264,031</u>	<u>\$ 156,749,491</u>	<u>\$ 171,252,232</u>	<u>\$ 190,143,811</u>	<u>\$ 198,413,236</u>	<u>\$ 205,199,529</u>
\$ 136,687,073	\$ 140,615,261	\$ 147,115,398	\$ 152,935,370	\$ 154,492,895	\$ 159,699,676
89,267	60,414	-	153,841	-	-
<u>48,416,227</u>	<u>51,044,706</u>	<u>53,093,566</u>	<u>59,552,807</u>	<u>67,262,573</u>	<u>69,911,632</u>
<u>\$ 185,192,567</u>	<u>\$ 191,720,381</u>	<u>\$ 200,208,964</u>	<u>\$ 212,642,018</u>	<u>\$ 221,755,468</u>	<u>\$ 229,611,308</u>

(e) In fiscal year 2024-25, the City and the Department had restatements of \$690,574 and \$1,311,758, respectively, to account for the implementation of GASB Statement 101, Compensated Absences

**City of McMinnville, Oregon**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(full accrual basis of accounting)

<b>Functions/Programs</b>	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Expenses</b>				
Primary government:				
Governmental activities:				
General government	\$ 7,389,396	\$ 3,233,556	\$ 3,103,821	\$ 3,952,533
Community development (c) (f)	1,341,282	1,536,152	1,631,905	2,473,857
Public safety: (b)				
Police	11,604,781	9,664,865	9,126,532	11,783,861
Fire	2,766,437	3,155,530	3,135,785	4,341,851
Highways and streets	4,804,574	3,539,224	3,224,152	3,996,504
Culture and recreation: (d)				
Parks and recreation	5,103,934	4,246,590	4,018,893	5,291,479
Library	1,448,885	1,581,460	1,466,633	1,980,816
Airport	1,147,840	598,401	697,787	364,338
Interest on long-term debt	614,253	1,229,866	1,028,859	1,274,644
Total governmental activities expenses	<u>36,221,382</u>	<u>28,785,644</u>	<u>27,434,367</u>	<u>35,459,883</u>
Business-type activities:				
Wastewater	7,811,354	7,039,396	6,846,447	7,797,715
Ambulance (b)	5,125,215	4,934,709	4,377,101	6,375,039
Building (c)	453,557	361,604	428,003	786,701
Total business-type activities expenses	<u>13,390,126</u>	<u>12,335,709</u>	<u>11,651,551</u>	<u>14,959,455</u>
Total primary government expenses	<u>\$ 49,611,508</u>	<u>\$ 41,121,353</u>	<u>\$ 39,085,918</u>	<u>\$ 50,419,338</u>
Component unit:				
Water and Light (g)	<u>\$ 44,911,690</u>	<u>\$ 46,506,252</u>	<u>\$ 46,597,185</u>	<u>\$ 48,180,704</u>

(a) Beginning in fiscal year 2015-16, interest revenue decreased due to significantly lower interest rates. For governmental activities, interest revenue increased due to higher interest rates and earnings on bond proceeds. For business-type activities, interest revenue was due to higher interest rates.

(b) In fiscal year 2019-20, the Business-type Ambulance Fund was move into the General Fund under the Fire program. The City also decided to stop breaking out separate Public Safety programs in the annual financial report.

(c) In fiscal year 2019-20, the Business-type Building Fund was changed to a Special Revenue Fund. The program activities are grouped with the other Community development programs.

(d) In fiscal year 2019-20, the City decided to stop breaking out separate Culture and Recreation programs in their annual financial report. Programs were previously broken down by Parks and recreation and Library programs.

<b>Fiscal Year Ended June 30,</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 5,012,227	\$ 6,994,737	\$ 6,324,485	\$ 7,524,683	\$ 14,767,239	\$ 8,939,659
2,679,541	2,693,877	2,530,532	3,166,174	4,728,718	5,101,970
19,336,814	21,598,458	18,315,116	19,521,683	10,941,588	11,919,245
5,935,410	4,853,034	3,388,601	5,362,800	4,924,846	5,162,189
7,446,256	6,269,894	6,052,570	6,941,579	7,971,465	9,277,929
629,796	590,187	635,814	613,110	991,196	944,485
1,075,895	913,854	838,170	735,544	674,399	759,537
<u>42,115,939</u>	<u>43,914,041</u>	<u>38,085,288</u>	<u>43,865,573</u>	<u>44,999,451</u>	<u>42,105,014</u>
7,162,265	7,973,136	6,595,608	8,186,343	8,690,289	10,062,076
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,162,265</u>	<u>7,973,136</u>	<u>6,595,608</u>	<u>8,186,343</u>	<u>8,690,289</u>	<u>10,062,076</u>
<u>\$ 49,278,204</u>	<u>\$ 51,887,177</u>	<u>\$ 44,680,896</u>	<u>\$ 52,051,916</u>	<u>\$ 53,689,740</u>	<u>\$ 52,167,090</u>
<u>\$ 51,186,359</u>	<u>\$ 50,610,016</u>	<u>\$ 49,567,313</u>	<u>\$ 49,465,113</u>	<u>\$ 48,809,613</u>	<u>\$ 55,329,098</u>

(Continued)

(e) In fiscal year 2022-23, the City fully drew down its American Rescue Plan Act (ARPA), by utilizing the revenue recovery option, resulting in an unusually large operating grants and contributions program revenue.

(f) In fiscal year 2022-23, the City restated fiscal year 2021-22 to decrease Community Development expenses and increase Governmental Activities, Other, net (revenue) related to construction in progress and loans receivable, respectively, which weren't recorded during the fiscal year.

(g) In fiscal year 2021-22, the Department restated \$942,320 in higher accounts receivable for timber revenue with consequential increase in net position of same amount.

**City of McMinnville, Oregon**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(full accrual basis of accounting)

<b>Functions/Programs</b>	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Program revenues</b>				
Primary government:				
Governmental activities:				
Charges for services:				
General government	\$ 1,074,482	\$ 1,102,898	\$ 853,756	\$ 1,553,039
Community development (c)	770,042	128,813	198,648	199,146
Public safety:				
Police	751,326	688,349	451,940	652,721
Fire	419,445	562,245	593,475	728,544
Highways and streets	253,342	14	5,737	243,182
Culture and recreation: (d)				
Parks and recreation	1,525,952	1,116,841	1,449,251	840,295
Library	44,693	38,658	39,914	73,010
Airport	260,293	256,854	313,680	341,479
Operating grants and contributions (e)	2,654,786	2,364,801	3,097,992	3,614,762
Capital grants and contributions	2,542,985	2,686,710	6,938,770	4,185,240
Total governmental activities program revenues	<u>10,297,346</u>	<u>8,946,183</u>	<u>13,943,163</u>	<u>12,431,418</u>
Business-type activities:				
Charges for services:				
Wastewater	9,166,543	9,323,139	9,775,061	10,316,187
Ambulance (b)	3,373,134	3,494,130	3,247,282	3,709,176
Building (c)	393,079	612,659	832,010	728,107
Operating grants and contributions	-	-	-	-
Capital grants and contributions	650,082	617,329	411,498	1,854,802
Total business-type activities program revenues	<u>13,582,838</u>	<u>14,047,257</u>	<u>14,265,851</u>	<u>16,608,272</u>
Total primary government program revenues	<u>\$ 23,880,184</u>	<u>\$ 22,993,440</u>	<u>\$ 28,209,014</u>	<u>\$ 29,039,690</u>
Component unit:				
Water and Light:				
Charges for services	\$ 45,275,019	\$ 46,246,552	\$ 46,994,299	\$ 47,502,181
Operating grants and contributions	-	-	-	-
Capital grants and contributions	974,832	1,076,976	1,660,556	2,300,239
Total component unit program revenues	<u>\$ 46,249,851</u>	<u>\$ 47,323,528</u>	<u>\$ 48,654,855</u>	<u>\$ 49,802,420</u>
<b>Net revenue (expense)</b>				
Primary government:				
Governmental activities	\$ (25,924,036)	\$ (19,839,461)	\$ (13,491,204)	\$ (23,028,465)
Business-type activities	192,712	1,711,548	2,614,300	1,648,817
Total primary government net revenue (expense)	<u>\$ (25,731,324)</u>	<u>\$ (18,127,913)</u>	<u>\$ (10,876,904)</u>	<u>\$ (21,379,648)</u>
Component unit:				
Water and Light	<u>\$ 1,338,161</u>	<u>\$ 817,276</u>	<u>\$ 2,057,670</u>	<u>\$ 1,621,716</u>

**Fiscal Year Ended June 30,**

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,480,347	\$ 2,940,808	\$ 3,982,289	\$ 4,556,298	\$ 6,244,276	\$ 6,930,604
1,090,486	1,121,556	1,425,276	1,422,473	1,894,114	1,666,853
3,923,646	4,287,979	5,068,100	5,083,207	506,835	542,360
744,950	470,556	678,038	430,538	721,014	569,646
1,485,238	517,447	983,424	1,164,385	1,599,775	1,557,649
355,515	353,071	401,744	476,805	409,723	397,035
1,553,655	1,831,040	1,832,165	8,151,536	696,509	851,087
2,418,349	1,827,955	2,405,178	4,798,782	5,133,362	1,983,112
<u>13,052,186</u>	<u>13,350,412</u>	<u>16,776,214</u>	<u>26,084,024</u>	<u>17,205,608</u>	<u>14,498,346</u>
10,460,859	10,988,621	10,826,206	11,101,882	11,471,070	12,101,981
-	-	-	-	-	-
-	1,074	23,894	3,741	-	-
1,483,355	740,389	1,836,717	1,010,654	1,696,398	606,366
<u>11,944,214</u>	<u>11,730,084</u>	<u>12,686,817</u>	<u>12,116,277</u>	<u>13,167,468</u>	<u>12,708,347</u>
<u>\$ 24,996,400</u>	<u>\$ 25,080,496</u>	<u>\$ 29,463,031</u>	<u>\$ 38,200,301</u>	<u>\$ 30,373,076</u>	<u>\$ 27,206,693</u>
\$ 50,182,362	\$ 50,536,707	\$ 50,839,486	\$ 51,599,656	\$ 50,523,335	\$ 55,588,779
-	-	60,033	489,967	-	-
1,934,815	4,244,830	2,878,686	3,812,459	1,175,203	1,949,086
<u>\$ 52,117,177</u>	<u>\$ 54,781,537</u>	<u>\$ 53,778,205</u>	<u>\$ 55,902,082</u>	<u>\$ 51,698,538</u>	<u>\$ 57,537,865</u>
\$ (29,063,753)	\$ (30,563,629)	\$ (21,309,074)	\$ (17,781,549)	\$ (27,793,843)	\$ (27,606,668)
4,781,949	3,756,948	6,091,209	3,929,934	4,477,179	2,646,271
<u>\$ (24,281,804)</u>	<u>\$ (26,806,681)</u>	<u>\$ (15,217,865)</u>	<u>\$ (13,851,615)</u>	<u>\$ (23,316,664)</u>	<u>\$ (24,960,397)</u>
\$ 930,818	\$ 4,171,521	\$ 4,210,892	\$ 6,436,969	\$ 2,888,925	\$ 2,208,767

(Continued)

**City of McMinnville, Oregon**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(full accrual basis of accounting)

<b>Functions/Programs</b>	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>General revenues and other changes in net position</b>				
Primary government:				
Governmental activities:				
Taxes				
Property taxes	\$ 14,751,884	\$ 15,028,217	\$ 16,228,026	\$ 17,509,832
Franchise taxes	2,504,237	2,420,309	2,541,802	2,688,775
Transient lodging taxes	644,878	691,102	947,467	1,274,661
Unrestricted state shared revenues	825,156	913,376	1,114,681	1,428,732
Unrestricted investment earnings (a)	86,079	317,994	377,589	151,605
Gain (loss) on disposal of capital assets	-	-	-	-
Other, net (f)	617,243	483,825	551,665	260,194
Transfers	<u>(1,327,911)</u>	<u>(715,800)</u>	<u>(713,500)</u>	<u>(711,000)</u>
Total governmental activities	<u>18,101,566</u>	<u>19,139,023</u>	<u>21,047,730</u>	<u>22,602,799</u>
Business-type activities:				
Unrestricted investment earnings (a)	76,170	157,027	332,672	591,066
Gain (loss) on disposal of capital assets	(50,308)	-	-	-
Other, net	112,390	-	22,528	26,492
Transfers	<u>1,327,911</u>	<u>715,800</u>	<u>713,500</u>	<u>711,000</u>
Total business-type activities	<u>1,466,163</u>	<u>872,827</u>	<u>1,068,700</u>	<u>1,328,558</u>
Total primary government	<u>\$ 19,567,729</u>	<u>\$ 20,011,850</u>	<u>\$ 22,116,430</u>	<u>\$ 23,931,357</u>
Component unit:				
Water and Light:				
Unrestricted investment earnings (a)	\$ 264,782	\$ 469,319	\$ 803,958	\$ 1,195,165
Gain (loss) on disposal of capital assets	(913,815)	-	-	-
Timber sales, net of related expenses	2,364,804	1,837,271	2,721,512	3,500,751
Other, net	1,304,702	998,285	2,041,960	1,476,866
Interest expense	<u>(60,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 2,959,738</u>	<u>\$ 3,304,875</u>	<u>\$ 5,567,430</u>	<u>\$ 6,172,782</u>
<b>Change in net position</b>				
Primary government:				
Governmental activities	\$ (7,822,470)	\$ (700,438)	\$ 7,556,526	\$ (425,666)
Business-type activities	1,658,875	2,584,375	3,683,000	2,977,375
Total primary government	<u>\$ (6,163,595)</u>	<u>\$ 1,883,937</u>	<u>\$ 11,239,526</u>	<u>\$ 2,551,709</u>
Component unit:				
Water and Light	<u>\$ 4,297,899</u>	<u>\$ 4,122,151</u>	<u>\$ 7,625,100</u>	<u>\$ 7,794,498</u>

**Fiscal Year Ended June 30,**

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 17,802,972	\$ 18,482,619	\$ 18,461,342	\$ 19,350,262	\$ 15,408,921	\$ 17,430,617
3,543,906	4,407,646	3,939,329	4,206,075	4,387,479	4,673,208
1,059,160	1,125,340	1,657,452	1,824,641	1,915,759	1,909,934
3,706,953	4,142,335	4,192,269	4,107,693	4,107,843	4,047,409
127,503	34,923	41,798	321,052	680,771	550,662
-	-	-	3,405	4,153,862	1,906,205
277,478	820,316	878,100	1,893,555	(1,224,830)	-
(2,378,066)	(57,237)	(15,038)	(16,182)	(61,690)	(105,472)
<u>24,139,906</u>	<u>28,955,942</u>	<u>29,155,252</u>	<u>31,690,501</u>	<u>29,368,115</u>	<u>30,412,563</u>
575,914	252,670	191,645	1,009,090	2,151,862	1,819,707
-	-	-	-	-	-
23,162	26,293	26,670	27,421	24,422	13,732
<u>2,378,066</u>	<u>57,237</u>	<u>15,038</u>	<u>16,182</u>	<u>61,690</u>	<u>105,472</u>
<u>2,977,142</u>	<u>336,200</u>	<u>233,353</u>	<u>1,052,693</u>	<u>2,237,974</u>	<u>1,938,911</u>
<u>\$ 27,117,048</u>	<u>\$ 29,292,142</u>	<u>\$ 29,388,605</u>	<u>\$ 32,743,194</u>	<u>\$ 31,606,089</u>	<u>\$ 32,351,474</u>
\$ 1,046,203	\$ 436,494	\$ 344,343	\$ 1,619,291	\$ 3,147,781	\$ 3,340,150
-	-	-	-	(463,979)	(694,284)
3,483,180	590,046	3,067,357	3,095,384	3,565,678	1,674,901
1,849,561	1,329,753	865,991	1,281,410	1,118,589	1,326,306
-	-	-	-	-	-
<u>6,378,944</u>	<u>2,356,293</u>	<u>4,277,691</u>	<u>5,996,085</u>	<u>7,368,069</u>	<u>5,647,073</u>
\$ (4,923,847)	\$ (1,607,687)	\$ 7,846,178	\$ 13,908,952	\$ 1,574,272	\$ 2,805,895
7,759,091	4,093,148	6,324,562	4,982,627	6,715,153	4,585,182
<u>2,835,244</u>	<u>2,485,461</u>	<u>14,170,740</u>	<u>18,891,579</u>	<u>8,289,425</u>	<u>7,391,077</u>
<u>\$ 7,309,762</u>	<u>\$ 6,527,814</u>	<u>\$ 8,488,583</u>	<u>\$ 12,433,054</u>	<u>\$ 10,256,994</u>	<u>\$ 7,855,840</u>

**City of McMinnville, Oregon**  
**Fund Balance**  
**Last Ten Fiscal Years**  
(Modified accrual basis of accounting)

	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>General Fund:</b>				
Nonspendable	\$ 68,332	\$ 2,245,416	\$ 2,183,574	\$ 2,113,747
Restricted	-	-	-	-
Committed (a)	-	-	-	-
Assigned	647,141	673,696	606,790	655,396
Unassigned	<u>6,768,660</u>	<u>6,444,745</u>	<u>6,179,445</u>	<u>5,813,577</u>
<b>Total General Fund</b>	<b><u>\$ 7,484,133</u></b>	<b><u>\$ 9,363,857</u></b>	<b><u>\$ 8,969,809</u></b>	<b><u>\$ 8,582,720</u></b>
<b>Airport Maintenance Fund:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	868,723	635,411	(185,123)	(33,778)
<b>Total Airport Maintenance Fund</b>	<b><u>\$ 868,723</u></b>	<b><u>\$ 635,411</u></b>	<b><u>\$ (185,123)</u></b>	<b><u>\$ (33,778)</u></b>
<b>Transportation Fund:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	<u>17,445,877</u>	<u>11,576,985</u>	<u>10,370,473</u>	<u>5,699,016</u>
<b>Total Transportation Fund</b>	<b><u>\$ 17,445,877</u></b>	<b><u>\$ 11,576,985</u></b>	<b><u>\$ 10,370,473</u></b>	<b><u>\$ 5,699,016</u></b>
<b>All other governmental funds:</b>				
Nonspendable	\$ 4	\$ 45	\$ -	\$ 48,793
Restricted	5,395,914	4,700,635	4,888,829	5,249,997
Committed	117,120	136,238	156,197	174,734
Assigned	156,556	151,909	150,482	146,972
Unassigned	<u>(188,784)</u>	<u>(836,157)</u>	<u>(1,883,542)</u>	<u>(1,848,271)</u>
<b>Total all other governmental funds</b>	<b><u>\$ 5,480,810</u></b>	<b><u>\$ 4,152,670</u></b>	<b><u>\$ 3,311,966</u></b>	<b><u>\$ 3,772,225</u></b>

(a) In fiscal year 2022-2023, the City committed fund balance are for programs and projects created to assist the City and community in the response and recovery from the COVID-19 pandemic by the City Council.

**Fiscal Year Ended June 30,**

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 10,700	\$ 20,328	\$ 29,884	\$ 7,500	\$ 21,365	\$ 13,608
-	-	-	-	-	150,274
-	-	-	6,494,348	4,653,705	3,318,755
711,883	786,091	833,933	883,782	-	-
<u>6,602,148</u>	<u>6,006,241</u>	<u>6,703,907</u>	<u>6,779,373</u>	<u>6,779,373</u>	<u>2,873,807</u>
<u>\$ 7,324,731</u>	<u>\$ 6,812,660</u>	<u>\$ 7,567,724</u>	<u>\$ 14,165,003</u>	<u>\$ 11,454,443</u>	<u>\$ 6,356,444</u>
\$ -	\$ -	\$ 152	\$ -	\$ -	\$ -
562,914	552,839	617,091	819,367	1,098,360	1,146,474
-	-	-	-	-	-
<u>\$ 562,914</u>	<u>\$ 552,839</u>	<u>\$ 617,243</u>	<u>\$ 819,367</u>	<u>\$ 1,098,360</u>	<u>\$ 1,146,474</u>
\$ -	\$ -	\$ -	\$ -	\$ 201,248	\$ 201,248
5,803,291	2,930,746	3,480,963	4,127,693	5,977,308	6,675,438
<u>\$ 5,803,291</u>	<u>\$ 2,930,746</u>	<u>\$ 3,480,963</u>	<u>\$ 4,127,693</u>	<u>\$ 6,178,556</u>	<u>\$ 6,876,686</u>
\$ 71,723	\$ -	\$ -	\$ -	\$ 26,800	\$ 239
4,808,850	5,105,854	4,996,856	5,429,885	6,640,721	7,295,389
39,890	110,935	152,469	154,231	17,007	173,940
1,646,408	1,661,658	1,926,668	2,064,693	2,288,728	2,285,462
(1,640,797)	(1,473,149)	(1,027,580)	(475,324)	-	-
<u>\$ 4,926,074</u>	<u>\$ 5,405,298</u>	<u>\$ 6,048,413</u>	<u>\$ 7,173,485</u>	<u>\$ 8,973,256</u>	<u>\$ 9,755,030</u>

**City of McMinnville, Oregon**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(Modified accrual basis of accounting)

	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Revenues:</b>				
Property taxes	\$ 14,688,381	\$ 15,097,552	\$ 16,165,021	\$ 17,863,899
Special assessments	57,151	53,265	59,565	53,718
Licenses and permits	3,247,694	3,461,315	3,975,367	4,682,788
Intergovernmental (a) (b) (d)	4,340,890	5,969,106	9,704,144	5,456,340
Charges for services	3,327,315	3,501,405	3,748,962	4,709,392
Fines and forfeitures	580,010	566,537	638,281	628,167
Miscellaneous	523,785	455,973	1,137,878	1,258,385
<b>Total revenues</b>	<b>26,765,226</b>	<b>29,105,153</b>	<b>35,429,218</b>	<b>34,652,689</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	3,245,287	3,020,757	3,110,103	3,645,620
Community development	1,295,680	1,352,798	1,681,015	2,046,261
Public safety	11,044,821	11,388,862	12,329,098	12,875,329
Highways and streets	3,364,488	4,180,581	3,011,186	2,653,285
Culture and recreation	4,855,542	4,916,702	5,306,436	5,719,811
Airport (a)	784,495	2,258,610	6,142,718	849,991
Nondepartmental				
<b>Capital outlay:</b>				
Highways and streets	1,735,138	5,601,383	10,557,967	5,622,190
Culture and recreation	4,650	142,519	1,141	512,264
Community development				
Airport				
Special payments	-	-	-	-
<b>Debt service:</b>				
Principal	1,600,529	6,025,848	2,889,141	3,065,189
Interest	950,387	1,153,618	1,289,328	1,398,691
Bond refunding (d)	-	-	-	-
<b>Total expenditures</b>	<b>28,881,017</b>	<b>40,041,678</b>	<b>46,318,133</b>	<b>38,388,631</b>
<b>Other financing sources (uses):</b>				
Bond proceeds - par/premium (c)	-	-	8,204,575	-
Refunding bonds issued - par/premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from full faith and credit obligation (b)	-	6,101,705	-	-
Transfers from other funds	1,148,148	1,717,161	1,709,953	1,962,551
Police vehicles - lease purchase	-	-	136,045	-
Transfer to McMinnville Fire Department	-	-	-	-
Right to use proceeds (e)				
Transfers to other funds	(2,217,148)	(2,432,961)	(2,423,454)	(2,673,551)
<b>Total other financing sources (uses)</b>	<b>(1,069,000)</b>	<b>5,385,905</b>	<b>7,627,119</b>	<b>(711,000)</b>
<b>Net change in fund balances</b>	<b>\$ (3,184,791)</b>	<b>\$ (5,550,620)</b>	<b>\$ (3,261,796)</b>	<b>\$ (4,446,942)</b>
<b>Non-capital expenditures:</b>				
Total expenditures	\$ 28,881,017	\$ 40,041,678	\$ 46,318,133	\$ 38,388,631
Less: capital asset expenditures	(3,554,796)	(9,534,993)	(17,372,112)	(10,427,948)
<b>Non-capital expenditures</b>	<b>\$ 25,326,221</b>	<b>\$ 30,506,685</b>	<b>\$ 28,946,021</b>	<b>\$ 27,960,683</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>10.1%</b>	<b>23.5%</b>	<b>14.4%</b>	<b>16.0%</b>

**Fiscal Year Ended June 30,**

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 17,950,893	\$ 18,515,849	\$ 18,398,075	\$ 19,342,646	\$ 15,387,006	\$ 17,429,749
53,509	52,226	74,910	64,200	60,937	5,483,598
5,866,434	6,789,542	7,073,169	7,642,007	5,854,320	5,954,314
6,879,753	7,380,330	8,446,441	14,133,857	15,223,628	8,610,205
7,030,008	6,092,162	6,905,099	7,975,653	6,711,084	1,025,563
484,305	370,123	359,948	358,554	394,185	1,115,913
1,440,219	801,655	985,573	1,589,204	2,588,573	1,429,679
<u>39,705,121</u>	<u>40,001,887</u>	<u>42,243,215</u>	<u>51,106,121</u>	<u>46,219,733</u>	<u>41,049,021</u>
4,595,959	4,752,138	4,438,920	5,321,607	7,755,898	5,633,415
2,057,368	2,421,371	2,688,141	3,295,150	4,879,378	4,918,003
18,865,896	19,261,197	18,959,483	20,325,265	12,017,440	11,943,212
3,468,228	2,267,850	2,307,312	2,474,233	2,583,616	3,141,542
5,780,644	5,125,062	5,589,466	6,939,440	7,721,713	8,694,049
601,619	415,914	1,734,862	252,506	630,252	613,949
			111,406	155,664	182,693
1,019,558	4,720,958	176,379	360,288	609,472	760,681
661,143	1,200	-	-	-	301,586
				4,289,608	241,277
				340	6,964
-	-	-	-	4,370,827	-
3,248,557	3,349,042	3,355,090	2,856,739	3,051,479	3,116,058
1,315,493	1,223,029	1,136,556	1,009,746	907,430	983,726
-	-	-	-	-	-
<u>41,614,465</u>	<u>43,537,761</u>	<u>40,386,209</u>	<u>42,946,380</u>	<u>48,973,117</u>	<u>40,537,155</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
	34,173	30,267	5,605	-	12,000
1,059,139	-	-	-	-	-
3,569,845	2,608,256	1,672,782	1,878,872	2,409,251	2,238,335
-	-	-	-	-	-
-	-	-	-	(930,615)	-
			267,924	928,732	230,745
<u>(2,122,814)</u>	<u>(2,022,022)</u>	<u>(1,547,255)</u>	<u>(1,740,937)</u>	<u>(2,388,138)</u>	<u>(2,409,706)</u>
<u>2,506,170</u>	<u>620,407</u>	<u>155,794</u>	<u>411,464</u>	<u>19,230</u>	<u>71,374</u>
<u>\$ 596,826</u>	<u>\$ (2,915,467)</u>	<u>\$ 2,012,800</u>	<u>\$ 8,571,205</u>	<u>\$ (2,734,154)</u>	<u>\$ 583,240</u>
\$ 41,614,465	\$ 43,537,761	\$ 40,386,209	\$ 42,946,380	\$ 48,973,117	\$ 40,537,155
<u>(3,157,478)</u>	<u>(5,696,959)</u>	<u>(3,554,941)</u>	<u>(1,305,557)</u>	<u>(6,093,535)</u>	<u>(2,647,023)</u>
<u>\$ 38,456,987</u>	<u>\$ 37,840,802</u>	<u>\$ 36,831,268</u>	<u>\$ 41,640,823</u>	<u>\$ 42,879,582</u>	<u>\$ 37,890,132</u>

11.9%

12.1%

12.2%

9.3%

9.2%

10.8%

(Continued)

**City of McMinnville, Oregon**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

- (a) From fiscal years 2015-16 to 2017-18, the City improved runways and taxiways at McMinnville Municipal Airport financed by capital grants of; \$2,570,000, \$1,250,000 and \$7,321,000, respectively, from the Federal Aviation Administration and Oregon Department of Transportation.
- (b) During fiscal year 2016-17 and 2019-20, the City received proceeds from full faith and credit bank loans for the Dundee Bypass Project, Urban Renewal Improvements (Alpine Ave), and to refinance the pension-related debt (PERS transition liability), of \$383,545, \$2,192,300 and \$3,525,860 respectively.
- (c) During fiscal year 2017-18, the City received proceeds from a Transportation Bond.
- (d) In fiscal year 2022-23 the city fully drew down its American Rescue Plan Act (ARPA) allocation by utilizing the revenue recovery option in the amount of \$6,494,348
- (e) In fiscal year 2022-23, with the advent of reporting on leases and subscription-based information technology arrangements (SBITAs), the right to use proceeds category was added



**City of McMinnville, Oregon**  
**Program Revenues by Functions/Programs**  
**Last Ten Fiscal Years**  
(Full accrual basis of accounting)

<u>Functions/Programs</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 1,074,482	\$ 1,125,530	\$ 1,102,966	\$ 1,972,840
Community development (g)	770,042	128,813	198,648	199,146
Public safety: (f)				
Police	786,951	693,864	785,721	873,325
Fire	434,106	581,430	604,240	730,522
Highways and streets (a) (b) (c) (e)	4,058,810	2,728,669	3,040,293	6,052,010
Culture and recreation: (d) (h)				
Parks and recreation (b)	1,710,213	1,460,744	1,717,003	1,353,565
Library	204,017	220,229	232,476	248,674
Airport (c)	824,717	2,006,904	6,261,816	1,001,336
Total governmental activities	<u>9,863,338</u>	<u>8,946,183</u>	<u>13,943,163</u>	<u>12,431,418</u>
Business-type activities:				
Wastewater (b)	9,816,625	9,940,468	10,186,559	12,170,989
Ambulance (f)	3,373,134	3,494,130	3,247,282	3,709,176
Building (g)	393,079	612,659	832,010	728,107
Total business-type activities	<u>13,582,838</u>	<u>14,047,257</u>	<u>14,265,851</u>	<u>16,608,272</u>
Total primary government	<u>\$ 23,446,176</u>	<u>\$ 22,993,440</u>	<u>\$ 28,209,014</u>	<u>\$ 29,039,690</u>
<b>Component unit:</b>				
Water and light	<u>\$ 45,275,019</u>	<u>\$ 47,323,528</u>	<u>\$ 48,654,855</u>	<u>\$ 49,802,420</u>

- (a) Highways and streets contributions fluctuate significantly year-to-year depending on when subdivision plans are accepted and recorded and a public street is created.
- (b) System Development Charges and subdivision capital contributions fluctuate significantly depending on trends in the construction industry.
- (c) From fiscal years 2015-16 to 2017-18, the City improved runways and taxiways at McMinnville Municipal Airport financed by capital grants from the Federal Aviation Administration and Oregon Department of Transportation.
- (d) During fiscal year 2019-20, the affects of COVID-19 impacted some program revenues for Culture and recreation activities.
- (e) Oregon federal exchange funds for Highways and streets fluctuate significantly from year-to-year depending on the federal funds available and the timing of the reimbursement.

<b>Fiscal Year Ended June 30,</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 2,144,988	\$ 4,115,603	\$ 4,544,624	\$ 14,533,070	\$ 6,608,446	\$ 6,999,146
1,101,821	1,207,657	2,177,941	2,128,012	3,867,594	2,057,399
4,432,537	4,577,246	5,268,001	5,419,611	572,733	696,906
2,009,823	2,273,081	1,742,373	1,494,904	3,240,044	1,838,451
2,170,366	774,410	1,256,071	1,976,827	2,043,608	2,299,591
<u>1,192,651</u>	<u>402,415</u>	<u>1,787,204</u>	<u>531,600</u>	<u>873,183</u>	<u>606,853</u>
<u>13,052,186</u>	<u>13,350,412</u>	<u>16,776,214</u>	<u>26,084,024</u>	<u>17,205,608</u>	<u>14,498,346</u>
11,944,214	11,730,084	12,686,817	12,116,277	13,147,468	12,708,347
-	-	-	-	-	-
<u>11,944,214</u>	<u>11,730,084</u>	<u>12,686,817</u>	<u>12,116,277</u>	<u>13,147,468</u>	<u>12,708,347</u>
<u>\$ 24,996,400</u>	<u>\$ 25,080,496</u>	<u>\$ 29,463,031</u>	<u>\$ 38,200,301</u>	<u>\$ 30,353,076</u>	<u>\$ 27,206,693</u>
<u>\$ 52,117,177</u>	<u>\$ 54,781,537</u>	<u>\$ 53,778,205</u>	<u>\$ 55,902,082</u>	<u>\$ 51,698,538</u>	<u>\$ 57,537,865</u>

- (f) In fiscal year 2019-20 the Business-type Ambulance Fund was moved into the General Fund under the Fire program. The City also decided to stop breaking out separate Public Safety programs in the annual financial report.
- (g) In fiscal year 2019-20 the Business-type Building Fund was changed to a Special Revenue Fund. The program activities are grouped with the other Community development programs.
- (h) In fiscal year 2019-20 the City decided to stop breaking out separate Culture and Recreation programs in their annual financial report. Programs were previously broken down by Parks and recreation and Library programs.
- (i) In fiscal year 2022-23 the City drew down its full allocation of American Rescue Plan Act dollars, thus \$6,494,348 one-time program revenues were received. In addition, park land was contributed as a capital program contribution in the amount of \$2,987,306

**City of McMinnville, Oregon**  
**Assessed and Estimated Actual Value of Property**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30,	Real Property	Mobile Home Property	Personal Property	Utilities
2016	2,297,104,909	33,465,952	80,930,768	38,880,800
2017	2,324,209,411	34,381,495	84,909,545	44,490,351
2018	2,425,373,589	35,322,954	81,535,244	41,793,532
2019	2,470,785,684	46,428,107	83,393,071	33,831,500
2020	2,591,423,947	49,112,143	93,395,821	33,608,680
2021	2,788,239,793	51,819,766	110,584,089	39,354,500
2022	2,938,085,608	53,537,917	110,116,641	42,650,405
2023	3,075,148,994	55,559,188	116,564,672	49,036,099
2024	3,242,632,859	57,275,292	121,738,297	54,876,342
2025	3,345,325,163	59,247,300	130,324,008	51,823,291

Source: Yamhill County Assessor's Office

Note: Prior to 1998 maximum assessed value equaled estimated real market value. Effective fiscal year 1997-98, with the implementation of Oregon Ballot Measure 50, maximum assessed value was reduced to 1995 estimated real market value less ten percent. Future increases are limited to three percent plus exceptions, which include, but are not limited to, new property and new improvements to property.

(a) Excludes tax-exempt property.

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Total Taxable Assessed Value (a)	Total Direct Tax Rate	Estimated Real Market Value	Total Taxable Assessed Value as a Percentage of Estimated Real Market Value
2,450,382,429	6.23	3,119,905,725	78.5
2,487,990,802	6.18	3,418,882,530	72.8
2,591,403,059	6.44	3,722,887,719	69.6
2,634,438,362	6.57	3,930,001,020	67.0
2,767,540,591	6.43	4,191,800,158	66.0
2,989,998,148	6.43	4,617,331,941	64.8
3,144,390,571	6.11	5,072,516,303	62.0
3,296,308,953	6.11	6,155,627,480	53.5
3,476,522,790	4.62	6,751,555,853	51.5
3,586,719,762	5.53	6,565,304,396	54.6

**City of McMinnville, Oregon**  
**Property Tax Rates of Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
(rate per \$1,000 of assessed value)

Fiscal Year Ended June 30,	Direct Rate						
	City of McMinnville				Yamhill County		
	Operating (a)	Debt Service	Urban Renewal	Total Direct	Operating	Debt Service	Total
2016	5.02	1.16	0.05	6.23	2.58	-	2.58
2017	5.02	1.08	0.07	6.18	2.58	-	2.58
2018	5.02	1.34	0.08	6.44	2.58	-	2.58
2019	5.02	1.45	0.10	6.57	2.58	-	2.58
2020	5.02	1.29	0.12	6.43	2.58	-	2.58
2021	5.02	1.27	0.14	6.43	2.58	-	2.58
2022	5.02	0.92	0.17	6.11	2.58	-	2.58
2023	5.02	0.89	0.20	6.11	2.58	-	2.58
2024	3.52	0.89	0.21	4.62	2.58	-	2.58
2025	4.02	0.84	0.20	5.06	2.58	-	2.58

Source: Yamhill County Assessor's Office

Note: Beginning fiscal year 1997-98, property tax rates are limited by an amendment to Oregon's constitution referred to as the permanent rate limit (Measure 50). Districts can levy a property tax rate every year that is less than or equal to this limit without additional voter approval. Voters can approve bond levies and local option levies in addition to the permanent rate levy.

(a) The City's permanent property tax rate limit established by Measure 50 is \$5.02 per thousand of assessed value. Following the voter-established new taxing district for fire and emergency medical services in 2023, the City opted to underlevy some of its property taxes in subsequent years.

(b) Yamhill County Extension Service, Yamhill County Soil & Water District, Willamette Regional Educational Service District, Chemeketa Library and Chemeketa Community College. Starting in FY 2023-24 this also includes McMinnville Fire District.

Overlapping Rates						Total Direct and Overlapping Rates
McMinnville School District No. 40			Other Taxing Districts (b)			
Operating	Debt Service	Total	Operating & Local Option	Debt Service	Total	
4.15	2.72	6.87	1.08	0.28	1.36	17.04
4.15	2.74	6.89	1.08	0.28	1.36	17.00
4.15	2.60	6.75	1.08	0.27	1.35	17.12
4.15	2.59	6.74	1.08	0.27	1.35	17.24
4.15	2.60	6.75	1.08	0.26	1.34	17.10
4.15	2.59	6.74	1.08	0.26	1.34	17.09
4.15	2.56	6.71	1.08	0.27	1.35	16.75
4.15	2.51	6.66	1.08	0.26	1.34	16.69
4.15	2.44	6.59	3.08	0.24	3.32	17.11
4.15	2.47	6.62	3.08	0.24	3.33	17.58

**City of McMinnville, Oregon**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	Type of Business	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2016		
		Assessed Value	Percentage	Rank	Assessed Value	Percentage	Rank
Cascade Steel Rolling Mills, Inc.	Steel production	\$ 107,519,663	3.09 %	1	\$ 58,462,356	2.39 %	1
Willamette Valley Medical Center, LLC (a)	Health care	68,016,517	1.96	2	53,692,866	2.19	2
Brookdale Senior Living INC (b)	Retirement community	25,861,593	0.74	3	18,810,103	0.77	4
Cooperative Regions of Organic Producer	Organic family farms coop	18,593,448	0.53	4			
Jackson Family Wines INC (c)	Commercial wine producer	17,646,746	0.51	5			
Lafayette Place Apartments LLC	Residential real estate management	16,945,516	0.49	6			
March Hare LLC & McMincenter, LLC (d)	Commercial real estate management	16,157,254	0.46	7	12,205,384	0.50	7
Oak Ridge Meadows LLC		14,561,377	0.42	8			
Northwest Natural Gas Co.	Natural gas distributor	14,528,000	0.42	9			
Lowes Home Improvement Warehouse, Inc.	Home improvement retail store	14,482,676	0.42	10	17,129,164	0.70	5
The Falls at McMinnville LLC	Developer/event center				21,445,836	0.88	3
Comcast Corporation	Cable television				16,989,800	0.69	6
Betty Lou's Inc	Food manufactuer				10,570,653	0.43	8
Frontier Communications	Telephone communication	-	-		9,191,000	0.38	10
Lassen Doran Properties	Auto sales				9,552,772	0.39	9
Total principal property tax payers		314,312,790	9.04		228,049,934	9.31	
All other property tax payers		<u>3,162,210,000</u>	<u>90.96</u>		<u>2,222,332,495</u>	<u>90.69</u>	
Total		<u>\$ 3,476,522,790</u>	<u>100.00 %</u>		<u>\$ 2,450,382,429</u>	<u>100.00 %</u>	

Source: Yamhill County Assessor's Office

- (a) Willamette Valley Medical Center, LLC is owned by Capella Healthcare, LLC, but still operates under that name
- (b) HCP SH ELP1 Properties LLC dba Hillside Senior Living Community & Brookdale Senior Living INC have been acquired by Brookdale Senior Living INC, although the property and facilities are the same
- (c) Jackson Family Wines INC and Jackson Family Wines are independent entities
- (d) NBS-McMinnville Plaza OPCO, LLC, also operating as Reef McMinnville Plaza LLC in the decare, has been acquired by March Hare LLC & McMincenter, LLC, although the property and facilities are the same.

**City of McMinnville, Oregon**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Levy		Total Adjusted	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Original	Adjustments (a)		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2016	15,205,508	(499,925)	14,705,583	14,194,904	93.4	439,416	14,634,320	99.52
2017	15,439,224	(452,492)	14,986,732	14,532,891	94.1	401,700	14,934,591	99.65
2018	16,679,694	(437,197)	16,242,497	15,719,316	94.2	385,690	16,105,006	99.15
2019	18,016,281	(569,453)	17,446,828	17,048,835	94.6	397,993	17,446,828	100.00
2020	18,424,097	(556,905)	17,867,191	17,279,827	93.8	379,813	17,659,640	98.84
2021	19,096,894	(566,787)	18,530,107	18,174,389	95.2	312,721	18,487,110	99.77
2022	19,096,949	(580,317)	18,516,632	18,140,194	95.0	350,705	18,490,899	99.86
2023	19,900,276	(525,392)	19,374,884	18,402,853	92.5	325,456	18,728,309	96.66
2024	15,866,232	(457,898)	15,408,334	15,056,828	94.9	244,861	15,301,689	99.31
2025	17,943,901	(502,633)	17,441,268	17,096,414	95.3	-	17,096,414	98.02

Source: Yamhill County Assessor's Office

(a) Adjustments include discounts, write-offs, cancellations, and interest.

**City of McMinnville, Oregon**  
**Sewer Revenue Base by Type of Customer**  
**Last Ten Fiscal Years**  
(in cubic feet)

<u>Customer Type</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water consumption (e):				
Residential	\$ 75,670,000	\$ 75,912,502	\$ 75,958,939	\$ 74,939,700
Commercial - no average (b)	53,543,500	44,729,900	43,761,700	45,964,700
Commercial - with average (c)	<u>5,824,500</u>	<u>6,221,000</u>	<u>5,861,500</u>	<u>5,721,100</u>
 Total	 <u>\$ 135,038,000</u>	 <u>\$ 126,863,402</u>	 <u>\$ 125,582,139</u>	 <u>\$ 126,625,500</u>
 Residential sewer rates: (a)				
Service charge per residential unit	\$ 18.60	\$ 19.25	\$ 20.00	\$ 20.73
Volume charge per 100 cubic feet of water used (d)	5.22	5.36	5.49	5.62
Commercial and industrial sewer rates:				
Service charge per account	18.60	19.25	20.00	20.73
Volume charge per 100 cubic feet of water used	6.48	6.65	6.81	6.96

Sources: McMinnville Water & Light Department and City of McMinnville Engineering Department

- (a) Sewer rates are applied to water consumption amounts to derive sewer revenue.
- (b) Commercial sewer customers that do not have irrigation systems are billed according to actual water usage for all months.
- (c) Commercial sewer customers that have irrigation systems are billed according to actual water usage during the winter months (December - March) and are billed on the previous winter's monthly average water consumption or actual water usage, whichever is less, during the remaining months (April - November).
- (d) Residential sewer customers are billed according to actual water usage during the winter months (December - March). The remaining months (April - November) sewer charges are based on the previous winter's monthly average water consumption or actual water usage whichever is less.
- (e) Water consumption continues to decrease due to various factors including conservation measures and rate increases.

**Fiscal Year Ended June 30,**

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 75,446,000	\$ 78,915,000	\$ 77,790,200	\$ 77,702,000	\$ 78,576,700	\$ 78,565,100
44,991,500	47,846,400	44,217,400	41,653,900	44,918,700	40,996,500
5,458,100	5,041,800	5,504,100	5,614,000	5,872,000	5,872,000
<u>\$ 125,895,600</u>	<u>\$ 131,803,200</u>	<u>\$ 127,511,700</u>	<u>\$ 124,969,900</u>	<u>\$ 129,367,400</u>	<u>\$ 125,433,600</u>

\$ 22.38	\$ 22.38	\$ 22.38	\$ 23.16	\$ 23.97	\$ 24.57
6.07	6.07	6.07	6.28	6.50	6.66
22.38	22.38	22.38	23.16	23.97	24.57
7.51	7.51	7.51	7.77	8.05	8.25

**City of McMinnville, Oregon**  
**Number of Sewer Connections by Customer Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Residential	General Service & Commercial	Total
2016	12,121	1,083	13,204
2017	12,493	1,113	13,606
2018	12,770	1,151	13,921
2019	12,869	1,158	14,027
2020	13,267	1,152	14,419
2021	13,697	1,172	14,869
2022	13,784	1,166	14,950
2023	13,868	1,174	15,042
2024	14,151	1,208	15,359
2025	14,433	1,205	15,638

Source: McMinnville Water & Light Department

**City of McMinnville, Oregon**  
**Sewer Rates**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Residential		Commercial & Industrial		Total Sewer and Septage Charges	Annual Growth
	Monthly Base Rate	Rate per Additional 100 cubic feet	Monthly Base Rate	Rate per Additional 100 cubic feet		
2016	18.60	5.22	18.60	6.48	9,166,543	(0.00)
2017	19.25	5.36	19.25	6.65	9,287,932	1.32
2018	20.00	5.49	20.00	6.81	9,764,579	5.13
2019	20.73	5.62	20.73	6.96	10,290,558	5.19
2020	22.38	6.07	22.38	7.51	10,366,710	1.85
2021	22.38	6.07	22.38	7.51	10,925,886	5.39
2022	22.38	6.07	22.38	7.51	10,805,702	(1.10)
2023	23.16	6.28	23.16	7.77	11,082,642	2.56
2024	23.97	6.50	23.97	8.05	11,458,679	3.39
2025	24.57	6.66	24.57	8.25	12,010,893	4.82

Source: City of McMinnville Engineering Department

Note: Sewer rates are set by City Council taking into consideration the City's Sewer Mater Plan which provides recommendations for future operational and capital needs. In 2015, City Council adopted the updated Wastewater System Financial Plan which continues the City's policy of moderate annual rate increases.

**City of McMinnville, Oregon**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Obligation Bonds	Less Amount Available in Debt Service Fund (a)	Net General Obligation Bonded Debt	Percentage of Estimated Real Market Value (b)	Per Capita (c)	Other Full Faith & Credit Bank Loan
2016	30,333,129	1,850,000	28,483,129	0.91	853	-
2017	27,761,049	1,228,000	26,533,049	0.78	788	2,573,102
2018	33,216,319	1,268,000	31,948,319	0.86	945	2,417,345
2019	30,363,737	1,474,640	28,889,097	0.74	851	2,230,680
2020	25,085,000	1,109,475	23,975,525	0.57	696	2,572,980
2021	22,360,000	1,083,600	21,276,400	0.46	627	4,332,910
2022	19,650,000	408,575	19,241,425	0.38	564	3,767,752
2023	17,465,000	358,750	17,106,250	0.28	492	3,181,239
2024	16,407,815	301,475	16,106,340	0.24	463	2,584,056
2025	13,753,865	592,889	13,160,976	0.20	378	995,459

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements (Note III. J).

- (a) Amount of fund balance restricted for principal payments.
- (b) See Schedule of Assessed and Estimated Actual Value of Property for estimated real market value data.
- (c) See Schedule of Demographic and Economic Statistics for population data.
- (d) Includes general bonded debt, other governmental activities debt, and business-type activities debt.
- (e) See Schedule of Demographic and Economic Statistics for personal income data.
- (f) In FY2022-23, the Oregon Department of Transportation's OTIB loan program is funding an additional \$3,622,000 in borrowing capacity for the Newberg-Dundee Bypass project. None of that has yet been drawn down so it is excluded from debt totals

<u>Governmental Activities Debt</u>			<u>Business-Type Activities</u>			<u>Total Primary Government (d)</u>	<u>Percentage of Personal Income (e)</u>	<u>Per Capita (c)</u>
<u>Notes Payable (f)</u>	<u>Leases Payable</u>	<u>SBITAs Payable</u>	<u>Full Faith &amp; Credit Bank Loan</u>	<u>Leases Payable</u>	<u>SBITAs Payable</u>			
3,221,241	-	-	-	-	-	33,554,370	2.51	1,004
5,563,799	-	-	-	-	-	35,897,950	2.45	1,066
5,297,484	105,333	-	952,758	-	-	41,989,239	2.71	1,242
4,960,241	74,621	-	895,092	-	-	38,524,371	2.39	1,135
5,401,554	370,282	-	817,167	-	-	34,246,983	2.11	994
5,013,839	285,647	-	186,473	-	-	32,178,869	1.86	948
4,624,784	196,952	-	162,733	-	-	28,402,221	1.49	833
4,229,780	371,636	637,957	135,627	5,264	72,361	26,098,864	1.33	751
3,304,662	290,645	1,234,960	117,499	3,478	58,068	24,001,183	1.11	690
2,999,592	243,747	1,157,397	86,561	1,672	44,198	19,282,491	-	554

**City of McMinnville, Oregon**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2025**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
<b>Direct:</b>			
General obligation bonded debt - City	\$ 13,753,865	100.00 %	\$ 13,753,865
Other governmental activities debt - City	5,396,195	100.00 %	5,396,195
Total direct debt (b)			<u>19,150,060</u>
<b>Overlapping:</b>			
General obligation bonded debt:			
Chemeketa Community College	7,520,000	7.19	540,688
McMinnville School District No. 40	86,705,000	76.07	65,956,494
Other governmental activities debt:			
Chemeketa Community College	71,780,000	7.19	5,160,982
Willamette Education Service District	12,241,362	6.55	801,809
Yamhill County	22,094,853	28.11	6,210,863
McMinnville School District No. 40	12,225,000	76.07	<u>9,299,558</u>
Total overlapping debt			<u>87,970,393</u>
Total direct and overlapping debt			<u>\$ 107,120,453</u>

Source: Oregon State Treasury Debt Management Division

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (a) The percentage of overlapping debt applicable is estimated using estimated real market values. Applicable percentages were estimated by determining the portion of another governmental unit's estimated real market value within the City's boundaries and dividing it by each governmental unit's total estimated real market value.
- (b) Disclosure notes regarding long-term liabilities include value of compensated absences. Total direct debt in this table does not, thus the total is different by this amount.
- |                                  |           |
|----------------------------------|-----------|
| Governmental compensated absence | 1,607,628 |
|----------------------------------|-----------|

**City of McMinnville, Oregon**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Type of Business	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2016		
		Number of Employees	Percentage	Rank	Number of Employees	Percentage	Rank
McMinnville School District #40	Education	806	5.06 %	1	740	4.69 %	1
Yamhill County	County government	693	4.35	2	480	3.04	3
Willamette Valley Medical Center, LLC	Health care	584	3.67	3	496	3.15	2
Linfield University (Previously Linfield College)	Higher education - liberal arts	549	3.45	4	413	2.62	4
Express Professionals	Temp agency	376	2.36	5	300	1.90	7
Cascade Steel Rolling Mills, Inc	Steel production	373	2.34	6	395	2.50	5
EMPWR Nutrician (a)	Snack manufacturer	311	1.95	7	233	1.48	8
City of McMinnville	City government	287	1.80	8	203	1.29	9
Parker-Meggitt (Previously Meggit Polymer)	Sealing solutions manufacturing	238	1.49	9	315	2.00	6
Wal-Mart Stores, Inc.	Retail merchandise	188	1.18	10	119	0.75	
Oregon Mutual Insurance Company	Insurance products and services	119	0.75		190	1.20	10
Total principal employers		4,524	28.41		3,884	24.63	
All other employers (estimated)		11,399	71.59		11,886	75.37	
Total		15,923	100.00 %		15,770	100.00 %	

Sources: McMinnville Economic Development Partnership. Total employees is provided by Worksource Oregon Employment

(a) EMPWR acquired Noble Foods Nutrition Inc. which acquired the co-packing activities of Betty Lou's, Inc in Co-packing activities continue uninterrupted at the McMinnville facility, and all products manufactured under the Betty Lou's array of brands are now manufactured at a new facility located in McMinnville under the continued ownership of

**City of McMinnville, Oregon**  
**Legal Debt Margin Calculation**  
**Last Ten Fiscal Years**

	<b>Fiscal Year Ended June 30,</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Total estimated real market value	\$ 3,119,905,725	\$ 3,418,882,530	\$ 3,722,887,719	\$ 3,930,001,020
Debt limitation:				
3% of estimated real market value	93,597,172	102,566,476	111,686,632	117,900,031
Debt applicable to limitation:				
Total general obligation bonded debt	27,055,000	24,765,000	30,275,000	27,720,000
Less amount available for payment of general obligation principal	<u>(2,290,000)</u>	<u>(1,228,300)</u>	<u>(1,267,785)</u>	<u>(1,474,640)</u>
Net debt applicable to limitation	<u>24,765,000</u>	<u>23,536,700</u>	<u>29,007,215</u>	<u>26,245,360</u>
Total remaining debt limit	<u>\$ 68,832,172</u>	<u>\$ 79,029,776</u>	<u>\$ 82,679,417</u>	<u>\$ 91,654,671</u>
Total net debt applicable to limitation as a percentage of debt limit	26.46%	22.95%	25.97%	22.26%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 4,191,800,158	\$ 4,617,331,941	\$ 5,072,516,303	\$ 6,155,627,480	\$ 6,751,155,853	\$ 6,565,304,396
125,754,005	138,519,958	152,175,489	184,668,824	202,534,676	196,959,132
25,085,000	22,360,000	19,650,000	17,465,000	16,407,815	13,753,865
<u>(1,109,475)</u>	<u>(1,083,600)</u>	<u>(408,575)</u>	<u>(358,750)</u>	<u>(301,475)</u>	<u>(592,889)</u>
<u>23,975,525</u>	<u>21,276,400</u>	<u>19,241,425</u>	<u>17,106,250</u>	<u>16,106,340</u>	<u>13,160,976</u>
<u>\$ 101,778,480</u>	<u>\$ 117,243,558</u>	<u>\$ 132,934,064</u>	<u>\$ 167,562,574</u>	<u>\$ 186,428,336</u>	<u>\$ 183,798,156</u>
19.07%	15.36%	12.64%	9.26%	7.95%	6.68%

**City of McMinnville, Oregon**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Population (c)	Personal Income (a)	Per Capita Personal Income (b)	School Enrollment	Unemployment Rate
2016	33,405	1,335,331,470	39,974	6,794	5.1
2017	33,665	1,465,875,095	43,543	6,778	4.5
2018	33,810	1,550,053,260	45,846	6,764	3.1
2019	33,930	1,611,471,420	47,494	6,752	3.9
2020	34,447	1,624,210,497	47,151	6,342	11.1
2021	33,946	1,732,196,488	51,028	6,433	5.3
2022	34,099	1,902,792,398	55,802	6,429	3.6
2023	34,734	1,964,659,242	56,563	6,429	3.7
2024	34,774	2,155,083,876	61,974	6,419	3.8
2025	34,818	(d)	(d)	6,293	5.4

Sources: Population information is provided by Portland State University certified yearly estimates. The current fiscal year population is based on the preliminary Oregon population estimate. Per capita personal income is from Federal Reserve Economic Data. School enrollment is provided by McMinnville School District No. 40, adjusted from the preliminary estimate in the current year to official count in the following year. Unemployment numbers are provided by the Bureau of Labor Statistics.

- (a) Personal income is calculated using population and per capita personal income figures.
- (b) Per capital personal income figures are for Yamhill County in total, not just the City of McMinnville.
- (c) Revised population estimates for 2020 through 2023 in the report issued Nov 2024 have been updated in this table
- (d) Information is not yet available for 2025

**City of McMinnville, Oregon**  
**Construction Activity**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Commercial and Industrial (a)		Residential (b)	
	Number of Permits	Value	Number of Permits	Value
2016	124	8,342,488	197	29,861,929
2017	160	53,721,846	148	17,227,703
2018	144	67,534,920	168	25,020,298
2019	120	31,043,637	170	55,509,974
2020	99	19,675,592	225	61,702,997
2021	86	38,078,824	123	26,045,607
2022	83	34,000,293	180	47,520,686
2023	116	21,073,770	145	43,033,396
2024	96	44,101,485	113	53,298,505
2025	88	65,574,641	47	39,984,375

Source: City of McMinnville Building Division

- (a) Commercial, industrial, schools, churches, and public buildings; including additions and major repairs.
- (b) Manufactured, single family, duplex homes; and multiple family units. Including additions and major repairs.

**City of McMinnville, Oregon**  
**Full-Time Equivalent Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>Fiscal Year Ended June 30,</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Primary government:</b>						
Governmental activities:						
General government	14.11	14.65	14.78	15.70	13.80	13.16
Community development (a) (d)	10.54	11.25	11.57	15.92	21.35	18.91
Public safety:						
Police:						
Sworn	37.00	41.00	41.00	43.00	43.66	43.66
Non-sworn	12.73	13.73	13.73	13.72	13.72	13.72
Fire (b) (c)	14.75	15.40	15.57	16.88	43.77	44.22
Highways and streets	8.71	7.07	8.82	9.01	9.76	9.93
Airport	-	-	-	-	-	-
Culture and recreation:						
Parks and recreation:						
Full-time	17.00	17.85	15.00	17.95	19.45	20.05
Part-time	27.00	27.59	30.44	28.03	28.03	30.92
Library	15.45	15.31	15.42	15.84	16.78	17.20
Total governmental activities	<u>157.29</u>	<u>163.85</u>	<u>166.33</u>	<u>176.05</u>	<u>210.32</u>	<u>211.77</u>
Business-type activities:						
Wastewater	21.46	20.50	21.37	21.34	21.34	21.85
Ambulance (b) (c)	22.95	25.02	25.02	25.89	-	-
Building (a)	3.25	3.75	3.75	5.00	-	-
Total business-type activities	<u>47.66</u>	<u>49.27</u>	<u>50.14</u>	<u>52.23</u>	<u>21.34</u>	<u>21.85</u>
<b>Total primary government</b>	<u><u>204.95</u></u>	<u><u>213.12</u></u>	<u><u>216.47</u></u>	<u><u>228.28</u></u>	<u><u>231.66</u></u>	<u><u>233.62</u></u>

Source: City of McMinnville Adopted Budgets

- (a) In fiscal year 2019-20, the Building fund was changed to a Special Revenue Fund and employment FTE is now included under Community development in the Governmental activities section.
- (b) In fiscal year 2019-20, the Ambulance fund was moved into the General Fund under Fire department and the employment FTE is now included under Fire in the Governmental activities section.
- (c) July 1, 2024 the McMinnville Fire District was formed. All Fire and Ambulance operations transitioned to the District, the new independent local government entity.
- (d) In fiscal year 2023-24 Affordable Housing was added to Community Development.

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
17.14	16.99	19.45	16.40
19.41	19.41	20.08	20.58
43.66	43.66	43.66	43.66
13.07	13.11	13.11	12.76
50.18	50.18	-	-
10.04	10.04	9.90	9.97
-	0.50	0.50	0.50
19.20	19.20	19.45	19.45
17.50	17.13	17.14	18.88
18.18	18.18	16.84	17.31
<u>208.38</u>	<u>208.40</u>	<u>160.13</u>	<u>159.51</u>
21.96	21.96	23.15	23.10
-	-	-	-
-	-	-	-
<u>21.96</u>	<u>21.96</u>	<u>23.15</u>	<u>23.10</u>
<u>230.34</u>	<u>230.36</u>	<u>183.28</u>	<u>182.61</u>

**City of McMinnville, Oregon**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Primary government:</b>				
Police:				
Calls for service (a)	29,059	33,342	36,284	34,043
Crimes: (a)				
Part I Crimes Against Persons	998	1,130	1,321	983
Part II Crimes Against Property	2,014	2,075	2,387	2,352
Part III Behavioral Crimes	1,317	1,290	1,237	1,124
Total crimes	<u>4,329</u>	<u>4,495</u>	<u>4,945</u>	<u>4,459</u>
Traffic crashes	373	268	355	281
Traffic citations/warnings	6,038	10,852	11,384	9,195
Fire:(g)				
Self fire inspections conducted	-	-	-	-
On-site fire inspections conducted (d)	375	300	577	612
Fire responses	866	817	967	1,008
Fire/rescue responses	3,024	3,018	2,989	2,699
Level of insurance service	Class 3	Class 3	Class 3	Class 3
Parks and recreation: (d)				
Aquatic center attendance:				
General recreation programs	85,715	77,399	62,723	61,682
Fitness classes	25,790	23,377	23,876	26,050
Swim instruction	15,333	13,604	13,523	13,230
School district #40 programs	7,263	7,350	6,108	6,070
Rental attendance	12,608	13,804	14,058	14,550
Total attendance	<u>146,709</u>	<u>135,534</u>	<u>120,288</u>	<u>121,582</u>

**Fiscal Year Ended June 30,**

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
31,200	31,727	32,137	31,867	31,697	(g)
1,020	967	1,091	904	675	(g)
2,559	2,466	2,342	2,181	2,154	(g)
942	1,260	1,165	973	935	(g)
<u>4,521</u>	<u>4,693</u>	<u>4,598</u>	<u>4,058</u>	<u>3,764</u>	
242	322	330	315	367	(g)
4,095	4,197	3,035	3,528	3,348	(g)
-	-	-	-	(f)	(f)
357	325	367	161	(f)	(f)
1,497	1,534	1,458	904	(f)	(f)
1,777	1,857	1,937	1,763	(f)	(f)
Class 3	Class 3	Class 3	Class 3	(f)	(f)
40,962	14,845	27,943	57,702	54,021	47,395
18,329	2,004	7,623	9,771	12,183	12,688
8,984	1,714	5,169	7,329	9,096	9,465
3,893	-	2,053	5,037	5,316	5,630
9,502	9,092	9,160	8,347	7,278	5,399
<u>81,670</u>	<u>27,655</u>	<u>51,948</u>	<u>88,186</u>	<u>87,894</u>	<u>80,577</u>

**City of McMinnville, Oregon**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Community center and recreation programs:				
Facility reservations	1,848	2,796	2,595	2,992
Children's programs (children per session):				
Kids on the block (after school) (f)	447	407	373	295
STARS (summer) (f)	65	71	75	76
Community Center Programs (per year) (b)				
Youth Programs (f)	2,144	3,313	4,091	4,071
Adult Programs	392	423	392	238
Community Center Drop-In Participants (d)	5,941	7,215	9,026	7,379
Community Center / Library Programs				
Summer Fun				
Participants				
Programs				
Recreational sports:				
Soccer:				
Participants	1,606	1,634	1,555	1,439
Teams	155	158	150	142
Matches	780	731	748	683
Baseball/softball:				
Participants	1,100	950	978	1,096
Teams	97	78	82	93
Games	513	427	437	568
Other sports:				
Participants	615	571	492	532
Games/matches	333	305	254	297
Senior center:				
Attendance	28,558	30,866	33,400	34,006
Facility rentals	212	190	175	177
Senior meals served (e)	23,164	24,801	24,818	27,291
Day trips taken	18	11	10	11
Day trip attendance	249	153	131	153
Overnight trips taken	8	5	2	-
Overnight trip attendance	18	10	5	-
Park maintenance:				
Picnic reservations (a)	160	179	180	138
Library:				
Items circulated	384,347	371,872	360,300	374,451
Items in collections / resources	152,121	160,363	162,807	168,595
Service hours per week (d)	45	45	45	50

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
2,184	141	902	2,684	2,832	2,731
271	-	-	-	-	-
28	38	38	-	-	-
2,626	999	2,047	2,833	3,346	3,981
227	83	259	174	195	312
6,080	36	2,424	4,705	5,030	13,302
		3,921	8,976	5,003	7,452
		90	171	134	143
755	821	1,349	1,633	1,867	1,874
70	88	120	136	141	145
352	320	476	544	564	581
-	708	878	829	976	940
-	54	69	72	74	77
-	227	280	306	315	326
514	-	420	517	545	607
257	-	109	229	227	261
22,561	1,867	5,711	10,917	17,323	24,471
119	2	28	108	161	175
4,690	-	-	-	-	-
6	-	-	-	3	-
93	-	-	-	75	-
1	-	-	-	1	3
2	-	-	-	1	3
85	-	39	112	121	145
349,347	318,249	323,062	358,103	353,353	380,766
222,060	230,218	217,618	232,094	241,558	242,914
50	35	35	44	44	39

**City of McMinnville, Oregon**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Public Works:</b>				
Building division:				
Building permits issued	261	250	358	349
Plumbing permits issued	233	227	246	238
Mechanical permits issued	301	309	310	302
Demolition permits issued	10	15	17	4
Fire life safety permits issued	37	43	49	28
Miscellaneous permits issued	56	43	67	52
Manufactured home permits issued	15	5	5	5
Total permits issued	913	892	1,052	978
<b>Wastewater Services:</b>				
Daily average treatment in gallons	3,310,000	2,758,000	2,735,000	4,160,000
Service connections:				
Residential	12,121	12,493	12,770	12,869
General services/commercial	1,083	1,113	1,151	1,158
<b>Ambulance:(g)</b>				
Emergency Medical Service (EMS) calls	7,248	7,028	7,000	6,423
EMS patients transported	5,156	5,234	4,902	4,753
<b>Component unit:</b>				
<b>Water and light:</b>				
Water system:				
Daily average consumption in gallons	4,800,000	4,300,000	4,500,000	4,500,000
Service connections:				
Residential	12,238	12,619	12,882	13,021
General services/commercial	1,475	1,479	1,542	1,628
Electric system:				
Type	public power	public power	public power	public power
Service connections:				
Residential	13,616	13,807	13,909	14,084
General services/small industrial	2,293	2,224	2,247	2,254
Large industrial	2	2	2	2

Source: City of McMinnville departments

- (a) Calendar year
- (b) Beginning in 2016, the Community Center started tracking programs for youth, adults and general drop-in participants.
- (c) Beginning in 2017-18, the Community Center started hosting the Senior Center Fitness program and classes.
- (d) During fiscal years 2019-21, the affects of COVID-19 impacted some programs and services including on-site fire inspections and most parks and recreation programs.

2020	2021	2022	2023	2024	2025
349	238	289	291	221	150
296	303	336	249	264	287
388	517	533	525	455	322
7	11	1	5	7	9
25	46	54	64	51	53
50	60	66	34	60	52
7	5	4	8	3	8
<u>1,122</u>	<u>1,180</u>	<u>1,283</u>	<u>1,176</u>	<u>1,061</u>	<u>881</u>
2,830,000	2,800,000	3,140,000	2,850,000	2,770,000	2,840,000
13,267	13,697	13,784	13,868	14,151	14,433
1,152	1,172	1,166	1,174	1,208	1,205
6,296	7,337	7,781	7,891	-	-
4,440	4,873	4,811	5,188	-	-
3,900,000	4,500,000	4,700,000	4,800,000	4,700,000	4,800,000
13,268	13,702	13,929	13,997	14,286	14,552
1,592	1,701	1,685	1,724	1,752	1,771
public power					
14,560	14,733	14,849	15,029	15,254	15,388
2,282	2,321	2,322	2,377	2,387	2,420
2	2	2	2	2	2

- (e) The Senior Center café closed down during the COVID-19 pandemic. After buildings re-opened the cost of running the café could not be sufficiently offset by meal charges so it was closed.
- (f) Afterschool programming transferred to school district. STARS summer programming changed and summer activities are now included in Youth Program data.
- (f) The McMinnville Fire District formed in FY2023-24 and its operations ended for the City.
- (g) Information for 2025 is not available

**City of McMinnville, Oregon**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Functions/Programs	2016	2017	2018	2019
<b>Primary government:</b>				
General government:				
Computers - desktops and laptops (c) (d)	285	291	290	290
Computers - physical servers	12	12	12	12
Police:				
Station	1	1	1	1
Off-site evidence facility	1	1	1	1
Training facility	1	1	1	1
Patrol units	15	15	15	16
Command vehicle	2	2	2	1
Motorcycles	2	2	2	2
Surveillance trailer				
Fire: (d)				
Stations	2	2	2	2
Training facility	1	1	1	1
Vehicles	16	16	16	16
Highways and streets:				
Miles of streets	104	104	105	107
Miles of storm drain sewers	77	78	79	83
Number of street lights	2,679	2,697	2,719	2,762
Parks and recreation:				
Aquatic center	1	1	1	1
Community center	1	1	1	1
Senior citizen center	1	1	1	1
Parks:				
Neighborhood parks	3	3	3	4
Community parks	5	5	5	5
Linear park	2	2	2	2
Mini parks and play lots	7	7	7	7
Nature parks	2	2	2	2
Special use park	1	1	1	1
Greenway/greenspaces	15	15	15	15
Park system acreage	357	357	357	357
Tennis courts (a)	4	4	2	2
Pickleball courts (a)	-	-	6	6
Baseball/softball fields	11	11	11	11
Soccer fields	11	11	11	11
Outdoor basketball courts	8	8	8	8
Skate parks	2	2	2	2
Library:				
Facility	1	1	1	1
Bookmobile	1	1	1	1

**Fiscal Year Ended June 30,**

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
327	329	323	325	269	246
11	8	8	8	7	7
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
16	17	17	17	17	17
1	1	1	1	1	1
2	2	2	2	2	2
				1	1
2	2	2	2	-	
1	1	1	1	-	
16	16	16	16	-	
108	108	109	110	111	111
84	85	86	87	87	88
2,816	2,841	2,946	2,959	2,989	2,989
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
5	5	5	5	5	5
2	2	2	2	2	2
7	7	7	7	7	7
2	2	2	2	2	2
1	1	1	1	1	1
15	15	15	15	15	15
357	357	357	357	357	357
2	2	2	2	2	2
6	6	6	6	6	6
11	11	11	11	11	11
11	11	11	11	11	11
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1

**City of McMinnville, Oregon**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Functions/Programs	2016	2017	2018	2019
<b>Primary government (continued):</b>				
Airport:				
Runways	2	2	2	2
Runway 04/22: 100 ft x 5420 ft with 1,000 ft asphalt stopway (b)				
Runway 17/35: 75 ft x 4394 ft				
Connecting taxiways	2	2	2	2
Automated weather station	1	1	1	1
Instrument landing system (ILS)	1	1	1	1
Precision approach path indicator (PAPI)	2	2	1	1
City owned hangars:				
Maintenance	2	2	2	2
Rental	27	27	27	27
Land leased hangars:				
Private	84	84	84	84
Corporate	2	2	2	2
Wastewater Services:				
Treatment plant	1	1	1	1
Maximum daily capacity of treatment plant in gallons	5,600,000	6,100,000	6,100,000	6,100,000
Miles of sanitary sewers	155	156	157	157
Ambulance:				
Vehicles	6	7	7	6
<b>Component unit:</b>				
Water and light:				
Water system:				
Maximum daily capacity of plant in gallons	22,000,000	22,000,000	22,000,000	22,000,000
Watershed storage in billions of gallons	3.5	3.5	3.5	3.5
Miles of water mains	177	177	178	179
Fire hydrants	1,061	1,068	1,068	1,106
Electric system:				
Substations	7	7	7	7
Miles of distribution	329	332	331	333

Source: City of McMinnville departments

- (a) In fiscal year 2017-18, six pickleball courts replaced two tennis courts in lower city park.  
(b) During fiscal years 2016-17 and 2017-18 a rehabilitation project of Runway 04/22 took place. The runway's dimensions prior to 2016-17 was 150 ft x 5420 ft with a 1,000 ft asphalt stopway.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
27	27	27	27	27
84	84	84	84	84
3	3	3	3	3
1	1	1	1	1
6,100,000	6,100,000	6,100,000	6,100,000	6,100,000
157	157	162	162	164
6	6	6	6	-
22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
3.5	3.5	3.5	3.5	3.5
181	183	184	185	186
1,115	1,127	1,132	1,150	1,171
7	7	7	7	7
330	332	334	339	336

- (c) During the COVID-19 pandemic, mobile workstations were added to the I equipment stock. Gradually the lap tops are replacing desk top workstatio
- (d) The McMinnville Fire District formed in FY2023-24 and its capital equipt and buildings were transferred to MFD.

n/a - not available

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor, City Council, and Audit Committee  
City of McMinnville, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of McMinnville, Oregon as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of McMinnville, Oregon’s basic financial statements, and have issued our report thereon dated December 26, 2025. Our report includes a reference to other auditors who audited the financial statements of the following discretely presented component unit McMinnville Water & Light Department, as described in our report on the City of McMinnville, Oregon’s financial statements. The financial statements of McMinnville Water & Light Department audited by other auditors were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the discretely presented component unit or that are reported on separately by those auditors who audited the financial statement of McMinnville Water & Light.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of McMinnville, Oregon’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of McMinnville, Oregon’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of McMinnville, Oregon’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of McMinnville, Oregon’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tonya Moffitt, Partner  
For Merina+Co  
Tualatin, Oregon  
December 26, 2025

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *OREGON STATE REGULATION***

The Honorable Mayor, City Council, and Audit Committee  
City of McMinnville, Oregon

We have audited the basic financial statements of City of McMinnville, Oregon, as of and for the year ended June 30, 2025 and have issued our report thereon dated December 26, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the following discretely presented component unit McMinnville Water & Light Department, as described in our report on the City of McMinnville, Oregon's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Compliance**

As part of obtaining reasonable assurance about whether City of McMinnville, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes (ORS) as specified in the Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we consider necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows.

Expenditures in the following fund exceeded appropriations for the year ended June 30, 2025:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
General Fund	Non-Departmental	\$ 17,863

**Report On Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of McMinnville, Oregon’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of McMinnville, Oregon’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of McMinnville, Oregon’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tonya Moffitt, Partner  
 For Merina+Co  
 Tualatin, Oregon  
 December 26, 2025