

**CITY OF MCMINNVILLE, OREGON**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
June 30, 2006

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Internal</u>
	<u>Wastewater</u>	<u>Ambulance</u>	<u>Total</u>	<u>Service</u>
				<u>Funds</u>
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$ 11,417,619	\$ 397,689	\$ 11,815,308	\$ 446,733
Receivables, net of allowance for uncollectibles	477,861	265,621	743,482	252
Due from component unit	564,441	-	564,441	-
Prepays	3,019	890	3,909	27,323
Total current assets	<u>12,462,940</u>	<u>664,200</u>	<u>13,127,140</u>	<u>474,308</u>
Non-current assets:				
Deferred charges	237,864	-	237,864	-
Capital assets:				
Land and construction in progress	1,065,651	-	1,065,651	-
Other capital assets	73,623,241	649,083	74,272,324	1,123,954
Accumulated depreciation	(22,106,415)	(394,683)	(22,501,098)	(460,943)
Net capital assets	<u>52,582,477</u>	<u>254,400</u>	<u>52,836,877</u>	<u>663,011</u>
Total non-current assets	<u>52,820,341</u>	<u>254,400</u>	<u>53,074,741</u>	<u>663,011</u>
Total assets	<u>65,283,281</u>	<u>918,600</u>	<u>66,201,881</u>	<u>1,137,319</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	203,671	12,293	215,964	97,694
Due to component unit	600	-	600	-
Accrued interest payable	399,112	-	399,112	-
Retainage payable	5,925	-	5,925	-
Other liabilities	-	-	-	83,866
Unearned revenue	-	283	283	-
Compensated absences	76,078	77,588	153,666	11,941
Loans payable	384,091	-	384,091	-
Revenue bonds payable	2,100,000	-	2,100,000	-
Total current liabilities	<u>3,169,477</u>	<u>90,164</u>	<u>3,259,641</u>	<u>193,501</u>
Non-current liabilities:				
Loans payable	1,273,181	-	1,273,181	-
Revenue bonds payable, net of unamortized premium and deferred amount on refunding	18,365,249	-	18,365,249	-
Total non-current liabilities	<u>19,638,430</u>	<u>-</u>	<u>19,638,430</u>	<u>-</u>
Total liabilities	<u>22,807,907</u>	<u>90,164</u>	<u>22,898,071</u>	<u>193,501</u>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	30,459,956	254,400	30,714,356	663,011
Unrestricted	12,015,418	574,036	12,589,454	280,807
Total net assets	<u>\$ 42,475,374</u>	<u>\$ 828,436</u>	<u>43,303,810</u>	<u>\$ 943,818</u>
<b>DEDUCT:</b>				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(299,446)	
Total net assets, business-type activities			<u>\$ 43,004,364</u>	

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

**CITY OF MCMINNVILLE, OREGON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2006**

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Internal</u>
	<u>Wastewater</u>	<u>Ambulance</u>	<u>Total</u>	<u>Service</u>
				<u>Funds</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 7,236,461	\$ 1,709,501	\$ 8,945,962	\$ 2,594,581
Miscellaneous	-	-	-	70,135
Total operating revenues	<u>7,236,461</u>	<u>1,709,501</u>	<u>8,945,962</u>	<u>2,664,716</u>
<b>OPERATING EXPENSES:</b>				
Personal services	1,274,942	1,726,844	3,001,786	331,004
Materials and services	1,228,289	311,768	1,540,057	2,435,107
Depreciation	<u>2,257,843</u>	<u>56,537</u>	<u>2,314,380</u>	<u>98,533</u>
Total operating expenses	<u>4,761,074</u>	<u>2,095,149</u>	<u>6,856,223</u>	<u>2,864,644</u>
Operating income (loss)	<u>2,475,387</u>	<u>(385,648)</u>	<u>2,089,739</u>	<u>(199,928)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment earnings	405,537	19,490	425,027	20,263
Interest expense, net of capitalized interest	(1,074,803)	-	(1,074,803)	-
Amortization of debt premiums and issuance costs	125,392	-	125,392	-
Development charges and fees	1,106,547	-	1,106,547	-
Other revenue	33,509	18,004	51,513	-
Loss on disposal of assets	<u>(37,075)</u>	<u>-</u>	<u>(37,075)</u>	<u>(2,356)</u>
Total non-operating revenues (expenses)	<u>559,107</u>	<u>37,494</u>	<u>596,601</u>	<u>17,907</u>
Income (loss) before contributions and transfers	<u>3,034,494</u>	<u>(348,154)</u>	<u>2,686,340</u>	<u>(182,021)</u>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Capital contributions	865,871	-	865,871	267,266
Transfers from other funds	66,760	564,962	631,722	253,695
Transfers to other funds	<u>(445,327)</u>	<u>(405,242)</u>	<u>(850,569)</u>	<u>(76,434)</u>
Total contributions and transfers	<u>487,304</u>	<u>159,720</u>	<u>647,024</u>	<u>444,527</u>
Change in net assets	3,521,798	(188,434)	3,333,364	262,506
<b>NET ASSETS - beginning</b>	<u>38,953,576</u>	<u>1,016,870</u>		<u>681,312</u>
<b>NET ASSETS - ending</b>	<u>\$ 42,475,374</u>	<u>\$ 828,436</u>		<u>\$ 943,818</u>
<b>DEDUCT:</b>				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(45,980)</u>	
Change in net assets, business-type activities			<u>\$ 3,287,384</u>	

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

**CITY OF MCMINNVILLE, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2006

	Business-Type Activities			Governmental Activities
	Enterprise Funds			Internal Service Funds
	Wastewater	Ambulance	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 7,260,914	\$ 1,707,358	\$ 8,968,272	\$ 97,966
Receipts from interfund services provided	-	-	-	2,496,615
Other operating receipts	32,359	16,896	49,255	-
Payments to suppliers	(926,520)	(266,788)	(1,193,308)	(2,541,538)
Payments to employees	(1,122,558)	(1,509,952)	(2,632,510)	(315,116)
Payments for interfund services used	(300,942)	(279,117)	(580,059)	(24,108)
Net cash from operating activities	<u>4,943,253</u>	<u>(331,603)</u>	<u>4,611,650</u>	<u>(286,181)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds	66,760	564,962	631,722	246,116
Transfers to other funds	(445,327)	(405,242)	(850,569)	(76,434)
Net cash from non-capital financing activities	<u>(378,567)</u>	<u>159,720</u>	<u>(218,847)</u>	<u>169,682</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Additions to capital assets	(404,947)	-	(404,947)	(82,255)
Interest paid on capital debt	(1,042,278)	-	(1,042,278)	-
Principal paid on capital debt	(2,365,895)	-	(2,365,895)	-
Development charges and fees	1,106,547	-	1,106,547	-
Net cash from capital and related financing activities	<u>(2,706,573)</u>	<u>-</u>	<u>(2,706,573)</u>	<u>(82,255)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	405,537	19,490	425,027	20,263
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,263,650	(152,393)	2,111,257	(178,491)
<b>CASH AND CASH EQUIVALENTS - beginning</b>	9,153,969	550,082	9,704,051	625,224
<b>CASH AND CASH EQUIVALENTS - ending</b>	<u>\$ 11,417,619</u>	<u>\$ 397,689</u>	<u>\$ 11,815,308</u>	<u>\$ 446,733</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 2,475,387	\$ (385,648)	\$ 2,089,739	\$ (199,928)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	2,257,843	56,537	2,314,380	98,533
Other revenues	33,509	18,004	51,513	-
Change in current assets and liabilities:				
Receivables	21,056	(2,143)	18,913	2,821
Due from component unit	3,397	-	3,397	-
Prepays	11,522	(787)	10,735	(14,494)
Accounts payable	141,372	(16,787)	124,585	15,777
Retainage payable	5,925	-	5,925	-
Accrued payroll and other payroll liabilities	-	-	-	(112,153)
Compensated absences	(5,608)	329	(5,279)	(6,320)
Other liabilities	(1,150)	-	(1,150)	(70,417)
Unearned revenue	-	(1,108)	(1,108)	-
Net cash from operating activities	<u>\$ 4,943,253</u>	<u>\$ (331,603)</u>	<u>\$ 4,611,650</u>	<u>\$ (286,181)</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Capital assets transferred from other funds	\$ -	\$ -	\$ -	\$ 7,579
Capital asset contributions from developers and Yamhill County	865,871	-	865,871	267,266

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

