



for a



CITY OF ALBANY, OREGON

Annual Comprehensive Financial Report

Fiscal Year ended June 30, 2021





City of Albany, Oregon

Annual Comprehensive Financial Report

for the Fiscal Year Ended

June 30, 2021

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Peter Troeddson, City Manager

Jeanna Yeager, Finance Director

Prepared by:

The Finance Department

City of Albany, Oregon



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INTRODUCTORY SECTION





INTRODUCTORY

City of Albany, Oregon

333 Broadalbin Street SW

Albany, OR 97321

www.cityofalbany.net

COUNCIL MEMBERS

Ward	Mayor and Councilors	Years of Service	Term Expires
	Alex Johnson II, Mayor	2	December 31, 2022
Ward 1	Dick Olsen	23	December 31, 2022
Ward 1	Matilda Novak	1	December 31, 2024
Ward 2	Stacey Bartholomew	1	December 31, 2022
Ward 2	Ray Kopczynski	9	December 31, 2024
Ward 3	Bessie Johnson	19	December 31, 2022
Ward 3	Marilyn Smith	1	December 31, 2024

CITY ADMINISTRATIVE STAFF

City Manager Peter Troedsson
 Community Development Director Matthew Ruetters
 Finance Director Jeanna Yeager
 Fire Chief Shane Wooton
 Human Resources Director Holly Roten
 Information Technology Director Sean Park
 Library Director Eric Ikenouye
 Parks & Recreation Director Kim Lyddane
 Police Chief Marcia Harnden
 Public Works Director Chris Bailey

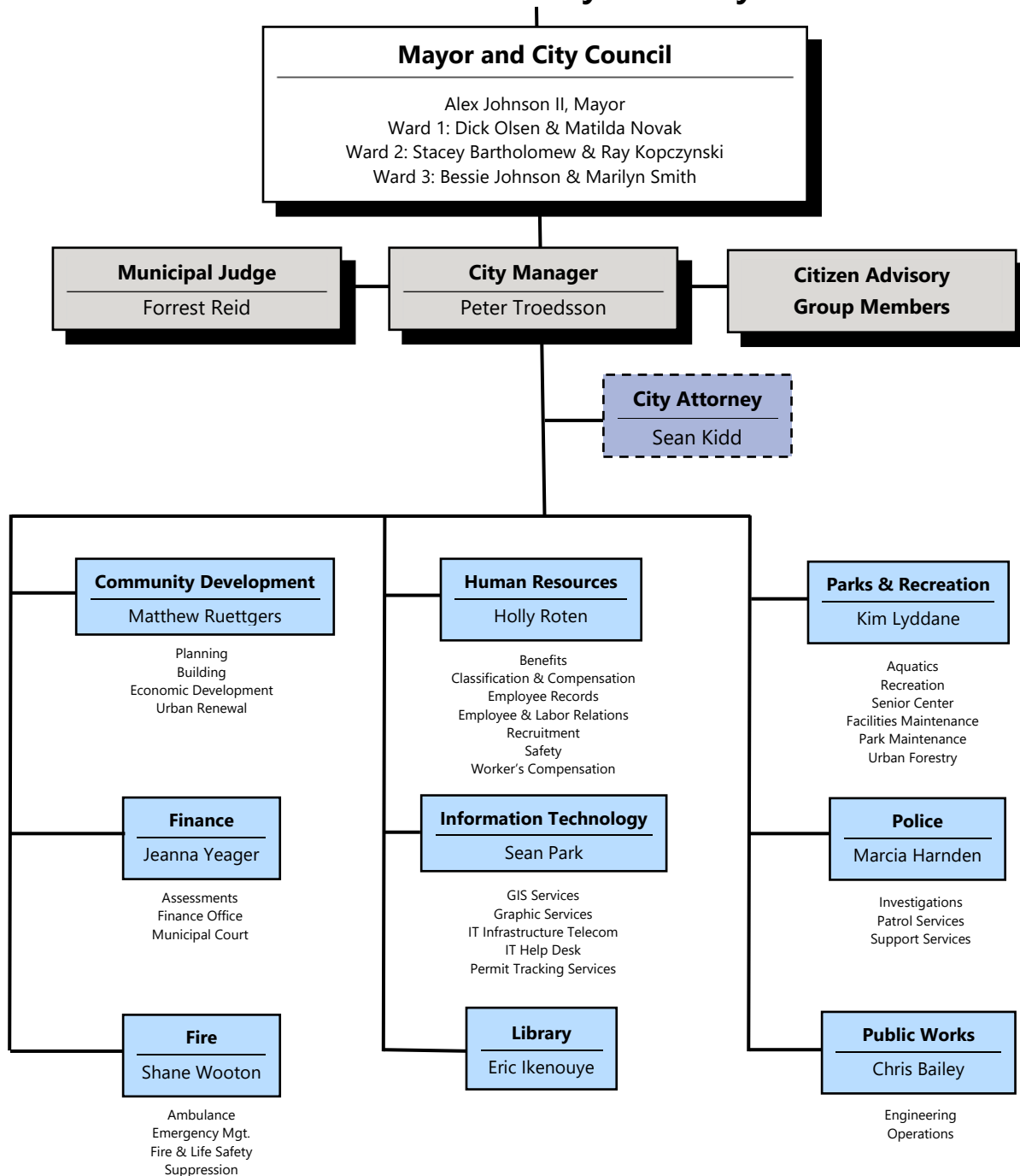
PRINCIPAL FINANCE STAFF

Finance Director Jeanna Yeager
 Finance Manager J.C. Rowley
 Senior Accountant Brett Tieszen



CITYWIDE ORGANIZATIONAL CHART

Citizens of the City of Albany





LETTER OF TRANSMITTAL

January 28, 2022

Honorable Mayor Alex Johnson II
Members of the Albany City Council
Citizens of the City of Albany
City of Albany, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. Thus, we are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Albany, Oregon (City), for the fiscal year ended June 30, 2021, together with the unqualified opinion therein of our independent certified public accountants, Boldt Carlisle Smith, a division of SingerLewak.

Management has full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for that purpose. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In their audit, it is the responsibility of the independent accountants to express an opinion of the fairness of the basic financial statements. The independent accountants have attested to the fairness of the basic financial statements with an unmodified opinion as presented in the Report of Independent Accountants.

The Governmental Accounting Standards Board (GASB) requires 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, beginning on page 25.

ABOUT ALBANY, OREGON

Albany is located in the heart of the Willamette Valley 40 miles north of Eugene, the state's second largest city, and 24 miles south of Salem, the state capital. With a 2021 population of 54,935 Albany is the state's 11th largest city. The city's boundaries span Linn and Benton counties with a population of 46,635 in Linn County and 8,300 in Benton County. It is the county seat and largest city in Linn County and the second largest city in Benton County.

Population:

Year	City of Albany	Linn County	Benton County
1980 Census	26,678	89,495	68,211
1990 Census	29,540	91,227	70,811
2000 Census	40,010	103,069	78,153
2010 Census	50,710	111,355	87,000
2020 Census	56,472	128,610	95,184

The City was founded in 1848, incorporated in 1864, and adopted its first charter in 1891. A directly elected nonpartisan mayor with a two-year term leads the seven-member city council. Six city councilors from three different wards are each elected to four-year overlapping terms. A full-time city manager administers the affairs of the City for the council and supervises a staff of nine department directors overseeing 409 regular employees.

The Albany community takes special pride in four historic districts within the city that are listed on the National Register for Historic Places. In 1984 and 1985, the "Albany Community" was awarded the All-American City Award for its volunteer efforts by its citizens. The community has more than 240 volunteer groups.

ECONOMIC OUTLOOK AND CONDITION

The Willamette Mid-Valley work source region, in which Albany is located, includes Linn, Marion, Polk and Yamhill counties and has a diverse economic base. The four largest industries by employment are manufacturing, health care, transportation, and agriculture.

Oregon State University in nearby Corvallis, as well as Samaritan Health Services and ATI Wah Chang in Albany, employ over 16,100 people. The development of the U. S. Bureau of Mines in Albany in the 1940s led to the growth of a significant rare metals industry in the Albany area. Today, Albany is known as the "Rare Metals Capital of the World" due to the production volume of specialized metals. Manufacturing firms, such as ATI Wah Chang (estimated 1,650 full-time employees), create specialized products for aerospace, super conductivity, fiber optics, nuclear energy generation, and photography.

The Willamette Valley is one of the ten most productive agricultural areas of the world. The production, processing, and packaging of locally grown grass seeds, vegetable seeds, beans, corn, peas, strawberries, and many other crops continue to play a primary role in the strength of the Albany economy. Area food product manufacturers include unique freeze-drying operations as well as conventional freezing of seafood and produce.

Although employment is rebounding, statistics published by the Oregon Employment Department show that as of June 30, 2021, the unemployment rates for Linn and Benton counties were 6.3 percent and 4.4 percent, respectively. These rates were 10.8 percent and 8.6 percent as of June 30, 2020. State forecasts predict the economy will return to pre-COVID levels by mid-2023.

A factor in measuring the economic condition of a community is its overall real market value. For properties within the city, the real market value increased 10 percent from \$6.15 billion to \$6.77 billion in the last fiscal year.

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In May 2016, Albany voters approved the Public Safety Operating Levy effective July 1, 2016 with its final year in 2021. This five-year, \$1.15/1000 of assessed valuation special levy made approximately \$4.63 million available for public safety purposes in the year ended June 30, 2021.

MAJOR INITIATIVES

Strategic Plan

The city council reviews the Strategic Plan on an annual basis to reaffirm direction and priorities for the coming year. Each year, the review focuses on what has been accomplished in the previous year and what can realistically be achieved over the next five years. All goals include actions that clearly demonstrate the City's progress toward completing them.

Communications

Our communications footprint is comprised of direct outreach through social media outlets, email, City websites, print and direct-mail, in-person engagement events where possible, and emergency messaging. We maintain relationships with area reporters. With reduced staffing levels and budget constraints, staff has worked to find efficiencies where possible and a balance in presenting accurate, helpful information to all community members.

The City's websites are the foundation of our communications efforts. In FY2020-2021, the City websites served over 1,740,000 external pageviews, representing an increase of about 40% over last year. Three events contributed greatly to this yearly total: the start of two major wildfire complexes nearby on Labor Day weekend 2020, the COVID-19 pause in November 2020, and in May 2021, information we published about COVID-19 business assistance. Compared to the previous period, we are seeing a 67% increase in pageviews and a 69% decrease in bounce rate. Bounce rate is the number of single page views with no interaction on the page. It is reasonable to conclude with a decreasing bounce rate that we are doing a better job of holding viewers' attention and leading them to related content. We continue to improve our navigation, mobile-first design approach, and accessibility features.

Social media connects with a portion of our residents who are not consuming more traditional media outlets. The City maintains nine Facebook pages, two Twitter accounts, five Instagram accounts, one LinkedIn account, one NextDoor account, and a YouTube channel. This content is archived using a third-party service, ArchiveSocial, in accordance with public records law.

The main City of Albany Facebook page has a follower count of 6,264, a modest, but expected 7% percent increase in the last year that mirrors Facebook's decline in active users and market saturation in the United States. The City's Instagram page has 1,836 followers, an increase of 12% percent in the last year.

City Bridges, the City's monthly electronic newsletter digest of social media posts was put on hold due to staff resource limitations. Many community members reached out with positive but understanding comments about the publishing hiatus. With additional staffing, plans are underway to resurrect the email newsletter once a sustainable method of populating email addresses from other City systems into the opt-out mailing list system can be worked out.

Everbridge is a service that provides emergency messaging through voice, email, and text messaging. Previously, the City used a service called Nixle, which is owned by Everbridge. In the spring of 2021, the City was invited to participate in the rollout of OR-Alert, a statewide emergency alerting platform built on Everbridge. Joined by Linn and Benton Counties (LB Alert) and the City of Corvallis, Albany gained access to the more powerful features of Everbridge (such as phone voice messaging) at a net savings to Albany residents as the State is paying for the Everbridge contract. The City was able to save approximately \$6,000

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in charges for the previous Nixle service. The existing 7,673 Nixle subscribers were imported into the new Everbridge system and the City gained access to the 32,190 email, cell, and landline contacts that were in the LB Alert database located within the urban growth boundary of Albany.

A significant investment was made at the end of 2020 using CARES Act funds to replace the aging equipment in City Council Chambers to facilitate hybrid meetings. City Council was able to use this technology to conduct five meetings using the new hybrid capabilities until a resurgence in COVID-19 cases in the state led to Council returning to remote-only meetings. The improved live streams of City Council meetings on Facebook and YouTube continue to see an increase in viewership and engagement compared to the pre-COVID period. The stream is now in high-definition which helps viewers see items being shared and contains live automated transcription which is helpful for those with hearing challenges.

Public Safety

The Fire Department responded to over 10,000 calls in FY 2020-2021. Of those, 87 percent were medical related. There was a significant increase in the number of responses partly due to a rise of interfacility transfers and patients with COVID-19. The Department will continue to be on the front line of the pandemic.

Partnership with the City of Millersburg continues on the development of a permanent Station 15. Construction began in early 2021 and should be completed in Spring 2022. In 2022, Albany Fire will begin providing ambulance service to Millersburg after a change to the Ambulance Service Area (ASA) was approved by Linn County in June 2021. The increase to service is not expected to exceed current resources.

All portable radios were replaced in 2021 and the Department is working with other Linn County fire agencies towards updates to the aged and failing regional communications system. A study was conducted to identify shortfalls in the system and to provide mitigation strategies and costs to move forward on replacing it. Tentative approval was received by Linn County for state ARPA funding to complete this work.

Municipal Court

Court was completely closed to the public for 2.5 months of this last year and for 8.5 months only open for court sessions. Court was able to go back to only morning sessions in March 2021 and then was able to open the front counter to the public again in June 2021. The front counter hours were modified to 12 pm – 4 pm Mon - Fri, so there is no overlap with the court sessions to help limit the number of people in the building. To come into the courtroom defendants must have an appointment and wear a face covering. After each court session all tables, chairs and PIN pads are sanitized.

Court moved to a new online and phone payment vendor, that syncs with the current software and greatly reduced the cost to the defendants. Court also added a virtual court module and are currently offering this option to first appearances on traffic violations.

Court started a mental health court program in July 2020. To date there have been 35 participants, with 17 who have successfully completed the program.

The City saw a 25 percent decrease in the number of citations filed (mostly in traffic citations), but a 10 percent increase in the amount of revenue collected.

Parks and Recreation

COVID-19 continued to impact operations of the Parks & Recreation Department. Staffing and supply shortages provided challenges for delivering programs and services as the state began to reopen. COOL! Pool opened and both the River Rhythms and Summer Sounds concert series ran for the first time since 2019. Unfortunately, the Northwest Art & Air Festival was cancelled due to a COVID-19 surge statewide and updates to mask mandates. Staff work to rebuild programs as the community adjusts to continued life during a pandemic. The Riverfront Community Center, formerly the Albany Senior Center, will open in early 2022. The revamped facility received renovations during the closure to welcome a larger segment of the population, increase revenue opportunities, and decrease chances for COVID-19 spread.

The new Master Plan was adopted by City Council in January 2021. Work has already begun on Five-year initiatives including the divestment of the North Pointe Property and Hazelwood Park. The ADA Transition Plan initiative will be completed in 2021 and 2022. The Department was fortunate to receive \$200,000 in ARPA Funds to invest in ADA infrastructure improvements identified in the transition Plan. A revised SDC methodology will go back to City Council in the fall when all City SDC methodologies will be reviewed.

The passing of the City Services Fee allows the Department to restore one River Rhythms concert annually and to begin to address the five million dollar differed maintenance backlog across parks, paths, and facilities. Anticipated projects include playground replacements, new roofs, improved sidewalks, paths, and park amenities. The department will continue to apply for grant funds to support programming and infrastructure improvements as the economy and community begin to recover from the pandemic.

Library

In 2021, The Albany Public Library staff worked hard to represent their values in everything they do.

- **Service** – Jump up and serve at every opportunity to respond to the needs of our patrons and the Albany community.
- **Respect** – See all people as individuals and treat staff and patrons with dignity.
- **Diversity** – Celebrate and respect the many backgrounds and cultures that make up our community and reflect them in our collections and services.
- **Privacy** – Defend your right to explore, learn, and read anonymously.
- **Access** – Remove barriers in order to provide resources and services to the community widely and equitably.
- **Fun** – Take play, discovery, joy, and humor seriously.

This year the library was able to reopen to the public. While the doors were reopened, staff maintained curbside services for patrons not yet ready to enter the library. While not back to pre-pandemic operating hours, the library is open five days a week at the Main Library and four days a week at the Carnegie Library.

Most programming for adults and children remained virtual, with storytimes and books clubs happening online. Patrons of all ages were provided with a wide variety of take-home kits, with topics like rainbows (kids), crafts like air plants (teens), and candleholders (adults). Hundreds of kits were distributed to the community. Contributions from the Rotary Club of Albany allowed the library to provide kits for the kids.

The library's partnership with the Mid-Valley STEM-CTE Hub bore tremendous fruit this year as there is now a wonderful Maker Space in the kid's area. This space includes a 3D printer and Legos, sewing machines, and various mind-stimulating activities. The grand opening for the Maker Space will likely be early in 2022. The Hub also provided the library with kits to take out to events and share with other county libraries.

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The summer reading was a tremendous success. Staff set a goal for the citizens of Albany to read over 4 million minutes during the summer, and that goal was achieved. 2,437 readers contributed to this goal, which is 800 more readers than the previous summer. Like previous years much of the funding for summer reading comes from grants. This year GAPS contributed to the summer reading program allowing the library to provide more incentives for our participants.

Staff continued with outreach to Spanish-speaking patrons through events (Día De Los Muertos) and partnerships with GAPS and the Linn/Benton County Hispanic Advisory Committee.

The Scharpf Foundation contributed very generously to the library, allowing covering many of the costs associated with COVID and increasing our materials fund.

Building

The Building Division processed permits with over \$100 million permit valuation from a wide variety of new construction and building alterations in fiscal year 2020-2021:

- New and altered commercial buildings accounted for \$49.5 million, approximately 48 percent of the total permit valuation for fiscal year 2020-2021.
- New one-two family dwelling units and manufactured homes accounted for \$53.6 million, approximately 52 percent of the total permit value for fiscal year 2020-2021.
- For FY 2020-2021, the division processed applications for 108 new apartment units.
- For FY 2020-2021, the division processed 146 applications for new single-family-homes/duplexes and manufactured homes units.
- The average permit value per dwelling unit of new residences increased from \$245,407 in 2019-2020 to \$285,319 in 2020-2021.
- 2426 other miscellaneous permits not specifically based on value were processed in fiscal year 2019- 2020.
- There were 8,586 scheduled inspections scheduled in fiscal year 2020-2021 compared to 10,042 in 2019-2020.

The Building Division is continuing to enhance the abilities for customer to make applications for all permits through the City's online permit systems. These enhancements are reducing the need for customers to take time off work or drive to City Hall to apply for permits. The division is in the process of combining the permitting system and the plan review system. This project will create a one system approach for the customers to allow them to apply, upload plans, and pay the plan review fee as part of the application. Further enhancement should be implemented in fiscal year 2021-2022.

Planning

The Planning Division implements the Albany Development Code and supports the planning, landmarks, and community development commissions. It administers the City's Community Development Block Grant, Certified Local Government historic preservation grant, and floodplain management programs.

Major initiatives for FY 2020-2021 include:

- Current Planning: Reviewed 122 land use applications and held 87 pre-application conferences in FY 2020-2021. Staff also continued work with long range planning staff to identify code amendments intended to provide more certainty, flexibility, and timely reviews for the development community while still achieving desired outcomes for implementing community visions.
- Long Range: Staff worked with consultants, the planning commission and council on amendments to the Albany Development Code (ADC) to address priorities identified in the 2017 ADC audit including clear and objective standards for housing and subdivisions, updating the design

standards, and evaluating nonconforming situations standards. Staff spent substantial time working with consultants and the public on amendments to the ADC and Comprehensive Plan to comply with Oregon House Bill 2001 and Senate Bill 458. These amendments will be adopted in late 2021. The East Albany Plan project got underway and will continue through 2022. Staff is working with the Council to appoint a Housing Affordability task force and applied for funding to prepare a housing implementation plan, which will evaluate and provide potential solutions to making housing more affordable for Albany residents.

- Community Development Block Grant (CDBG): In FY 2020-2021, the City received an annual allocation of \$375,290 in CDBG funding from the Department of Housing and Urban Development to address community development needs of low- and moderate income residents. The City received two additional CARES Act CDBG allocations totaling \$470,164 to prevent, prepare for and respond to COVID-19. CDBG funds provided services to more than 5,000 low and moderate-income Albany individuals and households with the following programs: housing rehabilitation, rental housing assistance, small business assistance, emergency shelter and case management, childcare and youth services, healthy food boxes, beds and furniture, child abuse prevention, and senior companions for elderly shut-ins.
- Certified Local Government (CLG): The Certified Local Government (CLG) grant program is funded by a Federal apportionment to Oregon through the National Park Service. The funds may be used for projects promoting historic preservation including documentation, designation, and rehabilitation of historic properties, planning, review and compliance, and public education. The grant cycle is 17 months. The 2020-2021 CLG grant began in April 2020 and will conclude in September 2021. The grant allocation was \$12,000. CLG funds were used for structural and seismic evaluation of the landmark Post Office building (old City Hall) as preparation for future renovation interest. CLG funds were also used for public educational activities and events during historic preservation month and for scanning all historic property photos and slides.
- Floodplain Management: Reviewed 8 Flood Plain related permit projects and multiple reviews of Building Permits for potential flood plain impacts or required permitting. Staff continues to manage a floodplain program which currently maintains a Community Rating System (CRS) Class 5 Rating. This means flood insurance rates for structures in the floodplain will remain discounted up to 25 percent during the next rating cycle.

Utility Billing

The Public Works Department updated the five-year rate plans for the sewer, water, and stormwater utilities for use by the City Council when considering utility rate adjustments. This comprehensive look at the rate requirements is an important tool for the City Council to use and also serves to help inform Albany citizens about rates and utility needs. Utility Billing staff continued implementation of a billing software upgrade anticipated to be completed in 2022.

Engineering

The City's Engineering team initiated design and construction efforts on approximately \$10.3 million in public infrastructure projects in FY 2021. Key improvement projects include:

- Design and construction of street, storm, water, and accessibility improvement on 24th Avenue between Jackson Street and Geary Street.
- Design and construction of street, storm, water, and accessibility improvements on Davidson Street between 14th and 16th Avenues
- Design and construction of improvements to replace approximately 2,500 feet of sewer mains using trenchless technologies at various locations selected using a system-wide condition assessment

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- Construction of dewatering and composting improvements to treat solids at the Albany-Millersburg Water Reclamation Facility

In addition to design and construction of capital projects, staff started work on a project to complete a self-evaluation to identify barriers to accessibility in the right-of-way, and a transition plan to address identified barriers. Staff reviews and process permits in support of the Erosion Prevention and Sediment Control and Stormwater programs, and for the private construction of public improvements. Staff completed approximately 70 development reviews and issued approximately 1,000 permits during FY 2021. The City's stormwater master plan was updated during FY 2021. The new plan, last updated in 1988, reflects current stormwater management practices, the current level of development within the community, and current regulatory requirements.

Information Technology

I.T. staff worked on the following projects during FY 2021:

- Accela upgrades (permits and inspections)
- City services fee project management, data analysis, and implementation
- Council chambers audio/video upgrades
- Court:
 - Phone payments implementation
 - Online payments upgrade
 - Virtual court implementation
- Cybersecurity:
 - Completed internal and cloud security audit
 - Completed annual NCSR (nationwide cybersecurity review)
 - Formed a CSIRT (computer security incident response team)
 - Implemented enterprise multifactor authentication
 - Intrusion detection system testing
 - Laserfiche reconfiguration (document management system)
 - Management network configuration
 - Enterprise anti-ransomware software upgrade
 - VPN infrastructure upgrade
- Deployed 200+ new all-in-ones PCs to remote workforce
- Docusign implementation
- Environmental services water data analysis RFP and vendor selection
- Fire radio upgrade study
- File sharing system deployment (file transfer for internal and external customers)
- Infohub upgrades (interactive online map tool that provides property tax assessment and neighborhood information)
- Integrated Library System (ILS) upgrade
- IT training room PC upgrades
- Personnel cost tracking dashboards
- Police dispatch radio console RFP and vendor selection
- Provided user support on 5000+ helpdesk tickets
- Transit dispatch system RFP and vendor selection
- Transparency portal data mapping & testing (Munis)
- Utility billing data conversion (Munis)
- Utility billing phone payments testing (Munis)
- Utility billing online payment portal testing (Munis)
- Utility billing remits testing (Munis)

Human Resources

The Human Resources Department received and processed 1,549 applications for 51 recruitments. The department processed 188 applications for state and/or federal family medical leave. The department processed 502 Personnel Action Forms* and reviewed 31 position-related requests. These include requests for reclassification, establishing a new classification, reviewing a position's compensation, and increasing or decreasing a position's FTE. Human Resources worked with departments to process 30 COVID-related telecommuting agreements and 27 alternate work schedules. The department also began negotiations with the Albany Fire Union.

Finance

For the reporting year, the City produced its second biennial budget. The utility billing module of the City's enterprise resource system is slated for completion in FY 2021-2022. Even after modules are implemented, continued work and post-go-live maintenance will be necessary to gain efficiencies as the City transitions operations to coincide with the new financial system process and workflows.

The City was recognized by the Government Finance Officers Association for receiving the Distinguished Budget Presentation Award. Due to time constraints and understaffing issues, the City was not able to apply for either the Certificate of Achievement for Excellence in Financial Reporting or the Award for Outstanding Achievement in Popular Annual Financial Reporting for Fiscal 2020.

FINANCIAL INFORMATION

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management. To assure that credible and timely information is prepared in the most efficient manner possible, accounting policies, procedures, and systems, together with related internal controls, are monitored and reviewed when necessary to meet changing requirements.

Financial and Accounting Policies

This report is prepared in conformance with the guidelines for financial reporting developed by Government Finance Officers Association and the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the City as of June 30, 2021, the results of operations of such funds, and cash flow of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

During FY 2020-2021, the City utilized a total of 20 funds, of which 15 are governmental fund types and 5 are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General, Special Revenue, Debt Service, Capital Project, and Permanent). The accrual basis is used for the proprietary fund types (Enterprise and Internal Service).

Risk Management

The City is responsible not only for ensuring the provision of basic, affordable public services, but also for protecting its capital assets, property, and employees. This protection is the insurance purchased according to the risk management policy, which is reviewed and updated every fiscal year. As part of the annual review, the city council sets the parameters for the departments' responsibilities, retention and transfer of risk, allocation of insurance to departments, and accident and loss reporting. For further details concerning risk management, see the notes to the financial statements.

Cash Management

The City's investment transactions are governed by a written investment policy. This policy, like the risk management policy, is reviewed annually by the city council and periodically by the Oregon Short-Term Fund Board. The policy regulates the City's investment objectives, diversification, limitations, and reporting requirements. The City contracts with Government Portfolio Advisors, LLC for advice on the management of its investment portfolio. Additional cash and investment information is included in the notes to the financial statements.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Boldt Carlisle Smith, a division of SingerLewak, performed the audit for the fiscal year ended June 30, 2021. This audit is conducted in accordance with generally accepted accounting standards, Government Auditing Standards, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State. The auditor must determine whether the City followed generally accepted accounting and reporting principles.

Acknowledgements

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the Finance Department and the certified public accountants of Boldt Carlisle Smith, a division of SingerLewak. Each has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the Albany City Council, preparation of this report would not have been possible.

Respectfully submitted,



Jeanna Yeager
Finance Director



J.C. Rowley
Finance Manager



Brett Tieszen
Senior Accountant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Albany
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Mayor and Members
of the City Council
City of Albany
Albany, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Parks and Recreation, Risk Management and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability, Contributions, Proportionate Share of the Net Other Postemployment Benefit Liability (Asset), Other Postemployment Benefit Contributions and Changes in the City's Total Other Postemployment Benefit Liability and Related Ratios on pages 31 – 42 and 107 – 111 be presented to supplement the basic financial statements. Such information, 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements and individual fund schedules, statistical section, and the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and individual fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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, the combining financial statements and individual fund schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mayor and Members
of the City Council
City of Albany
Independent Auditor's Report

Other Information (continued)

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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 January 27, 2022, on our consideration of the City'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'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 the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 27, 2022, on our consideration of the City'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.

Singer Lewak LLP

January 27, 2022

By:



Bradley G. Bingenheimer, CPA, Partner





MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Albany, Oregon (the City) for the fiscal year ended June 30, 2021. Information in the MD&A is based on currently known facts, decisions, and conditions. We encourage readers to review and consider the information here in conjunction with the transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year by \$318.6 million (net position). As shown on Table 1, \$14.4 million is unrestricted and may be used to meet the City's ongoing obligations and pay for daily operations. This reflects an increase of \$9.0 million from fiscal year 2020-21.

The City's liabilities and deferred inflows totaled \$192.8 million at fiscal year-end. This increase of \$12.2 million from the prior year is due mainly to an increase of \$15.3 million in actuarially-determined net pension liabilities.

The City's governmental funds reported combined ending fund balance of \$53.3 million increased \$10.0 million from fiscal year 2019-20. Of the combined ending governmental fund balance, \$5.0 million is available for spending at the City's discretion subject to Council-approved policies (assigned and unassigned fund balances).

The unassigned fund balance for the General Fund was \$4.8 million, or 11.5% of total General Fund expenditures.

Overview of the Financial Statements

The Basic Financial Statements and Supplementary Information are presented using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The Basic Financial Statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

The Basic Financial Statements present financial information about the City as a whole and about its activities. Following the Basic Financial Statements are Required Supplementary Information and Other Supplementary Information, which provide budgetary comparisons for each fund. Finally, completing the document is a series of other financial and statistical schedules and the compliance section. All financial statements are presented in whole dollars. Actual amounts may vary due to rounding.

Government-wide Financial Statements

The government-wide financial statements are designed to present the financial picture of the City in a manner similar to a private-sector business, i.e. from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities reports all revenues when earned and expenses when incurred regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave). Since the focus of the Statement of Activities is to present the major program costs, matching major resources with each, it will summarize and simplify the user's analysis in determining the extent to which programs are self-supporting and/or subsidized by general revenues.

Both government-wide financial statements distinguish programs/functions of the City that are governmental (principally supported by taxes and intergovernmental revenues) from those that are business-type (intended to recover all or a significant portion of their costs through user fees and charges). Governmental activities of the City are categorized as follows:

- *General government* – includes administration and financial services, information technology, municipal court, facility management, community development, building inspections, and economic development activities, management, and other general functions not separately identified as a program.
- *Public safety* – includes police, fire, and emergency medical services.
- *Streets and highways* – includes the City's street maintenance operations, and street and local improvement construction.
- *Culture and recreation* – includes the City's parks and recreation activities, as well as library activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate urban renewal district, known as the Albany Revitalization Agency (ARA), for which the City is financially accountable and which functions for all practical purposes as a department of the City. Financial information for this blended component unit has been included as an integral part of the primary government.

Business-type activities include the following:

- Water
- Sanitary Sewer
- Stormwater

The government-wide financial statements can be found on pages 43-45 of this report.

Fund Financial Statements

Following the government-wide statements is a section containing 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 fund financial statements include statements for governmental funds and proprietary funds. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental Funds are used for essentially the same functions as governmental activities in the government-wide financial statements. Governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting. 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. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions.

The following reconciliations are provided to facilitate a comparison between governmental funds as reported in the fund financial statements and governmental activities as reported in the government-wide financial statements:

- A reconciliation of the fund balance reported in the governmental funds Balance Sheet to the net position reported on the government-wide Statement of Net Position, and
- A reconciliation of the change in fund balances reported in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the change in net position reported in the government-wide Statement of Activities.

The City maintains 16 governmental funds. Information is presented separately on the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General, Parks and Recreation, Risk Management, Streets, and Capital Projects Funds, all of which are considered major governmental funds. Financial information for the remaining nonmajor governmental funds is combined into a single aggregated presentation. Combining statements and budgetary comparisons for governmental and business-type funds can be found starting on page 113 of this report.

Proprietary Funds

Proprietary funds are used to account for activities supported by user charges and where the emphasis is on the sufficiency of revenues to cover expenses. There are two types of proprietary funds: enterprise funds and internal service funds. The basic proprietary fund financial statements can be found on pages 54-56 of this report.

An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses two internal service funds: Central Services and Public Works Services. Programs within the Central Services are City Council, City Manager's Office, Finance, Human Resources, Information Technology, Geographic Information Services, Permit Tracking, and Building Maintenance. The Central Services Fund, which predominantly benefits governmental functions, has been included with the governmental activities in the government-wide financial statements.

Public Works Administration, Operations, Engineering Services, Water Quality Control Services, Public Works Customer Services, and Facilities and Maintenance Engineering are programs in the Public Works Services Fund. The Public Works Services Fund, which predominantly benefits business-type functions, has been included with the business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found starting on page 54.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic financial statements). Information such as significant accounting policies and detail of certain assets, liabilities, and deferred inflows/outflows are included in the notes, which should be read in conjunction with the basic financial statements. The notes to the financial statements can be found on pages 57-106 of this report.

Required Supplementary Information

The Governmental Accounting Standards Board requires the presentation of historical schedules relating to the City's net pension liability and its liability for other postemployment benefits.

Supplementary Data

The combining statements, referred to earlier in connection with nonmajor governmental funds, can be found starting on page 113.

Statistical Information

The City would like to direct the reader's attention to the Statistical Section, starting on page 147, for additional information about the City, including graphs, tables, and analysis of current and historical information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section discusses and analyzes significant changes from the prior fiscal year in the government-wide financials.

Analysis of Net Position

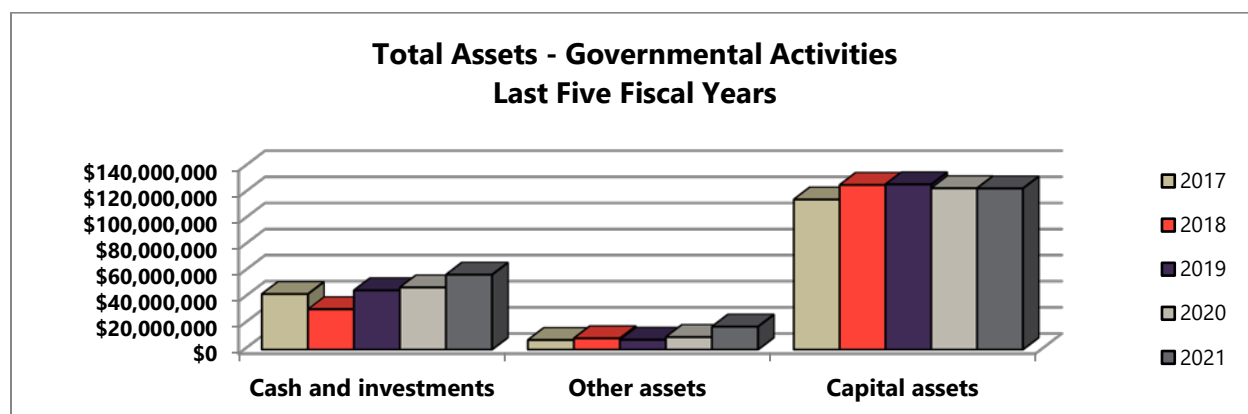
As previously mentioned, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$318.6 million at June 30, 2021, an increase of \$15.5 million from the prior year. The following is a condensed statement of net position and an analysis of the change in the City's financial position from the previous year.

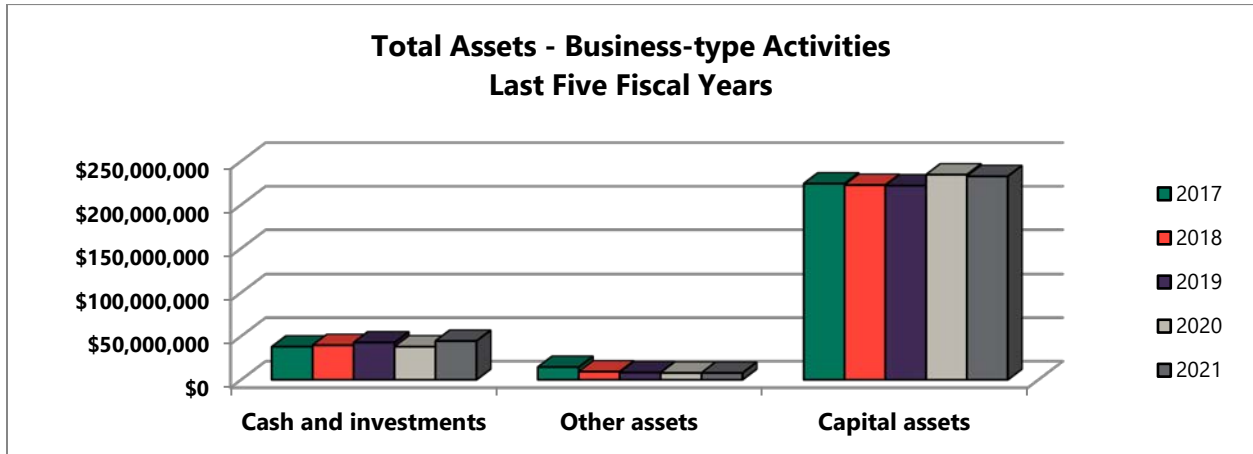
Table 1 – Net Position Summary
Governmental and Business-type Activities
For the Years Ended June 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Cash and investments	\$ 57,342,998	\$ 47,576,186	\$ 44,458,428	\$ 37,912,773	\$ 101,801,426	\$ 85,488,959
Other assets	18,593,060	9,601,354	7,825,133	7,832,874	26,418,193	17,434,228
Capital assets	123,391,126	123,550,857	232,828,457	234,561,488	356,219,583	358,112,345
Total assets	199,327,184	180,728,397	285,112,018	280,307,135	484,439,202	461,035,532
Deferred outflows of resources	21,542,242	17,952,429	5,360,127	4,285,471	26,902,369	22,237,900
Other liabilities	6,609,890	6,551,256	2,957,408	3,222,017	9,567,298	9,773,273
Long-term debt outstanding	94,748,653	83,832,979	84,192,322	81,404,325	178,940,975	165,237,304
Total liabilities	101,358,543	90,384,235	87,149,730	84,626,342	188,508,273	175,010,577
Deferred inflows of resources	3,501,612	4,194,714	758,549	962,415	4,260,161	5,157,129
Net position:						
Net investment in capital assets	100,801,064	99,528,799	165,913,777	166,458,509	266,714,841	265,987,308
Restricted	29,540,017	22,292,560	7,959,532	8,269,926	37,499,549	30,562,486
Unrestricted	(14,331,812)	(17,719,482)	28,690,557	24,275,414	14,358,745	6,555,932
Total net position	\$ 116,009,269	\$ 104,101,877	\$ 202,563,866	\$ 199,003,849	\$ 318,573,135	\$ 303,105,726

By far the largest portion of the City's net position (83.7 percent) is the investment in capital assets (land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to its citizens; consequently, the assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt. An additional portion of net position (\$37.5 million or 11.8 percent) represents resources that are subject to restrictions on how they may be used.

Restricted net position increased by \$6.9 million and unrestricted net position increased by \$8.1 million.





Debt increased by \$13.5 million as discussed in further detail in the debt administration section on page 41.

Analysis of Changes in Net Position

The following is a comparison between the June 30, 2021 and 2020 Statement of Activities.

Table 2 – Statement of Activities Summary
Governmental and Business-type Activities
For the Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues						
Charges for services	\$ 19,869,588	\$ 12,661,674	\$ 37,485,105	\$ 34,628,927	\$ 57,354,693	\$ 47,290,601
Grants and contributions:						
Operating	20,720,718	13,362,737	-	-	20,720,718	13,362,737
Capital	1,194,031	1,480,471	1,235,692	1,509,991	2,429,723	2,990,462
General revenues						
Taxes	43,304,037	41,712,028	-	3	43,304,037	41,712,031
Interest	371,937	1,515,966	158,495	1,223,144	530,432	2,739,110
Other	803,522	1,614,436	131,566	282,332	935,088	1,896,768
Total revenues	<u>\$ 86,263,833</u>	<u>\$ 72,347,312</u>	<u>\$ 39,010,858</u>	<u>\$ 37,644,397</u>	<u>\$ 125,274,691</u>	<u>\$ 109,991,709</u>
EXPENSES						
Governmental activities:						
General government	15,148,759	18,940,934	-	-	15,148,759	18,940,934
Public safety	42,960,751	39,337,254	-	-	42,960,751	39,337,254
Highways and streets	6,724,748	8,590,398	-	-	6,724,748	8,590,398
Culture and recreation	10,513,623	11,251,985	-	-	10,513,623	11,251,985
Interest on long-term debt	1,025,268	816,417	-	-	1,025,268	816,417
Business-type activities:						
Water	-	-	14,105,765	13,596,398	14,105,765	13,596,398
Sewer	-	-	16,572,791	15,617,877	16,572,791	15,617,877
Stormwater	-	-	2,785,117	2,520,663	2,785,117	2,520,663
Total expenses	<u>\$ 76,373,149</u>	<u>\$ 78,936,988</u>	<u>\$ 33,463,673</u>	<u>\$ 31,734,938</u>	<u>\$ 109,836,822</u>	<u>\$ 110,671,926</u>
Increase (Decrease) in net position						
before transfers	9,890,684	(6,589,676)	5,547,185	5,909,459	15,437,869	(680,217)
Special Item	-	387,342	-	-	-	387,342
Transfers	2,013,751	1,960,030	(2,013,751)	(1,960,030)	-	-
Increase (Decrease) in net position	11,904,435	(4,242,304)	3,533,434	3,949,429	15,437,869	(292,875)
Beginning net position	104,101,877	108,493,870	199,003,849	195,068,186	303,105,726	303,562,056
Prior period adjustment	2,959	(149,689)	26,583	(13,766)	29,542	(163,455)
Ending net position	<u>\$ 116,009,271</u>	<u>\$ 104,101,877</u>	<u>\$ 202,563,866</u>	<u>\$ 199,003,849</u>	<u>\$ 318,573,137</u>	<u>\$ 303,105,726</u>

Governmental Activities

Governmental activities increased the City's net position by \$11.9 million for the year ended June 30, 2021. Key elements of the increase are as follows:

- Program revenues increased by \$13.8 million. This was largely driven by increases of \$7.2 million in charges for service and \$7.3 million in operating grants and contributions.
 - The increase in charges for service was primarily due to code enforcement assessments, which increased by \$6.5 million from the prior year. These revenues increased due to changes in the fine amounts for code violations. However, the City often allows property owners to settle for a lesser amount in exchange for bringing the property into compliance with the code. Because the program does not have sufficient history to calculate a collection rate and the revenues are legally enforceable liens against the subject properties, they are currently reported at full book value.
 - The biggest drivers of the increase in operating grants and contributions were federal grants, with \$1.3 million in CARES Act funds and \$4.2 million in ARPA funds.
- Taxes and investment income increased \$1.6 million. Property taxes accounted for \$1.2 million, and marijuana, cigarette, and alcohol tax revenues accounted for \$0.2 million of the increase.
- Investment income decreased due to lowered interest rates and market gains in fiscal year 2021 as compared to the prior year.
- Governmental expenses increased by \$2.6 million. An increase of \$3.6 million in public safety due to increased costs in staffing was outweighed by decreases in all other governmental functions due to the COVID-19 pandemic. As an indication of the City's favorable debt position, interest on long-term debt accounted for only 1.3 percent of governmental activity total expenses.

Taxes include property taxes; privilege taxes for natural gas and electricity; and state shared revenues, including state-imposed liquor, marijuana, and cigarette taxes; and City-imposed transient lodging taxes.

Charges for service include franchise fees; ambulance fees; and parks and recreation fees.

Grants and contributions include local rural fire protection districts, City Building Division fees, and transportation SDCs.

General government activities include planning, risk management, community development, economic development, capital projects, administration and financial services, and information technology.

The Public Safety function (police, fire and emergency services, municipal court) generates some revenues, but property taxes and state shared revenues fund the majority of costs.

Highways and streets are funded with intergovernmental revenues (primarily state gas taxes), developer contributions, and SDCs.

Culture and recreation programs, including library and parks and recreation, are funded with property taxes, donations/sponsorships and program revenues.

Business-type Activities

Charges for services accounted for 97% of total business-type revenue in fiscal year 2020-2021 compared to 92% in fiscal year 2019-2020. These include water, sewer, and stormwater charges, as well as charges to the City of Millersburg for their share of the operating and maintenance of both water and wastewater treatment plants.

FUND ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Permanent Funds.

As stated above, the City's governmental funds had combined ending fund balances of \$53.3 million, an increase of \$10.0 million. Some nonmajor governmental fund balances decreased, but by no more than \$0.4 million. These were outweighed by significantly larger increases, including \$4.2 million in the Grants fund due to ARPA dollars received but not spent in fiscal year 2021.

Of the combined ending fund balance of \$53.3 million, \$79.5 thousand was nonspendable in the Library Trust permanent fund; \$27.6 million was restricted by creditors, grantors or by law; \$20.6 million was committed to specific purposes through City Council adopted resolution or ordinance; \$0.2 million was assigned by intent of the City to a specific purpose; and \$4.8 million was unassigned and available for spending by the City within the purposes specified for the City's funds.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$4.8 million, up \$1.7 million from the previous year. The unassigned fund balance represents 11.5% of total General Fund requirements.

The other major governmental funds are the Parks and Recreation Fund, the Risk Management Fund, the Street Fund, and the Capital Projects Fund.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements where the focus is on the sufficiency of revenues to cover expenses. The City's three major proprietary funds are the Water Fund, Sewer Fund, and Stormwater Fund.

The unrestricted net position of the Water Fund at the end of the year was \$14.6 million, an increase of \$3.7 million. Net investment in capital assets decreased by \$1.5 million as \$1.9 million in capital outlay was surpassed by \$3.5 million of depreciation expense. Overall net position increased \$2.2 million to \$83.4 million.

The Sewer Fund's overall net position increased by \$2.4 million to \$125.5 million. Unrestricted net position increased by \$8.1 million largely due to operating income. Net investment in capital assets decreased by \$4.4 million. Capital outlay and depreciation in the sewer fund both totaled \$5.0 million, however, net investment in capital outlay is net of debt and because the capital outlay for the riverfront interceptors was debt-financed it did not contribute to an increase in net investment in capital assets.

Other factors concerning the finances of the proprietary funds can be found in the previous discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget

The budgetary statement for the General Fund, which is located on page 50, shows the original budget, final budget, actual revenues and expenditures, and transfers in and out for the fiscal year ended June 30, 2021. During the 2019-2021 biennial budget cycle, General Fund budgeted resources changed as follows:

- Budgeted resources increased by \$2.7 million. \$0.5 million in Intergovernmental was revenue from the county transient lodging tax pass-through, \$0.5 million was an additional transfers-in from the Public Safety Levy Fund due to unanticipated revenues, and \$1.6 million of grant proceeds originally dedicated to equipment replacement.
- Budgeted expenditures increased by \$2.6 million, including \$0.5 million in Administration from county transient lodging tax pass-through and \$2.0 million in Fire Emergency Services due to higher than anticipated costs in retirement payouts, apparatus maintenance, and overtime to cover on-the-job injuries, sick coverage and Oregon Health Authority requirements due to the pandemic. These increases were partially offset by a \$0.4 million reduction in contingencies.

CAPITAL ASSETS

As of June 30, 2021, the City had \$356,022,169 invested in capital assets as reflected in the table below. Additional information concerning capital assets can be found in the notes to the basic financial statements, starting on page 71.

Table 3 – Capital Assets at Year-end, Net of Depreciation
Governmental and Business-type Activities
For the Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land, land rights, & land improvements	\$ 15,762,102	\$ 15,762,102	\$ 6,404,149	\$ 6,404,149	\$ 22,166,251	\$ 22,166,251
Buildings and improvements	34,163,824	34,548,544	98,421,086	101,749,820	132,584,910	136,298,364
Intangible assets	448,898	488,871	-	-	448,898	488,871
Vehicles and equipment	6,479,355	5,149,987	2,660,602	2,732,983	9,139,957	7,882,970
Infrastructure	60,774,681	61,850,466	119,059,525	110,284,709	179,834,206	172,135,175
Construction in progress	<u>5,762,266</u>	<u>5,750,887</u>	<u>6,085,681</u>	<u>13,389,827</u>	<u>11,847,947</u>	<u>19,140,714</u>
	<u>\$ 123,391,126</u>	<u>\$ 123,550,857</u>	<u>\$ 232,631,043</u>	<u>\$ 234,561,488</u>	<u>\$ 356,022,169</u>	<u>\$ 358,112,345</u>

DEBT ADMINISTRATION

As of June 30, 2021, the City had \$178.9 million in long-term debt, unamortized premiums and discounts, net pension obligations, and other postemployment benefits, an increase of \$13.7 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$1.6 million that are amortized over the life of the associated debt. Debt outstanding by type at year-end is as follows:

Table 4 – Outstanding Debt at Year-end
Governmental and Business-type Activities
For the Years Ended June 30, 2021 and 2020

	June 30, 2021	June 30, 2020
Governmental Activities		
General obligation	\$ 15,260,000	\$ 15,835,000
Limited tax pension	4,150,001	4,610,001
General revenue	-	-
CARA bonds	442,000	863,000
SPWF loan	1,003,293	-
IFA loan	6,827,664	7,321,892
Net pension liability	60,380,851	48,577,164
Other postemployment benefits	3,789,896	3,908,711
Unamortized premium on debt issuance	445,381	477,194
Compensated absences	3,409,656	2,155,609
Capital leases	43,204	84,408
Sub-total	95,751,946	83,832,979
Business-type Activities		
Water revenue	20,275,000	21,415,000
Oregon DEQ State Revolving Fund loan	34,363,779	38,082,103
Wetland Loan	-	86,671
SRF Loan	1,050,000	1,150,000
SRF Loan - RFI	10,109,603	6,160,519
Net pension liability	15,322,668	11,794,197
Other postemployment benefits	1,058,255	1,049,205
Unamortized premium on defeasance	1,116,298	1,208,686
Compensated absences	896,719	457,944
Sub-total	84,192,322	81,404,325
Total	\$ 179,944,268	\$ 165,237,304

The significant changes in long-term debt include an increase of \$15.3 million in actuarially determined net pension liability and proceeds of \$4.0 million for drawdowns of notes payable from the State of Oregon Department of Environmental Quality to fund construction on the riverfront interceptor project. These increases were partially offset by \$7.0 million in scheduled principal payments.

Debt Limitation Ratings

Oregon Revised Statutes 287A.050 provides a limit on general obligation bonded indebtedness in excess of three percent of the real market value of all taxable property within the City. Based on the fiscal year 2020-21 value, the City's debt limitation is \$188.6 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$14.4 million.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 77.

ECONOMIC FACTORS AND OUTLOOK FOR NEXT BIENNIUM

Oregon's unemployment rate was 5.6 percent on June 30, 2021. The unemployment rates for Linn and Benton Counties were 7.9 percent and 6.2 percent, respectively.

To drive down the costs of providing medical insurance coverage, most City employees have moved to a high deductible plan. Required contributions to the Oregon Public Employees Retirement System (PERS) will be calculated at 27 percent of monthly salaries. In preparing the City-wide biennial budget for 2019-2021, the City Finance Department assembled assumptions for the budget as follows: interest income will increase by 1.0 percent and the assessed value of property will increase by 3.0 percent. The Local Option Public Safety Levy for the budget will once again be impacted by property tax compression. The City's permanent tax rate will be \$6.3984/\$1,000 valuation.

The 2019-2021 Budget was prepared in accordance with the City's Strategic Plan (the Plan). As such, the budget becomes the implementing document for the Plan. The four themes of the Plan are Great Neighborhoods, Safe City, Healthy Economy, and Effective Government. Specific goals, objectives, and activities are determined by each department director and incorporated into their budgets to achieve each theme. The Plan is reviewed annually by the City Council.

Staff continues to work with the City Council to address community priorities while maintaining the financial health of our organization and being good stewards of the public funds that are entrusted to us.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability. Questions should be directed to the Finance Department, City of Albany, 333 Broadalbin Street SW, Albany, Oregon 97321.



BASIC FINANCIAL STATEMENTS

CITY OF ALBANY, OREGON STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 57,342,998	\$ 44,458,428	\$ 101,801,426
Internal balances	624,734	(624,734)	-
Receivables:			
Property taxes	1,401,506	1,031	1,402,537
Accounts	3,268,596	4,499,089	7,767,685
Assesments	9,184,062	-	9,184,062
Interest	116,787	91,541	208,328
Loans, net of allowance for uncollectable	3,408,794	2,871,824	6,280,618
Inventories	78,038	868,322	946,360
Restricted cash and investments	87,733	-	87,733
Net other postemployment benefit asset	422,810	118,060	540,870
Capital assets:			
Land and construction in progress	21,524,368	12,489,830	34,014,198
Other capital assets, net of depreciation	<u>101,866,758</u>	<u>220,338,627</u>	<u>322,205,385</u>
Total assets	<u>199,327,184</u>	<u>285,112,018</u>	<u>484,439,202</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension and other postemployment benefit related items	<u>21,542,242</u>	<u>5,360,127</u>	<u>26,902,369</u>
LIABILITIES			
Accounts payable	5,272,204	2,148,408	7,420,612
Accrued interest payable	148,822	661,291	810,113
Deposits	185,571	147,709	333,280
Long-term obligations:			
Due within one year	3,883,680	5,854,841	9,738,521
Due in more than one year	<u>91,868,266</u>	<u>78,337,481</u>	<u>170,205,747</u>
Total liabilities	<u>101,358,543</u>	<u>87,149,730</u>	<u>188,508,273</u>
DEFERRED INFLOWS OF RESOURCES			
Pension and other postemployment benefit related items	<u>3,501,612</u>	<u>758,549</u>	<u>4,260,161</u>
NET POSITION			
Net investment in capital assets	100,801,064	165,913,777	266,714,841
Restricted for:			
Capital projects	-	2,478,027	2,478,027
Debt service	617,048	5,481,505	6,098,553
Highways and streets	4,916,980	-	4,916,980
Public safety	651,908	-	651,908
Grant programs	4,802,240	-	4,802,240
Parks and recreation	2,403,551	-	2,403,551
Community development	13,032,162	-	13,032,162
Other purposes - expendable	3,036,628	-	3,036,628
Other purposes - nonexpendable	79,500	-	79,500
Unrestricted	<u>(14,331,810)</u>	<u>28,690,557</u>	<u>14,358,747</u>
Total net position	<u>\$ 116,009,271</u>	<u>\$ 202,563,866</u>	<u>\$ 318,573,137</u>

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

CITY OF ALBANY, OREGON
STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Governmental activities				
General government	\$ 15,148,759	\$ 3,904,240	\$ 13,184,047	\$ -
Public safety	42,960,751	15,067,008	2,851,625	-
Highways and streets	6,724,748	295,271	4,315,490	821,637
Culture and recreation	10,513,623	603,069	369,556	372,394
Interest on long-term obligation	<u>1,025,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>76,373,149</u>	<u>19,869,588</u>	<u>20,720,718</u>	<u>1,194,031</u>
Business-type activities				
Water	14,105,765	15,549,888	-	490,152
Sewer	16,572,791	19,148,153	-	745,540
Stormwater	<u>2,785,117</u>	<u>2,787,064</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>33,463,673</u>	<u>37,485,105</u>	<u>-</u>	<u>1,235,692</u>
Totals	<u>\$ 109,836,822</u>	<u>\$ 57,354,693</u>	<u>\$ 20,720,718</u>	<u>\$ 2,429,723</u>

General revenues:

- Property taxes used for general purposes
- Property taxes used for debt service
- Transient room taxes used for general purposes
- Marijuana, cigarette and alcoholic beverage taxes
- Privilege taxes
- Unrestricted investment earnings
- Miscellaneous

Transfers

- Total general revenues and transfers
- Change in net position
- Net position - beginning
- Prior period adjustments
- Net position - ending

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

CITY OF ALBANY, OREGON
STATEMENT OF ACTIVITIES, continued
For the Year Ended June 30, 2021

Net (Expense) Revenue and Change in Net Position			
Governmental Activities	Business- type Activities	Totals	
			Governmental activities
\$ 1,939,528	\$ -	\$ 1,939,528	General government
(25,042,118)	-	(25,042,118)	Public safety
(1,292,350)	-	(1,292,350)	Highways and streets
(9,168,604)	-	(9,168,604)	Culture and recreation
<u>(1,025,268)</u>	<u>-</u>	<u>(1,025,268)</u>	Interest on long-term obligations
<u>(34,588,812)</u>	<u>-</u>	<u>(34,588,812)</u>	Total governmental activities
			Business-type activities
-	1,934,275	1,934,275	Water
-	3,320,902	3,320,902	Sewer
<u>-</u>	<u>1,947</u>	<u>1,947</u>	Stormwater
<u>-</u>	<u>5,257,124</u>	<u>5,257,124</u>	Total business-type activities
<u>(34,588,812)</u>	<u>5,257,124</u>	<u>(29,331,688)</u>	Totals
			General revenues:
35,293,292	-	35,293,292	Property taxes used for general purposes
1,235,930	-	1,235,930	Property taxes used for debt service
1,060,584	-	1,060,584	Transient room taxes used for general purposes
1,722,632	-	1,722,632	Marijuana, cigarette and alcoholic beverage taxes
3,991,599	-	3,991,599	Privilege taxes
371,937	158,495	530,432	Unrestricted investment earnings
803,522	131,566	935,088	Miscellaneous
<u>2,013,751</u>	<u>(2,013,751)</u>	<u>-</u>	Transfers
<u>46,493,247</u>	<u>(1,723,690)</u>	<u>44,769,557</u>	Total general revenues and transfers
11,904,435	3,533,434	15,437,869	Change in net position
104,101,877	199,003,849	303,105,726	Net position - beginning
<u>2,959</u>	<u>26,583</u>	<u>29,542</u>	Prior period adjustments
<u>\$ 116,009,271</u>	<u>\$ 202,563,866</u>	<u>\$ 318,573,137</u>	Net position - ending

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

CITY OF ALBANY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 6,889,690	\$ 5,782,371	\$ 2,023,285	\$ 13,019,051	\$ 1,194,101	\$ 27,008,711	\$ 55,917,209
Receivables:							
Property taxes	829,434	203,530	-	-	-	368,541	1,401,505
Accounts	1,871,295	29,191	-	504,580	-	853,863	3,258,929
Assesments	9,170,873	-	-	-	13,189	-	9,184,062
Interest	11,421	12,438	3,246	27,669	2,297	55,412	112,483
Loans, net of allowance for uncollectable	-	-	-	-	-	4,284,491	4,284,491
Restricted cash and investments	-	-	-	-	-	87,733	87,733
Total assets	<u>\$ 18,772,713</u>	<u>\$ 6,027,530</u>	<u>\$ 2,026,531</u>	<u>\$ 13,551,300</u>	<u>\$ 1,209,587</u>	<u>\$ 32,658,751</u>	<u>\$ 74,246,412</u>
LIABILITIES							
Accounts payable	\$ 2,951,441	\$ 339,495	\$ 108,152	\$ 783,796	\$ 3,380	\$ 674,138	\$ 4,860,402
Deposits	56,147	-	-	1,000	125,850	2,575	185,572
Interfund loans payable	-	-	-	-	875,697	-	875,697
Total Liabilities	<u>3,007,588</u>	<u>339,495</u>	<u>108,152</u>	<u>784,796</u>	<u>1,004,927</u>	<u>676,713</u>	<u>5,921,671</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>10,954,322</u>	<u>215,733</u>	<u>-</u>	<u>138,662</u>	<u>13,189</u>	<u>3,732,751</u>	<u>15,054,657</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	79,500	79,500
Restricted	-	2,403,551	-	4,916,980	-	20,268,861	27,589,392
Committed	-	3,068,751	1,918,379	7,710,862	191,471	7,690,614	20,580,077
Assigned	-	-	-	-	-	210,558	210,558
Unassigned	<u>4,810,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(246)</u>	<u>4,810,557</u>
Total fund balances	<u>4,810,803</u>	<u>5,472,302</u>	<u>1,918,379</u>	<u>12,627,842</u>	<u>191,471</u>	<u>28,249,287</u>	<u>53,270,084</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,772,713</u>	<u>\$ 6,027,530</u>	<u>\$ 2,026,531</u>	<u>\$ 13,551,300</u>	<u>\$ 1,209,587</u>	<u>\$ 32,658,751</u>	<u>\$ 74,246,412</u>

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

CITY OF ALBANY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

Total fund balances per Governmental Funds Balance Sheet (page 46):		\$ 53,270,084
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land and construction in progress	21,524,368	
Other capital assets, net of depreciation	<u>101,866,758</u>	
Total capital asset adjustments		123,391,126
Other long-term assets are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		15,054,657
Net other post employment benefit asset		
		376,768
Deferred outflows of resources		
Pension related	18,113,379	
Other postemployment benefit related	<u>283,399</u>	
Total deferred outflows of resources		18,396,778
Inventories of materials and supplies are classified held for use in future periods and therefore reported as assets on the Statement of Net Position.		
		78,038
Internal service funds are used by management to charge the costs of information systems services, central services, and geographic information system services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the Statement of Net Position.		
		(5,021,862)
Deferred inflows of resources		
Pension related	(1,977,892)	
Other postemployment benefit related	<u>(906,310)</u>	
Total deferred inflows of resources		(2,884,202)
Long-term liabilities, including bonds payable, notes payable, accrued interest, deferred inflows of resources, compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term obligations	(28,171,543)	
Net pension liability	(51,927,819)	
Interest payable on long-term debt	(148,822)	
Compensated absences	(3,026,735)	
Other postemployment benefits	<u>(3,377,197)</u>	
Total long-term obligations adjustments		<u>(86,652,116)</u>
Net Position of Governmental Activities (pages 44-45)		<u>\$ 116,009,271</u>

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

CITY OF ALBANY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 21,315,204	\$ 5,331,233	\$ -	\$ -	\$ -	\$ 10,143,882	\$ 36,790,319
Transient room	-	-	-	-	-	809,559	809,559
Construction excise taxes	-	-	-	-	-	327,419	327,419
Franchise fees, privilege taxes, licenses, and permits	6,522,200	383,577	-	909,257	-	1,101,780	8,916,814
Intergovernmental	4,981,498	15,678	-	4,082,456	-	11,186,047	20,265,679
Charges for services	4,071,241	421,535	-	76,550	-	2,283,087	6,852,413
Fines, forfeitures, and assessments	950,970	-	-	-	-	-	950,970
Investment Earnings	93,170	49,105	1,398	27,833	3,388	170,803	345,697
Miscellaneous	<u>70,909</u>	<u>147,277</u>	<u>388,823</u>	<u>90,913</u>	<u>1,951</u>	<u>1,559,106</u>	<u>2,258,979</u>
Total revenues	<u>38,005,192</u>	<u>6,348,405</u>	<u>390,221</u>	<u>5,187,009</u>	<u>5,339</u>	<u>27,581,683</u>	<u>77,517,849</u>
EXPENDITURES							
Current:							
General government	1,722,548	-	1,046,970	-	225	6,919,059	9,688,802
Public safety	36,921,327	-	-	-	71,538	594,654	37,587,519
Highways and streets	-	-	-	3,059,594	-	340	3,059,934
Culture and recreation	2,846,072	5,172,938	-	-	-	274,906	8,293,916
Debt service:							
Principal	-	-	-	-	-	2,694,363	2,694,363
Interest	-	-	-	-	-	1,111,628	1,111,628
Capital outlay	<u>32,053</u>	<u>55,271</u>	<u>-</u>	<u>2,911,083</u>	<u>13,005</u>	<u>4,790,505</u>	<u>7,801,917</u>
Total expenditures	<u>41,522,000</u>	<u>5,228,209</u>	<u>1,046,970</u>	<u>5,970,677</u>	<u>84,768</u>	<u>16,385,455</u>	<u>70,238,079</u>
Excess (deficiency) of revenues over expenditures	<u>(3,516,808)</u>	<u>1,120,196</u>	<u>(656,749)</u>	<u>(783,668)</u>	<u>(79,429)</u>	<u>11,196,228</u>	<u>7,279,770</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	5,648,791	189,300	1,182,553	1,952,145	286,287	969,770	10,228,846
Transfers out	(466,651)	(170,697)	-	(80,000)	-	(8,025,039)	(8,742,387)
Proceeds from long-term obligations	-	-	-	-	-	1,003,293	1,003,293
Sale of capital assets	<u>-</u>	<u>68,203</u>	<u>-</u>	<u>-</u>	<u>76,800</u>	<u>39,340</u>	<u>184,343</u>
Total other financing sources (uses)	<u>5,182,140</u>	<u>86,806</u>	<u>1,182,553</u>	<u>1,872,145</u>	<u>363,087</u>	<u>(6,012,636)</u>	<u>2,674,095</u>
Net change in fund balances	1,665,332	1,207,002	525,804	1,088,477	283,658	5,183,592	9,953,865
Fund balance - beginning	3,145,359	4,264,991	1,392,575	11,538,574	(92,264)	23,064,097	43,313,332
Prior period adjustment	<u>112</u>	<u>309</u>	<u>-</u>	<u>791</u>	<u>77</u>	<u>1,598</u>	<u>2,887</u>
Fund balance - ending	<u>\$ 4,810,803</u>	<u>\$ 5,472,302</u>	<u>\$ 1,918,379</u>	<u>\$ 12,627,842</u>	<u>\$ 191,471</u>	<u>\$ 28,249,287</u>	<u>\$ 53,270,084</u>

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

CITY OF ALBANY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Net change in fund balances - total Governmental funds (page 48):		\$ 9,953,865
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and disposals in the current period.		
Capital outlay by governmental funds	7,057,926	
Capital outlay by governmental-type internal service funds	559,890	
Depreciation for the current fiscal year	<u>(8,221,256)</u>	
Total capital outlay/depreciation adjustment		(603,440)
The purchase of goods is shown as an expenditure in the governmental funds, but the cost of materials on hand at the end of the year is capitalized on the Statement of Activities.		
		(21,005)
Revenues in the Statement of Activities that do not provide current		
Property taxes	(261,098)	
Principal portion of loan receipts	697,332	
Other fees and charges	<u>8,259,093</u>	
Total revenue adjustments		8,695,327
The issuance of long-term debt (e.g., bonds, leases) provides current		
		1,991,432
Some expenses reported in the Statement of Activities do not require the		
Compensated absences	(974,942)	
Other postemployment benefits	(104,845)	
Accrued interest on long-term obligations	13,343	
Pension expense	<u>(6,467,428)</u>	
Bond premium amortization	31,813	
Total expense/expenditure adjustments		(7,502,059)
The net expense of certain activities of internal service funds is reported		
		<u>(609,685)</u>
Change in net position of Governmental Activities (pages 44-45)		<u>\$ 11,904,435</u>

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

CITY OF ALBANY, OREGON
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Property	\$ 40,750,000	\$ 40,750,000	\$ 20,565,042	\$ 21,315,204	\$ 41,880,246	\$ 1,130,246
Franchise fees, privilege taxes, licenses, and permits	12,675,900	12,675,900	6,153,831	6,522,200	12,676,031	131
Intergovernmental	9,508,700	10,008,700	5,061,815	4,981,498	10,043,313	34,613
Charges for services	8,200,000	8,231,500	3,601,578	4,071,241	7,672,819	(558,681)
Fines, forfeitures & assessments	1,795,200	1,795,200	870,212	950,970	1,821,182	25,982
Investment earnings	147,000	147,000	151,720	93,170	244,890	97,890
Miscellaneous	175,000	175,000	106,258	70,909	177,167	2,167
Total revenues	<u>73,251,800</u>	<u>73,783,300</u>	<u>36,510,456</u>	<u>38,005,192</u>	<u>74,515,648</u>	<u>732,348</u>
Other Financing Sources						
Transfers in	9,551,800	11,671,800	5,482,820	5,648,791	11,131,611	(540,189)
Fund Balance, beginning						
Fund balance, beginning	3,900,000	3,900,000	3,761,052	3,145,359	3,761,052	(138,948)
Prior period adjustment	-	-	(22,884)	112	(22,772)	(22,772)
Total fund balance, beginning	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,738,168</u>	<u>3,145,471</u>	<u>3,738,280</u>	<u>(161,720)</u>
Amount available for appropriation	<u>\$ 86,703,600</u>	<u>\$ 89,355,100</u>	<u>\$ 45,731,444</u>	<u>\$ 46,799,454</u>	<u>\$ 89,385,539</u>	<u>\$ 30,439</u>
EXPENDITURES						
Administration						
	\$ 626,800	\$ 1,126,800	\$ 582,948	\$ 498,905	\$ 1,081,853	\$ 44,947
Municipal Court						
	1,967,600	1,967,600	1,028,931	922,403	1,951,334	16,266
Planning						
	2,884,600	2,884,600	1,332,455	1,223,643	2,556,098	328,502
Police						
	32,015,200	32,015,200	15,787,634	15,168,271	30,955,905	1,059,295
Public Safety Levy - Police						
	3,118,700	3,348,700	1,517,355	1,777,201	3,294,556	54,144
Fire & Life Safety						
	2,127,300	2,127,300	931,210	794,889	1,726,099	401,201
Public Safety Levy - Fire						
	2,791,000	3,041,000	1,542,441	1,338,197	2,880,638	160,362
Fire Emergency Services						
	31,071,500	33,071,500	15,820,984	16,952,419	32,773,403	298,097
Library						
	6,012,700	6,012,700	3,062,717	2,846,072	5,908,789	103,911
Contingencies						
	2,303,600	1,943,600	-	-	-	1,943,600
Total expenditures	<u>84,919,000</u>	<u>87,539,000</u>	<u>41,606,675</u>	<u>41,522,000</u>	<u>83,128,675</u>	<u>4,410,325</u>
Appropriated financing uses						
Transfers out	1,784,600	1,816,100	979,410	466,651	1,446,061	370,039
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 86,703,600</u>	<u>\$ 89,355,100</u>	<u>42,586,085</u>	<u>41,988,651</u>	<u>84,574,736</u>	<u>4,780,364</u>
Fund balance, ending			<u>\$ 3,145,359</u>	<u>\$ 4,810,803</u>	<u>\$ 4,810,803</u>	<u>\$ 4,810,803</u>

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

CITY OF ALBANY, OREGON
PARKS AND RECREATION FUND
BUDGETARY COMPARISON STATEMENT
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Property	\$ 10,050,000	\$ 10,050,000	\$ 5,141,309	\$ 5,331,233	\$ 10,472,542	\$ 422,542
Franchise fees, privilege taxes, licenses, and permits	448,000	448,000	548,697	383,577	932,274	484,274
Intergovernmental	15,600	15,600	59,780	15,678	75,458	59,858
Charges for services	2,053,800	2,053,800	724,951	421,535	1,146,486	(907,314)
Investment earnings	65,200	65,200	144,650	49,106	193,756	128,556
Miscellaneous	836,200	836,200	322,646	147,276	469,922	(366,278)
Total revenues	<u>13,468,800</u>	<u>13,468,800</u>	<u>6,942,033</u>	<u>6,348,405</u>	<u>13,290,438</u>	<u>(178,362)</u>
Other Financing Sources						
Sale of capital assets	-	-	-	68,203	68,203	68,203
Transfers in	1,446,200	1,476,200	557,700	189,300	747,000	(729,200)
Intrafund transfers in	-	-	-	517,900	517,900	517,900
Total other financing sources	<u>1,446,200</u>	<u>1,476,200</u>	<u>557,700</u>	<u>775,403</u>	<u>1,333,103</u>	<u>(143,097)</u>
Fund Balance, beginning						
Fund balance, beginning	2,598,300	2,878,300	3,426,667	4,264,991	3,426,667	548,367
Prior period adjustment	-	-	(5,693)	309	(5,384)	(5,384)
Total fund balance, beginning	<u>2,598,300</u>	<u>2,878,300</u>	<u>3,420,974</u>	<u>4,265,300</u>	<u>3,421,283</u>	<u>542,983</u>
Amount available for appropriation	<u>\$ 17,513,300</u>	<u>\$ 17,823,300</u>	<u>\$ 10,920,707</u>	<u>\$ 11,389,108</u>	<u>\$ 18,044,824</u>	<u>\$ 221,524</u>
EXPENDITURES						
Biennium						
	Original Budget	Final Budget	FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under
Park & Recreation Admin	\$ 3,451,100	\$ 3,560,100	\$ 1,356,718	\$ 1,227,326	\$ 2,584,044	\$ 976,056
Resource Dev Marketing Svcs	458,800	458,800	150,734	120,647	271,381	187,419
Performance & Cultural Arts	1,421,900	1,421,900	552,207	71,603	623,810	798,090
Family Recreation	734,900	734,900	422,499	225,185	647,684	87,216
Adult Recreation Services	1,254,300	1,254,300	428,808	301,005	729,813	524,487
Sports Services	729,500	729,500	291,024	178,025	469,049	260,451
Aquatic Services	1,924,900	1,924,900	818,877	555,050	1,373,927	550,973
Park Maintenance Services	4,598,700	4,628,700	2,130,096	2,021,761	4,151,857	476,843
Park SDC Projectects	1,559,600	1,559,600	235,004	218,701	453,705	1,105,895
Senior Center Foundation	96,600	96,600	22,549	2,559	25,108	71,492
Parks Capital Improvement Prog	550,000	550,000	32,100	306,347	338,447	211,553
Total expenditures	<u>16,780,300</u>	<u>16,919,300</u>	<u>6,440,616</u>	<u>5,228,209</u>	<u>11,668,825</u>	<u>5,250,475</u>
Appropriated financing uses						
Transfers out	733,000	904,000	215,100	170,697	385,797	518,203
Total expenditures and appropriated financing uses	<u>17,513,300</u>	<u>17,823,300</u>	<u>6,655,716</u>	<u>5,398,906</u>	<u>12,054,622</u>	<u>5,768,678</u>
Unappropriated financing uses						
Intrafund transfers out	-	-	-	517,900	517,900	(517,900)
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 17,513,300</u>	<u>\$ 17,823,300</u>	<u>6,655,716</u>	<u>5,916,806</u>	<u>12,572,522</u>	<u>5,250,778</u>
Fund balance, ending			<u>\$ 4,264,991</u>	<u>\$ 5,472,302</u>	<u>\$ 5,472,302</u>	<u>\$ 5,472,302</u>

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

CITY OF ALBANY, OREGON
RISK MANAGEMENT FUND
BUDGETARY COMPARISON STATEMENT
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)																																																			
	Original Budget	Final Budget																																																							
REVENUES																																																									
Investment earnings	\$ 20,000	\$ 20,000	\$ 35,135	\$ 1,398	\$ 36,533	\$ 16,533																																																			
Miscellaneous	800,000	800,000	1,115,863	388,823	1,504,686	704,686																																																			
Total revenues	820,000	820,000	1,150,998	390,221	1,541,219	721,219																																																			
Other Financing Sources																																																									
Transfers in	1,500,000	1,500,000	750,200	1,182,553	1,932,753	432,753																																																			
Fund Balance, beginning																																																									
Fund balance, beginning	3,573,400	4,233,400	4,468,782	1,392,575	4,468,782	235,382																																																			
Prior period adjustment	-	-	3,602	-	3,602	3,602																																																			
Total fund balance, beginning	3,573,400	4,233,400	4,472,384	1,392,575	4,472,384	238,984																																																			
Amount available for appropriation	\$ 5,893,400	\$ 6,553,400	\$ 6,373,582	\$ 2,965,349	\$ 7,946,356	\$ 1,392,956																																																			
EXPENDITURES																																																									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Biennium</th> <th rowspan="2">FY 2019-20 Actual</th> <th rowspan="2">FY 2020-21 Actual</th> <th rowspan="2">Total Actual Budget Basis</th> <th rowspan="2">(Over) Under</th> </tr> <tr> <th>Original Budget</th> <th>Final Budget</th> </tr> </thead> <tbody> <tr> <td colspan="7">Risk Management</td> </tr> <tr> <td>Risk Management</td> <td>\$ 2,893,400</td> <td>\$ 2,893,400</td> <td>\$ 1,323,810</td> <td>\$ 1,046,970</td> <td>\$ 2,370,780</td> <td>\$ 522,620</td> </tr> <tr> <td colspan="7">Appropriated financing uses</td> </tr> <tr> <td>Transfers out</td> <td>3,000,000</td> <td>3,660,000</td> <td>3,657,197</td> <td>-</td> <td>3,657,197</td> <td>2,803</td> </tr> <tr> <td>Total expenditures, appropriated, and unappropriated financing uses</td> <td>\$ 5,893,400</td> <td>\$ 6,553,400</td> <td>4,981,007</td> <td>1,046,970</td> <td>6,027,977</td> <td>525,423</td> </tr> <tr> <td>Fund balance, ending</td> <td></td> <td></td> <td><u>\$ 1,392,575</u></td> <td><u>\$ 1,918,379</u></td> <td><u>\$ 1,918,379</u></td> <td><u>\$ 1,918,379</u></td> </tr> </tbody> </table>								Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under	Original Budget	Final Budget	Risk Management							Risk Management	\$ 2,893,400	\$ 2,893,400	\$ 1,323,810	\$ 1,046,970	\$ 2,370,780	\$ 522,620	Appropriated financing uses							Transfers out	3,000,000	3,660,000	3,657,197	-	3,657,197	2,803	Total expenditures, appropriated, and unappropriated financing uses	\$ 5,893,400	\$ 6,553,400	4,981,007	1,046,970	6,027,977	525,423	Fund balance, ending			<u>\$ 1,392,575</u>	<u>\$ 1,918,379</u>	<u>\$ 1,918,379</u>	<u>\$ 1,918,379</u>
	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under																																																			
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Transfers out	3,000,000	3,660,000	3,657,197	-	3,657,197	2,803																																																			
Total expenditures, appropriated, and unappropriated financing uses	\$ 5,893,400	\$ 6,553,400	4,981,007	1,046,970	6,027,977	525,423																																																			
Fund balance, ending			<u>\$ 1,392,575</u>	<u>\$ 1,918,379</u>	<u>\$ 1,918,379</u>	<u>\$ 1,918,379</u>																																																			

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

CITY OF ALBANY, OREGON
STREET FUND
BUDGETARY COMPARISON STATEMENT
For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Franchise fees, privilege taxes, licenses, and permits	\$ 1,255,000	\$ 1,255,000	\$ 1,051,974	\$ 909,257	\$ 1,961,231	\$ 706,231
Intergovernmental	10,085,100	10,085,100	3,672,501	4,082,456	7,754,957	(2,330,143)
Charges for services	-	-	-	76,550	76,550	76,550
Investment earnings	90,600	90,600	354,986	27,833	382,819	292,219
Miscellaneous	2,000	2,000	51,355	90,913	142,268	140,268
Total revenues	11,432,700	11,432,700	5,130,816	5,187,009	10,317,825	(1,114,875)
Other Financing Sources						
Transfers in	2,660,000	2,660,000	2,165,042	1,952,145	4,117,187	1,457,187
Intrafund transfers in	-	-	-	20,000	20,000	20,000
Total other financing sources	2,660,000	2,660,000	2,165,042	1,972,145	4,137,187	1,477,187
Fund Balance, beginning						
Fund balance, beginning	9,834,700	9,834,700	10,647,017	11,538,574	10,647,017	812,317
Prior period adjustment	-	-	28,229	791	29,020	29,020
Total fund balance, beginning	9,834,700	9,834,700	10,675,246	11,539,365	10,676,037	841,337
Amount available for appropriation	\$ 23,927,400	\$ 23,927,400	\$ 17,971,104	\$ 18,698,519	\$ 25,131,049	\$ 1,203,649
EXPENDITURES						
Personnel services	\$ 2,307,600	\$ 2,307,600	\$ 981,701	\$ 943,603	\$ 1,925,304	\$ 382,296
Materials & services	5,080,700	5,080,700	2,646,000	2,115,991	4,761,991	318,709
Capital outlay	15,943,400	15,943,400	2,679,729	2,911,083	5,590,812	10,352,588
Contingencies	370,600	370,600	-	-	-	370,600
Total expenditures	23,702,300	23,702,300	6,307,430	5,970,677	12,278,107	11,424,193
Appropriated financing uses						
Transfers out	225,100	225,100	125,100	80,000	205,100	20,000
Total expenditures and appropriated financing uses	23,927,400	23,927,400	6,432,530	6,050,677	12,483,207	11,444,193
Unappropriated financing uses						
Intrafund transfers out	-	-	-	20,000	20,000	(20,000)
Total expenditures, appropriated, and unappropriated financing uses	\$ 23,927,400	\$ 23,927,400	6,432,530	6,070,677	12,503,207	11,424,193
Fund balance, ending			\$ 11,538,574	\$ 12,627,842	\$ 12,627,842	\$ 12,627,842

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

CITY OF ALBANY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities			Totals Enterprise Funds	Internal Service Funds
	Water	Sewer	Stormwater		
Assets					
Current assets:					
Cash and cash equivalents	\$ 8,233,693	\$ 12,079,136	\$ 673,428	\$ 20,986,257	\$ 1,364,601
Investments	8,669,888	12,719,051	709,104	22,098,043	1,435,315
Receivables:					
Property taxes	1,031	-	-	1,031	-
Accounts	1,949,645	2,293,651	255,768	4,499,064	9,343
Accrued interest	35,770	50,828	3,318	89,916	5,933
Inventories	676,056	192,266	-	868,322	-
Prepaid expenses	-	-	-	-	350
Total current assets	<u>19,566,083</u>	<u>27,334,932</u>	<u>1,641,618</u>	<u>48,542,633</u>	<u>2,815,542</u>
Noncurrent assets:					
Other postemployment benefit asset	25,540	20,894	4,099	50,533	113,569
Loans receivable	-	2,871,824	-	2,871,824	-
Capital assets:					
Land and construction in progress	2,863,003	9,595,567	-	12,458,570	31,260
Other capital assets, net of depreciation	<u>85,836,217</u>	<u>134,201,293</u>	<u>190,344</u>	<u>220,227,854</u>	<u>559,705</u>
Total noncurrent assets	88,724,760	146,689,578	194,443	235,608,781	704,534
Total assets	<u>108,290,843</u>	<u>174,024,510</u>	<u>1,836,061</u>	<u>284,151,414</u>	<u>3,520,076</u>
Deferred Outflows of Resources					
Pension and other postemployment benefit related items	<u>999,409</u>	<u>664,399</u>	<u>224,528</u>	<u>1,888,336</u>	<u>6,551,730</u>
Liabilities					
Current liabilities:					
Accounts payable	596,475	967,866	34,977	1,599,318	960,891
Compensated absences	83,888	82,219	491	166,598	473,223
Interest payable	314,456	346,835	-	661,291	-
Refundable deposits	146,900	809	-	147,709	-
Loans payable, current portion	-	4,119,093	-	4,119,093	-
Bonds payable, current portion	<u>1,287,388</u>	<u>-</u>	<u>-</u>	<u>1,287,388</u>	<u>-</u>
Total current liabilities	2,429,107	5,516,822	35,468	7,981,397	1,434,114
Long-term obligations:					
Compensated absences	83,888	82,218	491	166,597	473,222
Other postemployment benefits	228,930	187,294	36,744	452,968	1,017,986
Loans payable, long-term portion	-	41,404,289	-	41,404,289	-
Net pension liability	2,884,525	2,032,216	614,902	5,531,643	18,244,057
Bonds payable, long-term portion	<u>20,103,910</u>	<u>-</u>	<u>-</u>	<u>20,103,910</u>	<u>-</u>
Total long-term obligations	23,301,253	43,706,017	652,137	67,659,407	19,735,265
Total liabilities	<u>25,730,360</u>	<u>49,222,839</u>	<u>687,605</u>	<u>75,640,804</u>	<u>21,169,379</u>
Deferred Inflows of Resources					
Pension and other postemployment benefit related items	<u>131,376</u>	<u>51,542</u>	<u>39,861</u>	<u>222,779</u>	<u>1,087,655</u>
Net Position					
Net investment in capital assets	66,167,922	94,368,483	190,344	160,726,749	590,965
Restricted for capital construction	1,042,309	1,435,718	-	2,478,027	-
Restricted for debt service	1,659,499	3,822,006	-	5,481,505	-
Unrestricted	<u>14,558,786</u>	<u>25,788,321</u>	<u>1,142,779</u>	41,489,886	<u>(12,776,193)</u>
Total net position	<u>83,428,516</u>	<u>125,414,528</u>	<u>1,333,123</u>	210,176,167	<u>(12,185,228)</u>
Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.					
				<u>(7,612,301)</u>	
Net position of business-type activities (page 43)				<u>\$ 202,563,866</u>	

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

CITY OF ALBANY, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business-type Activities			Totals Enterprise Funds	Internal Service Funds
	Water	Sewer	Stormwater		
OPERATING REVENUES:					
Service charges and fees	\$ 15,487,953	\$ 19,148,153	\$ 2,787,064	\$ 37,423,170	\$ 16,148,293
Misc operating revenues	<u>80,428</u>	<u>106,792</u>	<u>2,074</u>	<u>189,294</u>	<u>112,401</u>
Total operating revenues:	<u>15,568,381</u>	<u>19,254,945</u>	<u>2,789,138</u>	<u>37,612,464</u>	<u>16,260,694</u>
OPERATING EXPENSES:					
Salaries and wages	3,396,764	2,832,574	546,892	6,776,230	15,015,231
Contracted services	399,493	1,207,610	131,810	1,738,913	535,491
Operating supplies	913,313	495,821	110,073	1,519,207	1,654,483
Utilities	537,404	512,324	-	1,049,728	184,800
Depreciation	3,475,526	5,025,654	9,637	8,510,817	13,408
Repairs and maintenance	507,179	1,230,591	123,244	1,861,014	207,877
Charges for service	3,530,517	3,515,957	1,534,368	8,580,842	1,559,143
Misc operating expense	<u>-</u>	<u>37,013</u>	<u>-</u>	<u>37,013</u>	<u>42,888</u>
Total operating expenses:	<u>12,760,196</u>	<u>14,857,544</u>	<u>2,456,024</u>	<u>30,073,764</u>	<u>19,213,321</u>
Operating income (loss)	<u>2,808,185</u>	<u>4,397,401</u>	<u>333,114</u>	<u>7,538,700</u>	<u>(2,952,627)</u>
NONOPERATING REVENUES (EXPENSES):					
Interest on investments	69,354	67,434	15,227	152,015	32,732
Gain (loss) on sale of capital asset	4,207	-	-	4,207	-
Debt service	<u>(667,056)</u>	<u>(933,455)</u>	<u>-</u>	<u>(1,600,511)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(593,495)</u>	<u>(866,021)</u>	<u>15,227</u>	<u>(1,444,289)</u>	<u>32,732</u>
Income (loss) before capital contributions and transfers	2,214,690	3,531,380	348,341	6,094,411	(2,919,895)
Capital contributions	490,152	745,540	-	1,235,692	-
Transfers in	382,707	223,438	-	606,145	1,156,763
Transfers out	<u>(898,527)</u>	<u>(2,216,138)</u>	<u>(59)</u>	<u>(3,114,724)</u>	<u>(134,643)</u>
Change in net position	2,189,022	2,284,220	348,282	4,821,524	(1,897,775)
Prior period adjustment	1,087	25,376	103		86
Net position - beginning	<u>81,238,407</u>	<u>123,104,932</u>	<u>984,738</u>		<u>(10,287,539)</u>
Net position - ending	<u>\$ 83,428,516</u>	<u>\$ 125,414,528</u>	<u>\$ 1,333,123</u>		<u>\$ (12,185,228)</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(1,288,090)</u>	
Change in net position of business-type activities (pages 44-45)				<u>\$ 3,533,434</u>	

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

CITY OF ALBANY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business-type Activities				Governmental
				Totals	Internal
	Water	Sewer	Stormwater	Enterprise Funds	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 15,262,606	\$ 19,159,602	\$ 2,722,856	\$ 37,145,064	\$ 16,253,810
Cash payments to suppliers of goods and services	(6,394,935)	(6,983,334)	(1,921,053)	(15,299,322)	(3,934,994)
Cash payments to employees for services	<u>(2,820,667)</u>	<u>(2,382,743)</u>	<u>(458,570)</u>	<u>(5,661,980)</u>	<u>(12,286,577)</u>
Net cash provided by (used in) operating activities	<u>6,047,004</u>	<u>9,793,525</u>	<u>343,233</u>	<u>16,183,762</u>	<u>32,239</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes	348	-	-	348	-
Transfers in	382,707	223,438	-	606,145	1,156,763
Transfers out	<u>(898,527)</u>	<u>(2,216,138)</u>	<u>(59)</u>	<u>(3,114,724)</u>	<u>(134,643)</u>
Net cash provided by (used in) noncapital financing activities	<u>(515,472)</u>	<u>(1,992,700)</u>	<u>(59)</u>	<u>(2,508,231)</u>	<u>1,022,120</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(1,919,921)	(4,734,617)	(18,500)	(6,673,038)	(559,890)
Proceeds from issuance of debt	-	3,972,886	-	3,972,886	-
System development charges collected	490,152	745,540	-	1,235,692	-
Principal paid on loan	-	(3,904,995)	-	(3,904,995)	-
Principal paid on bonds	(1,140,000)	-	-	(1,140,000)	-
Payment from City of Millersburg	-	310,745	-	310,745	-
Interest paid on long-term debt	<u>(783,194)</u>	<u>(873,670)</u>	<u>-</u>	<u>(1,656,864)</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(3,352,963)</u>	<u>(4,484,111)</u>	<u>(18,500)</u>	<u>(7,855,574)</u>	<u>(559,890)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net (increase) decrease in investments	482,579	654,720	(58,208)	1,079,091	(19,152)
Interest on investments	<u>83,986</u>	<u>87,663</u>	<u>16,628</u>	<u>188,277</u>	<u>30,835</u>
Net cash provided by (used in) investing activities	<u>566,565</u>	<u>742,383</u>	<u>(41,580)</u>	<u>1,267,368</u>	<u>11,683</u>
Net increase (decrease) in cash and cash equivalents	2,745,134	4,059,097	283,094	7,087,325	506,152
Cash and cash equivalents, July 1, 2020	<u>5,488,559</u>	<u>8,020,039</u>	<u>390,334</u>	<u>13,898,932</u>	<u>858,449</u>
Cash and cash equivalents, July 1, 2021	<u>\$ 8,233,693</u>	<u>\$ 12,079,136</u>	<u>\$ 673,428</u>	<u>\$ 20,986,257</u>	<u>\$ 1,364,601</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

Operating income (loss)	\$ 2,808,185	\$ 4,397,401	\$ 333,114	\$ 4,586,073	\$ (2,952,627)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,475,526	5,025,654	9,637	8,524,225	13,408
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Receivables	(303,850)	(95,343)	(66,282)	(472,359)	(6,884)
Inventories	(37,871)	(2,530)	-	(40,401)	-
Net other postemployment benefit asset	(1,138)	1,855	(850)	9,092	9,225
Deferred outflows of resources	(230,911)	(189,384)	(38,399)	(1,495,800)	(1,037,106)
Accounts payable	(469,158)	18,512	(21,558)	(222,166)	250,038
Net pension liability	753,474	624,289	123,938	4,919,079	3,417,378
Compensated absences	75,017	59,270	219	717,880	583,374
Other postemployment benefits	19,334	(8,113)	8,836	(16,690)	(36,747)
Refundable deposits	(1,925)	-	-	(1,925)	-
Deferred inflows of resources	<u>(39,679)</u>	<u>(38,086)</u>	<u>(5,422)</u>	<u>(290,657)</u>	<u>(207,470)</u>
Total adjustments	<u>3,238,819</u>	<u>5,396,124</u>	<u>10,119</u>	<u>11,629,928</u>	<u>2,984,866</u>
Net cash provided by (used in) operating activities	<u>\$ 6,047,004</u>	<u>\$ 9,793,525</u>	<u>\$ 343,233</u>	<u>\$ 16,216,001</u>	<u>\$ 32,239</u>

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Albany (the City) have been prepared in accordance with generally accepted accounting principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reporting Entity

The City of Albany is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, these financial statements present the City and its one component unit, an entity for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the City's operations and, therefore, data from the unit is combined with the data of the City of Albany. The City's component unit operates on a June 30 year-end.

Blended Component Unit

The Albany Revitalization Agency (a component unit of the City of Albany, Oregon) was organized on August 8, 2001, as the Central Albany Revitalization Area, and commenced operations during fiscal year 2001 under the provisions of Oregon Revised Statutes, Chapter 457, to provide for rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area. As provided by ORS 457, the City Council is the governing body of the Agency. The principal funding source is from bond sales, which will be repaid from property tax increment revenues and interest earnings. The Personnel of the City provide project management and administration. The Agency's complete financial statement may be obtained at the City's administrative offices, City of Albany, PO Box 490, Albany, OR 97321.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize 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 on fees and charges for support.

Government-wide financial statements display information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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 goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated into a single column in the financial section of the basic financial statements. The City does not have any fiduciary fund types.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported 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. Revenues are considered available when 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 the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sanitary sewer and stormwater enterprise funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The City reports the following major governmental funds:

General

This is the City's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenues are property taxes, franchise fees, privilege taxes, rural fire protection district fees, municipal court fines, licenses, and permits. Primary expenditures are for general government (planning and housing), public safety (municipal court, police, fire, fire suppression, and fire life safety), and culture and recreation (library).

Parks and Recreation

This fund accounts for the City's parks and recreation activities. Major sources of revenues are property taxes, charges for recreational activities, donations, and parks systems development charges. Expenditures are for park maintenance, administration, recreational programs, and other special activities such as the summer concert series, and the Northwest Art and Air Festival.

Risk Management

This fund accounts for the City's risk management exposure. Major sources of revenues are insurance refunds and the accumulation of interest related to the settlement proceeds from the SVC Manufacturing, Inc. litigation. Expenditures are for deductibles related to insurance claims, any self-insured situation that may arise, and for the proceeds of the SVC Litigation.

Street

The major activities of the Street Fund are pavement management, traffic control, bridge maintenance, right-of-way maintenance, and capital improvements of the City's transportation system. The primary sources of revenue are the state gasoline tax, franchise fees charged to the City's water and sewer utilities, and transportation systems development charges.

Capital Projects

The Capital Projects Fund is a governmental fund used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds. Sources of funds include local, state, and federal support (grants); donations; and transfers from other funds.

The City reports the following major proprietary funds:

Water

All operating (treatment and distribution), capital construction, and debt service activities of the City's water system are reported in this fund.

Sewer

All operating (collection and treatment), capital construction, and debt service activities of the City's sanitary sewer system are reported in this fund.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Stormwater

All operating and capital construction activities of the City's stormwater system are reported in this fund.

Additionally, the City reports the following nonmajor fund types:

Special Revenue

A governmental fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service

The City utilizes these funds to account for debt service on bonds issued by the governmental funds. General obligation bonds are funded by property taxes. Other debt service is funded from departmental charges through payroll expenditures.

Capital Projects

A governmental fund type, other than the major governmental fund, used to account for the acquisition or construction of capital facilities and equipment other than those financed by proprietary funds. Sources of funds include local, state, and federal support; donations; transfers and contributions from other funds.

Permanent

A governmental fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Internal Service

A proprietary fund type that is used to account for central services provided to all funds, and public works services primarily to enterprise funds, which are charged a fee for those services on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments from other funds for City Hall space rental to the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Cash and Cash Equivalents

The City's cash on hand and short-term investments are considered to be cash and cash equivalents. This includes state authorized investment in the State Treasurer's Local Government Investment Pool.

Investments

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, and repurchase agreements.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Restricted Assets

Assets whose use is restricted for construction, debt service, or by other agreement are segregated on the Government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

Inventories

Inventories are stated at cost (first-in, first-out method). Inventories are recorded as expenditures when purchased or donated and charged to expenses in the statement of activities and the enterprise funds when used.

Receivables

Management has determined that the direct method of accounting for uncollectible accounts receivable approximates the GAAP allowance for uncollectible accounts method. Therefore, no allowance for uncollectible accounts receivable has been presented. Property taxes receivable for the governmental fund types which are collected within 60 days following the year end are considered measurable and available and, accordingly, are recognized as revenues in the respective funds. All other property taxes receivable for the governmental fund types are offset by deferred revenues and, accordingly, have not been recorded as revenues. Uncollected property taxes, including delinquent accounts, are deemed to be substantially collectible or recoverable through foreclosure. The major sources of revenues which are subject to accrual include property taxes, user charges, property assessments, and interest.

Property taxes become a lien against the property as of July 1 in the year in which they are due and are assessed in October through billing by the counties to the property owner. Payments are due in three equal installments on November 15, February 15, and May 15, with a three percent discount available for payment in full on November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable in the general and capital projects funds are recorded at the time the property owners are assessed for property improvements. Assessments receivable are offset by deferred revenues and, accordingly, are not recorded as revenue until received.

Federal and state grants and state, county, and local shared revenues are recorded as revenues in all fund types as earned.

Proprietary funds record revenues as they are earned, including services not yet billed.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Capital assets are defined by the City as assets with an estimated useful life of greater than one year and an initial individual cost of \$10,000 or more. In the case of purchases which will be federally reimbursed the cost threshold is \$5,000 or more. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. Other costs for repairs and maintenance are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Vehicles and equipment	3 – 25 years
Buildings and improvements	25 – 75 years
Infrastructure	20 – 50 years

Compensated Absences

It is the City's policy to permit employees to earn vacation, compensatory time, holidays, and sick leave. No liability is reported for accumulated sick leave, as it does not vest when earned. Vacation leave is accrued as it is earned and is reported as a fund liability. All vacation and eligible leave is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured; for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related obligations.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period of issuance. The face amount of the debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify for reporting in this category are the deferred charges related to pensions and other postemployment benefits in the government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represent an acquisition of net position 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 deferred inflows relating to pensions and other postemployment benefits.

In addition to liabilities, the Balance Sheet reports a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represent an acquisition of net position 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 deferred inflows relating to delinquent property tax collections and uncollected assessments.

Equity

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

- 1) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- 2) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
- 3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the governmental fund financial statements equity is reported using the five fund balance categories listed below:

- 1) Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (continued)

2) Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

3) Committed – Amounts are those constrained by City Council through resolution or ordinance before the end of the fiscal year. The State of Oregon recognizes resolutions and ordinances as being equally binding, and the process for establishing, modifying, and rescinding resolutions and ordinances are substantively the same. Therefore, the City uses both to commit funds.

4) Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City's Finance Director to assign fund balance amounts.

5) Unassigned – The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

The City will use resources in the following order: restricted, committed, assigned, and unassigned, unless the City Council has provided otherwise in its commitment or assignment actions.

The City of Albany has adopted this order of categories in Resolution 6015 on June 22, 2011, and has classified equity in the proper category.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Biennial budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law). The City Manager submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City, 14 members in all). The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The City Council may not increase approved expenditures for each fund by more than 10 percent without returning to the Budget Committee for a second approval.

The City is required to budget each fund. The City's budget is prepared for each fund on the modified accrual basis of accounting. Revenues and other increases in financial resources are recognized when they become both measurable and available. For the City, available means that the funds are collectible within 60 days of the end of the current period.

Expenditures are recognized when the fund liability is incurred, except for inventories of materials and supplies that may be considered expenditures when purchased, and prepaid insurance and other similar items that may be considered expenditures either when paid or consumed.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (continued)

A City Council resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control is either total appropriations by program within a fund or total fund appropriations segregated into the following categories: personnel services, materials and services, capital outlay, transfers out, and contingency. The budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Budget appropriations can be changed with City Council approval only.

An election must be held to approve general obligation debt pledging the full faith and credit of the City. As a result of Ballot Measure 50 and subsequent legislation, the City's permanent tax rate has been set at \$6.3984 per \$1,000 of assessed value. The assessed value (not including the urban renewal district) for 2020-2021 was \$4,305,383,995. Assessed value is calculated on a property-by-property basis and is limited to a three percent increase annually. Compression of tax revenues comes into play when the real market value of an individual residential property is not sufficient to allow for an annual three percent increase in the assessed value.

The City appropriates at the program level with the exception of contingency and transfers out for the following funds:

<ul style="list-style-type: none"> General Special Revenue <ul style="list-style-type: none"> Parks and Recreation Building Inspection Risk Management Economic Development Public Transit Public Safety Levy Albany Revitalization Agency (ARA) Debt Service <ul style="list-style-type: none"> Debt Service GO Debt Service 	<ul style="list-style-type: none"> Capital Project <ul style="list-style-type: none"> Capital Projects Capital Replacement Permanent <ul style="list-style-type: none"> Library Trust Internal Service <ul style="list-style-type: none"> Central Services Public Works Services
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A budget is appropriated by total personnel services, materials and services, capital outlay, transfers out, and contingency for the following funds:

<ul style="list-style-type: none"> Special Revenue <ul style="list-style-type: none"> Grants Street 	<ul style="list-style-type: none"> Enterprise <ul style="list-style-type: none"> Water Sewer Stormwater
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Unexpected additional resources may be appropriated through the use of a supplemental budget and City Council action. The original and supplemental budgets require hearings before the public, publications in newspapers, notice postings, and approval by the City Council. Original and supplemental budgets may be modified during the fiscal year by use of appropriation transfers between legal categories. Such transfers require approval of the City Council.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)
Budgetary Information (continued)

During the biennium the City made supplemental budget changes as outlined by fund in the following table:

Fund	2019-21		Changes
	Original Budget	Final Budget	
General	\$ 86,703,600	\$ 89,355,100	\$ 2,651,500
Parks and Recreation	17,513,300	17,823,300	310,000
Risk Management	5,893,400	6,553,400	660,000
Street	23,927,400	23,927,400	-
Grants	3,390,600	7,143,000	3,752,400
Building Inspection	4,179,900	4,245,300	65,400
Economic Development	9,921,300	10,881,300	960,000
Public Transit	7,108,900	7,585,900	477,000
Public Safety Levy	8,992,000	10,689,900	1,697,900
Albany Revitalization Agency	14,415,900	14,415,900	-
Debt Service	1,872,400	1,872,400	-
GO Debt Service	2,527,100	2,527,100	-
Capital Projects	2,957,000	2,957,000	-
Capital Replacement	10,067,800	10,067,800	-
Library Trust	6,500	6,500	-
Water	41,795,000	41,795,000	-
Sewer	77,678,600	77,678,600	-
Stormwater	5,271,400	5,271,400	-
Central Services	16,145,600	16,951,500	805,900
Public Works Services	20,872,400	21,646,600	774,200
	<u>\$ 361,240,100</u>	<u>\$ 373,394,400</u>	<u>\$ 12,154,300</u>

Expenditure appropriations may not legally be overspent, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted. The City currently uses encumbrances which lapse at the close of the fiscal year.

3. DETAILED NOTES
Cash and Investments

The City pools virtually all funds for investment purposes. Each fund type's portion is displayed on the Statement of Net Position as 'cash and investments' and 'restricted cash and investments' (page 43).

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Cash and Investments (continued)**

Cash and investments included in the Statement of Net Position are as follows:

Cash on hand	\$ 29,841
Bank balances with financial institutions	2,328,714
State of Oregon Treasurer's short-term investment pool	47,293,735
Other investments	<u>52,236,869</u>
Total cash and investments	<u>\$ 101,889,159</u>

Cash and investments are reflected on the Statement of Net Position as:

Cash and investments	\$ 101,801,426
Restricted cash and investments	<u>87,733</u>
Total cash and investments	<u>\$ 101,889,159</u>

Financial Institutions

Deposits with financial institutions are comprised of bank demand deposits and savings accounts. At year end, the carrying amount of the City's net balance was \$2,328,714 and the bank balance was \$3,467,663.

State of Oregon Treasurer's short-term investment pool

The Oregon Short-Term Investment Pool is an external investment pool as defined in GASB Statement No. 31. The Oregon Short-term Fund is not registered with the SEC as an investment company. The State's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council.

Equity in Pooled Cash and Investments

Oregon Revised Statutes, Chapter 294 authorize the City to invest in obligations of the U. S. Treasury, U. S. government agencies, bankers' acceptances issued by Oregon financial institutions, repurchase agreements, Oregon Short-term Fund, certain high-grade commercial paper, and various interest-bearing bonds of Oregon municipalities, among others. In addition, the City's investments are governed by written investment policy. The policy, which is reviewed by the Oregon Short-term Fund Board and adopted by the City Council, specifies the City's investment objectives, requires diversification within certain limitations, and sets forth security, safekeeping, and reporting requirements. The equity position of each fund participating in an internal investment pool is reported as assets of those funds. The City reports all investments at fair value.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Cash and Investments (continued)**

At June 30, 2021, the City had the following recurring fair value measurements:

Investments by fair value level	6/30/2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Government agency obligations:				
US Treasury Notes	\$ 16,265,814	\$ 16,265,814	\$ -	\$ -
Federal Farm Credit Bank	10,943,340	-	10,943,340	-
Federal Home Loan Mortgage Corporation	2,487,860	-	2,487,860	-
Federal National Mortgage Association	2,984,550	-	2,984,550	-
Federal Home Loan Banks	11,205,760	-	11,205,760	-
Corporate Bonds				
Amazon	1,000,200	-	1,000,200	-
Apple	2,029,130	-	2,029,130	-
Microsoft	2,023,620	-	2,023,620	-
Municipal bonds - Oregon	250,813	-	250,813	-
Municipal bonds - California	619,428	-	619,428	-
Municipal bonds - Washington	350,574	-	350,574	-
Foreign bonds - Canadian banks	2,075,780	-	2,075,780	-
Totals	<u>\$ 52,236,869</u>	<u>\$ 16,265,814</u>	<u>\$ 35,971,055</u>	<u>\$ -</u>

The City's U.S. Treasury notes are classified as Level 1, and have values based on institutional bond quotes – evaluations based on various market and industry inputs.

Level 2 are valued using the following approaches: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable for an asset. The City's U.S. government agency mortgage-backed pools are based on mortgage-backed securities pricing, with evaluations based on various market and industry inputs. Corporate bond values are based on institutional bond quotes, with evaluations based on various market and industry inputs.

Level 3 inputs are unobservable and should reflect the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. The City does not currently hold any Level 3 investments.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2021.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Cash and Investments (continued)**

As of June 30, 2021, the City had the following investments:

Investment Type	Moody's Rating	Fair Value	Weighted Average Maturity (yrs)	Percent of Total Portfolio
U.S. Government agency obligations:				
U.S. Treasury Notes	AAA	\$ 16,265,815	0.51	16%
Federal Farm Credit Bank	AAA	10,943,340	0.11	11%
Federal Home Loan Mortgage Corporation	AAA	2,487,860	0.07	2%
Federal National Mortgage Association	AAA	2,984,550	0.09	3%
Federal Home Loan Banks	AAA	11,205,760	0.11	11%
Corporate Bonds				
Amazon	A1	1,000,200	0.05	1%
Apple	AA1	2,029,130	0.08	2%
Microsoft	AAA	2,023,620	0.01	2%
Municipal bonds - Oregon	AA1	250,813	0.00	0%
Municipal bonds - California	AA2	619,428	0.00	1%
Municipal bonds - Washington	AAA	350,574	0.01	0%
Foreign bonds - Canadian banks	AA2	1,068,580	0.02	1%
Foreign bonds - Canadian banks	AA3	1,007,200	0.04	1%
Oregon Short-term Fund	NR	47,293,735	0.00	48%
Totals		<u>\$ 99,530,604</u>		<u>100%</u>
Portfolio Weighted average maturity			<u>1.11</u>	

Interest Rate Risk

The City's investment policy does not allow investments of more than five and a quarter years. At least 25 percent of the total portfolio must mature in under one year. The weighted maturity of the total portfolio shall not exceed 1.75 years. The City's weighted average maturity as of June 30, 2021, was 1.11 years.

Credit and Concentration of Credit Risk

The City has adopted within its investment policy the State statutes which authorize the City to invest primarily in general obligations of the U. S. Government and its agencies; certain bonded obligations of Oregon, Washington, Idaho, and California municipalities; bank repurchase agreements; bankers' acceptances; certain commercial papers; and the Oregon Short-term Fund investment pool.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

Diversification constraints of the City's investment policy are:

Issuer Type	Percent of Total Portfolio
U. S. Treasury obligations	100%
U. S. Agency Primary Securities	100%
Per Issuer	35%
U. S. Agency Secondary Securities	10%
Municipal Bonds*	25%
Corporate Bonds*	35%
Commercial Paper*	35%
Bank Time Deposits/Savings Accounts	20%
Certificates of Deposit	10%
Banker's Acceptance*	35%
Oregon Intermediate Fund	10%

Custodial Risk – Investments

The laws of the State require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by the City, an independent third-party financial institution, or in the City's designated depository. All safekeeping arrangements shall be designated by the Finance Director and an agreement of the terms executed in writing. The third-party custodian shall be required to issue original safekeeping receipts to the City listing each specific security, rate, description, maturity, and CUSIP number. Each safekeeping receipt will clearly state that the security is held for the City or pledged to the City. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Custodial Risk – Deposits

This is the risk that in the event of a bank failure, the City of Albany's deposits might not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City of Albany's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest-bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2021, none of the City's deposits were exposed to custodial credit risk.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Capital Assets**Governmental Activities

Capital asset activity for the year ended June 30, 2021, was as follows:

	July 1, 2020 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2021 Balance
Non-depreciable capital assets				
Land	\$ 15,762,102	\$ -	\$ -	\$ 15,762,102
Construction in progress	5,750,887	\$ 2,639,760	(2,628,381)	5,762,266
Total non-depreciable capital assets	21,512,989	2,639,760	(2,628,381)	21,524,368
Depreciable capital assets				
Buildings and improvements	43,439,179	455,543	2,991	43,897,713
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	22,699,731	2,217,699	(128,934)	24,788,496
Infrastructure	161,473,101	2,760,357	2,625,390	166,858,848
Total depreciable capital assets	228,412,011	5,433,599	2,499,447	236,345,057
Accumulated depreciation				
Buildings and improvements	(8,890,635)	(843,254)	-	(9,733,889)
Intangible assets	(311,129)	(39,973)	-	(351,102)
Vehicles and equipment	(17,549,744)	(886,099)	126,702	(18,309,141)
Infrastructure	(99,622,635)	(6,461,532)	-	(106,084,167)
Total accumulated depreciation	(126,374,143)	(8,230,858)	126,702	(134,478,299)
Depreciable capital assets net of depreciation	102,037,868	(2,797,259)	2,626,149	101,866,758
Governmental activities, capital assets, net	\$ 123,550,857	\$ (157,499)	\$ (2,232)	\$ 123,391,126

Depreciation expense for governmental activities has been charged as follows:

General Governmental	\$ 3,052,464
Public Safety	268,850
Highways & Streets	3,435,689
Culture & Recreation	1,473,855
Total depreciation for governmental activities	<u>\$ 8,230,858</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Capital Assets (continued)**Business-type Activities

Capital asset activity for the year ended June 30, 2021, was as follows:

	June 30, 2020		Deletions, Transfers in, Transfers out	June 30, 2021
	Balance	Additions		Balance
Non-depreciable capital assets				
Land	\$ 6,404,149	\$ -	\$ -	\$ 6,404,149
Construction in progress	13,389,827	2,256,303	(9,560,449)	6,085,681
Total non-depreciable capital assets	19,793,976	2,256,303	(9,560,449)	12,489,830
Depreciable capital assets				
Land rights	19,794	-	-	19,794
Land improvements	82,335	-	-	82,335
Buildings and improvements	155,814,463	657,816	53,085	156,525,364
Vehicles and equipment	11,240,648	380,532	(97,008)	11,524,172
Infrastructure	181,937,676	3,289,527	9,507,364	194,734,567
Total depreciable capital assets	349,094,916	4,327,875	9,463,441	362,886,232
Accumulated depreciation				
Land rights	(19,794)	-	-	(19,794)
Land improvements	(82,335)	-	-	(82,335)
Buildings and improvements	(54,064,643)	(4,039,635)	-	(58,104,278)
Vehicles and equipment	(8,507,665)	(452,913)	97,008	(8,863,570)
Infrastructure	(71,652,967)	(4,022,075)	-	(75,675,042)
Total accumulated depreciation	(134,327,404)	(8,514,623)	97,008	(142,745,019)
Depreciable capital assets net of depreciation	214,767,512	(4,186,748)	9,560,449	220,141,213
Business-type activities, capital assets, net	\$ 234,561,488	\$ (1,930,445)	\$ -	\$ 232,631,043

Assessment Liens Receivable

Assessment liens receivable represent the uncollected amounts levied against property for the cost of local improvements. Total delinquent assessments receivable at June 30, 2021, amounted to \$1,167,145 which represented approximately 13 percent of the outstanding assessment receivables. Since assessments are liens against the benefited properties, an allowance for uncollectible accounts is not deemed necessary. Assessments are payable for a period of five to twenty years and bear an interest rate of nine percent for unbonded assessments and the bond rate plus 1.5 percent for financed assessments.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Loans Receivable**

The listing which follows outlines the loans receivable as of June 30, 2021. The ARA loans have been restated to show the division of regular and forgivable loans.

	July 1, 2020		June 30, 2021	
	Balance	Increase	Decrease	Balance
Governmental Funds				
Albany Revitalization Agency (ARA) Regular loans	\$ 827,409	\$ 744,000	\$ (46,668)	\$ 1,524,741
Economic Development	730,551	1,203,293	(49,791)	1,884,053
Enterprise Funds				
Sewer	3,182,569	-	(310,745)	2,871,824
Total government-wide loans	<u>\$ 4,740,529</u>	<u>\$ 1,947,293</u>	<u>\$ (407,204)</u>	<u>\$ 6,280,618</u>

Albany Revitalization Area (ARA) Fund Loans

The ARA has made loans to individuals or corporations to help offset the costs of building and remodeling projects within the urban renewal district.

In fiscal year 2016, the ARA approved a zero-interest twenty-year loan of \$175,000, to Novak's Hungarian Restaurant, for further improvements to the property located at 208 Second Avenue. This loan is secured by a promissory note and trust deed. Monthly payments of \$729 began on January 15, 2016. Due to COVID-19 the City deferred some payments for future consideration. The outstanding balance on June 30, 2021, totaled \$135,950.

In fiscal year 2016, the ARA approved a twenty-year loan of \$500,000, to Rick Mikesell, for renovations to the 1st Avenue Century Building. This no-interest loan is secured by a promissory note and trust deed. Monthly payments of \$2,083 started in September 2016, resulting in an outstanding balance of \$379,167 on June 30, 2021.

ARA converted a \$200,000 forgivable loan to R3 Development to a repayable loan in July 2016. The twenty-year loan has zero interest and monthly payments of \$833. Payments began in August 2016, resulting in an ending balance of \$150,834 on June 30, 2020.

Signs of Victory received a five-year \$50,000 loan from the ARA on April 28, 2017, and another \$50,000 loan that was finalized July 13, 2017. This loan is secured by a promissory note and trust deed. Annual payments of \$25,000 plus interest began on December 31, 2018. A one-year forbearance was granted in December 2019, making the next payment due December 31, 2020; it was not received. The outstanding balance on June 30, 2021 was \$75,000.

Natural Sprinkles Bakery received a five-year \$50,000 loan from the ARA on January 5, 2018. This loan is secured by a promissory note and all tangible and intangible assets of the business. Annual interest-only payments are due in January of each year. The full principal balance is due January 5, 2023.

In fiscal year 2021 the ARA approved a 20-year loan of \$744,000 to Van Vleet Properties, LLC, with an annual interest rate of 4.0 percent. This loan is secured by a promissory note and trust deed. Monthly payments of \$4,508 began on March 15, 2021. The outstanding balance on June 30, 2021 was \$733,790.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Loans Receivable (continued)**Albany Revitalization Area (ARA) Fund Loans (continued)

The following table is a schedule of loans that the ARA has made which are forgivable if certain conditions are met. The ARA believes that these conditions will be met, and thus does not report them as loans receivable.

Borrower	Loan draws to date	Forgiven	Balance yet to be forgiven
CADD Connection - Yamamoto	\$ 97,500	\$ 13,929	\$ 83,571
Edgewater Village	1,820,000	244,800	1,575,200
Ameri-Tool	35,000	5,000	30,000
Novak's Hungarian Restaurant	200,000	-	200,000
C.H.A.N.C.E.	75,000	-	75,000
	<u>\$ 2,227,500</u>	<u>\$ 263,729</u>	<u>\$ 1,963,771</u>

Economic Development Loans

In fiscal year 2020 the City approved a loan of \$745,000, to Stack HIP LLC, with an annual interest rate of 2.5 percent. This loan is secured by a promissory note and trust deed. Monthly payments of \$3,948 began on January 2, 2020. The outstanding balance at June 30, 2021 totaled \$701,105.

In fiscal year 2021 the City contracted with Community LendingWorks to administer loans to Albany small businesses. A total of 15 businesses received loans totaling \$200,000 in fiscal year 2021. At June 30, 2021, 13 businesses had an outstanding balance and the amount of principal outstanding totaled \$179,654.

The remaining \$875,697 of Loans Receivable is an interfund loan provided to the Capital Projects Fund.

Wastewater Treatment Plant Loan - City of Millersburg

In August 2007, the cities of Albany and Millersburg approved an intergovernmental agreement for expansion and improvement of Albany's Davidson Street wastewater treatment plant. Costs of the project will be shared ninety percent for Albany and ten percent for Millersburg. The initial cost estimate was \$70 million. The project went online in 2010-11 and final project costs, plus adjustments totaled \$77,854,374. The loan balance was set to be paid back over a 19-year period at the same interest rate charged for the Albany loan from the Clean Water State Revolving Fund but in fiscal year 2017-18, this loan was refinanced at a lower interest rate decreasing the interest owed. As of June 30, 2021, Millersburg's loan balance was \$2,871,824.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3. DETAILED NOTES (CONTINUED)

Deferred Inflows of Resources

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent property taxes			
General		\$	732,913
Parks and Recreation			179,400
Nonmajor governmental			323,873
Accounts			1,054,725
Assessments			9,354,870
Economic development loans			<u>3,408,876</u>
Total unavailable revenue		\$	<u>15,054,657</u>

Restricted Net Position

Total restricted net position of \$37,499,549 includes \$79,500 restricted for permanent endowments and \$37,420,049 restricted by enabling legislation or by agreement with other external entities as follows:

Governmental activities			
Business-type activities		\$	29,540,017
			<u>7,959,532</u>
Total		\$	<u>37,499,549</u>

Contract Commitments

The City has active contractual commitments as of June 30, 2021 as follows:

			Spent	Remaining
Consultant Contracts	Fund	to Date	Commitment	
Stormwater master planning	Street	\$ 54,896	\$ 72,142	
Water reclamation solids handling project	Sewer	<u>958,051</u>	<u>478,800</u>	
		1,012,947	550,942	
<u>Construction Contracts</u>				
24th Avenue	Street	1,357,304	1,055,589	
2021 Slurry seal projects	Street	-	176,494	
Davidson Street	Street	163,890	271,652	
Water reclamation compost improvements	Sewer	342,251	6,550,249	
2021 Pipe bursting projects	Sewer	<u>592,587</u>	<u>157,443</u>	
		2,456,032	8,211,427	

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3. DETAILED NOTES (CONTINUED)

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of police vehicles. The lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of their future lease payments as of the inception date.

The assets acquired by capital lease are as follows:

<u>Asset type</u>	<u>Governmental Activities</u>
Vehicles and equipment	\$ 43,204

The future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

<u>Years ending June 30,</u>	<u>Governmental Activities</u>
2022	\$ 43,20

Operating Leases

The City has entered into a lease agreement for the use of police vehicles. Total costs for the lease were \$134,983 for the year ended June 30, 2021.

The future minimum payments of these leases as of June 30, 2021, were as follows:

<u>Years ending June 30,</u>	<u>Governmental Activities</u>
2022	\$ 99,802
2023	\$ 99,802

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Long-term Obligations**

Information is presented separately for governmental and business-type activities. The table below presents current year changes and amounts due within one year for each issue.

	Beginning Balance June 30, 2020	Increase	Decrease	Ending Balance June 30, 2021	Due Within One Year
Governmental Activities					
General obligation bonds, 2015 Public Safety Facilities Bonds	\$ 15,835,000	\$ -	\$ 575,000	\$ 15,260,000	\$ 625,000
Limited tax pension obligations, Series 2002	4,610,001	-	460,000	4,150,001	530,000
Urban Renewal Bonds 2007 CARA Series A Tax-exempt	863,000	-	421,000	442,000	442,000
Direct borrowings and placements					
2021 SPWF Lochner Road*	-	1,003,293	-	1,003,293	-
Oregon IFA	7,321,892	-	494,228	6,827,664	506,831
Subtotal	<u>28,629,893</u>	<u>1,003,293</u>	<u>1,950,228</u>	<u>27,682,958</u>	<u>2,103,831</u>
Net pension liability	48,577,164	11,803,687	-	60,380,851	-
Other postemployment benefits	3,908,711	-	118,815	3,789,896	-
Unamortized premium on debt issuance	477,194	-	31,813	445,381	31,813
Compensated absences	2,155,609	5,054,592	3,800,545	3,409,656	1,704,832
Capital leases	84,408	-	41,204	43,204	43,204
Total Governmental Activities	<u>83,832,979</u>	<u>17,861,572</u>	<u>5,942,605</u>	<u>95,751,946</u>	<u>3,883,680</u>
Business-type Activities					
Revenue bonds					
2013 Water Refunding Bonds	21,415,000	-	1,140,000	20,275,000	1,195,000
Direct borrowings and placements					
2018 SRF - WWTP	38,082,103	-	3,718,324	34,363,779	3,783,680
2009 Wetland	86,671	-	86,671	-	-
2012 SRF	1,150,000	-	100,000	1,050,000	100,000
2021 SRF - Riverfront Interceptor**	6,160,519	3,949,084	-	10,109,603	235,413
Subtotal	<u>66,894,293</u>	<u>3,949,084</u>	<u>5,044,995</u>	<u>65,798,382</u>	<u>5,314,093</u>
Net pension liability	11,794,197	3,528,471	-	15,322,668	-
Other postemployment benefits	1,049,205	9,050	-	1,058,255	-
Unamortized premium on debt issuance	1,208,686	-	92,388	1,116,298	92,388
Compensated absences	457,944	1,299,065	860,290	896,719	448,360
Total Business-type Activities	<u>81,404,325</u>	<u>8,785,670</u>	<u>5,997,673</u>	<u>84,192,322</u>	<u>5,854,841</u>
Totals	<u>\$ 165,237,304</u>	<u>\$ 26,647,242</u>	<u>\$ 11,940,278</u>	<u>\$ 179,944,268</u>	<u>\$ 9,738,521</u>

*The 2021 SPWF Lochner Road loan agreement was not finalized in the 2021 fiscal year and payment amounts were not finalized at the time of financial reporting.

**The 2021 SRF – Riverfront Interceptor loan agreement was not finalized in the 2021 fiscal year but the amounts were known at the time of financial reporting.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)**Long-term Obligations (continued)**

One of the City's two internal service funds, Central Services, serves primarily governmental activities. At year end, long-term liabilities from the Central Service Fund for compensated absences in the amount of \$382,921 are included in the above totals for governmental activities. For governmental activities compensated absences, pension liabilities and other postemployment benefit liabilities are generally liquidated by the fund in which they were incurred, including the General, Parks and Recreation, Building Inspection, Street, Economic Development, and Public Transit Funds.

Governmental Activities*General Obligation Bonds*

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

The City issued \$18,000,000 in general obligation bonds in August 2015 to finance construction of new public safety facilities. Interest rates range from three to five percent for the 20-year bonds. Final maturity is June 15, 2035. The balance outstanding at June 30, 2021, is \$15,260,000.

For the year ending June 30,	Principal	Interest	Total
2022	\$ 625,000	\$ 544,275	\$ 1,169,275
2023	685,000	519,275	1,204,275
2024	745,000	491,875	1,236,875
2025	815,000	454,625	1,269,625
2026	890,000	413,875	1,303,875
2027-2031	5,590,000	1,494,575	7,084,575
2032-2035	5,910,000	493,131	6,403,131
Totals	<u>\$ 15,260,000</u>	<u>\$ 4,411,631</u>	<u>\$ 19,671,631</u>

Limited Tax Pension Obligations

In March 2002, the City sold \$6,851,826 of Limited Tax Pension Obligations. Net proceeds in the amount of \$6,700,000 were used to finance a portion of the City's estimated unfunded liability in the Oregon Public Employees Retirement System. Debt service requirements are payable from available General Fund resources including property taxes. Interest rates range from 2 percent to 7.36 percent for the 26-year bonds. Final maturity is June 1, 2028. The City prepaid one bond in the amount of \$790,000, which led to interest being defeased in the amount of \$737,003. The balance outstanding at June 30, 2021, is \$4,150,001. Annual debt service requirements to maturity for the limited tax pension obligations are as follows:

For the year ending June 30,	Principal	Interest	Total
2022	\$ 530,000	\$ 284,275	\$ 814,275
2023	600,000	247,970	847,970
2024	685,000	206,870	891,870
2025	-	159,947	159,947
2026	865,000	159,947	1,024,947
2027-2028	<u>1,470,001</u>	<u>134,945</u>	<u>1,604,946</u>
Totals	<u>\$ 4,150,001</u>	<u>\$ 1,193,954</u>	<u>\$ 5,343,955</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)
Long-term Obligations (continued)

Governmental Activities (continued)

Albany Revitalization Agency Urban Renewal Bonds

In October 2007, the Albany Revitalization Agency, an urban renewal district, issued bonds totaling \$4,687,000 to finance authorized projects in the urban renewal area. Debt service requirements are payable from tax increment revenues. Interest rates range from 4.85 percent to 6.25 percent for the 15-year bonds. Final maturity is June 15, 2022. The balance outstanding at June 30, 2021, is \$442,000. Annual debt service requirements to maturity for urban renewal bonds are as follows:

For the year ending June 30,	Principal	Interest	Total
2022	\$ 442,000	\$ 21,437	\$ 463,437

Oregon Infrastructure Authority (IFA) streetscape loan

In October 2016, Council approved through resolution a \$8,400,000 loan from the Oregon Infrastructure Authority (IFA) for the financing of projects in the Central Albany Revitalization Area. The interest rate is 2.55 percent and payment is made from the transfer of ARA incremental tax receipts. Final maturity is December 1, 2032. The balance outstanding at June 30, 2021 is \$6,827,664. In the event of default, the IFA may declare all payments immediately due and payable. Annual debt service requirements to maturity are as follows:

For the year ending June 30,	Principal	Interest	Total
2022	\$ 506,831	\$ 174,105	\$ 680,936
2023	519,755	161,181	680,936
2024	533,009	147,927	680,936
2025	546,600	134,336	680,936
2026	560,539	134,336	694,875
2027-2031	3,024,530	380,152	3,404,682
2032-2033	1,136,400	41,332	1,177,732
	\$ 6,827,664	\$ 1,173,369	\$ 8,001,033

Revenue Bonds

In March 2013, the City issued \$28,405,000 of Water Refunding Bonds, Series 2013, to refund the 2003 Series Water Revenue and Refunding Bonds. The 2013 Series bonds are collateralized by City's pledge of its full faith and credit and taxing powers, plus are secured by a lien on the net revenues of the City's Water System. Debt service requirements are payable from pledged water system revenues, i.e. water service charges and system development charges. Interest rates range from three percent to five percent for the 20-year bonds. Final maturity is August 1, 2033. The balance outstanding of the bonds at June 30, 2021, is \$20,275,000.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)
Long-term Obligations (continued)

Business-type Activities

For the year ending June 30,	Principal	Interest	Total
2022	\$ 1,195,000	\$ 730,794	\$ 1,925,794
2023	1,240,000	682,094	1,922,094
2024	1,290,000	631,494	1,921,494
2025	1,345,000	572,069	1,917,069
2026	1,420,000	502,944	1,922,944
2027-2031	8,150,000	1,583,195	9,733,195
2032-2034	<u>5,635,000</u>	<u>268,199</u>	<u>5,903,199</u>
Totals	<u>\$ 20,275,000</u>	<u>\$ 4,970,789</u>	<u>\$ 25,245,789</u>

Loans Payable

The City was approved for two loans totaling \$69,000,000 from the Clean Water State Revolving Fund (CWSRF) to assist in the payment of construction costs to build a new wastewater treatment plant. The loan amounts are \$35,183,559 at a rate of 2.90 percent and \$33,816,441 at 3.14 percent. Debt service requirements are payable from pledged sewer system revenues, i.e. sewer service charges and a payment from the City of Millersburg. In fiscal year 2017-18 the City refinanced and consolidated the two loans into one with a rate of 1.75 percent. The loan payment schedule includes a 0.5% loan fee, effectively increasing the loan rate to 2.25 percent. In the event of default, the CWSRF may declare the outstanding loan amount plus any unpaid accrued interest immediately due and payable. As of June 30, 2021, the balance outstanding is \$34,363,779. The final maturity date is October 1, 2029.

For the year ending June 30,	Principal	Interest	Total
2022	\$ 3,783,680	\$ 756,703	\$ 4,540,383
2023	3,850,184	671,281	4,521,465
2024	3,917,856	584,357	4,502,213
2025	3,986,720	495,906	4,482,626
2026	4,056,793	405,899	4,462,692
2027-2030	<u>14,768,546</u>	<u>691,472</u>	<u>15,460,018</u>
Totals	<u>\$ 34,363,779</u>	<u>\$ 3,605,618</u>	<u>\$ 37,969,397</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)
Long-term Obligations (continued)

Business-type Activities (continued)

Loans Payable (continued)

The City of Albany has received a \$4,000,000 loan from the Special Public Works Revolving Fund (SPWRF) which was funded by American Recovery and Reinvestment Act (ARRA) and was used to fund a portion of the Talking Water Garden project. The City of Millersburg forwarded their \$4,000,000 loan from SPWRF to use against the same project. These two loans are forgivable; 75% for the City of Millersburg and 50% for the City of Albany. The balance outstanding as of June 30, 2021, is \$1,050,000. Debt service requirements are payable from pledged sewer system revenues, i.e. sewer service charges. The loan is interest free with the exception of the annual fee of 0.50%; the final maturity is August 1, 2031. The amortization schedule is as follows:

For the year ending June 30,	Principal	Interest	Total
2022	\$ 100,000	\$ 5,250	\$ 105,250
2023	100,000	4,750	104,750
2024	100,000	4,250	104,250
2025	100,000	3,750	103,750
2026	100,000	3,250	103,250
2027-2031	500,000	8,750	508,750
2032	50,000	250	50,250
Totals	<u>\$ 1,050,000</u>	<u>\$ 30,250</u>	<u>\$ 1,080,250</u>

The City was approved for a loan totaling \$10,109,603 from the Clean Water State Revolving Fund (CWSRF) to assist in the payment of construction costs to build a new riverfront interceptor and lift station. Debt service requirements are payable from pledged sewer system revenues. The loan payment schedule includes a 0.5 percent loan fee on top of the 1.00 percent interest rate, effectively increasing the loan rate to 1.50 percent. In the event of default, the CWSRF may declare the outstanding loan amount plus any unpaid accrued interest immediately due and payable. As of June 30, 2021, the balance outstanding is \$10,109,603. The final maturity date is April 1, 2041.

For the year ending June 30,	Principal	Interest	Total
2022	\$ 235,413	\$ 222,833	\$ 458,246
2023	474,363	145,747	620,110
2024	479,119	138,607	617,726
2025	483,921	131,398	615,319
2026	488,773	124,114	612,887
2027-2031	2,518,354	508,744	3,027,098
2032-2036	2,647,143	315,400	2,962,543
2037-2041	<u>2,782,517</u>	<u>112,167</u>	<u>2,894,684</u>
Totals	<u>\$ 10,109,603</u>	<u>\$ 1,699,010</u>	<u>\$ 11,808,613</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)
Interfund Transfers

Transfers out	Transfers In								Total
	General	Parks and Recreation	Risk Management	Street	Capital Projects	Nonmajor Govern- mental	Internal Service Funds	Proprietary Funds	
Governmental funds									
General	\$ -	\$ 109,300	\$ -	\$ -	\$ -	\$ 107,517	\$ 249,834	\$ -	\$ 466,651
Parks and Recreation	-	-	-	-	-	170,697	-	-	170,697
Street	-	80,000	-	-	-	-	-	-	80,000
Capital Projects	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	5,648,791	-	-	20,033	286,287	556,854	906,929	606,145	8,025,039
Total governmental funds	5,648,791	189,300	-	20,033	286,287	835,068	1,156,763	606,145	8,742,387
Proprietary funds									
Water	-	-	-	898,527	-	-	-	-	898,527
Sewer	-	-	1,182,553	1,033,585	-	-	-	-	2,216,138
Stormwater	-	-	-	-	-	59	-	-	59
Total proprietary funds	-	-	1,182,553	1,932,112	-	59	-	-	3,114,724
Internal Service Funds									
Central Services	-	-	-	-	-	134,643	-	-	134,643
Total transfers	\$ 5,648,791	\$ 189,300	\$ 1,182,553	\$ 1,952,145	\$ 286,287	\$ 969,770	\$ 1,156,763	\$ 606,145	\$ 11,991,754
Interfund Loans:									
Governmental funds									
Economic Development - receivable									\$ 875,697
Capital Projects - payable									(875,697)
Total interfund loans									\$ -

Governmental Funds

Transfers from General Fund

Transfers out of the General Fund totaled \$466,651. Major activity included a transfer of \$109,300 to the Parks and Recreation Fund to support grants to outside agencies and the Urban Forestry program. \$14,826 was transferred to the Capital Replacement fund for net earnings from leasing the shop at Fire Station 13. \$249,834 was transferred to Central Services to fund the City Hall HVAC Replacement project. As well as \$92,691 was transferred to the Grants fund to close the SAFER program out.

Transfers from Parks and Recreation

A total of \$168,417 was transferred from the Parks and Recreation Fund to the Debt Service Fund, and small dollars were transferred to the Grants Fund to close out some programs.

Transfers from Street Fund

\$80,000 was transferred to the Parks and Recreation Fund for the Urban Forestry program.

Transfers from Other Governmental Funds

Grants Fund

\$690,000 was transferred from the Ground Emergency Management Transportation program to the General Fund to support higher than anticipated expenditures for Fire. Community Development Block Grant transferred \$50,582 to the General Fund for its support.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)

Interfund Transfers (continued)

Governmental Funds (continued)

Transfers from Other Governmental Funds (continued)

Building Inspection Fund

The Building Inspection Fund transferred \$60,000 to the General Fund for code enforcement support.

Public Safety Levy Fund

The amount of \$1,431,966 was transferred to the General Fund to offset inflationary costs in the Fire Suppression and Police programs. Other transfers to the General Fund included \$1,777,127 for Public Safety Levy - Police program, \$1,339,116 for the Public Safety Levy - Fire program, and \$500,000 to Police and Fire equipment replacement due to excess beginning balance.

Albany Revitalization Agency Fund

To support the cost of personnel, \$213,700 was transferred to the Economic Development Fund. An additional \$50,000 was transferred to the General Fund for code enforcement.

Economic Development Fund

Total transfers of \$56,256 included \$46,500 to the FAA Annual Capital Grant and \$9,756 to the Street Fund for operations.

Capital Replacement Fund

The amount of \$1,849,001 was transferred from the Capital Replacement Fund to realign equipment replacement programs within the funds that they would serve: \$159,287 to Capital Projects Fund, \$27,488 to Building Inspection Fund, \$191 to the Economic Development Fund, \$8,618 to Transit Fund, \$10,277 to the Streets Fund, \$606,145 to the Water Fund, \$412,101 to the Central Services Fund, and \$494,828 to the Public Works Central Service Fund. \$127,000 was transferred to the Capital Projects Fund for Utility Billing's portion of the new Enterprise Resource Planning system. \$3,066 was transferred to the Grants Fund for some program closeout cleanup.

Proprietary Funds

Transfers from Sewer Fund

A transfer of \$1,033,586 was made to the Street Fund as its in-lieu-of revenue, and \$1,182,553 to the Risk Management Fund for litigation costs incurred.

Transfer from Water Fund

The amount of \$898,527 was transferred to the Street Fund as its in-lieu-of revenue.

The loan of \$3,458,997 to the Risk Management Fund from the Capital Projects Fund will be paid back over time. This loan receivable was changed to the Economic Development Fund as the program that supported the loan was reformed as the Economic Development Opportunity Fund with a balance owing of \$875,697 at the end of the year. The anticipated pledged revenue stream will be from LID assessments levied against the projects in the Timber Ridge School area.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. DETAILED NOTES (CONTINUED)

Governmental Fund Balances - GASB 54

The fund balance amounts for governmental funds have been reported in the categories listed below:

Fund Balances	General	Parks and Recreation	Risk Management	Street	Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:							
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,500	\$ 79,500
Restricted for:							
Park and Recreation SDC's	-	2,332,798	-	-	-	-	2,332,798
Senior Center Foundation	-	70,753	-	-	-	-	70,753
Building Inspection	-	-	-	-	-	2,642,648	2,642,648
Electrical Inspection	-	-	-	-	-	320,116	320,116
Public Safety Levy	-	-	-	-	-	500,090	500,090
Transportation SDC Projects	-	-	-	4,916,980	-	-	4,916,980
CARA	-	-	-	-	-	11,378,294	11,378,294
Grants Fund	-	-	-	-	-	4,802,242	4,802,242
2015 Public Safety Facilities	-	-	-	-	-	617,048	617,048
Library Programs	-	-	-	-	-	8,423	8,423
	<u>-</u>	<u>2,403,551</u>	<u>-</u>	<u>4,916,980</u>	<u>-</u>	<u>20,268,861</u>	<u>27,589,392</u>
Committed for:							
Parks and Recreation Operations	-	3,068,751	-	-	-	-	3,068,751
Risk Management Reserve	-	-	1,017,862	-	-	-	1,017,862
PERS Reserve	-	-	900,517	-	-	-	900,517
Economic Development	-	-	-	-	-	424,955	424,955
Street Operations	-	-	-	447,543	-	-	447,543
Street Capital & Restoration	-	-	-	6,304,165	-	-	6,304,165
Capital Projects	-	-	-	-	191,471	-	191,471
ADA Capital Projects	-	-	-	137,940	-	-	137,940
Lochner Road Improvements	-	-	-	-	-	95,133	95,133
Economic Development Opportunity	-	-	-	-	-	1,949,826	1,949,826
Albany Municipal Airport	-	-	-	-	-	160,357	160,357
Municipal Airport Capital Projects	-	-	-	-	-	160,742	160,742
Albany Transit	-	-	-	-	-	134,874	134,874
Albany Transit STIF	-	-	-	-	-	1,853	1,853
Paratransit System	-	-	-	-	-	136,072	136,072
Linn-Benton Loop	-	-	-	-	-	60,831	60,831
Linn-Benton Loop STIF	-	-	-	-	-	3,185	3,185
Equipment Replacement	-	-	-	809,312	-	3,600,224	4,409,536
IT Equipment Replacement	-	-	-	11,902	-	381,671	393,573
Public Works Facilities	-	-	-	-	-	580,891	580,891
	<u>-</u>	<u>3,068,751</u>	<u>1,918,379</u>	<u>7,710,862</u>	<u>191,471</u>	<u>7,690,614</u>	<u>20,580,077</u>
Assigned for:							
2002 Limited Tax Pension Bonds	-	-	-	-	-	210,558	210,558
Unassigned:							
General Fund	4,810,803	-	-	-	-	-	4,810,803
Albany Transit Capital Projects	-	-	-	-	-	(246)	(246)
	<u>4,810,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(246)</u>	<u>4,810,557</u>
Total Fund Balances	<u>\$ 4,810,803</u>	<u>\$ 5,472,302</u>	<u>\$ 1,918,379</u>	<u>\$ 12,627,842</u>	<u>\$ 191,471</u>	<u>\$ 28,249,287</u>	<u>\$ 53,270,084</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3. DETAILED NOTES (CONTINUED)
Prior Period Adjustments

The beginning fund balance of the Grants fund was increased by \$200,000 due to the guidelines of the CARES funding, moving \$200,000 of expenditures to the Economic Development fund. There was accrued interest entered as an actual expenditure versus a reclassifying journal entry in the Sewer fund for a pending debt service for \$23,802.

The beginning fund balances of most funds were restated to correct a bank reconciliation discrepancy that was corrected due to further investigation of conversion data. Correcting this error resulted in prior period adjustments as follows:

<u>Fund</u>	<u>Effect of Change</u>
General Fund	\$ 112
Parks & Recreation Fund	309
Grants Fund	36
Building Inspection Fund	230
Economic Development Fund	162
Public Transit Fund	41
Public Safety Levy Fund	93
Capital Replacement Fund	323
Streets Fund	791
CARA Fund	659
Debt Service Fund	15
General Obligation Debt Service Fund	33
Capital Projects Fund	77
Library Trust Fund	6
Sewer Fund	1,574
Water Fund	1,087
Stormwater Fund	103
Central Services Fund	69
Public Works Central Services Fund	17

4. OTHER INFORMATION
Defined Benefit Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employee 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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

A. Plan description

Employees of the City of Albany are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan.

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

B. Description of benefit terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

- 1. Tier One/Tier Two Retirement Benefit (Chapter 238).** Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 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 (2.0 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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service 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 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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

B. Description of benefit terms (continued)

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:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability Benefits

A member with 10 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 fair value of equity investments.

2. Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP DB)

Pension Benefits

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

B. Description of benefit terms (continued)

2. Oregon Public Service Retirement Plan (continued)

General service: 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.

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 10 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 0.15 percent on annual benefits above \$60,000.

C. 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 PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017, actuarial valuation.

Tier One/Tier Two employer contribution rates are 26.19 percent and the OPSRP employer contribution rates are 19.46 percent for general service employees and 23.82 for police and fire employees. Employer contributions for the year ended June 30, 2021 were \$7,522,736 excluding amounts to fund employer specific liabilities.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

D. Pension Asset or Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City of Albany reported a liability of \$75,703,519 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City of Albany's proportion of the net pension liability was based on a projection of the City of Albany's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Employers' long-term contribution efforts are based on projected rates that have two major components:

1. Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the Unfunded Actuarial Liability (UAL). The UAL represents the portion of the projected long-term contribution effort related to past service.

UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the Unfunded Actuarial Liability (UAL). The UAL represents the portion of the projected long-term contribution effort related to past service.

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is their pro-rata share of their pool's UAL.

The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2020, the City of Albany's proportion was 0.34689087 percent, which decreased from its proportion of 0.34901572 percent measured as of June 30, 2019.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)**Defined Benefit Pension Plan (continued)**

For the year ended June 30, 2021, the City of Albany recognized pension expense of \$17,045,340. At June 30, 2021, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,331,871	\$ -
Changes in assumptions	4,062,769	142,351
Net differences between projected and actual earnings on pension plan investments	8,901,750	-
Changes in proportion	2,105,864	1,372,282
Differences between City contributions and proportionate share of contributors	476,478	1,350,404
City contributions subsequent to the measurement date	<u>7,522,736</u>	<u>-</u>
Total	<u>\$ 26,401,468</u>	<u>\$ 2,865,037</u>

\$7,522,736 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ending June 30,	
2022	\$ 3,544,552
2023	4,860,894
2024	4,707,805
2025	2,929,090
2026	(28,646)
Thereafter	<u>-</u>
	<u>\$ 16,013,695</u>

E. Actuarial Valuations

The employer contribution rates adopted on December 31, 2017 by the PERS Board, and effective July 1, 2019, through June 30, 2021, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

F. Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience study report	2018, published July 24, 2019
Actuarial assumptions:	
Inflation rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount rate	7.2 percent
Projected salary increases	3.5 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blended based on service
Mortality	<p>Healthy retirees and beneficiaries: 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>Active members: 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>Disabled retirees: 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>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

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 2017 Experience Study which reviewed experience for the four-year period ending on December 31, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 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.

Depletion Date Projection

GASB 67 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 (fair value of assets) 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 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) 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; it is left to professional judgment.

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

- OPERS 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% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 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 ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)**Defined Benefit Pension Plan (continued)****Long-Term Expected Rate of Return**

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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 the actuary'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.

<u>Long-Term Expected Rate of Return</u> ¹				
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u> ²	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	9.60 %	4.14 %	4.07 %	3.90 %
Short-Term Bonds	9.60	3.70	3.68	2.10
Bank/Leveraged Loans	3.60	5.40	5.19	6.85
High Yield Bonds	1.20	6.13	5.74	9.35
Large/Mid Cap US Equities	16.17	7.35	6.30	15.50
Small Cap US Equities	1.35	8.35	6.68	19.75
Micro Cap US Equities	1.35	8.86	6.79	22.10
Developed Foreign Equities	13.48	8.30	6.91	17.95
Emerging Market Equities	4.24	10.35	7.69	25.35
Non-US Small Cap Equities	1.93	8.81	7.25	19.10
Private Equity	17.50	11.95	8.33	30.00
Real Estate (Property)	10.00	6.19	5.55	12.00
Real Estate (REITS)	2.50	8.29	6.69	21.00
Hedge Fund of Funds - Diversified	1.50	4.28	4.06	6.90
Hedge Fund - Event-driven	0.38	5.89	5.59	8.10
Timber	1.13	6.36	5.61	13.00
Farmland	1.13	6.87	6.12	13.00
Infrastructure	2.25	7.51	6.67	13.85
Commodities	1.13	5.34	3.79	18.70
Assumed Inflation - Mean			2.50 %	1.65 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of April 24, 2019.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

Sensitivity of the City of Albany’s proportionate share of the net pension liability to changes in the discount rate.

The following presents the City of Albany’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City of Albany’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability/(asset)	\$ 112,413,474	\$ 75,703,519	\$ 44,920,521

Changes of Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study, which were published on July 24, 2019. This report can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

G. Changes in Plan Provisions During the Measurement Period

The discount rate used to measure the total pension liability did not change from 7.20%.

H. Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2020 measurement date.

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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 payment.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Defined Contribution Plan (continued)

Contributions

The City of Albany makes the employee contributions of 6 percent of covered payroll to the plan. As of July 2020, a portion of this is redirected to the Employee Pension Stability Account. Contributions for the year ended June 30, 2021, were \$1,600,257.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Other Postemployment Benefits

Oregon Public Employees Retirement System (PERS) Defined Benefit OPEB Plan

A. Plan description and Benefits Provided

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the plan's fiduciary net position. The report can be found at:
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

All benefits of the System are established by the legislature pursuant to Oregon Revised Statutes Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits

Eligible retired members receive a monthly healthcare benefit for life up to \$60 toward the monthly cost health insurance.

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in 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
- 3) Enroll in a PERS-sponsored health plan

Surviving spouse or dependent benefits

A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (continued)

B. 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.

Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The City contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits and 0.00 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability. For the year ended June 30, 2021, the City made contributions in the amount of \$7,414 to the RHIA.

C. Actuarial valuations

Except as outlined below, the December 31, 2018 actuarial valuation used the same actuarial methods and valuation procedures to determine contribution rates as the PERS Tier One and Tier Two defined benefit pension plan as discussed above.

Economic assumptions

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment for health insurance.

Retiree healthcare participation assumptions

Eligible retiring members are assumed to elect RHIA coverage 32% of the time for health retirees and 20% of the time for disabled retirees.

D. Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits

Net OPEB liability (asset)

At June 30, 2021, the City reported a liability/(asset) of \$(540,870) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2020, the City's proportion was 0.26544509 percent, which was an decrease of 0.03326274 percent from its proportion measured as of June 30, 2019.

OPEB expense

For the year ended June 30, 2021, the City recognized OPEB expense (revenue) of \$(72,292).

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)**Other Postemployment Benefits (continued)***Deferred inflows of resources and deferred outflows of resources*

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2020, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Differences between projected and actual earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ -	\$ 55,293
Changes of assumptions	-	28,750
Net difference between projected and actual earning on pension plan investments	60,149	-
Changes in proportionate share	33,916	3,850
Contributions subsequent to the measurement date	<u>7,414</u>	<u>-</u>
Total	<u>\$ 101,479</u>	<u>\$ 87,893</u>

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$7,414 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2022	\$ (39,608)
2023	4,572
2024	22,235
2025	<u>18,973</u>
Total	<u>\$ 6,172</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (continued)

E. Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed above.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statute stipulates a \$60 monthly payment to retirees for health insurance.

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB 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 the plan's fiduciary net position (fair value of assets) 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 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) 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; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the OPEB Plan:

- 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 75 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.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (continued)

F. Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.2 percent, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (436,663)	\$ (540,871)	\$ (629,974)

City of Albany Other Postemployment Benefit Plan

A. Plan Description and Benefits Provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

B. Plan membership

The City's membership in the plan at July 1, 2020 (the date of the last actuarial valuation), consisted of the following:

Active employees	396
Retirees, spouses or dependents	10
Total	406

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefit Plan (continued)

C. Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The monthly premium requirements, for both the City and the participating retirees, vary depending upon the options selected by the participants as follows:

	Employee	Employee + Child(ren)	Employee + Spouse	Employee + Family
Pacific Source	\$ 743.43	\$ 1,313.01	\$ 1,601.01	\$ 2,155.49
Delta Dental	63.19	131.46	111.85	180.15
Willamette Dental	44.54	78.80	96.28	129.67
MODA Vision	24.54	46.56	43.58	65.56
<u>Fire Union</u>		<u>All-Coverage</u>		
Blue Classic, medical only		\$ 1,901.24		
Blue Classic, medical/dental/vision		2,139.50		
<u>Fire Union COBRA & Retiree</u>		<u>Employee</u>	<u>Two-Party</u>	<u>Family</u>
Blue Classic Medical		\$ 840.92	\$ 1,766.30	\$ 2,439.06
Blue Classic Medical/Dental/Vision		933.60	1,938.02	2,734.03

D. Total OPEB liability, changes in total OPEB liability, OPEB Expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2021, the City of Albany reported a total OPEB liability of \$4,848,151. The total OPEB liability was measured as of June 30, 2020 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balance at June 30, 2020	\$ 4,957,916
Changes for the year:	
Service Cost	324,275
Interest on total OPEB liability	180,995
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	(577,579)
Effect of assumptions changes or inputs	186,229
Benefit payments	(223,685)
Balance as of June 30, 2021	<u>\$ 4,848,151</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)**City of Albany Other Postemployment Benefit Plan (continued)**

For the year ended June 30, 2021, the City of Albany recognized OPEB expense of \$359,797. At June 30, 2021, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ 565,631
Changes of assumption or inputs	294,023	741,599
Benefit payments	105,399	-
Total	<u>\$ 399,422</u>	<u>\$ 1,307,230</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date in the amount of \$105,399 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2022	\$ (145,474)
2023	(145,474)
2024	(145,474)
2025	(145,474)
2026	(145,474)
Thereafter	(285,837)

E. Actuarial valuation

The City of Albany contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefit Plan (continued)

F. Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	Healthy retirees and beneficiaries: 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.

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.

Discount rate

The discount rate used to measure the total OPEB liability was 2.21 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.50 percent.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Year</u>	<u>Pre-65 Trend</u>
2020	3.75%
2021	5.75%
2022	5.25%
2023-2025	5.00%
2026-2040	4.75%
2041-2049	5.00%
2050-2064	4.75%
2065-2067	4.50%
2068-2071	4.25%
2072+	4.00%

Dental costs are assumed to decrease 1.5 percent in 2020 and increase 4.00% in all future years.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefit Plan (continued)

Sensitivity of the City of Albany total OPEB liability to changes in the discount and healthcare cost trend rate

The following presents the City of Albany total OPEB liability calculated using the discount rate of 2.21 percent, as well as what the City of Albany's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 5,302,314	\$ 4,848,151	\$ 4,424,293
	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 4,201,738	\$ 4,848,151	\$ 5,620,603

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City participates in self-insurance pools of City/County Insurance Services for general, auto, cyber, and workers' compensation liability with self-insurance retention limits per occurrence. The pool pays all claims up to \$1,500,000 and purchases insurance to cover any excess liability up to a limit selected by the participating entity. The City has increased its liability coverage to \$4,500,000. Small losses for the City are those under \$5,000. Any claim over \$5,000 is shared with the pool's experience.

The City is assessed an annual maximum premium for auto and workers' compensation liability. For each fiscal year since June 30, 2007, the City is obligated to pay up to \$75,000 in claims and settlement costs. No insurance claims settled in each of the past three years have exceeded policy coverage.

Commitments and Contingent Liabilities

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. Claims are generally covered by insurance. In the opinion of management, based on the advice of Counsel with respect to such litigation and claims, the ultimate disposition of these matters will not have a material adverse effect on the financial position, results of operations, or cash flows of the City's funds.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)

Joint Ventures

In 1993, the City entered into an intergovernmental agreement to build, operate, and maintain the Linn Regional Fueling Facility (LRFF) along with Greater Albany Public School District 8J, Linn County, Linn-Benton-Lincoln Educational Service District, and Linn-Benton Community College. At that time, the City's sales estimate was 28.9%. The agreement specifies that the land and improvements constituting the regional fueling facility shall be owned by Linn County and that the capital costs of designing and building the facility will be repaid by all parties through surcharges and capital cost payments. The capital cost payments will end when the total capital cost of the facility has been recovered.

After five years' participation in the Agreement, a party becomes vested as a capital cost shareholder. If, after the five-year point, a party withdraws from the Agreement, the remaining parties agree to pay the withdrawing party an amount equal to 80 percent of that party's total capital cost payments. Operation and maintenance costs are shared by the parties proportionately in accordance with each party's usage of the facility. These costs are covered through surcharges and fees set by the LRFF Board.

At June 30, 2021, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$333,169. A copy of the Linn Regional Fueling Facility audit report may be obtained from Linn County, P.O. Box 100, Albany, Oregon 97321.

Intergovernmental Agreements

Water supply system

On July 25, 2002, the City entered into an intergovernmental agreement with the City of Millersburg to plan, design, permit, construct, operate, and maintain a joint water supply system. The agreement specifies that the ownership of the joint water supply system will be allocated initially based on the facility's capacity sizing but may be reallocated based on future capacity expansions made by one or both parties.

The Agreement further states that the City of Albany will serve as the operating entity and shall be responsible for conducting the day-to-day business affairs of the joint water supply system, including payment of invoices, accounting, budgeting, operation, planning, project management, records maintenance, providing public notices, and other duties as are required for operations. Each party is required to budget and appropriate its proportionate share of the operation and maintenance costs of the system, which shall be based on the actual percentage of total water consumption by each party.

Either party may elect to terminate all or part of its participation in this agreement by giving written notice to the other party and stating a date for termination, which shall not be less than two years from the date of notice. The nonterminating party shall have the option to purchase the terminating interest with the price being established within 90 days following the receipt of notice of termination. The payment price for the subject interest shall be paid in full within 18 months following the date of termination with interest on the amount owed at the Local Government Investment Pool rate.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. OTHER INFORMATION (CONTINUED)

Intergovernmental Agreements (continued)

Wastewater treatment facility

In August, 2007, the cities of Albany and Millersburg entered into an agreement setting forth terms and conditions for a joint venture to plan, design, permit, construct, operate, and maintain the Davidson Street Wastewater Treatment Plant (Davidson Plant) and future wastewater management facilities that will treat residential, commercial, and industrial wastewater needs of both communities. Each city has a specific undivided ownership interest in the Davidson Plant: Albany, 90 percent and Millersburg, 10 percent. The agreement provides that the City of Albany is responsible for operation and maintenance of the plant. Each city is required to budget for its share of the operation and maintenance costs of the system.

The Davidson Plant improvements will be constructed in phases to meet the growing treatment needs of Albany and Millersburg. Phase I improvements were estimated to cost \$70 million, shared \$63 million by Albany and \$7 million by Millersburg. Phase I was completed in December 2009. Phase I improvements provide an average dry weather flow capacity of 12.3 million gallons per day (MGD), maximum month wet weather flow capacity of 29 MGD, and peak wet weather flow of 68 MGD. Capacity of maximum month biochemical oxygen demand is 14,600 pounds per day. Capacity of maximum total suspended solids will be 19,100 pounds per day.

Either party may elect to terminate all or part of its participation in the agreement by giving written notice of its desire to terminate to the other party and stating the date of termination, which will not be less than six months from the date of notice. Upon termination, Albany will become the sole owner of the Davidson Plant and all other structures, equipment, and facilities. Following termination, Millersburg shall have a contractual right to continue to receive domestic and industrial wastewater treatment services from Albany. Albany is obligated to provide wastewater treatment services to Millersburg, up to the amount of treatment/disposal capacity paid for by Millersburg pursuant to the terms of the agreement, prior to its termination.

Tax Abatements

Linn County has established a tax abatement program for nonprofit low-income rental housing under ORS 307.541. As a result, the property taxes that the City of Albany will receive for the 2020-21 levy year has been reduced by \$40,326.

Linn County has established an enterprise zone under ORS 285C.175 that abates property taxes on new business development within zone. As a result, the property taxes that the City of Albany will receive for the 2020-21 levy year has been reduced by \$384,670.

Linn County has established a construction in process in enterprise zone under ORS 285C.170 that abates property taxes on new business construction within zone. There are none in the current year. As a result, the property taxes that the City of Albany will receive for the 2020-21 levy year has been reduced by \$0.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALBANY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 For the Last Seven Plan Years

Year Ended June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.3468909%	\$ 75,703,519	\$ 31,757,483	238.38%	75.80%
2019	0.3490157%	60,371,361	30,687,896	196.73%	80.20%
2018	0.3199761%	48,472,169	28,831,758	168.12%	82.07%
2017	0.3380274%	45,566,225	27,155,094	167.80%	83.12%
2016	0.3477371%	52,203,413	24,999,736	208.82%	80.50%
2015	0.3856173%	22,140,067	24,474,058	90.46%	91.90%
2014	0.3705457%	(8,399,214)	23,890,519	-35.16%	1.04%

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

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 ALBANY, OREGON
SCHEDULE OF CONTRIBUTIONS
 For the Last Eight Fiscal Years

Year Ended June 30,	(a) Statutorily required contributions	(b) Contributions in relation to the statutorily required contributions	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 7,522,736	\$ 7,522,736	-	\$ 31,058,405	24.22%
2020	6,718,166	6,718,166	-	31,757,483	21.15%
2019	5,634,997	5,634,997	-	30,687,896	18.36%
2018	5,202,374	5,202,374	-	28,831,758	18.04%
2017	3,935,362	3,935,362	-	27,155,094	14.49%
2016	3,908,587	3,908,587	-	24,999,736	15.63%
2015	3,419,315	3,419,315	-	24,474,058	13.97%
2014	3,383,501	3,383,501	-	23,890,519	14.16%

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 ALBANY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 For the Last Five Plan Years

Year Ended June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share the net OPEB liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.2654451%	\$ (540,870)	\$ 30,687,896	-1.76%	150.1%
2019	0.2987078%	(577,211)	30,678,986	-1.88%	144.5%
2018	0.2862945%	(319,581)	27,155,094	-1.18%	124.0%
2017	0.2721579%	(113,583)	24,999,736	-0.45%	108.9%
2016	0.2721579%	79,318	24,474,058	0.32%	80.5%

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

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 ALBANY, OREGON
SCHEDULE OF OPEB CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Last Five Fiscal Years

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
2021	\$ 7,414	\$ 7,414	\$ -	\$ 31,058,405	0.02%
2020	18,956	18,956	-	31,757,483	0.06%
2019	148,046	148,046	-	30,687,896	0.48%
2018	138,625	138,625	-	28,831,758	0.48%
2017	137,431	137,431	-	27,155,094	0.51%

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 ALBANY, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
 For the Last Four Plan Years

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 324,275	\$ 288,133	\$ 326,398	\$ 350,006
Interest on total OPEB liability	180,995	183,120	191,033	154,972
Effect of changes to benefit terms	-	-	-	-
Effect of economic/demographic gains or losses	(577,579)	-	(66,862)	-
Effect of assumptions changes or inputs	186,229	159,069	(780,896)	(342,432)
Benefit payments	<u>(223,685)</u>	<u>(229,898)</u>	<u>(241,660)</u>	<u>(239,684)</u>
Net change in total OPEB liability	(109,765)	400,424	(571,987)	(77,138)
Total OPEB liability - beginning of year	<u>4,957,916</u>	<u>4,557,492</u>	<u>5,129,479</u>	<u>5,206,617</u>
Total OPEB liability - end of year	<u>\$ 4,848,151</u>	<u>\$ 4,957,916</u>	<u>\$ 4,557,492</u>	<u>\$ 5,129,479</u>
Covered payroll	\$ 31,757,483	\$ 30,687,895	\$ 28,831,758	\$ 27,155,094
Total OPEB liability as a percentage of covered payroll	15.3%	16.2%	15.8%	18.9%

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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.





SUPPLEMENTARY DATA

This section includes:

- Combining statements for nonmajor governmental funds and nonmajor proprietary funds.
- Budget comparison schedules for all funds, except General, Parks and Recreation, Risk Management, and Street.

CITY OF ALBANY, OREGON
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON STATEMENT
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Investment earnings	\$ 31,000	\$ 31,000	\$ 31,640	\$ 3,388	\$ 35,028	\$ 4,028
Miscellaneous	18,000	18,000	291	1,951	2,242	(15,758)
Total revenues	49,000	49,000	31,931	5,339	37,270	(11,730)
Other Financing Sources						
Sale of property	-	-	387,342	76,800	464,142	464,142
Transfers in	-	-	-	286,287	286,287	286,287
Total other financing sources	-	-	387,342	363,087	750,429	750,429
Fund Balance, beginning						
Fund balance, beginning	2,908,000	2,908,000	836,714	(92,264)	836,714	(2,071,286)
Prior period adjustment	-	-	(5,571)	77	(5,494)	(5,494)
Total fund balance, beginning	2,908,000	2,908,000	831,143	(92,187)	831,220	(2,076,780)
Amount available for appropriation	\$ 2,957,000	\$ 2,957,000	\$ 1,250,416	\$ 276,239	\$ 1,618,919	\$ (1,338,081)
EXPENDITURES						
Albany Data Integration Project	\$ 270,000	\$ 270,000	\$ 154,810	\$ 13,005	\$ 167,815	\$ 102,185
LID Construction Projects	1,638,000	1,338,000	73,873	225	74,098	1,263,902
Public Safety Facilities	1,049,000	1,049,000	-	71,538	71,538	977,462
Total expenditures	2,957,000	2,657,000	228,683	84,768	313,451	2,343,549
Appropriated financing uses						
Transfers out	-	300,000	161,500	76,800	238,300	61,700
Total expenditures, appropriated, and unappropriated financing uses	\$ 2,957,000	\$ 2,957,000	390,183	161,568	551,751	2,405,249
Budgetary fund balance			860,233	114,671	1,067,168	1,067,168
Adjustment for interfund loan to Economic Development			(952,497)	76,800	(875,697)	(875,697)
Fund balance, ending			\$ (92,264)	\$ 191,471	\$ 191,471	\$ 191,471

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

			Capital		
			Projects	Permanent	Total
	Special	Debt	Capital	Library	Governmental
	Revenue	Service	Replacement	Trust	Funds
ASSETS					
Cash and investments	\$ 21,940,465	\$ 818,382	\$ 4,249,864	\$ -	\$ 27,008,711
Receivables:					
Property taxes	319,901	48,640	-	-	368,541
Accounts	853,547	83	233	-	853,863
Interest	42,910	3,434	8,878	190	55,412
Loans, net of allowance for uncollectable	4,284,491	-	-	-	4,284,491
Restricted cash and investments	-	-	-	87,733	87,733
Total assets	<u>\$ 27,441,314</u>	<u>\$ 870,539</u>	<u>\$ 4,258,975</u>	<u>\$ 87,923</u>	<u>\$ 32,658,751</u>
LIABILITIES					
Accounts payable	\$ 624,026	\$ -	\$ 50,112	\$ -	\$ 674,138
Deposits	2,575	-	-	-	2,575
Total Liabilities	<u>626,601</u>	<u>-</u>	<u>50,112</u>	<u>-</u>	<u>676,713</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>3,689,818</u>	<u>42,933</u>	<u>-</u>	<u>-</u>	<u>3,732,751</u>
FUND BALANCES					
Nonspendable	-	-	-	79,500	79,500
Restricted	19,643,390	617,048	-	8,423	20,268,861
Committed	3,481,751	-	4,208,863	-	7,690,614
Assigned	-	210,558	-	-	210,558
Unassigned	<u>(246)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(246)</u>
Total fund balances	<u>23,124,895</u>	<u>827,606</u>	<u>4,208,863</u>	<u>87,923</u>	<u>28,249,287</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,441,314</u>	<u>\$ 870,539</u>	<u>\$ 4,258,975</u>	<u>\$ 87,923</u>	<u>\$ 32,658,751</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

	Special	Debt	Capital	Permanent	Total
	Revenue	Service	Projects Capital Replacement	Library Trust	Governmental Funds
REVENUES					
Taxes:					
Property	\$ 8,872,221	\$ 1,271,661	\$ -	\$ -	\$ 10,143,882
Transient room	809,559	-	-	-	809,559
Construction excise taxes	327,419	-	-	-	327,419
Franchise fees, privilege taxes, licenses, and permits	1,101,780	-	-	-	1,101,780
Intergovernmental	11,186,047	-	-	-	11,186,047
Charges for services	178,674	775,800	1,328,613	-	2,283,087
Fines, forfeitures, and assessments	-	-	-	-	-
Investment earnings	126,139	31,652	11,954	1,058	170,803
Miscellaneous	<u>1,312,258</u>	<u>-</u>	<u>246,848</u>	<u>-</u>	<u>1,559,106</u>
	-	-	-	-	-
Total revenues	23,914,097	2,079,113	1,587,415	1,058	27,581,683
EXPENDITURES					
Current:					
General government	6,597,473	-	321,586	-	6,919,059
Public safety	528,838	-	65,816	-	594,654
Highways and streets	340	-	-	-	340
Culture and recreation	274,906	-	-	-	274,906
Health	-	-	-	-	-
Debt service:					
Principal	1,659,363	1,035,000	-	-	2,694,363
Interest	227,968	883,660	-	-	1,111,628
Capital outlay	<u>4,639,998</u>	<u>-</u>	<u>150,507</u>	<u>-</u>	<u>4,790,505</u>
	-	-	-	-	-
Total expenditures	<u>13,928,886</u>	<u>1,918,660</u>	<u>537,909</u>	<u>-</u>	<u>16,385,455</u>
Excess (deficiency) of revenues over expenditures	<u>9,985,211</u>	<u>160,453</u>	<u>1,049,506</u>	<u>1,058</u>	<u>11,196,228</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	394,535	168,417	406,818	-	969,770
Transfers out	(6,176,037)	-	(1,849,002)	-	(8,025,039)
Debt issuance	-	-	-	-	-
Proceeds from long-term obligations	1,003,293	-	-	-	1,003,293
Sale of capital assets	<u>-</u>	<u>-</u>	<u>39,340</u>	<u>-</u>	<u>39,340</u>
Total other financing sources (uses)	<u>(4,778,209)</u>	<u>168,417</u>	<u>(1,402,844)</u>	<u>-</u>	<u>(6,012,636)</u>
SPECIAL ITEM					
Proceeds from sale of capital assets	-	-	-	-	-
Net change in fund balances	5,207,002	328,870	(353,338)	1,058	5,183,592
Fund balance - beginning	<u>17,916,672</u>	<u>498,688</u>	<u>4,561,878</u>	<u>86,859</u>	<u>23,064,097</u>
Prior period adjustment	<u>1,221</u>	<u>48</u>	<u>323</u>	<u>6</u>	<u>1,598</u>
Fund balance - ending	<u>\$ 23,124,895</u>	<u>\$ 827,606</u>	<u>\$ 4,208,863</u>	<u>\$ 87,923</u>	<u>\$ 28,249,287</u>

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2021

	Grants	Building Inspection	Economic Development	Public Transit	Public Safety Levy	Albany Revitalization Agency	Totals
ASSETS							
Cash and investments	\$ 4,856,709	\$ 3,087,846	\$ 1,754,050	\$ 298,309	\$ 476,462	\$ 11,467,089	\$ 21,940,465
Receivables:							
Property taxes	-	-	-	-	172,272	147,629	319,901
Accounts	196,033	-	182,370	445,231	325	29,588	853,547
Interest	1,999	6,634	4,086	1,825	2,849	25,517	42,910
Loans, net of allowance for uncollectable	-	-	2,759,750	-	-	1,524,741	4,284,491
Total assets	<u>\$ 5,054,741</u>	<u>\$ 3,094,480</u>	<u>\$ 4,700,256</u>	<u>\$ 745,365</u>	<u>\$ 651,908</u>	<u>\$ 13,194,564</u>	<u>\$ 27,441,314</u>
LIABILITIES							
Accounts payable	\$ 252,501	\$ 66,275	\$ 22,918	\$ 119,930	\$ -	\$ 162,402	\$ 624,026
Deposits	-	-	2,000	575	-	-	2,575
Total Liabilities	<u>252,501</u>	<u>66,275</u>	<u>24,918</u>	<u>120,505</u>	<u>-</u>	<u>162,402</u>	<u>626,601</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	1,884,135	-	151,815	1,653,868	3,689,818
FUND BALANCES							
Restricted	4,802,240	2,962,763	-	-	500,093	11,378,294	19,643,390
Committed	-	65,442	2,791,203	625,106	-	-	3,481,751
Unassigned	-	-	-	(246)	-	-	(246)
Total fund balances	<u>4,802,240</u>	<u>3,028,205</u>	<u>2,791,203</u>	<u>624,860</u>	<u>500,093</u>	<u>11,378,294</u>	<u>23,124,895</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,054,741</u>	<u>\$ 3,094,480</u>	<u>\$ 4,700,256</u>	<u>\$ 745,365</u>	<u>\$ 651,908</u>	<u>\$ 13,194,564</u>	<u>\$ 27,441,314</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2021

	Grants	Building Inspection	Economic Development	Public Transit	Public Safety Levy	Albany Revitalization Agency	Totals
REVENUES							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ 4,629,855	\$ 4,242,366	\$ 8,872,221
Transient room	-	-	809,559	-	-	-	809,559
Construction excise taxes	-	327,419	-	-	-	-	327,419
Franchise fees, privilege taxes, licenses, and permits							
	-	1,101,780	-	-	-	-	1,101,780
Intergovernmental	7,344,475	-	64,200	3,777,372	-	-	11,186,047
Charges for services	10,018	8,400	112,550	47,706	-	-	178,674
Investment earnings	14,429	3,838	1,084	5,842	40,163	60,783	126,139
Miscellaneous	<u>345,334</u>	<u>2,027</u>	<u>866,994</u>	<u>10,446</u>	<u>-</u>	<u>87,457</u>	<u>1,312,258</u>
Total revenues	<u>7,714,256</u>	<u>1,443,464</u>	<u>1,854,387</u>	<u>3,841,366</u>	<u>4,670,018</u>	<u>4,390,606</u>	<u>23,914,097</u>
EXPENDITURES							
Current:							
General government	2,074,187	1,583,800	821,234	2,003,452	-	114,800	6,597,473
Public safety	528,838	-	-	-	-	-	528,838
Highways and streets	340	-	-	-	-	-	340
Culture and recreation	274,906	-	-	-	-	-	274,906
Debt service:							
Principal	-	-	744,135	-	-	915,228	1,659,363
Interest	-	-	-	-	-	227,968	227,968
Capital outlay	<u>52,031</u>	<u>-</u>	<u>1,705,227</u>	<u>2,093,331</u>	<u>-</u>	<u>789,409</u>	<u>4,639,998</u>
Total expenditures	<u>2,930,302</u>	<u>1,583,800</u>	<u>3,270,596</u>	<u>4,096,783</u>	<u>-</u>	<u>2,047,405</u>	<u>13,928,886</u>
Excess (deficiency) of revenues over expenditures							
	<u>4,783,954</u>	<u>(140,336)</u>	<u>(1,416,209)</u>	<u>(255,417)</u>	<u>4,670,018</u>	<u>2,343,201</u>	<u>9,985,211</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	144,538	27,488	213,891	8,618	-	-	394,535
Transfers out	(747,872)	(60,000)	(56,256)	-	(5,048,209)	(263,700)	(6,176,037)
Proceeds from long-term obligations	-	-	1,003,293	-	-	-	1,003,293
Total other financing sources (uses)	<u>(603,334)</u>	<u>(32,512)</u>	<u>1,160,928</u>	<u>8,618</u>	<u>(5,048,209)</u>	<u>(263,700)</u>	<u>(4,778,209)</u>
Net change in fund balances	4,180,620	(172,848)	(255,281)	(246,799)	(378,191)	2,079,501	5,207,002
Fund balance - beginning	421,584	3,200,823	3,246,322	871,618	878,191	9,298,134	17,916,672
Prior period adjustment	<u>200,036</u>	<u>230</u>	<u>(199,838)</u>	<u>41</u>	<u>93</u>	<u>659</u>	<u>1,221</u>
Fund balance - ending	<u>\$ 4,802,240</u>	<u>\$ 3,028,205</u>	<u>\$ 2,791,203</u>	<u>\$ 624,860</u>	<u>\$ 500,093</u>	<u>\$ 11,378,294</u>	<u>\$ 23,124,895</u>

CITY OF ALBANY, OREGON
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Intergovernmental	\$ 2,842,500	\$ 6,483,900	\$ 2,919,081	\$ 7,344,475	\$ 10,263,556	\$ 3,779,656
Charges for services	-	100,000	-	10,018	10,018	(89,982)
Investment earnings	2,600	2,600	13,199	14,429	27,628	25,028
Miscellaneous	134,200	134,200	108,338	345,334	453,672	319,472
Total revenues	2,979,300	6,720,700	3,040,618	7,714,256	10,754,874	4,034,174
Other Financing Sources						
Transfers in	71,900	71,900	25,100	144,538	169,638	97,738
Fund Balance, beginning						
Fund balance, beginning	339,400	350,400	65,812	421,584	65,812	(284,588)
Prior period adjustment	-	-	(115,174)	200,036	84,862	84,862
Total fund balance, beginning	339,400	350,400	(49,362)	621,620	150,674	(199,726)
Amount available for appropriation	\$ 3,390,600	\$ 7,143,000	\$ 3,016,356	\$ 8,480,414	\$ 11,075,186	\$ 3,932,186
EXPENDITURES						
Personnel services	\$ 772,500	\$ 2,239,300	\$ 1,181,216	\$ 982,628	\$ 2,163,844	\$ 75,456
Materials & services	1,760,200	3,355,800	1,098,844	1,895,643	2,994,487	361,313
Capital outlay	697,300	697,300	237,994	52,031	290,025	407,275
Total expenditures	3,230,000	6,292,400	2,518,054	2,930,302	5,448,356	844,044
Appropriated financing uses						
Transfers out	160,600	850,600	76,718	747,872	824,590	26,010
Total expenditures, appropriated, and unappropriated financing uses	\$ 3,390,600	\$ 7,143,000	2,594,772	3,678,174	6,272,946	870,054
Fund balance, ending			\$ 421,584	\$ 4,802,240	\$ 4,802,240	\$ 4,802,240

CITY OF ALBANY, OREGON
BUILDING INSPECTION FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Construction excise taxes	\$ 625,000	\$ 625,000	\$ 510,762	\$ 327,419	\$ 838,181	\$ 213,181
Franchise fees, privilege taxes, licenses, and permits	2,473,000	2,473,000	1,557,796	1,101,780	2,659,576	186,576
Charges for services	-	-	-	8,400	8,400	8,400
Investment earnings	31,200	31,200	104,549	3,838	108,387	77,187
Miscellaneous	-	-	4,266	2,027	6,293	6,293
Total revenues	3,129,200	3,129,200	2,177,373	1,443,464	3,620,837	491,637
Other Financing Sources						
Transfers in	-	65,400	28,718	27,488	56,206	(9,194)
Fund Balance, beginning						
Fund balance, beginning	2,259,300	2,259,300	2,992,409	3,200,823	2,992,409	733,109
Prior period adjustment	-	-	(3,613)	230	(3,383)	(3,383)
Total fund balance, beginning	2,259,300	2,259,300	2,988,796	3,201,053	2,989,026	729,726
Amount available for appropriation	\$ 5,388,500	\$ 5,453,900	\$ 5,194,887	\$ 4,672,005	\$ 6,666,069	\$ 1,212,169
EXPENDITURES						
Biennium						
	Original Budget	Final Budget	FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under
Building Inspection	\$ 3,670,200	\$ 3,670,200	\$ 1,817,057	\$ 1,503,870	\$ 3,320,927	\$ 349,273
Electrical Permit Program	389,700	389,700	117,007	79,930	196,937	192,763
Building Inspection IT Equip	-	27,900	-	-	-	27,900
Electrical Permit IT Equip	-	3,200	-	-	-	3,200
Building Inspection Equip	-	34,300	-	-	-	34,300
Total expenditures	4,059,900	4,125,300	1,934,064	1,583,800	3,517,864	607,436
Appropriated financing uses						
Transfers out	120,000	120,000	60,000	60,000	120,000	-
Total expenditures and appropriated financing uses	4,179,900	4,245,300	1,994,064	1,643,800	3,637,864	607,436
Unappropriated financing uses						
Unappropriated	1,208,600	1,208,600	-	-	-	1,208,600
Total expenditures, appropriated, and unappropriated financing uses	\$ 5,388,500	\$ 5,453,900	1,994,064	1,643,800	3,637,864	1,816,036
Fund balance, ending			\$ 3,200,823	\$ 3,028,205	\$ 3,028,205	\$ 3,028,205

CITY OF ALBANY, OREGON
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Transient Room	\$ 2,105,800	\$ 2,105,800	\$ 793,162	\$ 809,559	\$ 1,602,721	\$ (503,079)
Intergovernmental	-	-	-	64,200	64,200	64,200
Charges for services	216,100	216,100	97,695	112,550	210,245	(5,855)
Investment earnings	7,700	7,700	96,021	1,084	97,105	89,405
Miscellaneous	1,290,000	1,290,000	273,305	866,994	1,140,299	(149,701)
Total revenues	<u>3,619,600</u>	<u>3,619,600</u>	<u>1,260,183</u>	<u>1,854,387</u>	<u>3,114,570</u>	<u>(505,030)</u>
Other Financing Sources						
Proceeds from long-term obligations	1,769,000	1,769,000	496,707	1,003,293	1,500,000	(269,000)
Transfers in	3,556,000	2,666,200	4,016,397	290,691	4,307,088	1,640,888
Intrafund transfers in	-	-	21,096	118,158	139,254	139,254
Total other financing sources	<u>5,325,000</u>	<u>4,435,200</u>	<u>4,534,200</u>	<u>1,412,142</u>	<u>5,946,342</u>	<u>1,511,142</u>
Fund Balance, beginning						
Fund balance, beginning	976,700	2,826,500	850,049	3,246,322	850,049	(1,976,451)
Prior period adjustment	-	-	(676)	(199,838)	(200,514)	(200,514)
Total fund balance, beginning	<u>976,700</u>	<u>2,826,500</u>	<u>849,373</u>	<u>3,046,484</u>	<u>649,535</u>	<u>(2,176,965)</u>
Amount available for appropriation	<u>\$ 9,921,300</u>	<u>\$ 10,881,300</u>	<u>\$ 6,643,756</u>	<u>\$ 6,313,013</u>	<u>\$ 9,710,447</u>	<u>\$ (1,170,853)</u>
EXPENDITURES						
Economic Development Activities						
Economic Development Activities	\$ 1,897,000	\$ 852,500	\$ 846,098	\$ -	\$ 846,098	\$ 6,402
Economic Development Activities	-	1,044,500	-	659,087	659,087	385,413
Lochner Road Improvements	3,647,000	1,170,700	1,144,689	-	1,144,689	26,011
Lochner Road Improvements	-	2,476,300	-	1,705,227	1,705,227	771,073
Economic Development Opportunity	2,920,000	1,890,700	1,890,684	-	1,890,684	16
Economic Development Opportunity	-	1,989,300	-	744,135	744,135	1,245,165
Albany Municipal Airport	398,200	398,200	102,537	162,147	264,684	133,516
Airport Capital Projects	305,800	305,800	59,484	-	59,484	246,316
Total expenditures	<u>9,168,000</u>	<u>10,128,000</u>	<u>4,043,492</u>	<u>3,270,596</u>	<u>7,314,088</u>	<u>2,813,912</u>
Appropriated financing uses						
Transfers out	753,300	753,300	285,343	56,256	341,599	411,701
Total expenditures and appropriated financing uses	<u>9,921,300</u>	<u>10,881,300</u>	<u>4,328,835</u>	<u>3,326,852</u>	<u>7,655,687</u>	<u>3,225,613</u>
Unappropriated financing uses						
Intrafund transfers out	-	-	21,096	118,158	139,254	(139,254)
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 9,921,300</u>	<u>\$ 10,881,300</u>	<u>4,349,931</u>	<u>3,445,010</u>	<u>7,794,941</u>	<u>3,086,359</u>
Budgetary fund balance			<u>2,293,825</u>	<u>2,868,003</u>	<u>1,915,506</u>	<u>1,915,506</u>
Adjustment for interfund loan from Capital Projects			<u>952,497</u>	<u>(76,800)</u>	<u>875,697</u>	<u>875,697</u>
Fund balance, ending			<u>\$ 3,246,322</u>	<u>\$ 2,791,203</u>	<u>\$ 2,791,203</u>	<u>\$ 2,791,203</u>

CITY OF ALBANY, OREGON
PUBLIC SAFETY LEVY FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Property	\$ 8,192,000	\$ 9,409,900	\$ 4,452,595	\$ 4,629,855	\$ 9,082,450	\$ (327,450)
Investment earnings	20,000	20,000	63,939	40,163	104,102	84,102
Total revenues	<u>8,212,000</u>	<u>9,429,900</u>	<u>4,516,534</u>	<u>4,670,018</u>	<u>9,186,552</u>	<u>(243,348)</u>
Fund Balance, beginning						
Fund balance, beginning	780,000	1,260,000	1,529,211	878,191	1,529,211	269,211
Prior period adjustment	-	-	(2,719)	93	(2,626)	(2,626)
Total fund balance, beginning	<u>780,000</u>	<u>1,260,000</u>	<u>1,526,492</u>	<u>878,284</u>	<u>1,526,585</u>	<u>266,585</u>
Amount available for appropriation	<u>\$ 8,992,000</u>	<u>\$ 10,689,900</u>	<u>\$ 6,043,026</u>	<u>\$ 5,548,302</u>	<u>\$ 10,713,137</u>	<u>\$ 23,237</u>
EXPENDITURES						
Appropriated financing uses						
Transfers out	<u>\$ 8,992,000</u>	<u>\$ 10,689,900</u>	<u>\$ 5,164,835</u>	<u>\$ 5,048,209</u>	<u>\$ 10,213,044</u>	<u>\$ 476,856</u>
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 8,992,000</u>	<u>\$ 10,689,900</u>	<u>5,164,835</u>	<u>5,048,209</u>	<u>10,213,044</u>	<u>476,856</u>
Fund balance, ending			<u>\$ 878,191</u>	<u>\$ 500,093</u>	<u>\$ 500,093</u>	<u>\$ 500,093</u>

CITY OF ALBANY, OREGON
ALBANY REVITALIZATION AGENCY FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Property	\$ 7,450,000	\$ 6,205,300	\$ 3,819,792	\$ 4,242,366	\$ 8,062,158	\$ 1,856,858
Intergovernmental	2,400	2,400	-	-	-	(2,400)
Investment earnings	50,000	50,000	293,317	60,784	354,101	304,101
Miscellaneous	-	-	26,235	43	26,278	26,278
Total revenues	7,502,400	6,257,700	4,139,344	4,303,193	8,442,537	2,184,837
Other Financing Sources						
Proceeds from long-term obligations	143,500	143,500	45,000	87,413	132,413	(11,087)
Fund Balance, beginning						
Fund balance, beginning	6,770,000	8,014,700	7,303,308	9,298,134	7,303,308	(711,392)
Prior period adjustment	-	-	(10,963)	659	(10,304)	(10,304)
Total fund balance, beginning	6,770,000	8,014,700	7,292,345	9,298,793	7,293,004	(721,696)
Amount available for appropriation	\$ 14,415,900	\$ 14,415,900	\$ 11,476,689	\$ 13,689,399	\$ 15,867,954	\$ 1,452,054
EXPENDITURES						
Biennium						
	Original Budget	Final Budget	FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under
CARA	\$ 13,904,500	\$ 1,930,900	\$ 1,930,855	\$ -	\$ 1,930,855	\$ 45
CARA	-	11,973,600	-	2,047,405	2,047,405	9,926,195
Total expenditures	13,904,500	13,904,500	1,930,855	2,047,405	3,978,260	9,926,240
Appropriated financing uses						
Special payments	511,400	511,400	247,700	263,700	511,400	-
Total expenditures, appropriated, and unappropriated financing uses	\$ 14,415,900	\$ 14,415,900	2,178,555	2,311,105	4,489,660	9,926,240
Fund balance, ending			\$ 9,298,134	\$ 11,378,294	\$ 11,378,294	\$ 11,378,294

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
 June 30, 2021

	Debt Service	GO Debt Service	Totals
ASSETS			
Cash and investments	\$ 209,685	\$ 608,697	\$ 818,382
Receivables:			
Property taxes	-	48,640	48,640
Accounts	-	83	83
Interest	873	2,561	3,434
Total assets	<u>\$ 210,558</u>	<u>\$ 659,981</u>	<u>\$ 870,539</u>
LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	\$ -	\$ 42,933	\$ 42,933
FUND BALANCES			
Restricted	-	617,048	617,048
Assigned	210,558	-	210,558
Total fund balances	<u>210,558</u>	<u>617,048</u>	<u>827,606</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 210,558</u>	<u>\$ 659,981</u>	<u>\$ 870,539</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS

For the Year Ended June 30, 2021

	<u>Debt Service</u>	<u>GO Debt Service</u>	<u>Totals</u>
REVENUES			
Taxes:			
Property	\$ -	\$ 1,271,661	\$ 1,271,661
Charges for services	775,800	-	775,800
Investment earnings	<u>14,472</u>	<u>17,180</u>	<u>31,652</u>
Total revenues	790,272	1,288,841	2,079,113
EXPENDITURES			
Debt service:			
Principal	460,000	575,000	1,035,000
Interest	<u>315,785</u>	<u>567,875</u>	<u>883,660</u>
Total expenditures	<u>775,785</u>	<u>1,142,875</u>	<u>1,918,660</u>
Excess (deficiency) of revenues over expenditures	<u>14,487</u>	<u>145,966</u>	<u>160,453</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>168,417</u>	-	<u>168,417</u>
Net change in fund balances	182,904	145,966	328,870
Fund balance - beginning	<u>27,639</u>	<u>471,049</u>	<u>498,688</u>
Prior period adjustment	15	33	48
Fund balance - ending	<u>\$ 210,558</u>	<u>\$ 617,048</u>	<u>\$ 827,606</u>

CITY OF ALBANY, OREGON
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Charges for services	\$ 1,516,200	\$ 1,516,200	\$ 740,400	\$ 775,800	\$ 1,516,200	\$ -
Investment earnings	7,000	7,000	9,111	14,472	23,583	16,583
Total revenues	<u>1,523,200</u>	<u>1,523,200</u>	<u>749,511</u>	<u>790,272</u>	<u>1,539,783</u>	<u>16,583</u>
Other Financing Sources						
Transfers in	183,000	183,000	183,002	168,417	351,419	168,419
Intrafund transfers in	-	-	28	-	28	28
Total other financing sources	<u>183,000</u>	<u>183,000</u>	<u>183,030</u>	<u>168,417</u>	<u>351,447</u>	<u>168,447</u>
Fund Balance, beginning						
Fund balance, beginning	166,200	166,200	18,560	27,639	18,560	(147,640)
Prior period adjustment	-	-	(1,681)	15	(1,666)	(1,666)
Total fund balance, beginning	<u>166,200</u>	<u>166,200</u>	<u>16,879</u>	<u>27,654</u>	<u>16,894</u>	<u>(149,306)</u>
Amount available for appropriation	<u>\$ 1,872,400</u>	<u>\$ 1,872,400</u>	<u>\$ 949,420</u>	<u>\$ 986,343</u>	<u>\$ 1,908,124</u>	<u>\$ 35,724</u>
EXPENDITURES						
2002 LTD Tax Pension Bonds	\$ 1,689,400	\$ 1,689,400	\$ 739,753	\$ 775,785	\$ 1,515,538	\$ 173,862
2004 Revenue Obligations	183,000	183,000	182,000	-	182,000	1,000
Total expenditures	<u>1,872,400</u>	<u>1,872,400</u>	<u>921,753</u>	<u>775,785</u>	<u>1,697,538</u>	<u>174,862</u>
Unappropriated financing uses						
Intrafund transfers out	-	-	28	-	28	(28)
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 1,872,400</u>	<u>\$ 1,872,400</u>	<u>921,781</u>	<u>775,785</u>	<u>1,697,566</u>	<u>174,834</u>
Fund balance, ending			<u>\$ 27,639</u>	<u>\$ 210,558</u>	<u>\$ 210,558</u>	<u>\$ 210,558</u>

CITY OF ALBANY, OREGON
GO DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Taxes:						
Property	\$ 2,300,400	\$ 2,300,400	\$ 1,250,023	\$ 1,271,661	\$ 2,521,684	\$ 221,284
Investment earnings	10,000	10,000	19,704	17,180	36,884	26,884
Total revenues	<u>2,310,400</u>	<u>2,310,400</u>	<u>1,269,727</u>	<u>1,288,841</u>	<u>2,558,568</u>	<u>248,168</u>
Fund Balance, beginning						
Fund balance, beginning	216,700	216,700	311,505	471,049	311,505	94,805
Prior period adjustment	-	-	(1,506)	33	(1,473)	(1,473)
Total fund balance, beginning	<u>216,700</u>	<u>216,700</u>	<u>309,999</u>	<u>471,082</u>	<u>310,032</u>	<u>93,332</u>
Amount available for appropriation	<u>\$ 2,527,100</u>	<u>\$ 2,527,100</u>	<u>\$ 1,579,726</u>	<u>\$ 1,759,923</u>	<u>\$ 2,868,600</u>	<u>\$ 341,500</u>
EXPENDITURES						
Biennium						
	Original Budget	Final Budget	FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under
Public Safety Facilities Bonds	\$ 2,527,100	\$ 2,527,100	\$ 1,108,675	\$ 1,142,875	\$ 2,251,550	\$ 275,550
Total expenditures	<u>2,527,100</u>	<u>2,527,100</u>	<u>1,108,675</u>	<u>1,142,875</u>	<u>2,251,550</u>	<u>275,550</u>
Appropriated financing uses						
Transfers out	-	-	2	-	2	(2)
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 2,527,100</u>	<u>\$ 2,527,100</u>	<u>1,108,677</u>	<u>1,142,875</u>	<u>2,251,552</u>	<u>275,548</u>
Fund balance, ending			<u>\$ 471,049</u>	<u>\$ 617,048</u>	<u>\$ 617,048</u>	<u>\$ 617,048</u>

CITY OF ALBANY, OREGON
CAPITAL REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Charges for services	\$ 2,849,400	\$ 2,849,400	\$ 1,119,300	\$ 1,328,613	\$ 2,447,913	\$ (401,487)
Investment earnings	176,000	176,000	163,334	11,954	175,288	(712)
Miscellaneous	-	-	117,069	246,848	363,917	363,917
Total revenues	3,025,400	3,025,400	1,399,703	1,587,415	2,987,118	(38,282)
Other Financing Sources						
Sale of capital assets	-	-	-	39,340	39,340	39,340
Transfers in	40,000	40,000	34,110	406,818	440,928	400,928
Intrafund transfers in	-	5,064,200	10,400	1,217,684	1,228,084	(3,836,116)
Total other financing sources	40,000	5,104,200	44,510	1,663,842	1,708,352	(3,395,848)
Fund Balance, beginning						
Fund balance, beginning	7,002,400	7,002,400	7,006,893	4,561,878	7,006,893	4,493
Prior period adjustment	-	-	(8,035)	323	(7,712)	(7,712)
Total fund balance, beginning	7,002,400	7,002,400	6,998,858	4,562,201	6,999,181	(3,219)
Amount available for appropriation	\$ 10,067,800	\$ 15,132,000	\$ 8,443,071	\$ 7,813,458	\$ 11,694,651	\$ (3,437,349)
EXPENDITURES						
Equipment Replacement	\$ 6,993,000	\$ 213,800	\$ 65,512	\$ -	\$ 65,512	\$ 148,288
Municipal Court IT Equip	-	36,700	-	-	-	36,700
PW Facilities Replacement	629,200	629,200	-	-	-	629,200
IT Equipment Replacement	2,030,400	682,500	326,877	35,618	362,495	320,005
IT Phone Equip Replace	-	322,400	323	17,570	17,893	304,507
Planning IT Equip Replace	-	21,000	-	-	-	21,000
Police IT Equip Replace	-	395,900	-	18,355	18,355	377,545
Police Equip Replace	-	1,320,000	257,773	282,513	540,286	779,714
Police Levy Equip Replace	-	44,000	43,939	-	43,939	61
Fire & Life Safety IT Equip	-	8,100	-	-	-	8,100
Fire Emergency Svc IT Equip	-	37,500	-	8,240	8,240	29,260
Fire Emergency Svc Equip	-	1,830,800	1,335,923	168,594	1,504,517	326,283
Fire Build Maint Equip Rep	-	59,000	1,960	7,019	8,979	50,021
Parks & Rec Admin IT Equip	-	32,000	-	-	-	32,000
Parks & Rec Admin Equip	-	14,500	-	-	-	14,500
Adult Rec Equip Replace	-	22,900	-	-	-	22,900
Aquatic Services Equip	-	91,400	-	-	-	91,400
Park Maint Equip Replace	-	413,800	96,202	-	96,202	317,598
Facilities Maint Equip Replace	-	92,300	-	-	-	92,300
Library IT Equip Replace	-	82,200	-	-	-	82,200
Library Equip Replace	-	18,700	-	-	-	18,700
Total expenditures	9,652,600	6,368,700	2,128,509	537,909	2,666,418	3,702,282
Appropriated financing uses						
Transfers out	415,200	3,699,100	1,742,284	1,849,002	3,591,286	107,814
Total expenditures and appropriated financing uses	10,067,800	10,067,800	3,870,793	2,386,911	6,257,704	3,810,096
Unappropriated financing uses						
Intrafund transfers out	-	5,064,200	10,400	1,217,684	1,228,084	3,836,116
Total expenditures, appropriated, and unappropriated financing uses	\$ 10,067,800	\$ 15,132,000	\$ 3,881,193	\$ 3,604,595	\$ 7,485,788	\$ 7,646,212
Fund balance, ending			\$ 4,561,878	\$ 4,208,863	\$ 4,208,863	\$ 4,208,863

CITY OF ALBANY, OREGON
LIBRARY TRUST FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Investment earnings	\$ 2,000	\$ 2,000	\$ 1,907	\$ 1,058	\$ 2,965	\$ 965
Miscellaneous	-	-	1	-	1	1
Total revenues	2,000	2,000	1,908	1,058	2,966	966
Fund Balance, beginning						
Fund balance, beginning	84,000	84,000	85,067	86,859	85,067	1,067
Prior period adjustment	-	-	(76)	6	(70)	(70)
Total fund balance, beginning	84,000	84,000	84,991	86,865	84,997	997
Amount available for appropriation	\$ 86,000	\$ 86,000	\$ 86,899	\$ 87,923	\$ 87,963	\$ 1,963
EXPENDITURES						
V.O. Torney Trust	\$ 3,700	\$ 3,700	\$ -	\$ -	\$ -	\$ 3,700
Manela Trust	2,800	2,800	40	-	40	2,760
Total expenditures	6,500	6,500	40	-	40	6,460
Unappropriated financing uses						
Unappropriated	79,500	79,500	-	-	-	79,500
Total expenditures, appropriated, and unappropriated financing uses	\$ 86,000	\$ 86,000	40	-	40	85,960
Fund balance, ending			\$ 86,859	\$ 87,923	\$ 87,923	\$ 87,923

CITY OF ALBANY, OREGON
WATER FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Franchise fees, privilege taxes, licenses, and permits	916,200	916,200	885,083	716,395	1,601,478	685,278
Intergovernmental	233,300	233,300	85,572	54,382	139,954	(93,346)
Charges for services	28,592,600	28,592,600	13,863,261	14,984,370	28,847,631	255,031
Investment earnings	106,000	106,000	473,884	69,354	543,238	437,238
Miscellaneous	15,000	15,000	41,734	16,814	58,548	43,548
Total revenues	29,863,100	29,863,100	15,349,534	15,841,315	31,190,849	1,327,749
Other Financing Sources						
Sale of capital assets	-	-	-	4,207	4,207	4,207
Transfers in	963,200	963,200	473,000	382,707	855,707	(107,493)
Intrafund transfers in	-	-	-	524,100	524,100	524,100
Total other financing sources	963,200	963,200	473,000	911,014	1,384,014	420,814
Fund Balance, beginning						
Fund balance, beginning	10,968,700	10,968,700	14,296,037	13,614,672	14,296,037	3,327,337
Prior period adjustment	-	-	12,283	1,087	13,370	13,370
Total fund balance, beginning	10,968,700	10,968,700	14,308,320	13,615,759	14,309,407	3,340,707
Amount available for appropriation	\$ 41,795,000	\$ 41,795,000	\$ 30,130,854	\$ 30,368,088	\$ 46,884,270	\$ 5,089,270
EXPENDITURES						
Personnel services	\$ 5,978,000	\$ 5,978,000	\$ 2,520,784	\$ 2,820,667	\$ 5,341,451	\$ 636,549
Materials & services	13,290,000	13,290,000	5,861,973	5,788,951	11,650,924	1,639,076
Capital outlay	13,810,900	13,810,900	5,083,483	2,060,954	7,144,437	6,666,463
Debt service	5,480,100	5,480,100	1,933,694	1,923,194	3,856,888	1,623,212
Contingencies	1,040,000	540,000	-	-	-	540,000
Total expenditures	39,599,000	39,099,000	15,399,934	12,593,766	27,993,700	11,105,300
Appropriated financing uses						
Transfers out	2,196,000	2,696,000	1,116,248	898,527	2,014,775	681,225
Total expenditures and appropriated financing uses	41,795,000	41,795,000	16,516,182	13,492,293	30,008,475	11,786,525
Unappropriated financing uses						
Intrafund transfers out	-	-	-	524,100	524,100	(524,100)
Total expenditures, appropriated, and unappropriated financing uses	\$ 41,795,000	\$ 41,795,000	16,516,182	14,016,393	30,532,575	11,262,425
Fund balance, ending			\$ 13,614,672	\$ 16,351,695	\$ 16,351,695	\$ 16,351,695

CITY OF ALBANY, OREGON
WATER FUND
RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 15,841,315	\$ 12,593,766	\$ 16,351,695
Reconciling items			
June 30, 2021 asset and liability balances:			
Capital assets, net	-	-	88,699,220
Other postemployment benefits asset	-	-	25,540
Accounts receivable	-	-	1,794,957
Unamortized issue costs/loss on defeasance	-	-	(1,023,910)
Inventory balance	-	-	676,056
Salaries, withholdings, and vacations payable	-	-	(167,776)
Net pension liability	-	-	(2,884,525)
Deferred outflows - pension and other postemployment benefit related	-	-	999,409
Deferred inflows - pension and other postemployment benefit related	-	-	(131,376)
Other postemployment benefits liability	-	-	(228,930)
Interest payable	-	-	(314,456)
Bonds payable	-	-	(20,367,388)
Adjustments to current year revenues			
Change in accounts receivable	286,572	-	-
Adjustments to current year expenses			
Interest paid on long-term obligations	-	(783,194)	-
Eliminate principal paid on long-term obligations	-	(1,140,000)	-
Change in compensated absences liability	-	75,017	-
Change in OPEB liability and related deferred outflows and inflows	-	(41,910)	-
Depreciation and amortization	-	3,475,526	-
Expenditures capitalized	-	(1,924,128)	-
Changes in inventories	-	(37,871)	-
Pension Expense	-	542,990	-
Other adjustments			
Nonoperating revenues			
Interest on investments	(69,354)	-	-
Capital contributions	(490,152)	-	-
	\$ 15,568,381	\$ 12,760,196	\$ 83,428,516
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 55)	\$ 15,568,381	\$ 12,760,196	\$ 83,428,516

CITY OF ALBANY, OREGON
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Franchise fees, privilege taxes, licenses, and permits	\$ 1,399,400	\$ 1,399,400	\$ 1,191,889	\$ 876,214	\$ 2,068,103	\$ 668,703
Intergovernmental	1,197,800	1,197,800	421,727	431,968	853,695	(344,105)
Charges for services	35,703,600	35,703,600	17,902,311	18,799,150	36,701,461	997,861
Investment earnings	183,000	183,000	707,885	67,434	775,319	592,319
Miscellaneous	50,000	50,000	140,395	18,758	159,153	109,153
Total revenues	38,533,800	38,533,800	20,364,207	20,193,524	40,557,731	2,023,931
Other Financing Sources						
Proceeds from long-term obligations	12,750,000	12,750,000	6,136,717	3,972,886	10,109,603	(2,640,397)
Sale of capital assets	-	-	8,215	-	8,215	8,215
Transfers in	2,794,400	2,794,400	1,644,400	223,438	1,867,838	(926,562)
Intrafund transfers in	-	-	-	1,212,600	1,212,600	1,212,600
Total other financing sources	15,544,400	15,544,400	7,789,332	5,408,924	13,198,256	(2,346,144)
Fund Balance, beginning						
Fund balance, beginning	23,600,400	23,600,400	25,626,168	20,738,017	25,626,168	2,025,768
Prior period adjustment	-	-	(20,886)	25,376	4,490	4,490
Total fund balance, beginning	23,600,400	23,600,400	25,605,282	20,763,393	25,630,658	2,030,258
Amount available for appropriation	\$ 77,678,600	\$ 77,678,600	\$ 53,758,821	\$ 46,365,841	\$ 79,386,645	\$ 1,708,045
EXPENDITURES						
Personnel services	\$ 5,217,100	\$ 5,217,100	\$ 2,382,327	\$ 2,382,743	\$ 4,765,070	\$ 452,030
Materials & services	14,955,200	14,955,200	6,908,552	6,878,107	13,786,659	1,168,541
Capital outlay	36,264,900	36,264,900	15,315,511	4,821,343	20,136,854	16,128,046
Debt service	14,500,900	14,500,900	5,244,484	4,791,876	10,036,360	4,464,540
Contingencies	1,068,800	18,800	-	-	-	18,800
Total expenditures	72,006,900	70,956,900	29,850,874	18,874,069	48,724,943	22,231,957
Appropriated financing uses						
Transfers out	5,671,700	6,721,700	3,169,930	2,216,138	5,386,068	1,335,632
Total expenditures and appropriated financing uses	77,678,600	77,678,600	33,020,804	21,090,207	54,111,011	23,567,589
Unappropriated financing uses						
Intrafund transfers out	-	-	-	1,212,600	1,212,600	(1,212,600)
Total expenditures, appropriated, and unappropriated financing uses	\$ 77,678,600	\$ 77,678,600	33,020,804	22,302,807	55,323,611	22,354,989
Fund balance, ending			\$ 20,738,017	\$ 24,063,034	\$ 24,063,034	\$ 24,063,034

CITY OF ALBANY, OREGON
SEWER FUND
RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 20,193,524	\$ 18,874,069	\$ 24,063,034
Reconciling items			
June 30, 2021 asset and liability balances:			
Capital assets, net	-	-	143,796,860
Other postemployment benefits asset	-	-	20,894
Loans receivable	-	-	2,871,824
Accounts receivable	-	-	2,134,759
Inventory balance	-	-	192,266
Salaries, withholdings, and vacations payable	-	-	(164,437)
Net pension liability	-	-	(2,032,216)
Deferred outflows - pension and other postemployment benefit related	-	-	664,399
Deferred inflows - pension and other postemployment benefit related	-	-	(51,542)
Other postemployment benefits liability	-	-	(187,294)
Interest payable	-	-	(346,835)
Loans payable	-	-	(45,523,382)
Prior period adjustment		23,802	(23,802)
Adjustments to current year revenues			
Change in accounts receivable	185,140	-	-
Adjustments to current year expenses			
Interest paid on long-term obligations	-	(873,670)	-
Eliminate principal paid on long-term obligations	-	(3,904,995)	-
Change in compensated absences liability	-	59,270	-
Change in OPEB liability and related deferred outflows and inflows	-	(56,447)	-
Depreciation and amortization	-	5,025,654	-
Expenditures capitalized	-	(4,734,617)	-
Changes in inventories	-	(2,530)	-
Pension Expense	-	447,008	-
Other adjustments			
Nonoperating revenues			
Interest on investments	(67,434)	-	-
Miscellaneous	-	-	-
Capital contributions	(745,540)	-	-
Millersburg loan	(310,745)	-	-
Operating revenues, operating expenses, and ending net position	\$ 19,254,945	\$ 14,857,544	\$ 125,414,528
from Statement of Revenues, Expenses, and			
Changes in Fund Net Position of Proprietary Funds (page 55)			

CITY OF ALBANY, OREGON
STORMWATER FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Franchise fees, privilege taxes, licenses, and permits	\$ 180,000	\$ 180,000	\$ 251,116	\$ 211,626	\$ 462,742	\$ 282,742
Charges for services	4,405,500	4,405,500	2,163,512	2,509,058	4,672,570	267,070
Investment earnings	7,000	7,000	38,776	15,227	54,003	47,003
Miscellaneous	-	-	1,207	2,074	3,281	3,281
Total revenues	4,592,500	4,592,500	2,454,611	2,737,985	5,192,596	600,096
Fund Balance, beginning						
Fund balance, beginning	678,900	678,900	954,848	989,409	954,848	275,948
Prior period adjustment	-	-	(1,183)	103	(1,080)	(1,080)
Total fund balance, beginning	678,900	678,900	953,665	989,512	953,768	274,868
Amount available for appropriation	\$ 5,271,400	\$ 5,271,400	\$ 3,408,276	\$ 3,727,497	\$ 6,146,364	\$ 874,964
	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	(Over) Under
	Original Budget	Final Budget				
EXPENDITURES						
Personnel services	\$ 887,700	\$ 887,700	\$ 339,601	\$ 458,570	\$ 798,171	\$ 89,529
Materials & services	3,586,700	3,761,700	1,839,671	1,899,495	3,739,166	22,534
Capital outlay	605,900	605,900	239,595	18,500	258,095	347,805
Contingencies	191,100	16,100	-	-	-	16,100
Total expenditures	5,271,400	5,271,400	2,418,867	2,376,565	4,795,432	475,968
Appropriated financing uses						
Transfers out	-	-	-	59	59	(59)
Total expenditures, appropriated, and unappropriated financing uses	\$ 5,271,400	\$ 5,271,400	2,418,867	2,376,624	4,795,491	475,909
Fund balance, ending			\$ 989,409	\$ 1,350,873	\$ 1,350,873	\$ 1,350,873

CITY OF ALBANY, OREGON
STORMWATER FUND
RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance/ Net Position</u>
Totals from prior page	\$ 2,737,985	\$ 2,376,565	\$ 1,350,873
Reconciling items			
June 30, 2021 asset and liability balances:			
Capital assets, net	-	-	190,344
Other postemployment benefits asset	-	-	4,099
Accounts receivable	-	-	255,768
Salaries, withholdings, and vacations payable	-	-	(982)
Net pension liability	-	-	(614,902)
Deferred outflows - pension and other postemployment benefit related	-	-	224,528
Deferred inflows - pension and other postemployment benefit related	-	-	(39,861)
Other postemployment benefits liability	-	-	(36,744)
Adjustments to current year revenues			
Change in accounts receivable	66,380	-	-
Adjustments to current year expenses			
Change in compensated absences liability	-	219	-
Change in OPEB liability and related deferred outflows and inflows	-	10,907	-
Depreciation and amortization	-	9,637	-
Expenditures capitalized	-	(18,500)	-
Pension Expense	-	77,196	-
Other adjustments			
Nonoperating revenues			
Interest on investments	(15,227)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 55)	<u>\$ 2,789,138</u>	<u>\$ 2,456,024</u>	<u>\$ 1,333,123</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2021

	Central	Public Works	
Assets	<u>Services</u>	<u>Services</u>	<u>Totals</u>
Current assets:			
Cash and cash equivalents	\$ 694,497	\$ 670,104	\$ 1,364,601
Investments	731,290	704,025	1,435,315
Receivables:			
Accounts	9,318	25	9,343
Accrued interest	4,307	1,626	5,933
Prepaid expenses	<u>350</u>	<u>-</u>	<u>350</u>
Total current assets	<u>1,439,762</u>	<u>1,375,780</u>	<u>2,815,542</u>
Noncurrent assets:			
Other postemployment benefit asset	46,042	67,527	113,569
Capital assets:			
Land and construction in progress	-	31,260	31,260
Other capital assets, net of depreciation	<u>448,932</u>	<u>110,773</u>	<u>559,705</u>
Total noncurrent assets	<u>494,974</u>	<u>209,560</u>	<u>704,534</u>
Total assets	<u>1,934,736</u>	<u>1,585,340</u>	<u>3,520,076</u>
Deferred Outflows of Resources			
Pension and other postemployment benefit related items	<u>3,079,939</u>	<u>3,471,791</u>	<u>6,551,730</u>
Liabilities			
Current liabilities:			
Accounts payable	411,801	549,090	960,891
Compensated absences	<u>191,461</u>	<u>281,762</u>	<u>473,223</u>
Total current liabilities	<u>603,262</u>	<u>830,852</u>	<u>1,434,114</u>
Long-term obligations:			
Compensated absences	191,460	281,762	473,222
Other postemployment benefits	412,699	605,287	1,017,986
Net pension liability	<u>8,453,032</u>	<u>9,791,025</u>	<u>18,244,057</u>
Total long-term obligations	<u>9,057,191</u>	<u>10,678,074</u>	<u>19,735,265</u>
Total liabilities	9,660,453	11,508,926	21,169,379
Deferred Inflows of Resources			
Pension and other postemployment benefit related items	<u>551,885</u>	<u>535,770</u>	<u>1,087,655</u>
Net Position			
Net investment in capital assets	448,932	142,033	590,965
Unrestricted	<u>(5,646,595)</u>	<u>(7,129,598)</u>	<u>(12,776,193)</u>
Total net position	<u>\$ (5,197,663)</u>	<u>\$ (6,987,565)</u>	<u>\$ (12,185,228)</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2021

	Central Services	Public Works Services	Totals
OPERATING REVENUES:			
Service charges and fees	\$ 6,827,440	\$ 9,320,853	\$ 16,148,293
Misc Operating Revenues	<u>86,340</u>	<u>26,061</u>	<u>112,401</u>
Total operating revenues:	<u>6,913,780</u>	<u>9,346,914</u>	<u>16,260,694</u>
OPERATING EXPENSES:			
Salaries and Wages	6,070,922	8,944,309	15,015,231
Contracted Services	156,002	379,489	535,491
Operating Supplies	1,043,645	610,838	1,654,483
Utilities	85,227	99,573	184,800
Depreciation	9,602	3,806	13,408
Repairs and Maintenance	124,988	82,889	207,877
Charges for Service	733,358	825,785	1,559,143
Misc Operating Expense	<u>42,888</u>	<u>-</u>	<u>42,888</u>
Total operating expenses:	<u>8,266,632</u>	<u>10,946,689</u>	<u>19,213,321</u>
Operating income (loss)	<u>(1,352,852)</u>	<u>(1,599,775)</u>	<u>(2,952,627)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest on investments	<u>26,249</u>	<u>6,483</u>	<u>32,732</u>
Income (loss) before capital contributions and transfers	(1,326,603)	(1,593,292)	(2,919,895)
Transfers In	661,935	494,828	1,156,763
Transfers Out	<u>(134,643)</u>	<u>-</u>	<u>(134,643)</u>
Change in net position	(799,311)	(1,098,464)	(1,897,775)
Prior period adjustment	69	17	86
Net position - beginning	<u>(4,398,421)</u>	<u>(5,889,118)</u>	<u>(10,287,539)</u>
Net position - ending	<u>\$ (5,197,663)</u>	<u>\$ (6,987,565)</u>	<u>\$ (12,185,228)</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2021

	Central Services	Public Works Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,906,880	\$ 9,346,930	\$ 16,253,810
Cash payments to suppliers of goods and services	(2,086,103)	(1,848,891)	(3,934,994)
Cash payments to employees for services	<u>(4,929,882)</u>	<u>(7,356,695)</u>	<u>(12,286,577)</u>
Net cash provided by (used in) operating activities	<u>(109,105)</u>	<u>141,344</u>	<u>32,239</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	661,935	494,828	1,156,763
Transfers out	<u>(134,643)</u>	<u>-</u>	<u>(134,643)</u>
Net cash provided by (used in) noncapital financing activities	<u>527,292</u>	<u>494,828</u>	<u>1,022,120</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>(455,543)</u>	<u>(104,347)</u>	<u>(559,890)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net (increase) decrease in investments	164,536	(183,688)	(19,152)
Interest on investments	<u>25,238</u>	<u>5,597</u>	<u>30,835</u>
Net cash provided by (used in) investing activities	<u>189,774</u>	<u>(178,091)</u>	<u>11,683</u>
Net increase (decrease) in cash and cash equivalents	<u>152,418</u>	<u>353,734</u>	<u>506,152</u>
Cash and cash equivalents, July 1, 2020	<u>542,079</u>	<u>316,370</u>	<u>858,449</u>
Cash and cash equivalents, July 1, 2021	<u>\$ 694,497</u>	<u>\$ 670,104</u>	<u>\$ 1,364,601</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,352,852)	\$ (1,599,775)	\$ (2,952,627)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,602	3,806	13,408
Changes in assets, deferred outflows, liabilities and deferred inflows:			
Receivables	(6,900)	16	(6,884)
Prepaid items	(350)	-	(350)
Net other postemployment benefit asset	5,002	4,223	9,225
Deferred outflows of resources	(421,144)	(615,962)	(1,037,106)
Accounts payable	100,355	149,683	250,038
Net pension liability	1,390,608	2,026,770	3,417,378
Compensated absences	279,105	304,269	583,374
Other postemployment benefits	(25,740)	(11,007)	(36,747)
Deferred inflows of resources	<u>(86,791)</u>	<u>(120,679)</u>	<u>(207,470)</u>
Total adjustments	<u>1,243,747</u>	<u>1,741,119</u>	<u>2,984,866</u>
Net cash provided by (used in) operating activities	<u>\$ (109,105)</u>	<u>\$ 141,344</u>	<u>\$ 32,239</u>

CITY OF ALBANY, OREGON
CENTRAL SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Franchise fees, privilege taxes, licenses, and permits	\$ -	\$ -	\$ -	\$ 800	\$ 800	\$ 800
Intergovernmental	5,000	5,000	16,031	38,449	54,480	49,480
Charges for services	15,436,200	15,436,200	7,493,358	6,868,143	14,361,501	(1,074,699)
Investment earnings	12,000	12,000	17,519	26,244	43,763	31,763
Miscellaneous	80,000	80,000	88,791	6,393	95,184	15,184
Total revenues	15,533,200	15,533,200	7,615,699	6,940,029	14,555,728	(977,472)
Other Financing Sources						
Transfers in	458,200	1,092,100	396,082	661,935	1,058,017	(34,083)
Intrafund transfers in	-	187,000	172,000	-	172,000	(15,000)
Total other financing sources	458,200	1,279,100	568,082	661,935	1,230,017	(49,083)
Fund Balance, beginning						
Fund balance, beginning	154,200	326,200	553,798	1,132,104	553,798	227,598
Prior period adjustment	-	-	(2,421)	69	(2,352)	(2,352)
Total fund balance, beginning	154,200	326,200	551,377	1,132,173	551,446	225,246
Amount available for appropriation	\$ 16,145,600	\$ 17,138,500	\$ 8,735,158	\$ 8,734,137	\$ 16,337,191	\$ (801,309)
EXPENDITURES						
Finance	\$ 3,283,300	\$ 3,283,300	\$ 1,509,765	\$ 1,614,206	\$ 3,123,971	\$ 159,329
Finance IT Equip Replace	-	47,200	-	578	578	46,622
Mayor & Council	638,300	638,300	306,037	300,075	606,112	32,188
Mayor & Council IT Equip	-	37,000	-	-	-	37,000
City Manager's Office	3,141,900	3,141,900	1,391,726	1,390,739	2,782,465	359,435
City Manager'S IT Equip	-	21,800	-	609	609	21,191
Information Technology	3,737,000	3,894,000	1,860,130	1,712,416	3,572,546	321,454
GIS Services	941,700	941,700	444,397	332,297	776,694	165,006
Permit Tracking	241,500	256,500	168,020	85,529	253,549	2,951
Inormation Tech IT Equip	-	86,600	-	-	-	86,600
GIS Service IT Equip Repl	-	156,000	-	-	-	156,000
Permit Tracking IT Equip	-	60,100	-	-	-	60,100
Human Resources	1,949,000	1,949,000	925,997	886,520	1,812,517	136,483
Human Resources IT Equip	-	11,900	-	-	-	11,900
Facilities Maintenance	1,721,300	1,721,300	801,763	792,230	1,593,993	127,307
GF Facilities Maintenance Project	451,600	514,000	3,219	456,334	459,553	54,447
Facilities Maint IT Equip	-	16,200	-	-	-	16,200
Total expenditures	16,105,600	16,776,800	7,411,054	7,571,533	14,982,587	1,794,213
Appropriated financing uses						
Transfers out	40,000	174,700	20,000	134,643	154,643	20,057
Total expenditures and appropriated financing uses	16,145,600	16,951,500	7,431,054	7,706,176	15,137,230	1,814,270
Unappropriated financing uses						
Intrafund transfers out	-	187,000	172,000	-	172,000	15,000
Total expenditures, appropriated, and unappropriated financing uses	\$ 16,145,600	\$ 17,138,500	7,603,054	7,706,176	15,309,230	1,829,270
Fund balance, ending			\$ 1,132,104	\$ 1,027,961	\$ 1,027,961	\$ 1,027,961

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes in Net Position, see page 141.

CITY OF ALBANY, OREGON
CENTRAL SERVICES FUND
RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance/ Net Position</u>
Totals from prior page	\$ 6,940,029	\$ 7,571,533	\$ 1,027,961
Reconciling items			
June 30, 2021 asset and liability balances:			
Capital assets, net	-	-	448,932
Other postemployment benefits asset	-	-	46,042
Salaries, withholdings, and vacations payable	-	-	(382,921)
Net pension liability	-	-	(8,453,032)
Deferred outflows - pension and other postemployment benefit related	-	-	3,079,939
Deferred inflows - pension and other postemployment benefit related	-	-	(551,885)
Other postemployment benefits liability	-	-	(412,699)
Adjustments to current year expenses			
Change in compensated absences liability	-	279,105	-
Change in OPEB liability and related deferred outflows and inflows	-	(1,753)	-
Depreciation and amortization	-	9,602	-
Expenditures capitalized	-	(455,543)	-
Pension Expense	-	863,688	-
Other adjustments			
Nonoperating revenues			
Interest on investments	<u>(26,249)</u>	<u>-</u>	<u>-</u>
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and			
Changes in Fund Net Position of Internal Service Funds (page 138)	<u>\$ 6,913,780</u>	<u>\$ 8,266,632</u>	<u>\$ (5,197,663)</u>

CITY OF ALBANY, OREGON
PUBLIC WORKS SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended June 30, 2021

	Biennium		FY 2019-20 Actual	FY 2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
REVENUES						
Charges for services	\$ 20,801,600	\$ 20,801,600	\$ 9,216,688	\$ 9,320,853	\$ 18,537,541	\$ (2,264,059)
Investment earnings	10,800	10,800	2,599	6,483	9,082	(1,718)
Miscellaneous	-	-	36,824	26,061	62,885	62,885
Total revenues	20,812,400	20,812,400	9,256,111	9,353,397	18,609,508	(2,202,892)
Other Financing Sources						
Transfers in	-	774,200	208,748	494,828	703,576	(70,624)
Total other financing sources	-	774,200	208,748	494,828	703,576	(70,624)
Fund Balance, beginning						
Fund balance, beginning	60,000	60,000	188,174	438,064	188,174	128,174
Prior period adjustment	-	-	(3,980)	17	(3,963)	(3,963)
Total fund balance, beginning	60,000	60,000	184,194	438,081	184,211	124,211
Amount available for appropriation	\$ 20,872,400	\$ 21,646,600	\$ 9,649,053	\$ 10,286,306	\$ 19,497,295	\$ (2,149,305)
EXPENDITURES						
PW Administration	\$ 2,957,000	\$ 2,957,000	\$ 1,292,309	\$ 1,302,964	\$ 2,595,273	\$ 361,727
PW Engineering Services	7,040,900	7,040,900	3,010,018	2,983,126	5,993,144	1,047,756
PW Customer Services	3,229,000	3,229,000	1,445,546	1,525,221	2,970,767	258,233
Operations Administration	1,293,900	1,293,900	628,278	541,739	1,170,017	123,883
Facilities & Maint Engineering	5,115,500	5,115,500	2,252,025	2,365,353	4,617,378	498,122
Water Quality Control Service	1,236,100	1,236,100	582,813	624,512	1,207,325	28,775
PW Admin IT Equip Replace	-	16,100	-	1,290	1,290	14,810
PW Engineering IT Equip	-	16,100	-	3,029	3,029	13,071
PW Customer Service IT Equip	-	424,100	-	2,517	2,517	421,583
Operations Admin IT Equip	-	17,100	-	-	-	17,100
Facilities & Mnt Eng IT Equip	-	27,300	-	-	-	27,300
Water Quality Ctrl IT Equip	-	5,500	-	928	928	4,572
PW Engineering Equip Replace	-	55,000	-	-	-	55,000
PW Customer Serv Equip Replace	-	40,000	-	-	-	40,000
Operations Admin Equip Replace	-	3,000	-	-	-	3,000
Facilities & Maint Eng Equip	-	164,000	-	108,937	108,937	55,063
Water Quality Ctrl Equip	-	6,000	-	-	-	6,000
Total expenditures, appropriated, and unappropriated financing uses	\$ 20,872,400	\$ 21,646,600	9,210,989	9,459,616	18,670,605	2,975,995
Fund balance, ending			\$ 438,064	\$ 826,690	\$ 826,690	\$ 826,690

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and changes in Net Position, see page 143.

CITY OF ALBANY, OREGON
PUBLIC WORKS SERVICES FUND
RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 9,353,397	\$ 9,459,616	\$ 826,690
Reconciling items			
June 30, 2021 asset and liability balances:			
Capital assets, net	-	-	142,033
Other postemployment benefits asset	-	-	67,527
Salaries, withholdings, and vacations payable	-	-	(563,524)
Net pension liability	-	-	(9,791,025)
Deferred outflows - pension and other postemployment benefit related	-	-	3,471,791
Deferred inflows - pension and other postemployment benefit related	-	-	(535,770)
Other postemployment benefits liability	-	-	(605,287)
Adjustments to current year expenses			
Change in compensated absences liability	-	304,269	-
Change in OPEB liability and related deferred outflows and inflows	-	(279,724)	-
Depreciation and amortization	-	3,806	-
Expenditures capitalized	-	(104,347)	-
Pension Expense	-	1,563,069	-
Other adjustments			
Nonoperating revenues			
Interest on investments	(6,483)	-	-
	(6,483)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and			+
Changes in Fund Net Position of Internal Service Funds (page 138)	\$ 9,346,914	\$ 10,946,689	\$ (6,987,565)





STATISTICAL SECTION





STATISTICAL SECTION

This section of the City of Albany's Comprehensive Annual Financial Report presents detailed information for understanding what the financial statements, note disclosures, and required supplementary information indicate about the City's overall financial health. The information is presented in five categories: financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

DEBT CAPACITY

The schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Presented in these schedules are demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules present service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

SCHEDULE 1

**CITY OF ALBANY, OREGON
NET POSITION BY COMPONENT**

Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016
Governmental Activities					
Net investment in capital assets	\$ 96,500,517	\$ 95,871,131	\$ 90,297,428	\$ 94,819,619	\$ 80,810,018
Restricted	13,190,170	11,852,482	16,359,363	11,071,442	27,479,162
Unrestricted	<u>19,611,140</u>	<u>20,901,108</u>	<u>25,711,251</u>	<u>21,176,652</u>	<u>5,719,436</u>
Total governmental activities net position	<u>129,301,827</u>	<u>128,624,721</u>	<u>132,368,042</u>	<u>127,067,713</u>	<u>114,008,616</u>
Business-type activities					
Net investment in capital assets	134,559,041	136,828,820	140,222,126	140,997,807	145,243,974
Restricted	14,445,758	13,514,952	10,863,027	10,717,596	10,281,207
Unrestricted	<u>26,930,801</u>	<u>28,978,037</u>	<u>29,245,746</u>	<u>31,180,138</u>	<u>24,638,225</u>
Total business-type activities net position	<u>175,935,600</u>	<u>179,321,809</u>	<u>180,330,899</u>	<u>182,895,541</u>	<u>180,163,406</u>
Total City of Albany					
Net investment in capital assets	231,059,558	232,699,951	230,519,554	235,817,426	226,053,992
Restricted	27,635,928	25,367,434	27,222,390	21,789,038	37,760,369
Unrestricted	<u>46,541,941</u>	<u>49,879,145</u>	<u>54,956,997</u>	<u>52,356,790</u>	<u>30,357,661</u>
Total net position	<u>\$ 305,237,427</u>	<u>\$ 307,946,530</u>	<u>\$ 312,698,941</u>	<u>\$ 309,963,254</u>	<u>\$ 294,172,022</u>

Over the last ten years the net position of governmental activities decreased by just over 11 percent (\$13,862,000). Included in program revenues are \$1,028,013 of capital contributions in the form of systems development charges, connection fees, improvement assurance fees, and site improvements.

During the same time frame (ten years), the net position of the business-type activities has increased by 17 percent (\$29,895,000). The two major components of the increase have been operating income (\$70,621,000) and capital contributions (\$18,728,000), which consists of development fees (systems development charges, in-lieu-of assessment charges, and improvement assurances), and developer constructed water, sewer, and storm drain site improvements donated to the City.

Source: City of Albany 2012-2021 Annual Comprehensive Financial Reports

Continued on next page

SCHEDULE 1

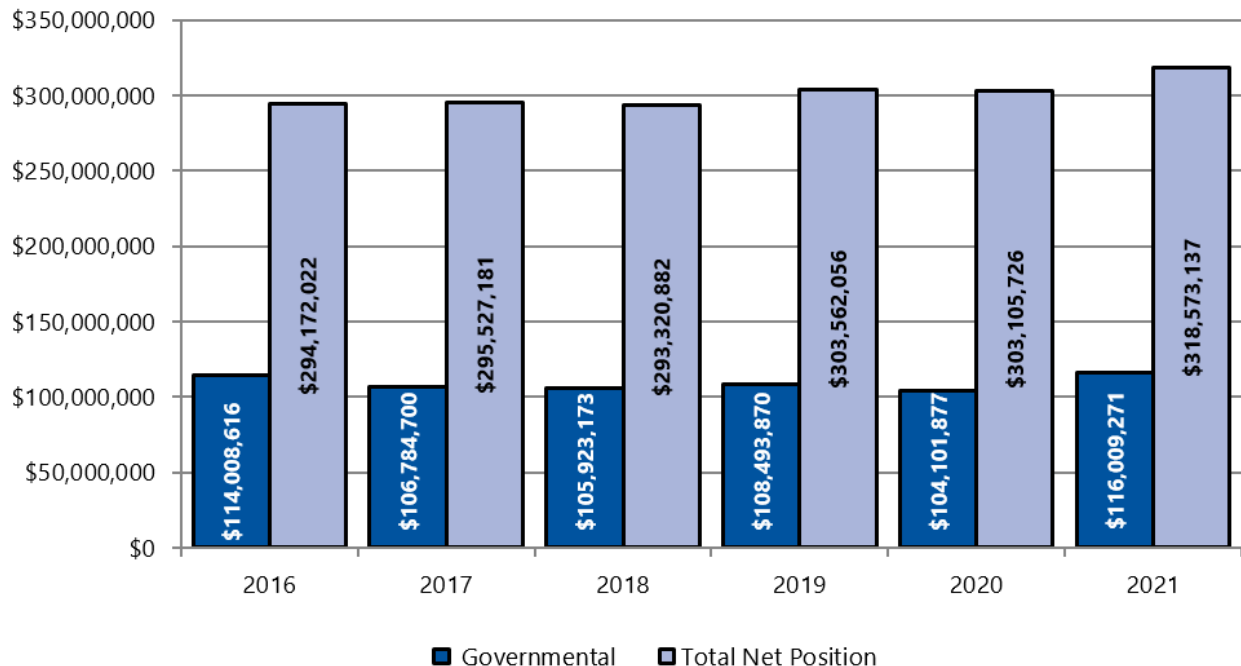
**CITY OF ALBANY, OREGON
NET POSITION BY COMPONENT, continued**

Last Ten Fiscal Years
(accrual basis of accounting)

2017	2018	2019	2020	2021	
					Governmental Activities
\$ 94,492,224	\$ 106,976,281	\$ 100,745,228	\$ 99,528,799	\$ 100,801,064	Net investment in capital assets
11,226,820	10,934,035	20,833,823	22,292,560	29,540,017	Restricted
1,065,656	(11,987,143)	(13,085,181)	(17,719,482)	(14,331,810)	Unrestricted
<u>106,784,700</u>	<u>105,923,173</u>	<u>108,493,870</u>	<u>104,101,877</u>	<u>116,009,271</u>	Total governmental activities net position
					Business-type activities
146,556,723	149,918,593	154,638,792	166,458,509	165,913,777	Net investment in capital assets
9,490,275	9,209,257	9,085,389	8,269,926	7,959,532	Restricted
32,695,483	28,269,859	31,344,005	24,275,414	28,690,557	Unrestricted
<u>188,742,481</u>	<u>187,397,709</u>	<u>195,068,186</u>	<u>199,003,849</u>	<u>202,563,866</u>	Total business-type activities net position
					Total City of Albany
241,048,947	256,894,874	255,384,020	265,987,308	266,714,841	Net investment in capital assets
20,717,095	20,143,292	29,919,212	30,562,486	37,499,549	Restricted
33,761,139	16,282,716	18,258,824	6,555,932	14,358,747	Unrestricted
<u>\$ 295,527,181</u>	<u>\$ 293,320,882</u>	<u>\$ 303,562,056</u>	<u>\$ 303,105,726</u>	<u>\$ 318,573,137</u>	Total net position

Governmental and Total Net Position

Last 6 Fiscal Years



SCHEDULE 2

**CITY OF ALBANY, OREGON
CHANGE IN NET POSITION**
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016
Expenses					
Governmental activities					
General government	\$ 5,282,341	\$ 6,998,687	\$ 7,493,529	\$ 7,667,638	\$ 11,956,298
Public safety	27,832,589	26,998,857	26,533,616	20,771,259	39,213,576
Highways and streets	5,964,162	7,165,295	7,015,625	6,577,224	5,926,402
Culture and recreation	9,300,151	8,548,521	9,071,696	7,939,789	13,557,065
Interest on long-term debt	972,088	880,010	728,980	710,061	1,240,044
Total governmental activities expenses	<u>49,351,331</u>	<u>50,591,370</u>	<u>50,843,446</u>	<u>43,665,971</u>	<u>71,893,385</u>
Business-type activities					
Water	11,239,646	10,970,041	12,281,328	11,524,422	14,550,636
Sewer	12,210,391	14,201,008	14,114,463	14,765,389	17,663,062
Stormwater	-	-	-	-	-
Total business-type activities expenses	<u>23,450,037</u>	<u>25,171,049</u>	<u>26,395,791</u>	<u>26,289,811</u>	<u>32,213,698</u>
Program Revenues					
Governmental activities					
Charges for services:					
General Government	2,699,581	3,509,363	4,081,131	3,487,011	3,718,959
Public Safety	3,174,653	2,562,519	2,693,877	3,150,776	3,291,540
Highways and Streets	110,792	-	158,753	134,615	138,139
Culture and recreation	908,153	1,181,152	893,172	995,606	1,016,928
Operating grants and contributions	5,245,587	3,245,250	5,336,946	5,591,657	5,461,409
Capital grants and contributions	2,613,592	4,357,201	4,134,157	3,459,206	3,659,772
Total governmental activities program revenues	<u>14,752,358</u>	<u>14,855,485</u>	<u>17,298,036</u>	<u>16,818,871</u>	<u>17,286,747</u>
Business-type activities					
Water	11,873,787	12,338,047	13,055,548	13,820,209	13,594,778
Sewer	13,687,284	13,410,334	15,524,322	29,847,180	16,645,445
Stormwater	-	-	-	-	-
Total business-type activities program revenues	<u>25,561,071</u>	<u>25,748,381</u>	<u>28,579,870</u>	<u>43,667,389</u>	<u>30,240,223</u>
Total program revenues	<u>40,313,429</u>	<u>40,603,866</u>	<u>45,877,906</u>	<u>60,486,260</u>	<u>47,526,970</u>
General Revenues					
Governmental activities					
Taxes:					
Property taxes used for general purposes	22,540,932	22,159,102	25,857,223	26,146,965	27,578,824
Property taxes used for debt service	3,303,218	3,430,326	1,346,036	1,305,558	1,036,443
Transient room taxes used for general purposes	715,865	754,585	803,805	927,172	1,058,892
Transient room taxes used for debt service	-	-	-	-	-
Motor fuel	2,746,350	2,764,402	2,913,483	2,899,968	3,046,727
Marijuana, cigarette and alcoholic beverage	699,755	1,213,099	1,251,981	1,300,909	1,317,405
Privilege	2,901,489	2,761,418	2,966,949	2,984,718	3,572,017
Contributions to permanent funds	-	-	-	-	-
Unrestricted interest earnings	232,122	401,725	273,722	200,035	463,554
Miscellaneous	490,535	548,471	186,145	901,434	1,246,118
Total governmental activities general revenues	<u>33,630,266</u>	<u>34,033,128</u>	<u>35,599,344</u>	<u>36,666,759</u>	<u>39,319,980</u>
Gain (Loss) on disposal of capital assets	-	-	-	-	-
Transfers	419,885	1,025,651	1,689,391	1,083,453	1,196,104
Total governmental activities	<u>34,050,151</u>	<u>35,058,779</u>	<u>37,288,735</u>	<u>37,750,212</u>	<u>40,516,084</u>

Continued on next page

SCHEDULE 2

CITY OF ALBANY, OREGON
CHANGE IN NET POSITION, continued
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2017	2018	2019	2020	2021	
						Expenses
\$	11,627,250	\$ 11,905,562	\$ 14,611,772	\$ 18,940,934	\$ 15,148,759	Governmental activities:
	33,190,548	35,845,712	37,378,693	39,337,254	42,960,751	General government
	6,116,216	4,468,119	7,992,085	8,590,398	6,724,748	Public safety
	11,634,285	13,667,104	10,816,892	11,251,985	10,513,623	Highways and streets
	1,295,382	1,279,266	1,554,774	816,417	1,025,268	Culture and recreation
	63,863,681	67,165,763	72,354,216	78,936,988	76,373,149	Interest on long-term debt
						Total governmental activities expenses
						Business-type activities
	12,640,992	12,267,390	11,410,738	13,596,398	14,105,765	Water
	15,726,496	15,140,083	14,099,323	15,617,877	16,572,791	Sewer
	1,095,648	1,708,963	2,158,837	2,520,663	2,785,117	Stormwater
	29,463,136	29,116,436	27,668,898	31,734,938	33,463,673	Total business-type activities expenses
						Program Revenues
						Governmental activities:
	4,173,637	4,621,225	4,607,980	4,987,451	3,904,240	Charges for services:
	3,941,179	4,246,900	5,609,787	6,807,903	15,067,008	General Government
	101,502	104,238	1,267,051	115,356	295,271	Public Safety
	1,099,530	1,049,007	1,120,216	750,964	603,069	Highways and Streets
	5,671,185	11,016,549	13,380,093	13,362,737	20,720,718	Culture and recreation
	2,700,427	2,226,433	2,753,651	1,480,471	1,194,031	Operating grants and contributions
	17,687,460	23,264,352	28,738,778	27,504,882	41,784,337	Capital grants and contributions
						Total governmental activities program revenues
						Business-type activities
	16,764,392	14,268,332	14,502,634	14,667,426	16,040,040	Water
	20,963,015	17,675,781	18,415,971	19,082,367	19,893,693	Sewer
	974,504	2,035,666	2,199,321	2,389,125	2,787,064	Stormwater
	38,701,911	33,979,779	35,117,926	36,138,918	38,720,797	Total business-type activities program revenues
	56,389,371	57,244,131	63,856,704	63,643,800	80,505,134	Total program revenues
						General Revenues
						Governmental activities:
	29,075,234	31,312,153	27,950,003	30,304,403	35,293,292	Taxes:
	1,083,756	1,158,749	4,564,044	5,071,316	1,235,930	Property taxes used for general purposes
	1,117,460	1,061,288	1,274,676	1,031,018	1,060,584	Property taxes used for debt service
	-	-	-	-	-	Transient room taxes used for general purposes
	3,120,603	-	-	-	-	Transient room taxes used for debt service
	1,336,937	1,982,371	1,256,415	1,498,433	1,722,632	Motor fuel
	3,901,524	3,950,218	3,870,419	3,806,858	3,991,599	Marijuana, cigarette and alcoholic beverage
	-	-	-	-	-	Privilege
	334,206	573,550	1,470,575	1,515,966	371,937	Contributions to permanent funds
	967,589	1,321,198	2,418,021	1,614,436	803,522	Unrestricted interest earnings
	40,937,309	41,359,527	42,804,153	44,842,430	44,479,496	Miscellaneous
	-	836,387	1,928,887	387,342	-	Total governmental activities general revenues
	1,076,350	1,262,303	1,453,095	1,960,030	2,013,751	Gain (Loss) on disposal of capital assets
	42,013,659	43,458,217	46,186,135	47,189,802	46,493,247	Transfers
						Total governmental activities

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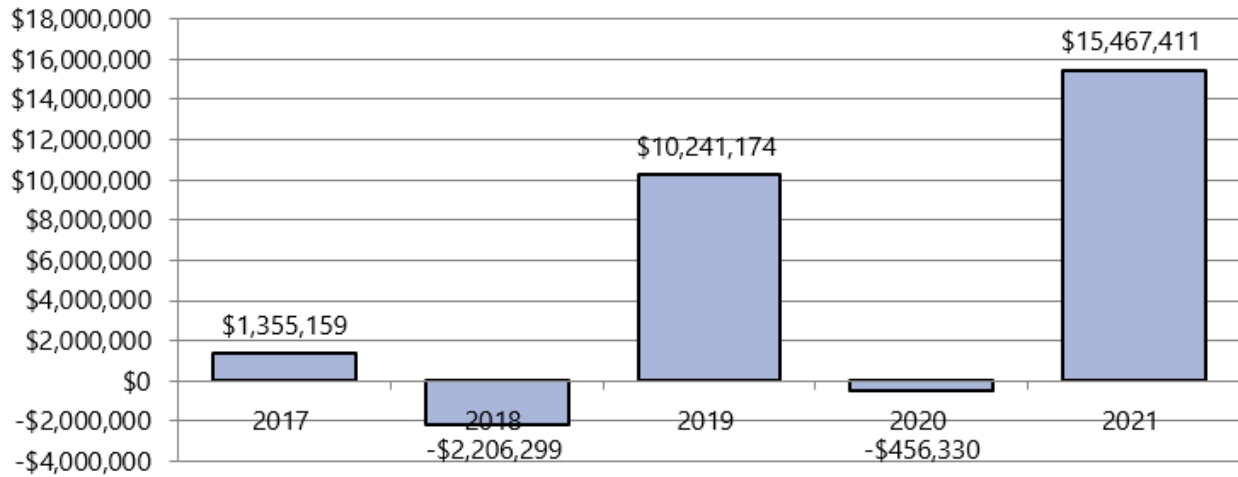
SCHEDULE 2

**CITY OF ALBANY, OREGON
CHANGE IN NET POSITION, continued**

Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016
General Revenues, continued					
Business-type activities					
Property taxes used for debt service	\$ 8,655	\$ 12,205	\$ 2,298	\$ 3,588	\$ 263
Unrestricted investment earnings	224,922	264,875	237,294	332,210	318,536
Miscellaneous	2,998,110	5,785,325	168,830	62,372	52,702
Total business-type activities general revenues	3,231,687	6,062,405	408,422	398,170	371,501
Transfers	(419,885)	(1,025,651)	(1,689,391)	(1,083,453)	(1,196,104)
Total business-type activities	2,811,802	5,036,754	(1,280,969)	(685,283)	(824,603)
Change in Net Position					
Governmental activities	(677,106)	3,743,325	10,903,112	10,903,112	(14,090,554)
Business-type activities	5,614,086	903,110	3,528,333	5,597,801	(2,798,078)
Total Change in net position	4,936,980	4,646,435	14,431,445	16,500,913	(16,888,632)
Net position - beginning	302,584,425	304,234,292	307,946,526	312,698,939	309,963,254
Prior period adjustments	-	(1,003,135)	-	(19,236,598)	1,097,400
Net position - ending	\$ 307,521,405	\$ 307,877,592	\$ 322,377,971	\$ 309,963,254	\$ 294,172,022

**Change in Net Position
Last Five Years**



Source: City of Albany 2012-2021 Annual Comprehensive Financial Reports

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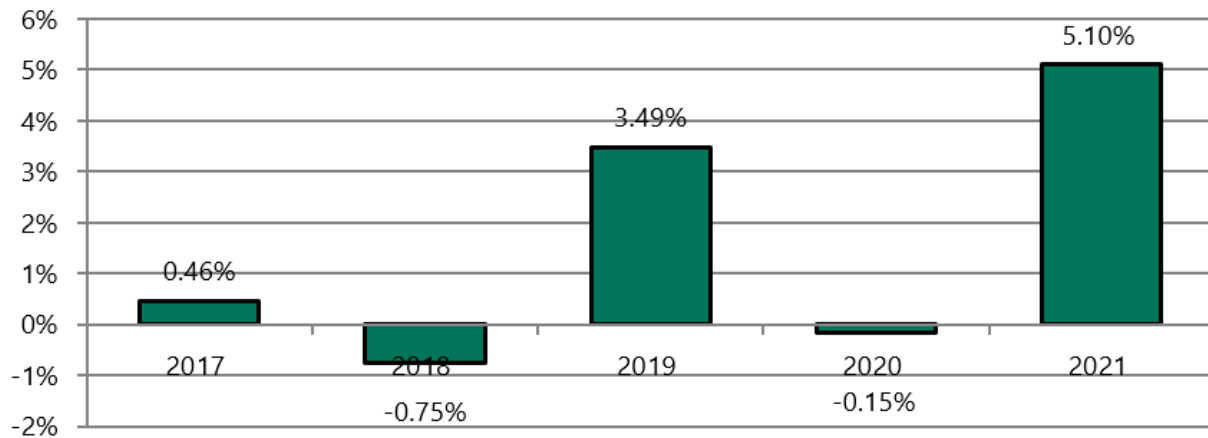
SCHEDULE 2

**CITY OF ALBANY, OREGON
CHANGE IN NET POSITION, continued**

Last Ten Fiscal Years
(accrual basis of accounting)

2017	2018	2019	2020	2021	
					General Revenues, continued
\$ 62	\$ 184	\$ 698	\$ 3	\$ -	Business-type activities
189,390	362,699	1,326,461	1,223,144	158,495	Property taxes used for debt service
227,198	192,273	347,385	282,332	131,566	Unrestricted investment earnings
416,650	555,156	1,674,544	1,505,479	290,061	Miscellaneous
(1,076,350)	(1,262,303)	(1,453,095)	(1,960,030)	(2,013,751)	Total business-type activities general revenues
(659,700)	(707,147)	221,449	(454,551)	(1,723,690)	Transfers
					Total business-type activities
(4,162,562)	(443,194)	2,570,697	(4,242,304)	11,904,435	Change in Net Position
8,579,075	4,156,196	7,670,477	3,949,429	3,533,434	Governmental activities
4,416,513	3,713,002	10,241,174	(292,875)	15,437,869	Business-type activities
294,172,022	295,527,181	293,320,882	303,562,056	303,105,726	Total Change in net position
(3,061,354)	(5,919,301)	-	(163,455)	29,542	Net position - beginning
<u>\$ 295,527,181</u>	<u>\$ 293,320,882</u>	<u>\$ 303,562,056</u>	<u>\$ 303,105,726</u>	<u>\$ 318,573,137</u>	Prior period adjustments
					Net position - ending

**Year to Year Percentage Change in Net Position
Last Five Years**



SCHEDULE 3

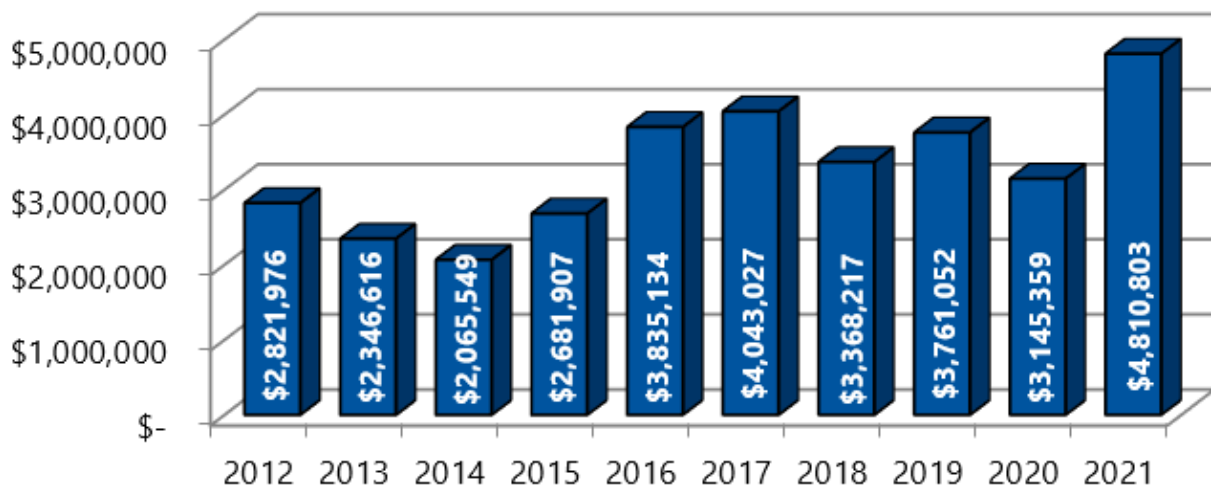
**CITY OF ALBANY, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (1)
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
General Fund					
Nondisposable	\$ 62,147	\$ 101,672	\$ 9,764	\$ 9,634	\$ 41,153
Committed	165,567	176,067	279,918	-	-
Unassigned	2,594,262	2,068,877	1,775,867	2,672,273	3,793,981
Total General Fund	2,821,976	2,346,616	2,065,549	2,681,907	3,835,134
All other governmental funds					
Nondisposable	118,130	135,077	156,092	169,542	152,185
Restricted	10,972,119	9,537,754	13,663,170	12,565,772	27,479,252
Committed	21,519,026	21,919,612	21,652,083	20,480,214	21,614,668
Assigned	-	-	-	-	-
Unassigned	(298,795)	(2,778,516)	(3,589,921)	(2,566,638)	-
Total all other governmental funds	32,310,480	28,813,927	31,881,424	30,648,890	49,246,105
Total fund balances of governmental funds	\$ 35,132,456	\$ 31,160,543	\$ 33,946,973	\$ 33,330,797	\$ 53,081,239

General Fund Unreserved Fund Balance

Last Ten Fiscal Years



Source: City of Albany 2012-2021 Annual Comprehensive Financial Reports

Continued on next page

SCHEDULE 3

**CITY OF ALBANY, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS, continued**

Last Ten Fiscal Years (1)
(modified accrual basis of accounting)

2017	2018	2019	2020	2021	
					General Fund
\$ 32,515	\$ 156	\$ 2,000	\$ -	\$ -	Nondisposable
-	-	-	-	-	Committed
<u>4,010,512</u>	<u>3,368,061</u>	<u>3,759,052</u>	<u>3,145,359</u>	<u>4,810,803</u>	Unassigned
<u>4,043,027</u>	<u>3,368,217</u>	<u>3,761,052</u>	<u>3,145,359</u>	<u>4,810,803</u>	Total General Fund
					All other governmental funds
146,093	124,744	95,275	79,500	79,500	Nondisposable
14,991,430	10,336,691	19,518,045	22,128,918	27,589,392	Restricted
19,747,584	19,576,312	20,237,894	18,054,205	20,580,077	Committed
-	-	15,060	27,639	210,558	Assigned
-	(4,214,620)	(277,283)	(122,289)	(246)	Unassigned
<u>34,885,107</u>	<u>25,823,127</u>	<u>39,588,991</u>	<u>40,167,973</u>	<u>48,459,281</u>	Total all other governmental funds
<u>\$ 38,928,134</u>	<u>\$ 29,191,344</u>	<u>\$ 43,350,043</u>	<u>\$ 43,313,332</u>	<u>\$ 53,270,084</u>	Total fund balances of governmental funds

**General Fund Unreserved/Unassigned Fund Balance
And Annual Percentage Change**

Last Ten Fiscal Years

Fiscal Year	Fund Balance	% Change
2012	\$ 2,594,262	-
2013	2,068,877	-20.25%
2014	1,775,867	-14.16%
2015	2,672,273	50.48%
2016	3,793,981	41.98%
2017	4,010,512	5.71%
2018	3,368,061	-16.02%
2019	3,759,052	11.61%
2020	3,145,359	-16.33%
2021	4,810,803	52.95%

The General Fund unreserved fund balance has increased by 84.66 percent over the last ten years. The 2020-21 unassigned fund balance of \$4,790,525 is 11.51 percent of total expenditures before transfers out, and 5.33 percent of the total General Fund 2019-21 budget.

SCHEDULE 4

**CITY OF ALBANY, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 26,567,049	\$ 26,566,424	\$ 27,416,529	\$ 28,286,016	\$ 29,897,203
Special assessments	47,734	28,863	17,864	817,846	526,610
Franchise fees, privilege taxes, licenses, and permits	5,649,180	5,831,905	6,502,757	7,217,726	7,621,457
Intergovernmental	9,389,439	9,039,634	10,517,304	9,332,104	9,123,174
Charges for services	4,967,810	5,697,879	6,082,333	5,927,810	6,326,874
Fines and forfeitures	731,135	3,101	3,123	3,127	8,403
Land sales	-	-	-	-	11,496
Interest on investments	262,531	397,315	271,182	197,437	456,806
Miscellaneous	836,338	1,180,098	1,337,583	1,159,726	1,088,232
Total revenues	48,451,216	48,745,219	52,148,675	52,941,792	55,060,255
Expenditures					
General government	5,444,422	7,064,448	6,686,132	7,544,431	10,080,973
Public safety	25,643,030	24,762,823	25,595,092	25,997,415	27,404,433
Highways and streets	3,483,170	3,472,264	3,128,945	2,980,799	3,056,329
Culture and recreation	8,475,037	7,608,139	8,056,710	8,368,902	8,779,572
Health	-	-	-	-	125,745
Capital outlay	5,800,086	6,226,543	3,952,086	7,926,087	6,485,115
Debt service					
Principal	2,017,524	3,905,432	2,237,146	1,741,794	1,016,605
Interest	958,731	870,010	755,175	714,071	1,212,756
Total expenditures	51,822,000	53,909,659	50,411,286	55,273,499	58,161,528
Excess (deficiency) of revenues over (under) expenditures	(3,370,784)	(5,164,440)	1,737,389	(2,331,707)	(3,101,273)
Other financing sources (uses)					
Debt issuance	-	-	-	-	18,636,260
Capital lease	-	166,876	-	86,005	242,881
Sale of capital asset	-	-	-	-	1,745,013
Transfers in	10,417,617	4,960,950	6,660,676	6,577,243	12,316,154
Transfers out	(9,997,732)	(3,935,299)	(4,995,277)	(5,493,790)	(11,120,050)
Total other financing sources (uses)	419,885	1,192,527	1,665,399	1,169,458	21,820,258
Prior period adjustments	-	-	-	(70,285)	1,031,457
Net change in fund balances	\$ (2,950,899)	\$ (3,971,913)	\$ 3,402,788	\$ (1,232,534)	\$ 19,750,442

Notes: In Fiscal Year 2015-16, the City issued \$18,000,000 in general obligation bonds to finance the new public safety buildings.

Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures

Total debt service expenditures	\$ 2,976,255	\$ 4,775,442	\$ 2,992,321	\$ 2,961,701	\$ 2,976,255
Total noncapital expenditures	46,021,914	47,683,116	46,459,200	47,347,412	51,676,413
Ratio of total debt service expenditures less refundings to total noncapital expenditures	6.47%	10.01%	6.44%	6.26%	5.76%

Source: City of Albany 2011-2021 Annual Comprehensive Financial Reports

Continued on next page

SCHEDULE 4

**CITY OF ALBANY, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS, continued**

Last Ten Fiscal Years
(modified accrual basis of accounting)

2017	2018	2019	2020	2021	
\$ 31,464,424	\$ 33,367,732	\$ 35,929,111	\$ 36,532,685	\$ 37,927,297	Revenues
281,495	2,614	205,991	-	-	Taxes
					Special assessments
8,925,034	8,799,331	8,978,341	8,288,165	8,916,814	Franchise fees, privilege taxes, licenses, and permits
8,450,512	11,047,952	16,417,359	14,734,721	20,265,679	Intergovernmental
6,907,045	7,481,482	7,558,952	7,100,862	6,852,413	Charges for services
19,544	61,362	84,711	66,570	950,970	Fines and forfeitures
328,560	566,717	1,458,296	1,498,447	345,697	Interest on investments
1,416,602	2,744,583	2,947,195	2,577,705	2,258,979	Miscellaneous
<u>57,793,216</u>	<u>64,071,773</u>	<u>73,579,956</u>	<u>70,799,155</u>	<u>77,517,849</u>	Total revenues
					Expenditures
11,609,197	15,480,203	9,786,568	13,119,607	9,688,802	General government
28,332,212	32,391,938	34,451,423	36,241,251	37,587,519	Public safety
3,108,781	3,076,288	3,293,852	3,433,361	3,059,934	Highways and streets
9,158,782	9,530,126	9,999,871	9,677,337	8,293,916	Culture and recreation
130,621	151,939	586	33,976	-	Health
18,409,687	12,978,050	10,572,423	6,979,639	7,801,917	Capital outlay
					Debt service
983,483	1,052,140	1,720,315	1,738,541	2,694,363	Principal
1,315,505	1,304,598	1,378,201	1,436,176	1,111,628	Interest
<u>73,048,268</u>	<u>75,965,282</u>	<u>71,203,239</u>	<u>72,659,888</u>	<u>70,238,079</u>	Total expenditures
					Excess (deficiency) of revenues over (under) expenditures
<u>(15,255,052)</u>	<u>(11,893,509)</u>	<u>2,376,717</u>	<u>(1,860,733)</u>	<u>7,279,770</u>	
					Other financing sources (uses)
-	-	8,400,000	-	1,003,293	Debt issuance
-	-	-	-	-	Premium on debt issuance
-	-	-	-	-	Payment to escrow agent for refunded bonds
-	206,481	-	-	-	Capital lease
-	836,387	1,928,887	387,342	184,343	Sale of capital asset
6,913,140	8,289,131	7,206,816	15,227,044	10,228,846	Transfers in
(5,876,890)	(7,175,028)	(5,753,721)	(13,643,096)	(8,742,387)	Transfers out
1,036,250	2,156,971	11,781,982	1,971,290	2,674,095	Total other financing sources (uses)
65,699	(252)	-	(147,268)	2,887	Prior period adjustments
<u>\$ (14,153,103)</u>	<u>\$ (9,736,790)</u>	<u>\$ 14,158,699</u>	<u>\$ (36,711)</u>	<u>\$ 9,956,752</u>	Net change in fund balances

Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures, continued

\$ 2,298,988	\$ 2,356,738	\$ 3,098,516	\$ 3,174,717	\$ 3,805,991	Total debt service expenditures
44,350,115	51,002,132	51,671,259	65,682,749	63,180,153	Total noncapital expenditures
					Ratio of total debt service expenditures less refundings to total noncapital expenditures
<u>5.18%</u>	<u>4.62%</u>	<u>6.00%</u>	<u>4.83%</u>	<u>6.02%</u>	

SCHEDULE 5

**CITY OF ALBANY, OREGON
 ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years**

Fiscal Year Ended June 30,	County	Taxable Assessed Value (1)	Direct Tax Rate Per \$1,000 of Assessed Value	Urban Renewal District Assessed Value (2)	Total Assessed Value	Estimated Market Value	Assessed Value as a % of Market Value
2012	Linn	2,648,804,108	7.52	111,196,690	2,760,000,798	3,201,432,516	86.21%
	Benton	617,297,378	7.52	-	617,297,378	728,220,462	84.77%
	Total	3,266,101,486		111,196,690	3,377,298,176	3,929,652,978	85.94%
2013	Linn	2,638,629,357	7.50	123,803,553	2,762,432,910	3,087,680,619	93.48%
	Benton	636,151,862	7.97	-	636,151,862	728,220,462	85.66%
	Total	3,274,781,219		123,803,553	3,398,584,772	3,815,901,081	89.06%
2014	Linn	2,690,866,895	7.66	135,999,495	2,826,866,390	3,117,569,985	90.68%
	Benton	668,393,866	7.92	-	668,393,866	742,624,187	90.00%
	Total	3,359,260,761		135,999,495	3,495,260,256	3,860,194,172	90.55%
2015	Linn	2,747,431,038	6.40	147,927,166	2,895,358,204	3,418,838,730	84.69%
	Benton	706,740,905	7.84	-	706,740,905	772,422,707	91.50%
	Total	3,454,171,943		147,927,166	3,602,099,109	4,191,261,437	85.94%
2016	Linn	2,843,619,873	9.11	166,529,559	3,010,149,432	3,435,409,825	87.62%
	Benton	708,740,905	7.84	-	708,740,905	816,085,814	86.85%
	Total	3,552,360,778		166,529,559	3,718,890,337	4,251,495,639	87.47%
2017	Linn	2,909,474,715	8.15	187,383,932	3,096,858,647	3,642,062,176	85.03%
	Benton	753,694,742	7.84	-	753,694,742	887,834,609	84.89%
	Total	3,663,169,457		187,383,932	3,850,553,389	4,529,896,785	85.00%
2018	Linn	3,015,678,290	8.18	213,174,791	3,228,853,081	4,005,117,742	80.62%
	Benton	795,173,155	7.84	-	795,173,155	1,009,149,143	78.80%
	Total	3,810,851,445		213,174,791	4,024,026,236	5,014,266,885	80.25%
2019	Linn	3,117,913,054	8.19	231,137,526	3,349,050,580	4,501,152,682	74.40%
	Benton	833,885,589	7.92	-	833,885,589	1,169,559,228	71.30%
	Total	3,951,798,643		231,137,526	4,182,936,169	5,670,711,910	73.76%
2020	Linn	3,216,058,644	8.20	246,939,463	3,462,998,107	4,919,399,014	70.39%
	Benton	855,444,364	7.84	-	855,444,364	1,230,941,205	69.50%
	Total	4,071,503,008		246,939,463	4,318,442,471	6,150,340,219	70.21%
2021	Linn	3,379,438,953	8.22	276,449,354	3,655,888,307	5,381,597,775	67.93%
	Benton	925,945,042	8.27	-	925,945,042	1,387,336,547	66.74%
	Total	4,305,383,995		276,449,354	4,581,833,349	6,768,934,322	67.69%

- (1) Does not include the assessed value of the urban renewal district.
- (2) Urban renewal district incremental amount

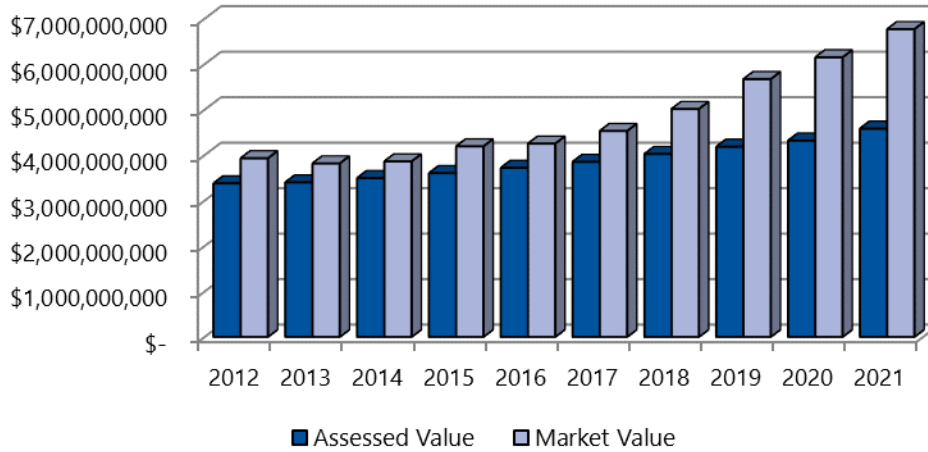
Source: Linn and Benton Counties Tax Assessors

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SCHEDULE 5

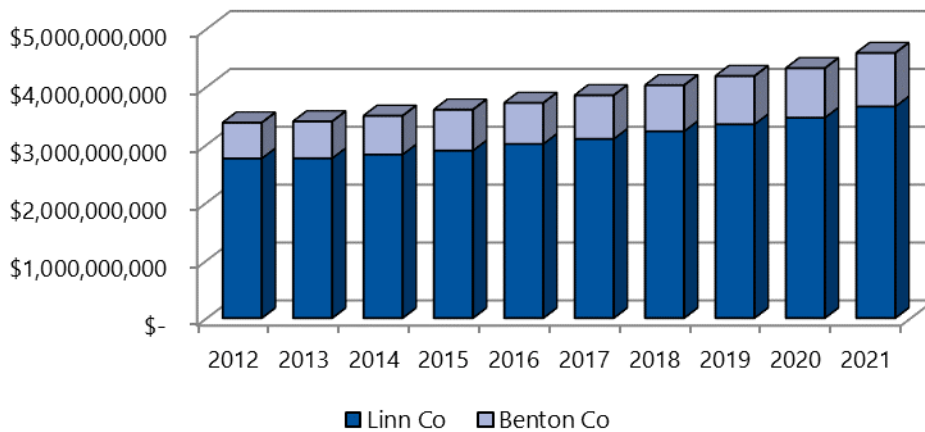
CITY OF ALBANY, OREGON
ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY, continued
 Last Ten Fiscal Years

Assessed Value and Estimated Market Value of Taxable Property



The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 67.69 percent of market value, leaving a \$2,187,100,973 gap. Current economic conditions will have an effect on the market value of properties, but the extent of the effect is not known at this time.

Taxable Assessed Value - Linn and Benton Counties



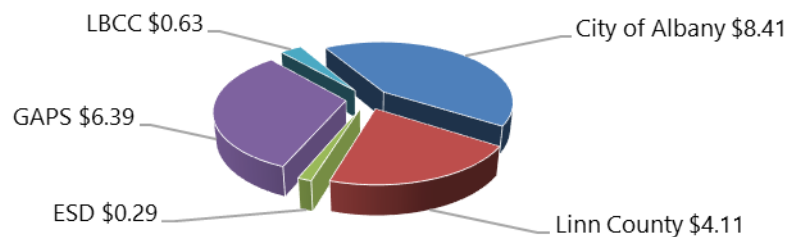
SCHEDULE 6

**CITY OF ALBANY, OREGON
DIRECT AND OVERLAPPING TAX RATES (1)
Last Ten Fiscal Years**

City of Albany Direct Rates

Fiscal Year Ended June 30,	County	Basic Rate	Local Option Public Safety Levy	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	Total Direct Rate
2012	Linn	6.19	0.92	0.41	7.52	0.66	8.17
	Benton	6.19	0.92	0.41	7.52	0.49	8.01
2013	Linn	6.16	0.92	0.42	7.50	0.73	8.23
	Benton	6.16	0.92	0.42	7.50	0.55	8.04
2014	Linn	6.40	1.15	0.43	7.98	0.80	8.78
	Benton	6.40	1.15	0.43	7.98	-	7.98
2015	Linn	6.40	1.15	0.37	7.92	1.27	9.19
	Benton	6.40	1.15	0.37	7.92	-	7.92
2016	Linn	6.40	1.15	0.29	7.84	1.27	9.11
	Benton	6.40	1.15	0.29	7.84	-	7.84
2017	Linn	6.40	1.15	0.29	7.84	0.31	8.15
	Benton	6.40	1.15	0.29	7.84	-	7.84
2018	Linn	6.40	1.15	0.29	7.84	0.31	8.15
	Benton	6.40	1.15	0.29	7.84	-	7.84
2019	Linn	6.04	1.15	0.27	7.47	0.91	8.38
	Benton	6.04	1.15	0.27	7.47	0.80	8.27
2020	Linn	6.04	1.15	0.27	7.46	0.93	8.39
	Benton	6.04	1.15	0.27	7.46	0.82	8.28
2021	Linn	6.01	1.15	0.27	7.43	0.98	8.41
	Benton	6.01	1.15	0.27	7.43	0.88	8.31

Linn County Tax Rates per \$1,000 of Assessed Value



(1) Rate per \$1,000 of assessed value

ESD – Educational Service District

GAPS – Greater Albany Public School District

LBCC – Linn-Benton Community College

NACSD – North Albany County Service District

Source: Linn and Benton Counties Tax Assessors

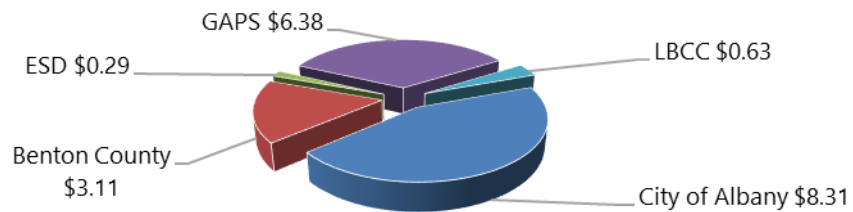
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SCHEDULE 6

**CITY OF ALBANY, OREGON
DIRECT AND OVERLAPPING TAX RATES, continued
Last Ten Fiscal Years**

Overlapping Rates							
Linn County	Benton County	4H Extension District (2)	ESD(2) Linn/Benton Counties	Greater Albany Public School District	Linn-Benton Community College	Benton County Service/Ext Districts	Total Direct & Overlapping Rates
3.88	-	0.05	0.29	5.98	0.66	-	19.03
-	2.94	-	0.29	5.98	0.66	-	17.87
3.86	-	0.05	0.29	5.97	0.65	-	19.05
-	3.02	-	0.29	5.97	0.65	-	17.97
3.85	-	0.05	0.29	6.07	0.66	-	19.70
-	3.16	-	0.29	6.07	0.66	-	18.16
4.21	-	0.07	0.29	6.01	0.65	-	20.42
-	3.11	-	0.29	6.01	0.65	-	17.97
4.21	-	0.07	0.29	6.01	0.65	-	20.34
-	3.11	-	0.29	6.01	0.65	-	17.89
4.21	-	0.07	0.29	5.79	0.64	-	19.14
-	3.11	-	0.29	5.79	0.64	-	17.66
4.20	-	0.07	0.29	6.53	0.64	-	19.87
-	3.11	-	0.29	6.53	0.64	-	18.40
4.19	-	0.07	0.29	6.52	0.64	-	20.08
-	3.11	-	0.29	6.52	0.64	0.13	18.94
4.19	-	0.07	0.29	6.44	0.63	-	20.01
-	3.11	-	0.29	6.44	0.63	0.13	18.88
4.11	-	0.06	0.29	6.39	0.63	-	19.89
-	3.11	-	0.29	6.38	0.63	0.10	18.81

Benton County Tax Rates per \$1,000 of Assessed Value

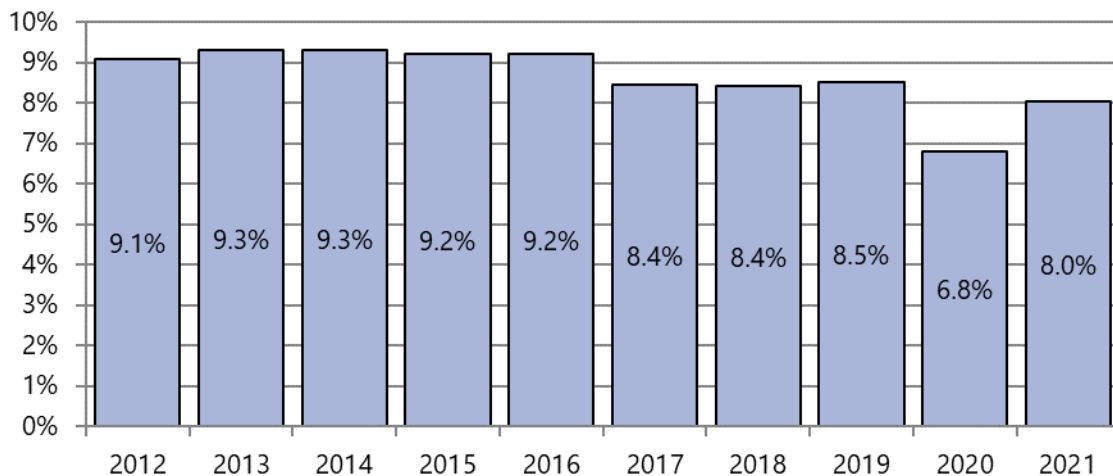


SCHEDULE 7

**CITY OF ALBANY, OREGON
PRINCIPAL PROPERTY TAXPAYERS**
Fiscal Years 2011-2012 and 2020-2021

Taxpayer	2020-2021		% of Total Taxable Assessed Value	2011-2012		% of Total Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Dayton Hudson Corporation	\$ 85,005,942	1	1.97%	\$ 76,005,000	1	2.91%
Oregon Freeze Dry Foods, Inc.	49,596,090	2	1.15%	30,521,170	3	1.05%
WR Grace & Co Conn	35,979,969	3	0.83%	-		0.00%
Oregon Metallurgical Corporation	24,124,255	4	0.56%	66,046,000	2	1.15%
Pacificorp (PP&L)	33,974,000	5	0.79%	-		2.31%
Pacific Cast Technologies	27,804,760	6	0.64%	26,039,759	5	0.00%
Mennonite Home of Albany	25,225,607	7	0.58%	18,731,790	8	0.70%
Northwest Natural Gas	23,791,200	8	0.55%	-		1.49%
Eugene Freezing & Storage Co	20,867,040	9	0.48%	-		0.00%
Walmart Real estate Business Trust	20,451,040	10	0.47%	16,144,290	10	0.00%
Metropolitan Life Insurance	-		0.00%	17,416,150	9	0.56%
Waverly Land Management	-		0.00%	24,139,300	7	0.49%
Wells Fargo Bank	-		0.00%	24,363,129	6	0.49%
Total	\$ 346,819,903		8.03%	\$ 299,406,588		11.15%
Total taxable assessed value, all properties	<u>\$ 4,318,442,471</u>			<u>\$ 3,377,298,176</u>		

Percentage of Total Assessed Value for the City of Albany Top Ten Taxpayers
Last Ten Fiscal Years



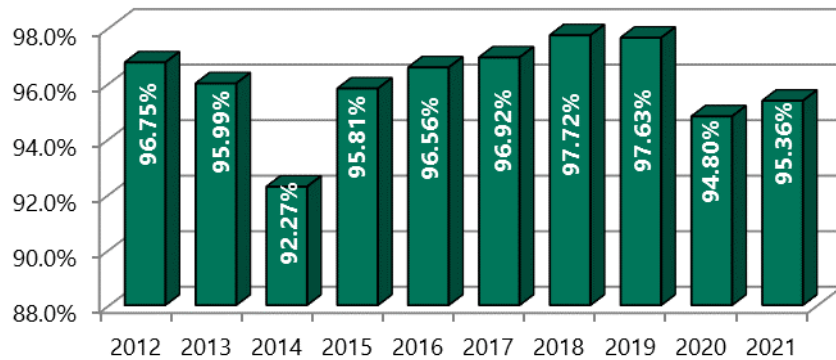
Source: Linn and Benton Counties Tax Assessors

SCHEDULE 8

**CITY OF ALBANY, OREGON
PROPERTY LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levy as Extended by the Assessor (1)	Collected within the Fiscal Year of the Levy	Percentage Collected	Collections In Subsequent Years	Total Collections to Date	Percentage of Levy as Extended
2012	\$ 26,575,455	\$ 25,710,504	96.75%	\$ 840,964	\$ 26,551,468	99.91%
2013	26,473,672	25,411,744	95.99%	1,059,582	26,471,326	99.99%
2014	27,562,841	25,431,964	92.27%	2,130,558	27,562,522	100.00%
2015	27,836,933	26,669,274	95.81%	1,159,592	27,828,866	99.97%
2016	29,171,625	28,169,159	96.56%	1,011,400	29,180,559	100.03%
2017	30,457,817	29,521,130	96.92%	958,526	30,479,656	100.07%
2018	32,481,243	31,741,907	97.72%	707,966	32,449,873	99.90%
2019	33,570,277	32,775,527	97.63%	649,982	33,425,509	99.57%
2020	35,914,291	34,046,853	94.80%	488,470	34,535,323	96.16%
2021	37,656,830	35,910,456	95.36%	-	35,910,456	95.36%



The City has chosen to calculate the property tax collection rate based on the gross amount of the levy as extended by the Linn and Benton County Assessors. The resulting rate is a lower percentage, but for comparative purposes it can be applied to future years' levies without having to estimate discounts and adjustments. This method of calculating the collection rate is the same one used for the budget. In past annual reports the collection percentage was based on a net levy, which included discounts and adjustments. Using the new method, the ten-year average first-year collection rate is 95.98 percent of the levy as extended by the assessors.

There are three ways in which property tax revenue can be adversely affected by a slowdown in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be lag time before a downturn would directly affect the market value limit on assessed value. In the second situation, assessed values will not fall quickly. It is more likely that the rate of growth of the assessed value will slow. The third factor has the potential to have a more immediate effect. A one percentage point drop in the tax collection rate would translate into a \$250,000 decrease in current tax revenues. The City will monitor the tax collection rate to gauge its effect on revenues. The tax collection rate was also a factor in the preparation of the 2021-23 budget.

(1) Levy as extended by the Linn and Benton Counties Assessors

Source: Linn and Benton Counties Tax Assessor

SCHEDULE 9

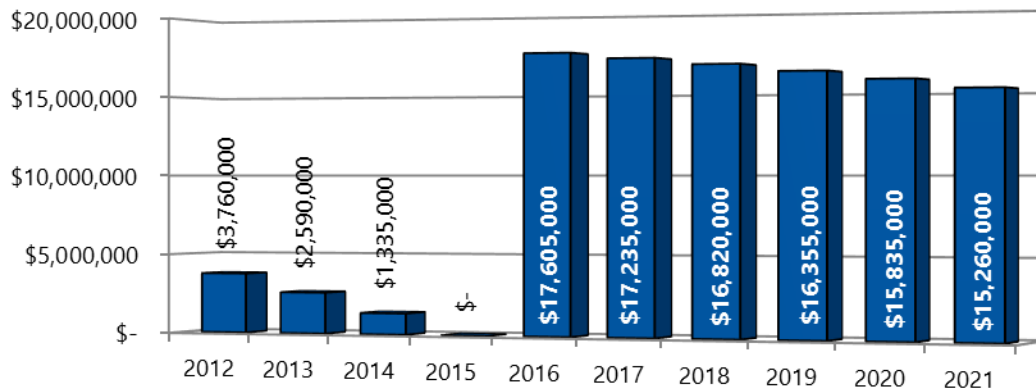
**CITY OF ALBANY, OREGON
SCHEDULE OF DEBT PER CAPITA AND DEBT AS A PERCENTAGE OF PERSONAL INCOME**

Last Ten Fiscal Years

Fiscal Year Ended June 30,	GOVERNMENTAL ACTIVITIES								
	General Obligation Bonds (5)	Special Assessment Debt (1)	Revenue Bonds	Limited Tax Pension Obligations	General Revenue Obligations	Urban Renewal (UR) TIF Bonds(2)	Unamortized Premium	Notes Payable	Capital Leases
2012	\$ 3,760,000	\$ -	\$ -	\$ 5,513,557	\$ 1,660,000	\$ 5,548,200	\$ 42,788	\$ 132,505	\$ 242,042
2013	2,590,000	-	-	5,415,689	1,305,000	3,307,000	28,112	102,341	219,278
2014	1,335,000	-	-	5,314,001	940,000	2,822,000	-	71,881	71,241
2015	-	-	-	5,208,982	800,000	2,696,000	-	36,107	63,325
2016	17,605,000	-	-	5,101,484	655,000	2,363,000	604,447	-	208,742
2017	17,235,000	-	-	4,992,002	500,000	2,014,000	572,634	-	131,334
2018	16,820,000	-	-	4,880,861	340,000	1,648,000	540,821	-	239,805
2019	16,355,000	-	-	4,769,605	175,000	1,265,000	509,007	7,803,830	164,483
2020	15,835,000	-	-	4,610,001	-	863,000	477,194	7,321,892	84,406
2021	15,260,000	-	-	4,150,001	-	442,000	445,381	6,827,664	43,204

**Unmatured General Obligation Bonds at Fiscal Year End
(Governmental and Business-type Activities)**

Last Ten Fiscal Years



The chart above reflects the issuance of general obligation bonds in FY 2016-17.

- (1) Special assessment debt with government commitment
- (2) TIF – Tax Increment Financing
- (3) Includes \$57,933,506 State of Oregon Revolving Fund loan for the new sewage treatment plant
- (4) 2003 Water Revenue bonds defeased and replaced with 2013 Water Refunding Bonds
- (5) 2015 Public Safety Facilities bonds were issued in FY 2016-17

Source: City of Albany 2012-2021 Annual Comprehensive Financial Reports

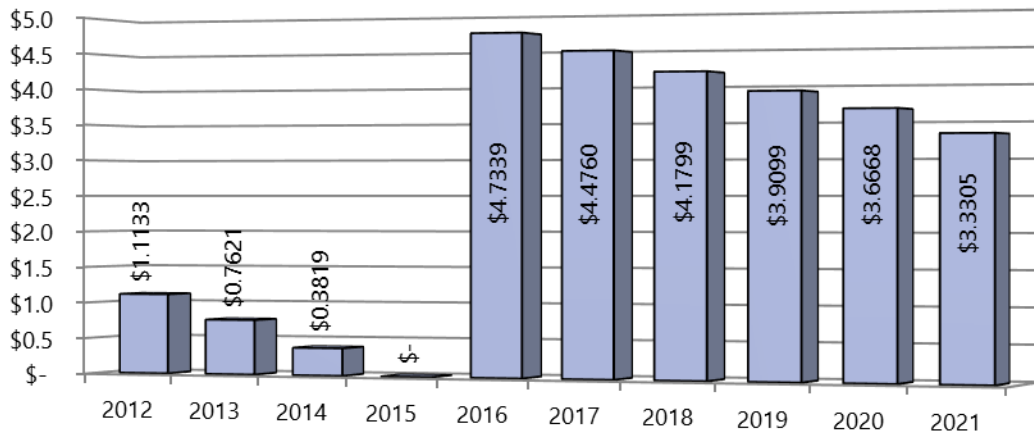
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SCHEDULE 9

CITY OF ALBANY, OREGON
SCHEDULE OF DEBT PER CAPITA AND DEBT AS A PERCENTAGE OF PERSONAL INCOME, continued
 Last Ten Fiscal Years

General Obligation Bonds	Water Revenue Bonds (4)	BUSINESS-TYPE ACTIVITIES			Notes Payable (3)	Total Outstanding Debt	% of Personal Income	Debt per Capita	Fiscal Year Ended June 30,
		Sewer Revenue Bonds	Unamortized Premium	Certificates of Participation					
\$ -	\$ 30,840,000	\$ -	\$ -	\$ -	\$ 69,012,321	\$ 116,751,413	3.21%	\$ 2,311	2012
-	28,405,000	-	1,979,422	-	65,742,674	109,094,516	2.85%	2,151	2013
-	27,400,000	-	1,845,694	-	62,373,072	102,172,889	2.62%	2,014	2014
-	26,505,000	-	1,711,966	-	58,900,330	95,921,710	2.73%	1,871	2015
-	25,570,000	-	1,578,238	-	55,321,160	109,007,071	2.96%	2,110	2016
-	24,595,000	-	1,485,850	-	51,632,167	103,157,987	2.74%	1,963	2017
-	23,575,000	-	1,393,462	-	47,700,361	97,138,310	2.30%	1,843	2018
-	22,515,000	-	1,301,074	-	42,425,307	97,283,306	2.16%	1,831	2019
-	21,415,000	-	1,208,686	-	45,455,491	97,270,670	2.06%	1,797	2020
-	20,275,000	-	1,116,298	-	45,523,382	94,082,927	n/a	1,713	2021

General Obligation Property Tax Rate
Per \$1,000 of Assessed Value
 Last Ten Fiscal Years



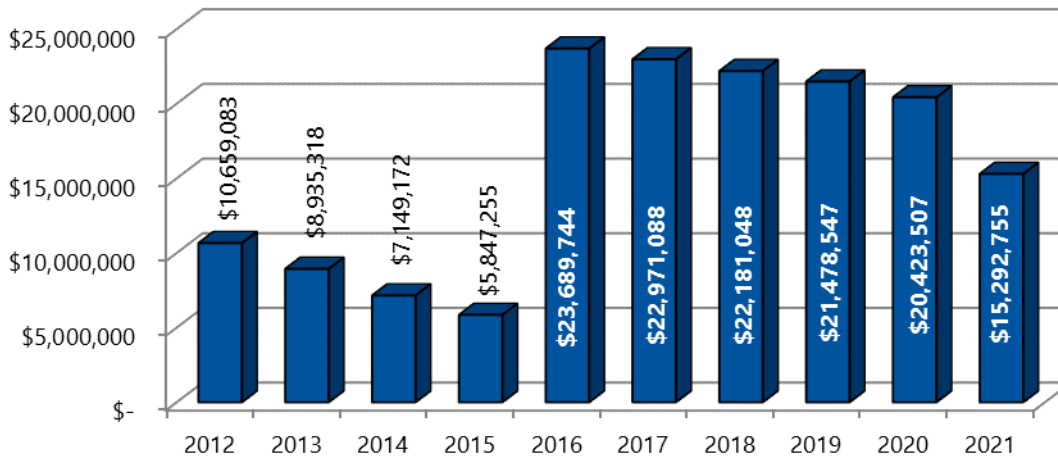
The average annual increase in assessed value of the ten-year period is just under three percent, with a high of 4.73 percent in 2016 and a low of 0.76 percent in 2013.

SCHEDULE 10

**CITY OF ALBANY, OREGON
RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Population	Assessed Value	General Obligation Bonds	Unamortized Premium	Limited Tax Pension Obligations	Certificates of Participation	General Revenue Obligations
2012	50,520	\$ 3,377,298,176	\$ 3,760,000	\$ 42,788	\$ 5,513,557	\$ -	\$ 1,660,000
2013	50,710	3,398,584,772	2,590,000	28,112	5,415,689	-	1,305,000
2014	50,720	3,495,260,256	1,335,000	-	5,314,001	-	940,000
2015	51,270	3,602,099,109	-	-	5,208,982	-	800,000
2016	51,670	3,718,890,337	17,605,000	604,447	5,101,484	-	655,000
2017	52,540	3,850,553,389	17,235,000	572,634	4,992,002	-	500,000
2018	52,710	4,024,026,236	16,820,000	540,821	4,880,861	-	340,000
2019	53,145	4,182,936,169	16,355,000	509,007	4,769,605	-	175,000
2020	54,120	4,318,442,471	15,835,000	477,194	4,610,001	-	-
2021	54,935	4,581,833,349	15,260,000	445,381	415,000	-	-

**Net General Bonded Debt
Last Ten Fiscal Years**



- (1) General bonded debt includes general obligation bonds and other debt financed with any general governmental resources excluding special assessment bonds.
- (2) Available for the 2002 Limited Tax Pension Bonds and the 2015 Public Safety Facility Bonds.

Source: City of Albany 2012-2021 Annual Comprehensive Financial Reports

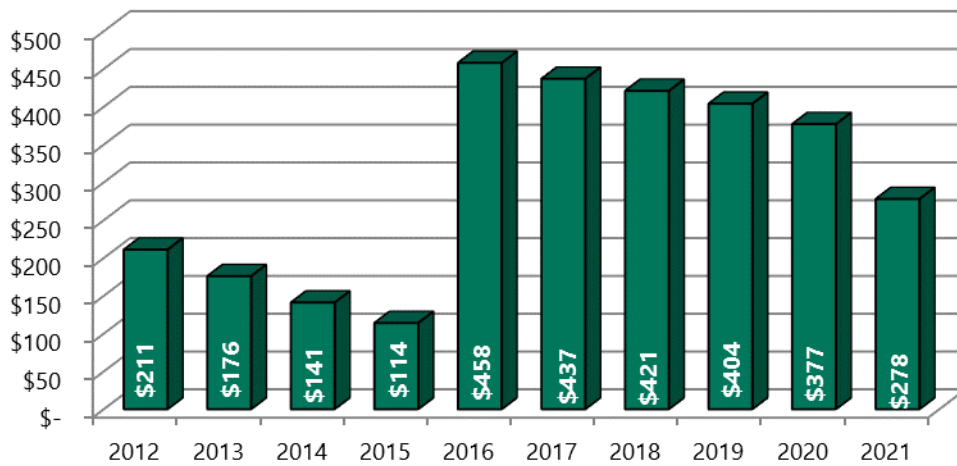
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SCHEDULE 10

**CITY OF ALBANY, OREGON
RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA, continued
Last Ten Fiscal Years**

Less: Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income	Fiscal Year Ended June 30,
\$ 317,262	\$ 10,659,083	0.3156%	\$ 210.99	0.33%	2012
403,483	\$ 8,935,318	0.2629%	176.20	0.25%	2013
439,829	\$ 7,149,172	0.2045%	140.95	0.19%	2014
161,727	\$ 5,847,255	0.1623%	114.05	0.16%	2015
276,187	\$ 23,689,744	0.6370%	458.48	0.56%	2016
328,548	\$ 22,971,088	0.5966%	437.21	0.51%	2017
400,634	\$ 22,181,048	0.5512%	420.81	0.47%	2018
330,065	\$ 21,478,547	0.5135%	404.15	0.39%	2019
498,688	\$ 20,423,507	0.4729%	377.37	0.37%	2020
827,626	\$ 15,292,755	0.3338%	278.38	0.26%	2021

**Net General Bonded Debt Per Capita
Last Ten Fiscal Years**



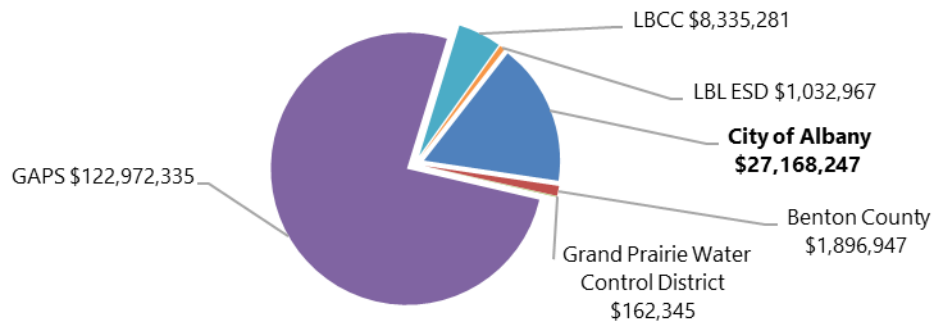
SCHEDULE 11

**CITY OF ALBANY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**

As of June 30, 2021

Jurisdiction	Net Outstanding Debt	Percentage Applicable to the City of Albany (1)	Amount Applicable to the City of Albany
DIRECT DEBT			
City of Albany (2) (3)	\$ 27,168,247	100.0000%	\$ 27,168,247
OVERLAPPING DEBT			
Benton County	16,090,000	11.7896%	1,896,947
Grand Prairie Water Control District	203,462	79.7913%	162,345
Greater Albany Public School (GAPS) District 8J	168,170,055	73.1238%	122,972,335
Linn Benton Community College (LBCC)	35,726,204	23.3310%	8,335,281
Linn-Benton-Lincoln (LBL) ESD	6,325,000	16.3315%	1,032,967
Total overlapping debt	226,514,721		134,399,875
Total direct and overlapping debt	\$ 253,682,968		\$ 161,568,122

Direct and Overlapping Debt Applicable to the City of Albany



(1) Source - State of Oregon, Treasury Department, the overlapping debt percentage is determined by the percent of real market value the City shares between itself and another issuer. This data is provided to the Treasury Department annually by the Oregon Department of Revenue.

(2) City of Albany net outstanding debt

2015 Public Safety Facilities Bond	\$ 15,260,000
2002 Limited Tax Pension Obligations	4,150,000
Total City of Albany net outstanding debt - bonded	19,410,000

(3) Remaining City of Albany net outstanding debt

2004 General Revenue Obligations	-
2007 CARA Series A (Taxable) & B (Tax-exempt) UR Bonds	442,000
Oregon IFA	6,827,664
2020 Capital Leases for City of Albany Police Cars	43,202
Unamortized Premium	445,381
Total Remaining City of Albany net outstanding debt	7,758,247



SCHEDULE 12

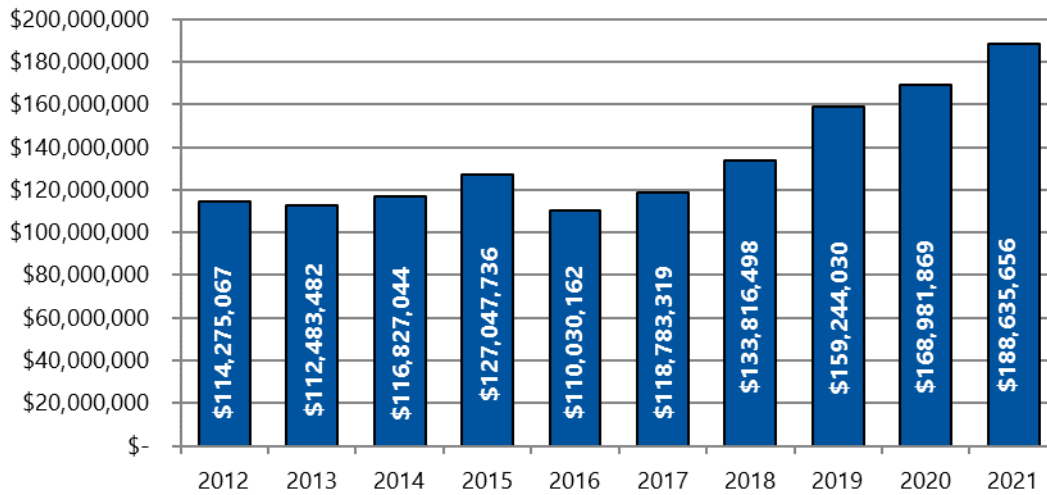
**CITY OF ALBANY, OREGON
PROPERTY LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

	2012	2013	2014	2015
Debt limitation	\$117,889,589	\$114,909,144	\$116,699,781	\$127,047,736
Total net debt applicable to limitation	<u>3,614,522</u>	<u>2,425,662</u>	<u>(127,263)</u>	<u>-</u>
Legal debt margin	<u>\$114,275,067</u>	<u>\$112,483,482</u>	<u>\$116,827,044</u>	<u>\$127,047,736</u>
Ratio of net debt applicable to the debt limitation	<u>3.07%</u>	<u>2.11%</u>	<u>-0.11%</u>	<u>0.00%</u>

Legal Debt Margin

Last Ten Fiscal Years



The state-mandated legal debt margin for general obligation debt is three percent of true cash value (market value). The legal debt margin is a direct function of the true cash value of properties in the City and the City's net general obligation debt. The City's legal debt margin has increased by 65.07 percent (\$74,360,589) over the last ten years. During the same period, the City's true cash value increased by 72.25 percent (\$2,839,281,344) and the City's general obligation debt increased by 283.84 percent (\$10,672,374).

Source: Linn and Benton Counties Tax Assessors and Notes to the Basic Financial Statements

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SCHEDULE 12

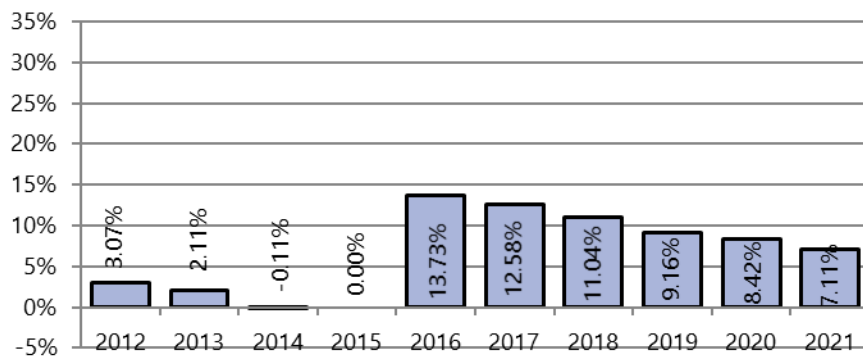
**CITY OF ALBANY, OREGON
PROPERTY LEVIES AND COLLECTIONS, continued
Last Ten Fiscal Years**

2016	2017	2018	2019	2020	2021	
\$127,544,869	\$135,869,904	\$150,428,007	\$175,292,368	\$184,510,207	\$ 203,068,030	Debt limitation
<u>17,514,707</u>	<u>17,086,585</u>	<u>16,611,509</u>	<u>16,048,338</u>	<u>15,528,338</u>	<u>14,432,374</u>	Total net debt applicable to limitation
<u>\$110,030,162</u>	<u>\$118,783,319</u>	<u>\$133,816,498</u>	<u>\$159,244,030</u>	<u>\$168,981,869</u>	<u>\$ 188,635,656</u>	Legal debt margin
<u>13.73%</u>	<u>12.58%</u>	<u>11.04%</u>	<u>9.16%</u>	<u>8.42%</u>	<u>7.11%</u>	Ratio of net debt applicable to the debt limitation

Legal debt margin calculation for Fiscal Year

True cash value	\$ 6,768,934,322
General obligation debt limit - 3% of true cash value	3%
General obligation debt limit	203,068,030
Gross general obligation bonded debt principal	
2015 Public Safety Facility Bonds	\$ 15,260,000
Less: Debt service monies available	
Debt Service Fund:	
2015 Public Safety Facility Bonds	827,626
Net debt subject to the three percent limitation	14,432,374
Legal debt margin	\$ 188,635,656

**Ratio of the Net Debt Applicable to the Debt Limitation
Last Ten Fiscal Years**



The lower the ratio of net debt applicable to the debt limitation, the greater the legal capacity to issue general obligation debt. However, the ratio indicates little about the City's economic condition and political atmosphere concerning the ability to issue additional general obligation debt.

Source: Linn and Benton Counties Tax Assessors and Notes to the Basic Financial Statements

SCHEDULE 13

**CITY OF ALBANY, OREGON
PLEDGED REVENUE COVERAGE**

Last Ten Fiscal Years

Water Revenue Debt (Coverage requirement equals 125%)

Fiscal Year Ended June 30,	Operating Revenues	Less:		Net Available Resources	Debt Service			Coverage Percentage
		Operating Expenses	Depreciation		Principal	Interest	Total	
2012	\$ 11,861,912	\$ 9,383,550	\$ 2,423,215	\$ 4,901,577	\$ 1,035,678	\$ 1,491,069	\$ 2,526,747	193.99%
2013	11,990,340	11,137,936	3,287,590	4,139,994	830,000	1,455,556	2,285,556	181.14%
2014	12,324,568	10,608,695	3,121,452	4,837,325	1,005,000	962,064	1,967,064	245.92%
2015	12,815,070	10,012,529	3,035,520	5,838,061	895,000	1,033,194	1,928,194	302.77%
2016	13,206,078	12,477,995	2,971,270	3,699,353	935,000	996,594	1,931,594	191.52%
2017	13,714,532	11,404,150	3,129,376	5,439,758	975,000	958,394	1,933,394	281.36%
2018	13,754,480	11,196,226	3,265,897	5,824,151	1,020,000	918,494	1,938,494	300.45%
2019	14,026,154	10,582,717	3,382,232	6,825,669	1,060,000	876,894	1,936,894	352.40%
2020	14,091,526	12,483,804	3,578,502	5,186,224	1,100,000	833,694	1,933,694	268.20%
2021	15,551,568	12,739,373	3,475,526	6,287,721	1,140,000	783,194	1,923,194	326.94%

The amount of net available resources for bond coverage is determined by subtracting operating expenses from operating revenues. Operating expenses are reduced by the amount of depreciation expense for the fiscal year. In October, 2003, the City sold \$40,485,000 of 30-year water revenue bonds to finance the construction of a new Water Treatment Plant, refund an existing water revenue bond issue, and make other capital improvements to the water system. In March 2013, the City completed an advanced refunding on the 2003 Bonds.

Sewer Revenue Debt (Coverage requirement equals 105%)

Fiscal Year Ended June 30,	Operating Revenues	Less:		Net Available Resources	Debt Service			Coverage Percentage
		Operating Expenses	Depreciation		Principal	Interest	Total	
2012	\$ 14,835,678	\$ 11,643,622	\$ 3,273,916	\$ 6,465,972	\$ 2,723,921	\$ 2,316,948	\$ 5,040,869	128.27%
2013	18,865,187	11,850,582	4,256,844	11,271,449	2,806,835	2,220,414	5,027,249	224.21%
2014	14,850,594	12,779,201	4,343,400	6,414,793	2,892,278	1,968,873	4,861,151	131.96%
2015	15,674,502	12,481,568	4,573,578	7,766,512	2,980,325	1,873,595	4,853,920	160.00%
2016	15,890,793	14,318,946	4,591,095	6,162,942	3,071,056	1,912,795	4,983,851	123.66%
2017	17,309,718	13,745,672	4,765,219	8,329,265	3,688,993	1,887,254	5,576,247	149.37%
2018	16,777,742	13,525,374	4,775,886	8,028,254	3,931,806	1,757,604	5,689,410	141.11%
2019	18,499,384	13,019,409	4,811,368	10,291,343	4,150,054	1,051,896	5,201,950	197.84%
2020	19,170,442	14,219,637	4,038,331	8,989,136	4,231,533	951,961	5,183,494	173.42%
2021	19,974,278	14,819,720	5,025,654	10,180,212	3,904,995	846,401	4,751,396	214.26%

The amount of net available resources for bond coverage is determined by subtracting operating expenses from operating revenues. Interest payments on property assessments are deducted from operating revenues. Operating expenses are reduced by the amount of depreciation taken for the fiscal year.

During FY 2006-07, the City began construction of a new wastewater treatment plant financed by a State Revolving Fund. In 2009-10 the construction was completed and the loan amount was finalized at \$69,000,000. In 2010-11, the City began to pay back the new SRF Loan.

Source: City of Albany 2012-2021 Annual Comprehensive Financial Reports

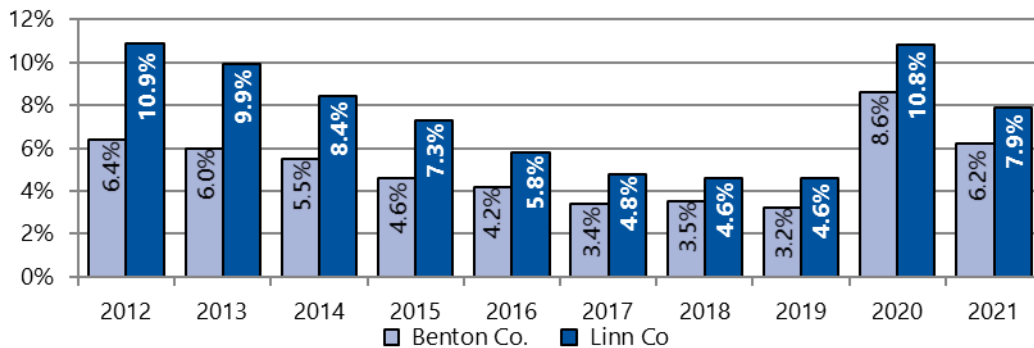
SCHEDULE 14

**CITY OF ALBANY, OREGON
RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	City of Albany Population(1)	Albany-Lebanon Metropolitan Statistical Area			Albany School Enrollment(3)	Unemployment Rate (4)	
		Population(1)	Personal Income(2)	Per Capita Personal Income(2)		Linn Co.	Benton Co.
2012	50,520	n/a	\$ 3,515,409,131	\$ 30,083	9,911	10.9%	6.4%
2013	50,710	n/a	3,676,716,360	30,984	9,941	9.9%	6.0%
2014	50,720	118,665	3,768,672,515	31,483	9,925	8.4%	5.5%
2015	51,270	118,665	4,219,670,000	34,379	9,985	7.3%	4.6%
2016	51,670	119,705	4,503,061,000	37,355	9,760	5.8%	4.2%
2017	52,540	122,315	4,713,141,000	38,365	9,530	4.8%	3.4%
2018	52,710	124,010	5,461,500,000	42,891	9,497	4.6%	3.5%
2019	53,145	125,575	5,461,463,000	43,157	9,605	4.6%	3.2%
2020	54,120	126,550	5,816,653,000	44,830	9,667	10.8%	8.6%
2021	54,935	126,550	n/a	n/a	8,946	6.3%	4.4%

Over the last ten years, the City's population has increased by 8.74 percent (4,415). From 2012 to 2021 per capita personal income has risen by 49.02 percent (\$14,747) in the Albany-Lebanon metropolitan statistical area (established in 2013). Albany's city boundaries span two counties: Linn County (population 46,635) and Benton County (population 8,300). As of Fiscal Year 2019-20 (per capita data lags one year), per capita personal income was \$44,830 for Linn County, \$49,354 for Benton County, and \$49,290 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District decreased by 9.74 percent (965 students).

**Unemployment Rates, Linn and Benton Counties
Last Ten Fiscal Years**



Sources:

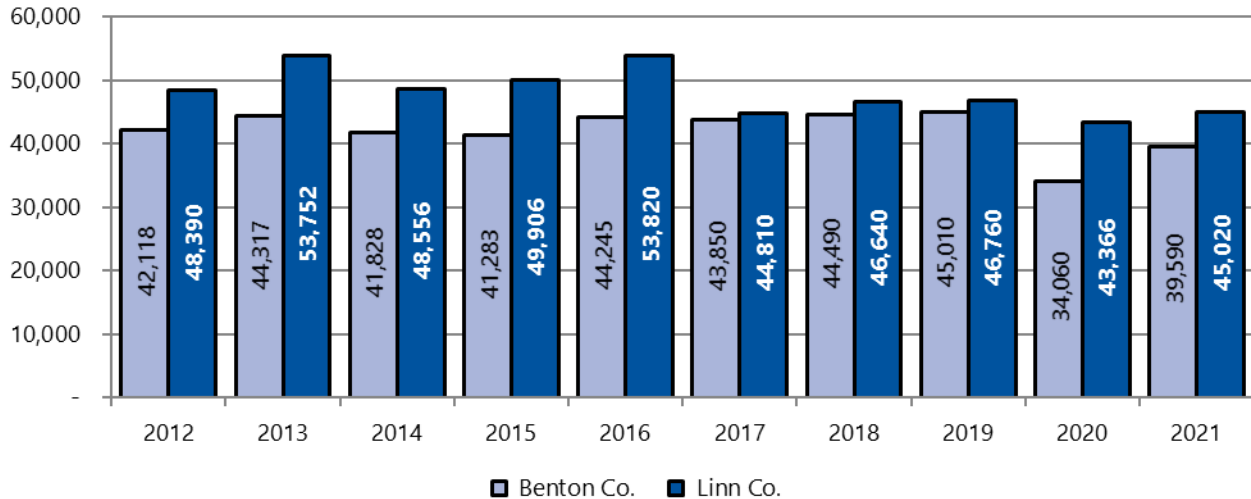
- (1) Portland State University, Population Research and Census Center (using most recent certified data)
- (2) U. S. Department of Commerce, Bureau of Economic Analysis (2014 is the most current data available)
- (3) Greater Albany Public School District 8J
- (4) State of Oregon, Employment Department

SCHEDULE 15

**CITY OF ALBANY, OREGON
RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years**

Employer	June 30, 2021			June 30, 2012		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	11,196	1	12.37%	10,510	1	11.61%
Samaritan Health Services	3,335	2	3.68%	4,255	2	4.70%
ATI Wah Chang (Teledyne Wah Chang - 1997)	1,650	3	1.82%	949	6	1.05%
Hewlett Packard	1,211	7	1.34%	2,000	3	2.21%
Linn Benton Community College	1,500	5	1.66%	978	5	1.08%
Greater Albany Public School District 8J	1,525	4	1.68%	1,080	4	1.19%
Linn County	667	9	0.74%	627	7	0.69%
Dayton-Hudson Corporation (Target)	1,300	6	1.44%	631	8	0.70%
Selmet	782	8	0.86%	-	-	-
City of Albany	428	10	0.47%	382	10	-
Express Personnel	-	-	0.00%	270	9	-
Totals	23,594		26.07%	21,682		23.96%
Total employment in Linn and Benton Counties	84,610			90,508		

**Employment, Benton and Linn Counties
Last Ten Fiscal Years**



The percentage of top ten employers to total jobs for Linn and Benton Counties has been quite stable over the ten-year period. Total employment in Benton and Linn Counties has decreased by -15.63 percent (2,527 jobs) over the last ten years. For the ten-year period, the low point was 75,100 jobs in June 2011, and the high point was 98,069 jobs in June 2013. National and international economic instability will likely have an adverse effect in the coming years, although at this time the extent is unknown.

Sources:

- (1) Employer personnel offices
- (2) Oregon Employment Department

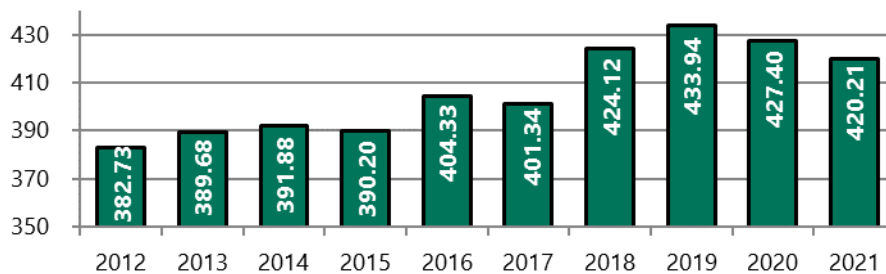


SCHEDULE 16

**CITY OF ALBANY, OREGON
EMPLOYEE FULL-TIME EQUIVALENTS (FTE) BY FUNCTION**

Function	Last Ten Fiscal Years				
	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES					
General Government					
Economic Development	1.00	1.00	2.00	1.00	2.00
Public Transit	10.63	10.63	11.30	11.30	12.88
Planning	7.50	8.25	6.10	6.42	6.42
Building Inspection	7.50	5.75	5.75	5.43	6.43
Electrical Permit Program	0.75	0.75	0.75	0.75	0.75
Total General Government	27.38	26.38	25.90	24.90	28.48
Public Safety					
Fire	73.60	79.20	78.40	75.60	79.40
Police	87.75	87.88	87.88	88.88	92.25
Municipal Court	4.38	4.38	4.38	4.38	4.38
Total Public Safety	165.73	171.45	170.65	168.85	176.03
Highways and Streets					
Street Fund	7.45	7.45	7.45	7.45	7.45
Airport	0.10	0.10	0.10	0.10	0.10
Total Highways and Streets	7.55	7.55	7.55	7.55	7.55
Culture and Recreation					
Parks & Recreation	26.43	26.53	26.65	26.78	28.15
Library	20.90	20.93	20.93	20.93	20.93
Total Culture and Recreation	47.33	47.45	47.58	47.70	49.08
Total Governmental Activities	247.88	252.73	251.68	249.00	261.13
BUSINESS-TYPE ACTIVITIES					
Enterprise					
Water	22.50	21.50	21.50	21.50	21.50
Sewer	22.50	23.50	23.50	23.50	23.50
Stormwater	-	-	-	-	-
Total Enterprise	45.00	45.00	45.00	45.00	45.00
Internal Service					
Central Services	39.85	40.95	41.20	41.20	41.20
Public Works Services	50.00	51.00	54.00	55.00	57.00
Total Internal Service	89.85	91.95	95.20	96.20	98.20
Total Business-type Activities	134.85	136.95	140.20	141.20	143.20
Grand Total - All Full-time Equivalents	382.73	389.68	391.88	390.20	404.33

Total Full-time Equivalents
Last Ten Fiscal Years



Source: City of Albany Human Relations Department
Continued on next page

SCHEDULE 16

**CITY OF ALBANY, OREGON
EMPLOYEE FULL-TIME EQUIVALENTS (FTE) BY FUNCTION, continued**

Last Ten Fiscal Years					
2017	2018	2019	2020	2021	
					GOVERNMENTAL ACTIVITIES
2.00	2.00	2.00	2.00	2.00	General Government
12.88	10.87	13.88	13.88	13.93	Economic Development
6.42	6.52	6.52	6.82	6.82	Public Transit
6.43	6.43	6.43	6.73	6.73	Planning
0.75	0.75	0.75	0.75	0.75	Building Inspection
28.48	26.57	29.58	30.18	30.23	Electrical Permit Program
					Total General Government
79.40	86.91	93.60	90.60	89.60	Public Safety
92.25	98.25	98.25	94.25	91.25	Fire
4.38	4.38	5.38	5.38	4.98	Police
176.03	189.54	197.23	190.23	185.83	Municipal Court
					Total Public Safety
7.45	7.45	8.45	8.10	8.65	Highways and Streets
0.10	0.10	0.10	0.10	0.50	Street Fund
7.55	7.55	8.55	8.20	9.15	Airport
					Total Highways and Streets
31.65	34.56	33.19	32.09	25.40	Culture and Recreation
20.93	21.20	21.70	21.06	21.06	Parks & Recreation
52.58	55.76	54.89	53.15	46.46	Library
264.64	279.42	290.24	281.75	271.66	Total Culture and Recreation
					Total Governmental Activities
21.50	23.50	22.50	22.50	22.50	BUSINESS-TYPE ACTIVITIES
23.50	23.50	22.50	23.85	19.85	Enterprise
-	-	-	-	4.00	Water
45.00	47.00	45.00	46.35	46.35	Sewer
					Stormwater
					Total Enterprise
37.70	40.70	40.70	41.60	44.50	Internal Service
54.00	57.00	58.00	57.70	57.70	Central Services
91.70	97.70	98.70	99.30	102.20	Public Works Services
136.70	144.70	143.70	145.65	148.55	Total Internal Service
401.34	424.12	433.94	427.40	420.21	Total Business-type Activities
					Grand Total - All Full-time Equivalents

Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 2012
2012	382.73	-	-
2013	389.68	1.82%	1.82%
2014	391.88	0.56%	2.39%
2015	390.20	-0.43%	1.95%
2016	404.33	3.62%	5.64%
2017	401.34	-0.74%	4.86%
2018	424.12	5.68%	10.81%
2019	433.94	2.32%	13.38%
2020	427.40	-1.51%	11.67%
2021	420.21	-1.68%	9.79%

The average annual rate of change over ten year period is 1.07%.

SCHEDULE 17

**CITY OF ALBANY, OREGON
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

Function	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES					
General Government					
Planning and Community Development					
Number of planning applications	143	62	132	138	197
Total permits issued	1,939	2,189	2,332	2,359	2,549
New construction permits issued	6	418	5	154	143
Single-family permits issued	80	128	141	130	98
Electrical permits issued	751	816	905	910	1,011
Building Maintenance					
Square footage of buildings maintained	233,780	233,780	296,233	317,366	317,366
Work orders completed	2,203	2,001	1,886	1,627	1,725
Public Transit					
Total number of riders	237,424	234,186	231,224	214,865	209,595
Total annual route miles	260,222	275,977	287,257	206,720	308,451
Public Safety					
Municipal Court					
Number of warrants issued	1,680	1,777	2,516	3,102	2,970
Case numbers issued	3,891	3,671	5,079	6,121	5,746
Police					
Total arrests	3,453	3,609	4,777	4,964	4,884
Traffic citations issued	4,120	3,315	3,907	5,263	4,659
Animal and abandoned vehicle calls	2,266	2,320	2,288	2,513	2,349
Fire					
Total calls for emergency fire and EMS services	6,432	6,448	7,133	7,511	8,029
Full response structure fires	113	53	49	42	53
Highways and Streets					
Street Fund					
Customer service work order/complaint responses	509	492	461	382	392
Miles of painted paving marking	65	55	57	61	62
Culture and Recreation					
Parks & Recreation					
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	187,261	186,401	188,102	196,005	202,155
Annual performance series and Northwest Art and Air Festival attendance	121,104	123,200	122,206	131,209	137,211
Library					
Total number of library circulations ⁽¹⁾	730,222	709,004	685,781	623,143	619,068
Total number of reference questions ⁽¹⁾	37,344	34,435	33,338	33,193	33,581
BUSINESS-TYPE ACTIVITIES					
Sewer					
Dry tons of biosolids applied annually	-	9	25	-	-
Millions of gallons of wastewater treated annually	3,094	2,842	2,900	2,940	3,241
Sewer line locate requests	3,319	2,920	3,458	3,732	3,829
Water					
Millions of gallons of water treated annually	2,449	2,755	2,660	2,853	2,809
Miles of water pipe maintained annually	290	292	282	283	287
Number of fire hydrants maintained in the water system	2,025	1,914	1,740	1,970	1,816

Source: City of Albany annual budget

Continued on next page

SCHEDULE 17

CITY OF ALBANY, OREGON
OPERATING INDICATORS BY FUNCTION, continued
 Last Ten Fiscal Years

2017	2018	2019	2020	2021	
					GOVERNMENTAL ACTIVITIES
					General Government
					Planning and Community Development
57	140	41	214	122	Number of planning applications
2,570	3,041	2,783	2,881	2,680	Total permits issued
180	219	188	257	186	New construction permits issued
157	207	132	201	2,033	Single-family permits issued
1,007	1,085	998	974	967	Electrical permits issued
					Building Maintenance
323,933	443,337	443,337	443,337	443,337	Square footage of buildings maintained
1,702	2,447	2,130	3,439	2,262	Work orders completed
					Public Transit
200,910	200,738	183,250	135,941	62,930	Total number of riders
298,076	280,481	291,738	287,998	268,109	Total annual route miles
					Public Safety
					Municipal Court
2,686	2,879	3,959	548	4,335	Number of warrants issued
5,314	8,412	8,665	7,296	5,451	Case numbers issued
					Police
6,854	6,185	7,093	6,644	5,524	Total arrests
5,884	5,275	5,040	3,867	3,040	Traffic citations issued
2,498	2,855	2,514	2,815	2,046	Animal and abandoned vehicle calls
					Fire
9,038	9,341	10,438	9,921	10,441	Total calls for emergency fire and EMS services
83	61	93	52	103	Full response structure fires
					Highways and Streets
					Street Fund
433	474	512	473	452	Customer service work order/complaint responses
61	59	66	66	66	Miles of painted paving marking
					Culture and Recreation
					Parks & Recreation
208,912	205,492	207,301	124,380	45,355	Number of participants in classes, Senior Center activities, sports programs, and aquatic programs
138,200	131,190	136,423	143,232	57,400	Annual performance series and Northwest Art and Air Festival attendance
					Library
604,796	580,726	646,302	412,354	118,904	Total number of library circulations ⁽¹⁾
30,331	29,225	26,738	15,896	3,668	Total number of reference questions ⁽¹⁾
					BUSINESS-TYPE ACTIVITIES
					Sewer
-	-	-	-	-	Dry tons of biosolids applied annually
3,866	3,031	3,200	3,097	3,082	Millions of gallons of wastewater treated annually
3,522	4,405	4,424	6,709	8,144	Sewer line locate requests
					Water
2,752	2,825	2,100	3,097	2,824	Millions of gallons of water treated annually
289	291	294	293	299	Miles of water pipe maintained annually
2,040	2,069	1,959	1,911	1,930	Number of fire hydrants maintained in the water system

SCHEDULE 18

CITY OF ALBANY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES					
Public Safety					
Police Stations	1	1	1	1	1
Fire Stations	4	4	4	4	4
Highways and Streets					
Miles of improved streets	165	166	166	181	200
Miles of unimproved streets	36	35	35	14	n/a
Miles of gravel streets	8	8	n/a	n/a	n/a
Culture and Recreation					
Parks & Recreation					
Number of developed park sites	36	36	36	36	36
Acres of developed park land	564	564	564	564	564
Library					
Number of libraries	2	2	2	2	2
*Number of physical and digital units	242,920	242,966	250,946	249,982	259,309
BUSINESS-TYPE ACTIVITIES					
Enterprise					
Sewer					
Miles of sanitary sewer lines (6 inches or larger)	223	223	230	230	201
Miles of storm sewer lines (12 inches or larger)	151	104	104	105	105
Number of sewer hookups	15,912	17,586	16,556	16,187	16,292
Water					
Miles of water lines	290	292	276	261	264
Number of water hookups	17,551	18,320	18,000	17,079	17,105
Number of water treatment plants	2	2	2	2	2

Source: City of Albany departmental records

Continued on next page

SCHEDULE 18

CITY OF ALBANY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION, continued
 Last Ten Fiscal Years

2017	2018	2019	2020	2021	
					GOVERNMENTAL ACTIVITIES
					Public Safety
1	1	1	1	1	Police Stations
4	4	4	4	4	Fire Stations
					Highways and Streets
401	197	196	197	200	Miles of improved streets
n/a	n/a	n/a	n/a	n/a	Miles of unimproved streets
n/a	n/a	n/a	n/a	n/a	Miles of gravel streets
					Culture and Recreation
					Parks & Recreation
36	36	36	29	29	Number of developed park sites
564	564	564	431	431	Acres of developed park land
					Library
2	2	2	2	2	Number of libraries
260,695	261,474	283,492	273,174	267,508	*Number of physical and digital units
					BUSINESS-TYPE ACTIVITIES
					Enterprise
					Sewer
203	203	204	204	204	Miles of sanitary sewer lines (6 inches or larger)
107	107	138	139	139	Miles of storm sewer lines (12 inches or larger)
16,590	17,154	17,576	17,795	17,545	Number of sewer hookups
					Water
264	264	265	274	299	Miles of water lines
17,777	17,898	19,343	18,463	19,087	Number of water hookups
2	1	2	2	2	Number of water treatment plants





COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Mayor and Members
of the City Council
City of Albany
Albany, Oregon

We have audited the basic financial statements of the City of Albany (the "City") as of and for the year ended June 30, 2021 and have issued our report thereon dated January 27, 2022. Our audit was conducted in accordance with 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. 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 considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- 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, 279C).

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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

Mayor and Members
of the City Council
City of Albany
Albany, Oregon

Compliance (Continued)

Budgets legally required (ORS Chapter 294)

- Transfers in of \$18,020,300 and transfers out of \$22,263,100 were budgeted in the 2021-23 biennium budget. Under ORS 294.361(2), transfers in should equal transfers out.
- Expenditures in excess of appropriations (which is prohibited by ORS 294.435) occurred as follows:

<u>Fund/Appropriation Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Public Transit Albany Transit Capital	\$	\$ 246	\$ (246)

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Restriction of Use

This report is intended solely for the information and use of the City Council and management of City of Albany and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Singer Lewak LLP

January 27, 2022

By:



Brad Bingenheimer, CPA, Partner

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

Mayor and Members
of the City Council
City of Albany
Albany, 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, business-type activities, each major fund and the aggregate remaining fund information of City of Albany (the “City”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 27, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’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 the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 City’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 may exist that have not been identified.

Mayor and Members
of the City Council
City of Albany
Albany, Oregon
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*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 statement amounts. 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Singer Lewak LLP

January 27, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Mayor and Members
of the City Council
City of Albany
Albany, Oregon

Report on Compliance for Each Major Federal Program

We have audited City of Albany’s (the “City”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2021. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Mayor and Members
of the City Council
City of Albany
Albany, Oregon
Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance Required
by the Uniform Guidance

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Singer Lewak LLP

January 27, 2022

CITY OF ALBANY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal controls over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal awards

Internal control over major federal programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

CFDA Number(s)	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
20.507	Formula Grants - Urbanized Area Formula

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee: Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

CITY OF ALBANY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Housing and Urban Development			
Community Development Block Grant	14.218		\$ 517,066
Department of Justice			
Office of Justice Programs			
<i>Passed through Oregon Department of Justice</i>			
Crime Victims Assistance	16.575	VOCA-NC-FR-2019	49,959
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607		6,138
Community Oriented Policing Service			
Public Safety Partnership and Community Policing Grants	16.710		51,185
Total Department of Justice			107,282
Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program	20.106		5,257
Airport Improvement Program - COVID	20.106		43,000
Total Airport Improvement Program			48,257
Federal Transit Administration			
<i>Federal Transit Cluster</i>			
Formula Grants - Urbanized Area Formla	20.507		930,381
Formula Grants - Urbanized Area Formla - COVID	20.507		503,032
Total Formula Grants - Urbanized Area Formla			1,433,413
National Highway Traffic Safety Administration			
<i>Passed through Oregon Association of Chiefs of Police</i>			
State and Community Highway Safety	20.600		10,435
<i>Passed through Oregon Department of Transportation</i>			
State and Community Highway Safety	20.600		6,819
Total State and Community Highway Safety			17,254
Pipeline and Hazardous Materials Safety Administration			
<i>Passed through Oregon State Police</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	LEPC 18-19	11,713
Total Department of Transportation			1,510,637
Department of the Treasury			
<i>Passed through Oregon Department of Administrative Services</i>			
Corona Relief Fund	21.019		1,274,278
<i>Passed through Oregon Business Development Department</i>			
Corona Relief Fund	21.019		21,200
<i>Passed through Linn County Oregon</i>			
Corona Relief Fund	21.019		54,489
Total Department of the Treasury			1,349,967
Institute of Museum and Library Services			
<i>Passed through Oregon State Library</i>			
Grants to States	45.310		1,290
Department of Health and Human Services			
Center for Medicare and Medicaid Services			
<i>Passed through Oregon Department of Human Services</i>			
Medical Assistance Program	93.778		790
Inmed Office of the Secretary of Health and Human Services			
<i>Passed through Oregon Health Authority</i>			
National Bioterrorism Hospital Preparedness Program	93.889		13,229
Total Department of Health and Human Services			14,019

CITY OF ALBANY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(Continued)
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Executive Office of the President			
High Intensity Drug Trafficking Areas Program	95.001		\$ 101,481
Department of Homeland Security			
Federal Emergency Management Agency			
Staffing for Adequate Fire and Emergency Response (SAFER) <i>Passed through Oregon Emergency Management</i>	97.083		31,604
Disaster Grants - Public Assistance (Presidentially Declared Disasters) <i>Passed through Oregon State Police</i>	97.036	4452, PW 59	3,965
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		<u>346,117</u>
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			350,082
<i>Passed through Oregon State Police</i> Fire Management Assistance Grant	97.046		57,430
<i>Passed through Oregon Emergency Management</i> Homeland Security Grant Program	97.067		<u>9,650</u>
Total Department of Homeland Security			<u>448,766</u>
Total Expenditures of Federal Awards			<u>\$ 4,050,508</u>

Notes to Schedule of Expenditures of Federal Awards

1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Albany under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of City of Albany, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of Albany.

2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 - Indirect cost rate

City of Albany has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.