



ALBANY

Fiscal Year ended June 30, 2023

City of Albany
Annual
Financial Report





City of Albany, Oregon

Annual Financial Report
for the Fiscal Year Ended
June 30, 2023

* * * * *

Peter Troeddson, City Manager
Jeanna Yeager, Finance Director

Prepared by:
The Finance Department
City of Albany, Oregon



TABLE OF CONTENTS

INTRODUCTORY SECTION

Council Members, City Administrative Staff and Principal Finance Staff.....	1
Citywide Organizational Chart	2

FINANCIAL SECTION

Independent Auditor's Report	3
Management's Discussion and Analysis.....	7
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	19
Statement of Activities.....	20
Fund Financial Statements	
Governmental Funds	
Balance Sheet	21
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	24
Major Governmental Funds Budgetary Comparison Statements	
General	25
Risk Management	26
Street.....	27
Grants	28
Albany Revitalization Agency	29
Proprietary Funds	
Statement of Net Position	30
Statement of Revenues, Expenses and Changes in Net Position.....	31
Statement of Cash Flows.....	32
Notes to the Basic Financial Statements.....	33
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	84
Schedule of Pension Contributions.....	85
Schedule of Proportionate Share of the Net OPEB Liability - OPERS	86
Schedule of OPEB Contributions - OPERS.....	87
Schedule of Changes in the City's Total Other Postemployment Benefit Liability	
and Related Ratios.....	88

TABLE OF CONTENTS

FINANCIAL SECTION, continued

Supplementary Information	
Nonmajor Governmental Funds	
Combining Statements	
Combining Balance Sheet.....	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	90
Special Revenue Funds	
Combining Balance Sheet.....	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	92
Budgetary Comparison Schedules	
Parks and Recreation	93
Building Inspection.....	94
Economic Development.....	95
Public Transit.....	96
Public Safety Levy	97
Debt Service Funds	
Combining Balance Sheet.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	99
Budgetary Comparison Schedules	
Debt Service	100
GO Debt Service	101
Capital Projects Fund	
Combining Balance Sheet.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103
Budgetary Comparison Schedules	
Capital Projects Fund.....	104
Capital Replacement.....	105
Permanent Fund	
Budgetary Comparison Schedules	
Library Trust	106
Proprietary Funds	
Enterprise Funds	
Budgetary Comparison Schedules	
Water Fund.....	107
Sewer Fund.....	108
Stormwater Fund.....	109
Internal Service Funds	
Combining Statement of Net Position	110
Combining Statement of Revenues, Expenditures and Changes in Net Position	111
Combining Statement of Cash Flows.....	112
Budgetary Comparison Schedules	
Central Services Fund.....	113
Public Works Central Services Fund Budgetary Comparison Schedule.....	114

TABLE OF CONTENTS

STATISTICAL SECTION

Statistical Section	
Net Position by Component (Schedule 1)	115
Change in Net Position (Schedule 2)	117
Fund Balances in Governmental Funds (Schedule 3).....	120
Change in Fund Balance of Governmental Funds (Schedule 4).....	122
Assessed Values and Estimated Market Value of Taxable Property (Schedule 5)	124
Direct and Overlapping Tax Rates (Schedule 6)	126
Principal Property Taxpayers (Schedule 7).....	128
Property Tax Levies and Collections (Schedule 8).....	129
Schedule of Debt Per Capita and Debt as a Percentage of Personal Income (Schedule 9).....	130
Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt per Capita (Schedule 10).....	132
Computation of Direct and Overlapping Debt (Schedule 11).....	134
Computation of Legal Debt Margin (Schedule 12)	135
Pledge Revenue Coverage (Schedule 13)	137
Demographic and Economic Statistics (Schedule 14)	138
Albany Area Principal Employers (Schedule 15)	139
Employee Full-time Equivalents by Function (Schedule 16)	140
Operating Indicators by Function (Schedule 17).....	142
Capital Asset Statistics by Function (Schedule 18)	144

COMPLIANCE SECTION

Independent Auditor's Report Required by Oregon State Regulations	145
<i>Government Auditing Standards</i>	
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 <i>Government Auditing Standards</i>	147
Schedule of Findings and Responses	149



CITY OF ALBANY

★ OREGON ★

Inc. 1864



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, 2026
Ward 1	Steph Newton-Azorr	1	December 31, 2026
Ward 1	Matilda Novak	1	December 31, 2024
Ward 2	Jackie Montague	1	December 31, 2026
Ward 2	Ray Kopczynski	9	December 31, 2024
Ward 3	Ramycia McGhee	1	December 31, 2026
Ward 3	Marilyn Smith	1	December 31, 2024

CITY ADMINISTRATIVE STAFF

City ManagerPeter 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 DirectorEric Ikenouye
 Parks & Recreation Director..... Kim Lyddane
 Police Chief..... Marcia Harnden
 Public Works Director..... Chris Bailey

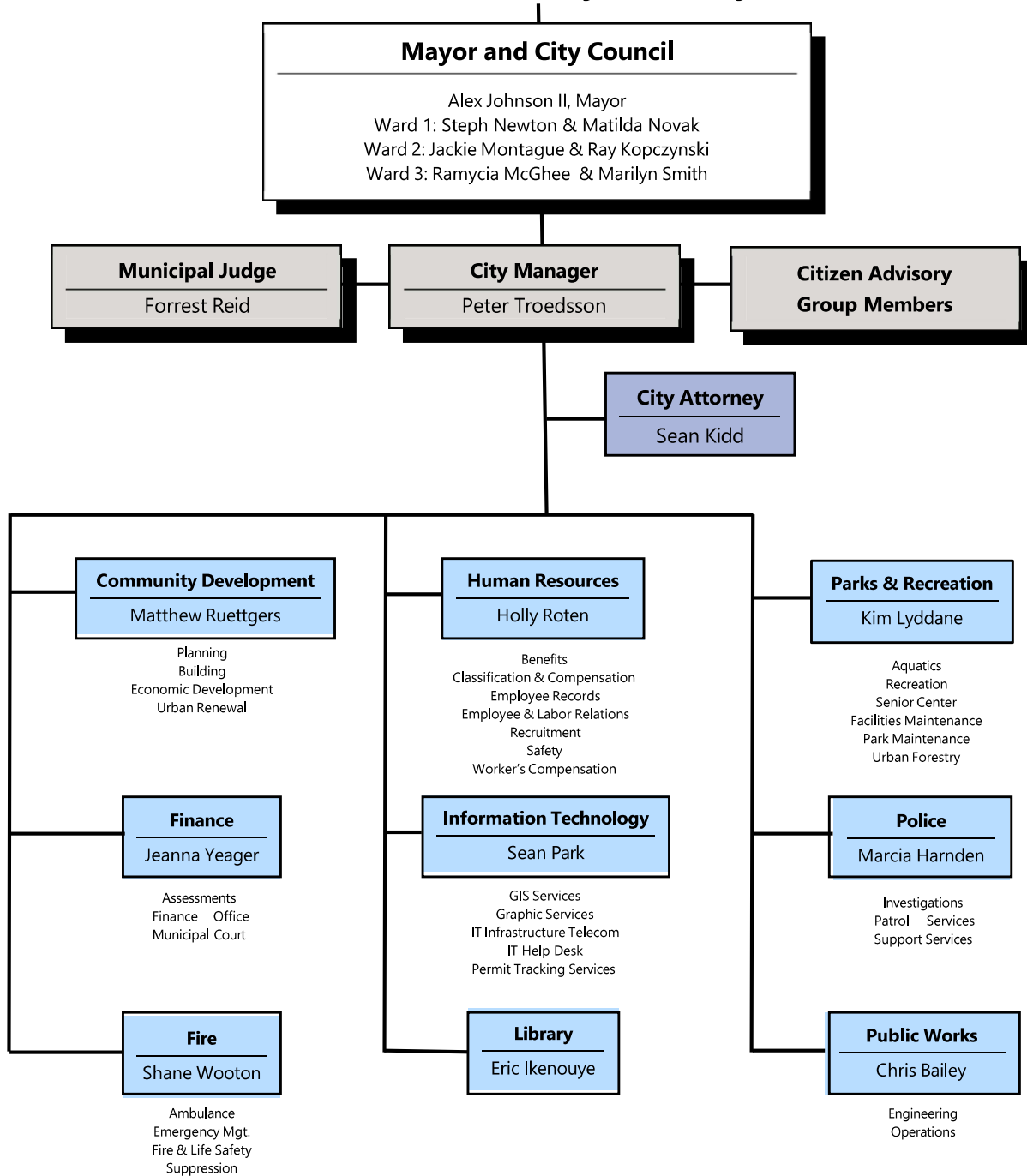
PRINCIPAL FINANCE STAFF

Finance Director..... Jeanna Yeager



CITYWIDE ORGANIZATIONAL CHART

Citizens of the City of Albany





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Albany, Oregon (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, and the respective budgetary comparisons for the General, Risk Management, Street, Grants, and Albany Revitalization Agency funds.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are not modified with respect to this matter.

As discussed in Note 4 to the basic financial statements, the beginning net position of the governmental and business-type activities, as well as, the beginning fund balance of the General Fund, Street Fund, Economic Development Fund, Capital Projects Fund, Water Fund, and Central Services Fund have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other "Required Supplementary Information," as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis 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.

Supplementary 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 combining and individual fund financial statements and other budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and other budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Honorable Mayor and Members of City Council
City of Albany
Independent Auditor's Report
July 22, 2025

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2025, on our considerations of the City's internal control over financial reporting and on our tests of its compliance with certain 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 July 22, 2025, on our considerations 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

July 22, 2025

By:



Brad Bingenheimer, 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, 2023. 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 \$370.5 million (net position). As shown on Table 1, \$39.1 million is unrestricted and may be used to meet the City's ongoing obligations and pay for daily operations. This reflects an increase of \$23.8 million from fiscal year 2021-22, which includes prior period adjustments totaling \$0.6 million to correct the prior year's account balances; a \$0.9 million adjustment that increases net position in the governmental funds, and a decrease of \$0.3 million in the net position of business-type activities.

The City's liabilities and deferred inflows totaled \$187.8 million at fiscal year-end. This decrease of \$15.6 million from the prior year is due mainly to a decrease of \$14.9 million in deferred inflows of resources.

The City's governmental funds reported combined ending fund balance of \$94.8 million, an increase of \$15.0 million from fiscal year 2021-22, which includes prior period adjustments of \$0.6 million to correct prior year's account balances. Of the combined ending governmental fund balance, \$9.4 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 \$9.2 million, or 20.2% 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, general management, and other general functions not separately identified as a program
- *Community development* – includes building inspections and economic development activities.
- *Public safety* – includes police, fire, and emergency medical services.
- *Highways and streets* – 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
- Sewer
- Stormwater

The government-wide financial statements can be found on pages 19-20 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 14 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, Risk Management, Street, Grants, and the Albany Revitalization Agency 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 88 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 30-33 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 30.

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 32-82 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 88.

Statistical Information

The City would like to direct the reader's attention to the Statistical Section, starting on page 114, 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

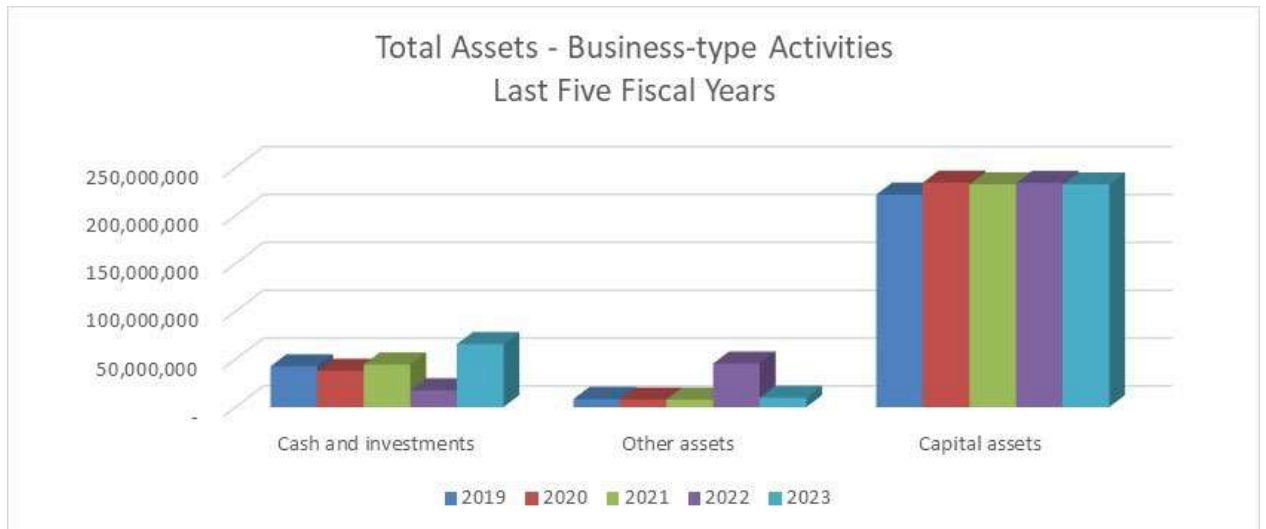
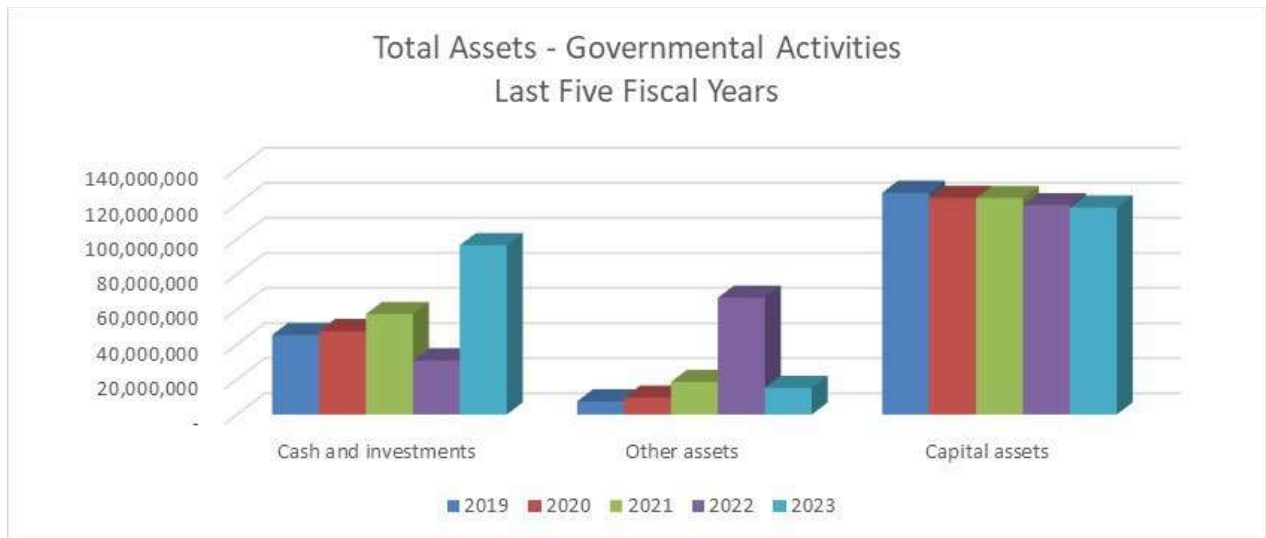
As previously mentioned, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$370.5 million at June 30, 2023, an increase of \$23.8 million from the prior year. The following is a condensed statement of net position and an analysis of the change in the City's financial position from the previous year.

Table 1 – Net Position Summary
Governmental and Business-type Activities
For the Years Ended June 30, 2023 and 2022

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>
Cash and investments	\$ 96,620,140	\$ 82,013,255	\$ 65,791,048	\$ 54,544,388	\$162,411,188	\$136,557,643
Other assets	15,197,471	15,549,137	9,848,451	8,468,804	25,045,922	24,017,941
Capital assets	<u>118,067,211</u>	<u>119,336,674</u>	<u>232,503,172</u>	<u>234,227,860</u>	<u>350,570,383</u>	<u>353,564,534</u>
<i>Total Assets</i>	<u>229,884,822</u>	<u>216,899,066</u>	<u>308,142,671</u>	<u>297,241,052</u>	<u>538,027,493</u>	<u>514,140,118</u>
Deferred outflows of	<u>16,331,818</u>	<u>19,133,669</u>	<u>3,932,819</u>	<u>4,648,164</u>	<u>20,264,637</u>	<u>23,781,833</u>
Other liabilities	9,361,559	13,932,027	6,244,570	2,925,973	15,606,129	16,858,000
Long-term liabilities	<u>86,200,662</u>	<u>81,396,803</u>	<u>66,333,173</u>	<u>70,621,586</u>	<u>152,533,835</u>	<u>152,018,389</u>
<i>Total Liabilities</i>	<u>95,562,221</u>	<u>95,328,830</u>	<u>72,577,743</u>	<u>73,547,559</u>	<u>168,139,964</u>	<u>168,876,389</u>
Deferred inflows of resources	<u>14,962,118</u>	<u>26,840,930</u>	<u>4,736,415</u>	<u>7,753,008</u>	<u>19,698,533</u>	<u>34,593,938</u>
Net Position:						
Net investment in capital	90,708,051	93,302,053	174,814,693	172,050,508	265,522,744	265,352,561
Restricted	56,298,428	44,532,306	9,567,755	9,258,672	65,866,183	53,790,978
Unrestricted	<u>(11,314,178)</u>	<u>(23,971,384)</u>	<u>50,378,884</u>	<u>39,279,469</u>	<u>39,064,706</u>	<u>15,308,085</u>
<i>Total Net Position</i>	<u>\$135,692,301</u>	<u>\$113,862,975</u>	<u>\$234,761,332</u>	<u>\$220,588,649</u>	<u>\$370,453,633</u>	<u>\$334,451,624</u>

By far the largest portion of the City's net position (71.68 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 (\$65.9 million or 17.78 percent) represents resources that are subject to restrictions on how they may be used.

Restricted net position increased by \$12.1 million and unrestricted net position increased by \$23.8 million.



Debt increased by \$0.5 million as discussed in further detail in the debt administration section on page 52.

Analysis of Changes in Net Position

The following is a comparison between the June 30, 2023 and 2022 Statement of Activities.

Table 2 – Statement of Activities Summary
Governmental and Business-type Activities
For the Years Ended June 30, 2023 and 2022

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<i>Revenues:</i>						
Program Revenues:						
Charges for services	\$ 19,358,228	\$ 19,490,799	\$ 51,109,489	\$ 48,220,287	\$ 70,467,717	\$ 67,711,086
Grants and contributions:						
Operating	23,417,189	12,199,927	-	-	23,417,189	12,199,927
Capital	250,000	6,299,098	5,859,993	3,031,291	6,109,993	9,330,389
General Revenues:						
Taxes	49,642,875	46,621,021	-	-	49,642,875	46,621,021
Investment earnings	2,110,946	(1,851,202)	1,300,063	(1,407,982)	3,411,009	(3,259,184)
Other	2,126,232	1,578,024	105,178	12,717,865	2,231,410	14,295,889
<i>Total Revenues</i>	<u>96,905,470</u>	<u>84,337,667</u>	<u>58,374,723</u>	<u>62,561,461</u>	<u>155,280,193</u>	<u>146,899,128</u>
<i>Expenses:</i>						
Governmental activities:						
General government	(4,811,281)	(12,702,631)	-	-	(4,811,281)	(12,702,631)
Community development	(6,327,237)	(6,384,664)	-	-	(6,327,237)	(6,384,664)
Public safety	(43,249,573)	(40,688,040)	-	-	(43,249,573)	(40,688,040)
Highways and street	(12,072,312)	(12,222,620)	-	-	(12,072,312)	(12,222,620)
Culture and recreation	(10,823,250)	(13,119,161)	-	-	(10,823,250)	(13,119,161)
Interest on long-term debt	(1,301,519)	(1,071,883)	-	-	(1,301,519)	(1,071,883)
Business-type activities:						
Water	-	-	(17,580,552)	(15,403,393)	(17,580,552)	(15,403,393)
Sewer	-	-	(20,679,855)	(23,998,931)	(20,679,855)	(23,998,931)
Stormwater	-	-	(3,001,020)	(2,724,103)	(3,001,020)	(2,724,103)
<i>Total Expenses</i>	<u>(78,585,172)</u>	<u>(86,188,999)</u>	<u>(41,261,427)</u>	<u>(42,126,427)</u>	<u>(119,846,599)</u>	<u>(125,591,323)</u>
Increase (decrease) in net position before transfers	18,320,298	(1,851,332)	17,113,296	20,435,034	35,433,594	18,583,702
Transfers in (out)	2,654,613	2,410,251	(2,654,613)	(2,410,251)	-	-
Change in net position	20,974,911	558,919	14,458,683	18,024,783	35,433,594	18,583,702
Net position - beginning	113,862,975	116,009,271	220,588,649	202,563,866	334,451,624	318,573,137
Prior period adjustment	854,415	(2,705,215)	(286,000)	-	568,415	(2,705,215)
Net position - ending	<u>\$ 135,692,301</u>	<u>\$ 113,862,975</u>	<u>\$ 234,761,332</u>	<u>\$ 220,588,649</u>	<u>\$ 370,453,633</u>	<u>\$ 334,451,624</u>

Governmental Activities

Governmental activities increased the City's net position by \$21.8 million for the year ended June 30, 2023, which included a prior period adjustment that increased net position by \$0.9 million. Key elements of the increase are as follows:

- Program revenues increased by \$5 million. This was largely due to an increase of \$11.2 million in operating grants and contributions, and also factors in a \$6.0 million decrease in capital grants and contributions.
 - The biggest driver for the increase in operating grants and contributions was related to federal ARPA funding. The City recognized over \$7 million in ARPA funding during the year. ARPA funds were utilized primarily for capital infrastructure projects. During the year, the City invested \$4.5 million in replacing undersized sewer pipe as part of the Cox Creek Interceptor Project.
 - The City implemented a city service fee in fiscal year 2022 which generated \$3.2 million in charges for services during the year ended June 30, 2023.
 - The decrease in capital grants is primarily related to COVID funding through the Federal Transit Administration (FTA) that was utilized for capital infrastructure in fiscal year 2022.
- Taxes increased \$3.0 million. Property taxes accounted for \$2.5 million, with other taxes increasing \$0.5 million.
- Investment income increased due to market gains in fiscal year 2023.
- Governmental expenses decreased by \$7.6 million. This includes an increase of \$2.6 million in public safety due to increased costs in police and fire safety services. General government expenses decreased \$7.9 million, most significantly related to changes in pension and OPEB costs.

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 city services fees; franchise fees; ambulance fees; and parks and recreation fees.

Grants and contributions include transportation grants, American Rescue Plan (COVID-19 relief funds), staffing capacity grants, and community development funds.

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

The Public Safety functions (police, fire and emergency services, municipal court) generates revenues, but property taxes and state shared revenues fund the majority of City 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 87.55% of total business-type revenue in fiscal year 2022-2023 compared to 77.08% in fiscal year 2021-2022. 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 \$94.8 million, an increase of \$15.0 million, which includes a prior period adjustment that increased fund balance \$0.6 million. Some nonmajor governmental fund balances decreased, but by no more than \$0.13 million. The overall increase is largely attributed to an increase in investment earnings, as well as an increase of \$4.7 million in intergovernmental revenues. The increase of revenue from investment earnings and intergovernmental revenue without a large increase in expenditures contributed to the increase in fund balances. There was also an increase in net transfers in the amount of \$1.1 million.

Of the combined ending fund balance of \$94.8 million, \$1.0 million was considered nonspendable for the prepaids, inventory, and the Library Trust permanent fund; \$51.6 million was restricted by creditors, grantors or by law; \$32.8 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 \$9.2 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 \$9.2 million, up \$1.0 million from the previous year. The unassigned fund balance represents 20.2% of total General Fund requirements.

The other major governmental funds are the Risk Management Fund, the Street Fund, the Grants Fund, and the Albany Revitalization Agency 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 two major proprietary funds are the Water Fund, Sewer Fund, and the Stormwater Fund is presented as non-major.

The unrestricted net position of the Water Fund at the end of the year was \$20.4 million, an increase of \$4.5 million. Net investment in capital assets decreased by \$0.3 million. Overall net position increased \$4.1 million to \$89.6 million.

The Sewer Fund's overall net position increased by \$8.8 million to \$147.6 million. Unrestricted net position increased by \$5.5 million largely due to operating income. Net investment in capital assets increased by \$3.0 million.

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 25, shows the original budget, final budget, actual revenues and expenditures, and transfers in and out for the fiscal year ended June 30, 2023. During the 2021-2023 biennial budget cycle, General Fund budgeted resources changed as follows:

- Budgeted resources increased by \$6.2 million, which included an increase of \$4.4 million in license and permits, a \$1.1 million increase in charges for services, a \$.5 million increase in intergovernmental revenues, as well as minor changes in revenues generated from fines and forfeitures.
- Budgeted expenditures increased by \$6.9 million, \$5.3 million relating to increases in public safety costs; \$4.1 million for emergency fire services, and \$1.2 million for police services.

CAPITAL ASSETS

As of June 30, 2023, the City had \$350.6 million 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 47.

Table 3 – Capital Assets at Year-end, Net of Depreciation
Governmental and Business-type Activities
For the Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Land, land rights, & land improvements	\$ 15,611,233	\$ 15,762,102	\$ 6,404,149	\$ 6,404,149	\$ 22,015,382	\$ 22,166,251
Construction in progress	7,732,684	7,060,211	11,286,015	10,922,432	19,018,699	17,982,643
Buildings and improvements	33,030,345	33,303,900	91,417,473	95,457,925	124,447,818	128,761,825
Vehicles and equipment	7,051,319	6,769,677	2,575,599	2,906,960	9,626,918	9,676,637
Infrastructure	53,439,732	56,031,886	120,819,936	118,536,394	174,259,668	174,568,280
SBITA agreements	820,195	-	-	-	820,195	-
Intangible assets	381,703	408,898	-	-	381,703	408,898
Total	\$ 118,067,211	\$ 119,336,674	\$ 232,503,172	\$ 234,227,860	\$ 350,570,383	\$ 353,564,534

DEBT ADMINISTRATION

As of June 30, 2023, the City had \$152.5 million in long-term debt, unamortized premiums and discounts, net pension obligations, and other postemployment benefits, an increase of \$0.5 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$1.3 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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Governmental Activities</u>		
General obligation	\$ 13,950,000	\$ 14,635,000
Limited tax pension	3,020,000	3,620,000
2022 CARA bonds	14,643,693	15,114,767
2021 SPWF Lochner Rd	1,113,318	1,167,347
Oregon IFA	5,801,078	6,320,833
Unamortized premium	381,755	413,568
Net pension liability	41,006,068	32,858,253
Total OPEB liability	3,372,781	4,068,254
Subscription liability	496,285	-
Compensated absences	2,415,684	3,198,780
Total governmental activities	<u>86,200,662</u>	<u>81,396,802</u>
<u>Business-type Activities</u>		
Water revenue	17,840,000	19,080,000
Oregon DEQ State Revolving Fund loan	26,729,915	30,580,099
ARRA Loan (2021 SRF)	850,000	950,000
2021 SRF - Riverfront Interceptor	9,399,827	9,874,190
Unamortized premium	931,522	1,023,910
Net pension liability	9,132,106	7,099,673
Total OPEB liability	841,324	1,215,489
Compensated absences	608,479	798,225
Total business-type activities	<u>66,333,173</u>	<u>70,621,586</u>
Total long-term liabilities	<u>\$ 152,533,835</u>	<u>\$ 152,018,388</u>

The significant changes in long-term debt were attributed to principal payments made during the year and the implementation of GASB96, which requires the reporting of ongoing subscription arrangements as a liability on the financial statements.

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 2022-23 value, the City's debt limitation is \$264.1 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$12.98 million.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 52.

ECONOMIC FACTORS AND OUTLOOK FOR NEXT BIENNIUM

Oregon's unemployment rate was 3.7 percent on June 30, 2023. The unemployment rates for Linn and Benton Counties were 8.4 percent and 5.5 percent, respectively.

In preparing the City-wide biennial budget for 2023-2025, the City Finance Department assembled assumptions for the budget as follows: interest income will increase by 2.0 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. Additionally, the City imposed a hiring "chill", which involved analyzing all vacancies for necessity before proceeding to fill the position in efforts to generate cost savings. Non-represented employees did not receive a COLA during the biennium, generating ongoing savings.

The 2023-2025 Budget was prepared in accordance with the City's Strategic Plan (the Plan), adopted by Council in 2019. 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.

CITY OF ALBANY, OREGON
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 25,709,104	\$ 13,240,494	\$ 38,949,598
Investments	57,923,012	52,550,554	110,473,566
Restricted cash and cash equivalents	90,469	-	90,469
Restricted investments	12,897,555	-	12,897,555
Internal balances	(41,712)	41,712	-
Receivables, net			
Property taxes	1,166,456	-	1,166,456
Accounts	8,530,893	6,272,696	14,803,589
Assessments	488,078	-	488,078
Interest	315,736	223,509	539,245
Loans, net of allowance for uncollectible	3,183,367	2,233,853	5,417,220
Inventory	61,477	907,639	969,116
Prepaid items	815,501	-	815,501
Net other postemployment benefit asset	677,675	169,042	846,717
Capital assets:			
Capital assets, nondepreciable	23,343,917	17,690,164	41,034,081
Capital assets, net of accumulated depreciation	94,723,294	214,813,008	309,536,302
	<u>229,884,822</u>	<u>308,142,671</u>	<u>538,027,493</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	15,807,598	3,802,055	19,609,653
Other postemployment benefit related items	524,220	130,764	654,984
	<u>16,331,818</u>	<u>3,932,819</u>	<u>20,264,637</u>
LIABILITIES			
Accounts payable and accrued liabilities	7,935,072	3,301,651	11,236,723
Accrued interest payable	165,076	416,335	581,411
Retainage payable	160,215	282,883	443,098
Deposits	237,183	229,717	466,900
Unearned revenue	864,013	2,013,984	2,877,997
Long-term liabilities:			
Due within one year	4,709,702	6,183,603	10,893,305
Due in more than one year	81,490,960	60,149,570	141,640,530
	<u>95,562,221</u>	<u>72,577,743</u>	<u>168,139,964</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	12,932,611	4,230,164	17,162,775
Other postemployment benefit related items	2,029,507	506,251	2,535,758
	<u>14,962,118</u>	<u>4,736,415</u>	<u>19,698,533</u>
NET POSITION			
Net investment in capital assets	90,708,051	174,814,693	265,522,744
Restricted for:			
Other postemployment benefits	677,675	169,042	846,717
Capital projects	-	4,065,974	4,065,974
Debt service	790,526	5,332,739	6,123,265
Highways and streets	7,437,153	-	7,437,153
Public safety	1,346,264	-	1,346,264
Grant programs	8,678,464	-	8,678,464
Parks and recreation	3,032,344	-	3,032,344
Community development	28,114,467	-	28,114,467
Building inspections	3,611,040	-	3,611,040
Economic development	2,520,026	-	2,520,026
Library endowment - nonexpendable	90,469	-	90,469
Unrestricted (deficit)	(11,314,178)	50,378,884	39,064,706
	<u>\$ 135,692,301</u>	<u>\$ 234,761,332</u>	<u>\$ 370,453,633</u>

See notes to financial statements.

CITY OF ALBANY, OREGON
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,811,281	\$ 5,191,769	\$ 1,189,270	\$ 250,000	\$ 1,819,758	\$ -	\$ 1,819,758
Community development	6,327,237	2,196,964	1,477,152	-	(2,653,121)	-	(2,653,121)
Public safety	43,249,573	8,850,035	9,235,594	-	(25,163,944)	-	(25,163,944)
Highways and streets	12,072,312	1,126,313	10,938,748	-	(7,251)	-	(7,251)
Culture and recreation	10,823,250	1,993,147	576,425	-	(8,253,678)	-	(8,253,678)
Interest	1,301,519	-	-	-	(1,301,519)	-	(1,301,519)
Total governmental activities	78,585,172	19,358,228	23,417,189	250,000	(35,559,755)	-	(35,559,755)
Business-type activities:							
Water	17,580,552	21,142,525	-	535,258	-	4,097,231	4,097,231
Sewer	20,679,855	25,081,215	-	5,324,735	-	9,726,095	9,726,095
Stormwater	3,001,020	4,885,749	-	-	-	1,884,729	1,884,729
Total business-type activities	41,261,427	51,109,489	-	5,859,993	-	15,708,055	15,708,055
Total primary government	\$ 119,846,599	\$ 70,467,717	\$ 23,417,189	\$ 6,109,993	(35,559,755)	15,708,055	(19,851,700)
General revenues:							
Property taxes							
General purposes					23,262,686	-	23,262,686
Specific purposes					17,332,000	-	17,332,000
Franchise fees and privilege taxes					6,251,051	-	6,251,051
Transient room taxes					1,371,462	-	1,371,462
Other taxes					1,425,676	-	1,425,676
Unrestricted investment earnings					2,110,946	1,300,063	3,411,009
Miscellaneous					2,126,232	105,178	2,231,410
Transfers					2,654,613	(2,654,613)	-
Total general revenues and transfers					56,534,666	(1,249,372)	55,285,294
Change in net position					20,974,911	14,458,683	35,433,594
Net position at beginning of year, as previously reported					113,862,975	220,588,649	334,451,624
Prior period adjustment					854,415	(286,000)	568,415
Net position at beginning of year, as restated					114,717,390	220,302,649	335,020,039
Net position at end of year					\$ 135,692,301	\$ 234,761,332	\$ 370,453,633

CITY OF ALBANY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Risk Management	Street	Grants	Albany Revitalization Agency	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,085,282	\$ 567,493	\$ 3,768,725	\$ 5,792,811	\$ 4,991,249	\$ 6,670,165	\$ 23,875,725
Investments	8,733,853	2,563,968	17,027,346	-	22,550,800	19,944,600	70,820,567
Receivables:							
Property taxes	680,279	-	-	-	138,787	347,390	1,166,456
Accounts	2,524,287	-	799,096	3,937,476	6,527	1,249,349	8,516,735
Assessments, net	479,010	-	-	-	-	9,068	488,078
Interest	43,941	9,336	68,045	-	107,176	87,238	315,736
Loans, net of allowance for uncollectible	-	-	-	-	1,318,838	1,864,529	3,183,367
Interfund loan receivable	-	-	-	-	-	655,497	655,497
Inventory	-	-	61,477	-	-	-	61,477
Prepaid items	815,151	-	-	-	-	-	815,151
Total assets	\$ 15,361,803	\$ 3,140,797	\$ 21,724,689	\$ 9,730,287	\$ 29,113,377	\$ 30,827,836	\$ 109,898,789
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 3,515,028	\$ 96,663	\$ 1,130,870	\$ 247,986	\$ 878,010	\$ 1,580,719	\$ 7,449,276
Retainage payable	-	-	39,315	-	120,900	-	160,215
Deposits	58,653	-	13,024	-	-	165,506	237,183
Unearned revenue	-	-	-	803,837	-	60,176	864,013
Interfund loan payable	-	-	-	-	-	655,497	655,497
Total liabilities	<u>3,573,681</u>	<u>96,663</u>	<u>1,183,209</u>	<u>1,051,823</u>	<u>998,910</u>	<u>2,461,898</u>	<u>9,366,184</u>
Deferred inflows of resources							
Unavailable revenue	<u>1,790,358</u>	<u>-</u>	<u>262,949</u>	<u>3,231,599</u>	<u>120,385</u>	<u>317,728</u>	<u>5,723,019</u>
Total deferred inflows of resources	<u>1,790,358</u>	<u>-</u>	<u>262,949</u>	<u>3,231,599</u>	<u>120,385</u>	<u>317,728</u>	<u>5,723,019</u>
Fund balances							
Nonspendable	815,151	-	61,477	-	-	90,469	967,097
Restricted	-	-	7,174,204	5,446,865	27,994,082	10,997,475	51,612,626
Committed	-	3,044,134	13,042,850	-	-	16,759,019	32,846,003
Assigned	-	-	-	-	-	201,247	201,247
Unassigned	<u>9,182,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,182,613</u>
Total fund balances	<u>9,997,764</u>	<u>3,044,134</u>	<u>20,278,531</u>	<u>5,446,865</u>	<u>27,994,082</u>	<u>28,048,210</u>	<u>94,809,586</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 15,361,803	\$ 3,140,797	\$ 21,724,689	\$ 9,730,287	\$ 29,113,377	\$ 30,827,836	\$ 109,898,789

See notes to financial statements.

CITY OF ALBANY, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds		\$ 94,809,586
Capital assets, including right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		116,470,527
The statement of net position reports a net other postemployment benefit asset for its participation in the OPERS retirement plan.		605,030
Other long-term assets that are not available to pay for current period expenditures and therefore, are deferred or unavailable revenue in the funds.		
Unavailable revenue	5,723,019	
Deferred outflows of resources - pension	13,375,086	
Deferred outflows of resources - OPEB	468,025	
		19,566,130
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(38,528,089)	
Premium liability	(381,755)	
Net pension liability	(35,004,969)	
Total OPEB liability	(3,011,228)	
Compensated absences	(2,149,040)	
Accrued interest payable	(165,076)	
Deferred inflows of resources - pension	(11,053,505)	
Deferred inflows of resources - OPEB	(1,811,949)	
		(92,105,611)
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.		(3,653,361)
Net position of governmental activities		<u>\$ 135,692,301</u>

CITY OF ALBANY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Risk Management	Street	Grants	Albany Revitalization Agency	Total Nonmajor Funds	Total Governmental Funds
Revenues							
Taxes:							
Property	\$ 23,084,756	\$ -	\$ -	\$ -	\$ 5,119,719	\$ 12,078,707	\$ 40,283,182
Transient room	-	-	-	-	-	1,371,462	1,371,462
Construction excise	-	-	-	-	-	258,581	258,581
Franchise fees and privilege taxes	6,251,051	-	-	-	-	-	6,251,051
Licenses and permits	3,440,221	-	888,760	-	-	2,227,758	6,556,739
Fines, forfeitures and assessments	817,803	-	-	-	-	-	817,803
Charges for services	4,116,591	-	-	148,250	-	1,959,526	6,224,367
Intergovernmental	5,120,210	-	6,305,106	5,852,385	-	4,324,984	21,602,685
Investment earnings	89,436	41,086	266,709	224,462	718,857	669,254	2,009,804
Miscellaneous	281,433	556,576	103,351	198,928	20,521	802,871	1,963,680
Total revenues	<u>43,201,501</u>	<u>597,662</u>	<u>7,563,926</u>	<u>6,424,025</u>	<u>5,859,097</u>	<u>23,693,143</u>	<u>87,339,354</u>
Expenditures							
Current							
General government	1,631,781	282,475	-	154,923	-	2,987,032	5,056,211
Community development	1,413,974	-	-	469,464	596,681	3,032,588	5,512,707
Public safety	39,437,612	-	-	1,002,576	-	612,604	41,052,792
Highways and streets	-	-	3,080,656	-	-	-	3,080,656
Culture and recreation	3,060,756	-	-	528,281	-	6,694,499	10,283,536
Debt service							
Principal	-	-	-	-	990,829	1,339,029	2,329,858
Interest	-	-	-	-	562,920	787,456	1,350,376
Capital outlay	-	-	2,651,806	921,399	2,701,677	1,866,747	8,141,629
Total expenditures	<u>45,544,123</u>	<u>282,475</u>	<u>5,732,462</u>	<u>3,076,643</u>	<u>4,852,107</u>	<u>17,319,955</u>	<u>76,807,765</u>
Excess (deficiency) of revenues over expenditures	<u>(2,342,622)</u>	<u>315,187</u>	<u>1,831,464</u>	<u>3,347,382</u>	<u>1,006,990</u>	<u>6,373,188</u>	<u>10,531,589</u>
Other financing sources (uses)							
Sale of capital assets	-	-	49,138	-	-	308,389	357,527
Transfers in	4,934,950	282,476	3,168,152	-	-	2,270,801	10,656,379
Transfers out	(1,386,884)	-	(80,000)	(66,505)	(254,500)	(5,327,277)	(7,115,166)
Total other financing sources (uses)	<u>3,548,066</u>	<u>282,476</u>	<u>3,137,290</u>	<u>(66,505)</u>	<u>(254,500)</u>	<u>(2,748,087)</u>	<u>3,898,740</u>
Net change in fund balances	<u>1,205,444</u>	<u>597,663</u>	<u>4,968,754</u>	<u>3,280,877</u>	<u>752,490</u>	<u>3,625,101</u>	<u>14,430,329</u>
Fund balances at beginning of year as previously reported	9,022,786	2,446,471	14,523,777	2,165,988	27,241,592	24,423,109	79,823,723
Prior period adjustment	(230,466)	-	786,000	-	-	-	555,534
Fund balances at beginning of year, as restated	<u>8,792,320</u>	<u>2,446,471</u>	<u>15,309,777</u>	<u>2,165,988</u>	<u>27,241,592</u>	<u>24,423,109</u>	<u>80,379,257</u>
Fund balances at end of year	<u>\$ 9,997,764</u>	<u>\$ 3,044,134</u>	<u>\$ 20,278,531</u>	<u>\$ 5,446,865</u>	<u>\$ 27,994,082</u>	<u>\$ 28,048,210</u>	<u>\$ 94,809,586</u>

See notes to financial statements.

CITY OF ALBANY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds		\$ 14,430,329
<p>Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:</p>		
Acquisition of capital assets (excluding internal service funds)	6,357,248	
Depreciation and amortization (excluding internal service funds)	<u>(8,616,605)</u>	(2,259,357)
<p>The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position</p>		
		(180,827)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
		4,202,609
<p>The changes in net pension liability (asset) and deferred inflows and outflows are reported as pension expense on the statement of activities.</p>		
		1,503,014
<p>The changes in other postemployment benefit liability (asset) and deferred outflows are reported as other postemployment benefit expense on the statement of activities.</p>		
		(157,344)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Amortization of bond premiums	31,813	
Change in accrued interest payable	17,044	
Change in compensated absences	<u>722,640</u>	771,497
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Debt principal payments	<u>2,329,858</u>	2,329,858
<p>The internal service funds are used by management to charge the costs of central services to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.</p>		
		<u>335,132</u>
Change in Net Position of Governmental Activities		<u>\$ 20,974,911</u>

CITY OF ALBANY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget		Actual			
	Original	Final	Restated FY 2021-22	FY 2022-23	Biennium	Variance
Revenues						
Property taxes	\$ 44,640,700	\$ 44,640,700	\$ 22,393,109	\$ 23,084,756	\$ 45,477,865	\$ 837,165
Franchise fees and privilege taxes	12,005,400	12,005,400	5,735,810	6,251,051	11,986,861	(18,539)
Licenses and permits	1,162,600	5,523,900	3,341,260	3,440,221	6,781,481	1,257,581
Fines, forfeitures & assessments	1,739,200	1,743,700	781,321	817,803	1,599,124	(144,576)
Charges for services	6,792,400	7,938,100	4,562,596	4,116,591	8,679,187	741,087
Intergovernmental	9,020,700	9,701,400	4,766,268	5,120,210	9,886,478	185,078
Investment earnings	148,000	148,000	126,614	303,642	430,256	282,256
Miscellaneous	124,500	124,500	78,231	281,433	359,664	235,164
Total revenues	75,633,500	81,825,700	41,785,209	43,415,707	85,200,916	3,375,216
Expenditures						
Current						
Administration	873,200	1,357,700	643,665	597,577	1,241,242	116,458
Municipal court	2,111,400	2,339,100	971,305	1,126,904	2,098,209	240,891
Planning	3,133,000	3,143,000	1,194,225	1,535,474	2,729,699	413,301
Police	31,090,600	32,685,300	14,638,080	17,165,373	31,803,453	881,847
Public safety levy - police	4,818,700	4,835,000	2,311,009	2,499,092	4,810,101	24,899
Fire & life safety	1,690,100	1,694,400	774,487	914,496	1,688,983	5,417
Public safety levy - fire	4,818,700	4,836,800	2,216,042	2,610,959	4,827,001	9,799
Fire emergency services	30,275,300	34,381,100	16,519,050	17,289,192	33,808,242	572,858
Library	6,145,400	6,539,500	2,974,177	3,060,756	6,034,933	504,567
Abatement	-	89,400	5,188	-	5,188	84,212
Contingency	2,578,600	2,568,900	-	-	-	2,568,900
Total expenditures	87,535,000	94,470,200	42,247,228	46,799,823	89,047,051	5,423,149
Excess (deficiency) of revenues over expenditures	(11,901,500)	(12,644,500)	(462,019)	(3,384,116)	(3,846,135)	8,798,365
Other financing sources (uses)						
Transfers in	9,851,900	10,594,900	4,662,254	4,934,950	9,597,204	(997,696)
Transfers out	(254,000)	(254,000)	(126,334)	(131,184)	(257,518)	(3,518)
Total other financing sources (uses)	9,597,900	10,340,900	4,535,920	4,803,766	9,339,686	(1,001,214)
Net change in fund balance	(2,303,600)	(2,303,600)	4,073,901	1,419,650	5,493,551	7,797,151
Fund balance at beginning of period	2,303,600	2,303,600	4,810,803	8,884,704	4,810,803	2,507,203
Fund balance at end of period	\$ -	\$ -	\$ 8,884,704	10,304,354	\$ 10,304,354	\$ 10,304,354
Reconciliation to generally accepted accounting principles						
Fair value adjustment on investments				(306,590)		
Fund balance (GAAP basis) - ending				\$ 9,997,764		

CITY OF ALBANY
RISK MANAGEMENT FUND - SPECIAL REVENUE (MAJOR FUND)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	<u>Biennium Budget</u>		<u>Actual</u>		<u>Variance</u>
	<u>Original and Final</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>Biennium</u>	
Revenues					
Interest	\$ 22,800	\$ 10,952	\$ 52,958	\$ 63,910	\$ 41,110
Miscellaneous	-	499,509	556,576	1,056,085	1,056,085
Total revenues	22,800	510,461	609,534	1,119,995	1,097,195
Expenditures					
Risk management	2,937,700	277,674	282,475	560,149	2,377,551
Total expenditures	2,937,700	277,674	282,475	560,149	2,377,551
Excess (deficiency) of revenues over expenditures	(2,914,900)	232,787	327,059	559,846	3,474,746
Other financing sources (uses)					
Transfers in	1,400,000	373,437	282,476	655,913	(744,087)
Total other financing sources (uses)	1,400,000	373,437	282,476	655,913	(744,087)
Net change in fund balance	(1,514,900)	606,224	609,535	1,215,759	2,730,659
Fund balance at beginning of period, as previously reported	1,514,900	1,918,379	2,524,603	1,918,379	403,479
Fund balance at end of period	\$ -	\$ 2,524,603	3,134,138	\$ 3,134,138	\$ 3,134,138
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(90,004)		
Fund balance (GAAP basis) - ending			\$ 3,044,134		

CITY OF ALBANY
STREET FUND - SPECIAL REVENUE (MAJOR FUND)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget		Actual			
	Original	Final	Restated FY 2021-22	FY 2022-23	Biennium	Variance
Revenues						
Licenses, permits and fees	\$ 1,436,400	\$ 1,436,400	\$ 2,309,869	\$ 888,760	\$ 3,198,629	\$ 1,762,229
Charges for services	102,200	102,200	51,100	51,100	102,200	-
Intergovernmental	9,900,000	11,461,900	4,507,928	6,305,106	10,813,034	(648,866)
Interest	190,900	190,900	77,291	404,477	481,768	290,868
Miscellaneous	2,000	352,000	43,563	103,351	146,914	(205,086)
Total revenues	11,631,500	13,543,400	6,989,751	7,752,794	14,742,545	1,199,145
Expenditures						
Street administration	2,050,600	2,300,600	1,050,748	1,015,859	2,066,607	233,993
Street maintenance	4,859,100	4,859,100	2,035,658	2,082,215	4,117,873	741,227
Street capital & restoration	12,738,500	15,900,400	1,898,574	2,065,625	3,964,199	11,936,201
Transportation SDC improv fee	4,746,300	4,836,700	17,365	565,264	582,629	4,254,071
Transportation SDC reimb fee	1,586,200	1,586,200	3,527	3,920	7,447	1,578,753
ADA capital projects	221,400	221,400	-	-	-	221,400
Street maint IT equip repl	14,000	14,000	-	-	-	14,000
Street maint equip replace	914,600	914,600	217,491	50,000	267,491	647,109
Contingency	356,200	106,200	-	-	-	106,200
Total expenditures	27,486,900	30,739,200	5,223,363	5,782,883	11,006,246	19,732,954
Excess (deficiency) of revenues over expenditures	(15,855,400)	(17,195,800)	1,766,388	1,969,911	3,736,299	20,932,099
Other financing sources (uses)						
Sale of capital assets	-	-	18,826	49,138	67,964	67,964
Transfers in	3,795,700	5,136,100	2,190,418	3,168,152	5,358,570	222,470
Transfers out	(935,900)	(935,900)	(895,900)	(80,000)	(975,900)	(40,000)
Total other financing sources (uses)	2,859,800	4,200,200	1,313,344	3,137,290	4,450,634	250,434
Net change in fund balance	(12,995,600)	(12,995,600)	3,079,732	5,107,201	8,186,933	21,182,533
Fund balance at beginning of period	12,995,600	12,995,600	12,627,842	15,707,574	12,627,842	(367,758)
Fund balance at end of period	\$ -	\$ -	\$ 15,707,574	20,814,775	\$ 20,814,775	\$ 20,814,775
Reconciliation to generally accepted accounting principles						
Inventory				61,477		
Fair value adjustment on investments				(597,721)		
Fund balance (GAAP basis) - ending				\$ 20,278,531		

CITY OF ALBANY
GRANTS FUND - SPECIAL REVENUE (MAJOR FUND)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget		Actual		Biennium	Variance
	Original	Final	FY 2021-22	FY 2022-23		
Revenues						
Charges for services	\$ 222,100	\$ 222,100	\$ 137,393	\$ 148,250	\$ 285,643	\$ 63,543
Intergovernmental	11,857,000	14,227,400	3,925,742	12,952,385	16,878,127	2,650,727
Interest	3,700	3,700	11,163	48,649	59,812	56,112
Miscellaneous	76,800	81,800	222,619	198,928	421,547	339,747
Total revenues	12,159,600	14,535,000	4,296,917	13,348,212	17,645,129	3,110,129
Expenditures						
Grants						
Finance	5,621,200	2,075,000	215,458	186,747	402,205	1,672,795
City manager's office	20,000	20,000	-	-	-	20,000
Human resources	40,000	40,000	11,295	-	11,295	28,705
Community development	1,108,600	2,124,400	568,410	475,760	1,044,170	1,080,230
Police	899,000	911,000	338,152	751,388	1,089,540	(178,540)
Fire	1,087,100	1,785,100	421,093	564,806	985,899	799,201
Public works	3,275,100	3,788,700	689,871	569,661	1,259,532	2,529,168
Parks & recreation	685,200	685,200	309,708	294,709	604,417	80,783
Library	520,200	520,200	240,411	233,572	473,983	46,217
Total expenditures	13,256,400	11,949,600	2,794,398	3,076,643	5,871,041	6,078,559
Excess (deficiency) of revenues over expenditures	(1,096,800)	2,585,400	1,502,519	10,271,569	11,774,088	9,188,688
Other financing sources (uses)						
Transfers in	479,400	479,400	485,434	-	485,434	6,034
Transfers out	(4,485,100)	(8,820,900)	(218,436)	(7,166,505)	(7,384,941)	1,435,959
Total other financing sources (uses)	(4,005,700)	(8,341,500)	266,998	(7,166,505)	(6,899,507)	1,441,993
Net change in fund balance	(5,102,500)	(5,756,100)	1,769,517	3,105,064	4,874,581	10,630,681
Fund balance at beginning of period, as previously reported	5,102,500	5,756,100	4,802,240	2,341,801	4,802,240	(953,860)
Prior period adjustment	-	-	(4,229,956)	-	(4,229,956)	(4,229,956)
Fund balance at beginning of period, as restated	5,102,500	5,756,100	572,284	2,341,801	572,284	(5,183,816)
Fund balance at end of period	\$ -	\$ -	\$ 2,341,801	\$ 5,446,865	\$ 5,446,865	\$ 5,446,865

CITY OF ALBANY
ALBANY REVITALIZATION AGENCY FUND - SPECIAL REVENUE (MAJOR FUND)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	<u>Biennium Budget</u>		<u>Actual</u>		
	<u>Original and Final</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>Biennium</u>	<u>Variance</u>
Revenues					
Property taxes	\$ 7,450,000	\$ 4,526,197	\$ 5,119,719	\$ 9,645,916	\$ 2,195,916
Interest	50,000	113,749	695,582	809,331	759,331
Miscellaneous	145,900	125,321	40,507	165,828	19,928
Total revenues	<u>7,645,900</u>	<u>4,765,267</u>	<u>5,855,808</u>	<u>10,621,075</u>	<u>2,975,175</u>
Expenditures					
CARA	13,920,000	3,224,025	3,198,372	6,422,397	7,497,603
Debt service	-	1,175,232	1,553,749	2,728,981	(2,728,981)
Total expenditures	<u>13,920,000</u>	<u>4,399,257</u>	<u>4,752,121</u>	<u>9,151,378</u>	<u>4,768,622</u>
Excess (deficiency) of revenues over expenditures	<u>(6,274,100)</u>	<u>366,010</u>	<u>1,103,687</u>	<u>1,469,697</u>	<u>7,743,797</u>
Other financing sources (uses)					
Issuance of long-term obligations	-	15,114,767	-	15,114,767	15,114,767 *
Transfers out	(495,900)	(241,400)	(254,500)	(495,900)	-
Total other financing sources (uses)	<u>(495,900)</u>	<u>14,873,367</u>	<u>(254,500)</u>	<u>14,618,867</u>	<u>15,114,767</u>
Net change in fund balance	(6,770,000)	15,239,377	849,187	16,088,564	22,858,564
Fund balance at beginning of period	<u>6,770,000</u>	<u>11,378,294</u>	<u>26,617,671</u>	<u>11,378,294</u>	<u>4,608,294</u>
Fund balance at end of period	<u>\$ -</u>	<u>\$ 26,617,671</u>	27,466,858	<u>\$ 27,466,858</u>	<u>\$ 27,466,858</u>
Reconciliation to generally accepted accounting principles					
Loans receivable			1,318,838		
Fair value adjustment on investments			(791,614)		
Fund balance (GAAP basis) - ending			<u>\$ 27,994,082</u>		

*ORS 294.338(4)(b) exempts the expenditure of proceeds of debt approved by the electors during the current year or current budget period.

CITY OF ALBANY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Nonmajor Stormwater		
ASSETS					
Current assets					
Cash and cash equivalents	\$ 4,259,881	\$ 6,785,324	\$ 585,997	\$ 11,631,202	\$ 3,533,140
Investments	19,246,432	30,656,553	2,647,569	52,550,554	-
Receivables:					
Accounts	3,284,050	2,583,890	391,236	6,259,176	27,678
Interest	79,005	133,666	10,838	223,509	-
Inventory	683,617	224,022	-	907,639	-
Prepaid items	-	-	-	-	350
Total current assets	<u>27,552,985</u>	<u>40,383,455</u>	<u>3,635,640</u>	<u>71,572,080</u>	<u>3,561,168</u>
Noncurrent assets					
Capital assets:					
Capital assets, nondepreciable	1,925,726	15,733,178	-	17,658,904	31,260
Capital assets, net of accumulated depreciation	84,068,941	130,412,829	248,343	214,730,113	1,679,579
Total capital assets	85,994,667	146,146,007	248,343	232,389,017	1,710,839
Loans receivable	-	2,233,853	-	2,233,853	-
Net OPEB asset	35,845	35,152	1,419	72,416	169,271
Total noncurrent assets	<u>86,030,512</u>	<u>148,415,012</u>	<u>249,762</u>	<u>234,695,286</u>	<u>1,880,110</u>
Total assets	<u>113,583,497</u>	<u>188,798,467</u>	<u>3,885,402</u>	<u>306,267,366</u>	<u>5,441,278</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	665,817	361,437	191,884	1,219,138	5,015,429
Other postemployment benefit related items	27,728	27,192	1,098	56,018	130,941
Total deferred outflows of resources	<u>693,545</u>	<u>388,629</u>	<u>192,982</u>	<u>1,275,156</u>	<u>5,146,370</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	1,228,199	1,562,039	31,537	2,821,775	965,672
Accrued interest payable	270,544	145,791	-	416,335	-
Retainage payable	64,182	218,701	-	282,883	-
Deposits	228,908	809	-	229,717	-
Unearned revenue	1,290,136	723,848	-	2,013,984	-
Compensated absences, current portion	56,294	57,466	1,510	115,270	322,292
Subscriptions payable, current portion	-	-	-	-	174,134
Loans payable, current portion	-	4,496,975	-	4,496,975	-
Bonds payable, current portion	1,382,388	-	-	1,382,388	-
Total current liabilities	<u>4,520,651</u>	<u>7,205,629</u>	<u>33,047</u>	<u>11,759,327</u>	<u>1,462,098</u>
Noncurrent liabilities					
Compensated absences	56,294	57,466	1,510	115,270	322,291
Subscriptions payable	-	-	-	-	322,151
Loans payable	-	32,482,767	-	32,482,767	-
Bonds payable	17,389,134	-	-	17,389,134	-
Net pension liability	1,539,738	951,623	367,553	2,858,914	12,274,291
Total OPEB liability	178,399	174,954	7,064	360,417	842,460
Total noncurrent liabilities	<u>19,163,565</u>	<u>33,666,810</u>	<u>376,127</u>	<u>53,206,502</u>	<u>13,761,193</u>
Total liabilities	<u>23,684,216</u>	<u>40,872,439</u>	<u>409,174</u>	<u>64,965,829</u>	<u>15,223,291</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	893,446	607,534	226,714	1,727,694	4,381,576
Other postemployment benefit related items	107,349	105,275	4,250	216,874	506,935
Total deferred inflows of resources	<u>1,000,795</u>	<u>712,809</u>	<u>230,964</u>	<u>1,944,568</u>	<u>4,888,511</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	66,581,908	107,984,442	248,343	174,814,693	1,145,439
Restricted for:					
Other postemployment benefits	35,845	35,152	1,419	72,416	169,271
Capital construction	1,029,962	3,036,012	-	4,065,974	-
Debt service	1,615,204	3,717,535	-	5,332,739	-
Unrestricted (deficit)	20,329,112	32,828,707	3,188,484	56,346,303	(10,838,864)
Total net position (deficit)	<u>\$ 89,592,031</u>	<u>\$ 147,601,848</u>	<u>\$ 3,438,246</u>	<u>240,632,125</u>	<u>\$ (9,524,154)</u>

Reconciliation to business-type activities:

Adjustment to reflect internal service fund balances
related to business-type activities (5,870,793)

Net position of business-type activities \$ 234,761,332

CITY OF ALBANY, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Nonmajor Stormwater		
Operating revenues					
Service charges and fees	\$ 17,369,739	\$ 20,634,459	\$ 3,576,884	\$ 41,581,082	\$ 16,675,051
Miscellaneous	38,835	102,984	771	142,590	52,266
Total operating revenues	<u>17,408,574</u>	<u>20,737,443</u>	<u>3,577,655</u>	<u>41,723,672</u>	<u>16,727,317</u>
Operating expenses					
Personnel services	2,719,789	2,386,644	334,426	5,440,859	11,906,630
Materials and services	6,930,254	7,771,191	1,403,234	16,104,679	3,664,101
Depreciation and amortization	3,805,588	5,560,856	21,994	9,388,438	296,711
Total operating expenses	<u>13,455,631</u>	<u>15,718,691</u>	<u>1,759,654</u>	<u>30,933,976</u>	<u>15,867,442</u>
Operating income (loss)	<u>3,952,943</u>	<u>5,018,752</u>	<u>1,818,001</u>	<u>10,789,696</u>	<u>859,875</u>
Nonoperating revenues (expenses)					
Grants	109,864	4,476,152	-	4,586,016	-
Investment earnings, net	428,771	717,831	65,110	1,211,712	196,694
Gain on sale of capital assets	67,981	(7,553)	-	60,428	(22,693)
Interest expense	(565,711)	(765,350)	-	(1,331,061)	(7,202)
Total nonoperating revenues (expenses)	<u>40,905</u>	<u>4,421,080</u>	<u>65,110</u>	<u>4,527,095</u>	<u>166,799</u>
Income (loss) before capital contributions and transfers	3,993,848	9,439,832	1,883,111	15,316,791	1,026,674
Capital contributions	425,394	848,583	-	1,273,977	-
Transfers in	926,546	-	-	926,546	4,800
Transfers out	(962,240)	(1,518,919)	(1,100,000)	(3,581,159)	(105,400)
Change in net position	<u>4,383,548</u>	<u>8,769,496</u>	<u>783,111</u>	<u>13,936,155</u>	<u>926,074</u>
Net position (deficit) at beginning of year, as previously reported	85,494,483	138,832,352	2,655,135	226,981,970	(10,680,694)
Prior period adjustment	(286,000)	-	-	(286,000)	230,466
Net position at beginning of year, as restated	<u>85,208,483</u>	<u>138,832,352</u>	<u>2,655,135</u>	<u>226,695,970</u>	<u>(10,450,228)</u>
Net position (deficit) at end of year	<u>\$ 89,592,031</u>	<u>\$ 147,601,848</u>	<u>\$ 3,438,246</u>	<u>\$ 240,632,125</u>	<u>\$ (9,524,154)</u>

Reconciliation to business-type activities:

Change in net position - total enterprise funds \$ 13,936,155

Adjustment for the net effect of the current year activity
between the internal service funds and the enterpri: 522,528

Change in net position of the business-type activities \$ 14,458,683

CITY OF ALBANY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Nonmajor Stormwater		
Cash flows from operating activities					
Receipts from customers and users	\$ 15,827,086	\$ 20,683,680	\$ 3,502,518	\$ 40,013,284	\$ 16,650,748
Receipts from loans	-	321,764	-	321,764	-
Payments to suppliers	(6,285,471)	(7,022,595)	(1,397,919)	(14,705,985)	(3,610,368)
Payments to employees	(2,903,557)	(2,535,994)	(368,092)	(5,807,643)	(12,700,653)
Other receipts	38,835	102,984	771	142,590	52,266
Net cash provided by (used in) operating activities	<u>6,676,893</u>	<u>11,549,839</u>	<u>1,737,278</u>	<u>19,964,010</u>	<u>391,993</u>
Cash flows from noncapital financing activities					
Transfers in	-	850,000	-	850,000	4,800
Transfers out	(962,240)	(2,368,919)	(1,100,000)	(4,431,159)	(105,400)
Net cash provided by (used in) noncapital financing activities	<u>(962,240)</u>	<u>(1,518,919)</u>	<u>(1,100,000)</u>	<u>(3,581,159)</u>	<u>(100,600)</u>
Cash flows from capital and related financing activities					
System development charges received	425,394	848,583	-	1,273,977	-
Grants	-	4,476,152	-	4,476,152	-
Acquisition of capital assets	(1,922,240)	(5,079,339)	(92,716)	(7,094,295)	(504,034)
Proceeds from sale of capital assets	67,981	-	-	67,981	55,000
Principal paid on long-term obligations	(1,240,000)	(4,424,545)	-	(5,664,545)	(300,591)
Interest paid on long-term obligations	(682,094)	(858,441)	-	(1,540,535)	(7,202)
Net cash provided by (used in) capital and related financing activities	<u>(3,350,959)</u>	<u>(5,037,590)</u>	<u>(92,716)</u>	<u>(8,481,265)</u>	<u>(756,827)</u>
Cash flows from investing activities					
Interest on investments	482,892	891,775	74,587	1,449,254	83,450
Purchase of investments	(8,326,853)	(14,600,423)	(1,354,780)	(24,282,056)	-
Proceeds from sales of investments	3,512,250	5,595,750	483,750	9,591,750	-
Transfers out - investments	-	-	-	-	2,681,734
Net cash provided by (used in) investing activities	<u>(4,331,711)</u>	<u>(8,112,898)</u>	<u>(796,443)</u>	<u>(13,241,052)</u>	<u>2,765,184</u>
Net increase (decrease) in cash and cash equivalents	(1,968,017)	(3,119,568)	(251,881)	(5,339,466)	2,299,750
Cash and cash equivalents at beginning of year	6,227,898	9,904,892	837,878	16,970,668	1,233,390
Cash and cash equivalents at end of year	<u>\$ 4,259,881</u>	<u>\$ 6,785,324</u>	<u>\$ 585,997</u>	<u>\$ 11,631,202</u>	<u>\$ 3,533,140</u>
Reconciliation of operating income (loss) to net cash provide by (used in) operating activities					
Operating income (loss)	\$ 3,952,943	\$ 5,018,752	\$ 1,818,001	\$ 10,789,696	\$ 859,875
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	3,805,588	5,560,856	21,994	9,388,438	296,711
(Increase) decrease in assets and deferred outflows:					
Accounts receivables, net	(1,612,738)	49,221	(74,366)	(1,637,883)	(24,303)
Loans receivables, net	-	321,764	-	321,764	-
Inventories	(36,551)	614	-	(35,937)	-
Prepaid items	531	1,139	27	1,697	114
Net OPEB asset	11,428	4,866	5,620	21,914	43,831
Deferred outflows - Pension related items	158,302	155,245	6,268	319,815	747,556
Deferred outflows - OPEB related items	(6,227)	(8,991)	2,103	(13,115)	(34,021)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable and accrued liabilities	663,731	726,483	5,241	1,395,455	(2,456)
Consumer deposits	70,085	-	-	70,085	-
Compensated absences liability	(36,160)	(36,349)	370	(72,139)	(178,063)
Net pension liability	430,970	422,646	17,064	870,680	2,035,177
Total OPEB liability	(84,087)	(47,249)	(32,020)	(163,356)	(340,792)
Deferred inflows - Pension related items	(678,318)	(665,216)	(26,858)	(1,370,392)	(3,203,236)
Deferred inflows - OPEB related items	37,396	46,058	(6,166)	77,288	191,600
Net cash provided by (used in) operating activities	<u>\$ 6,676,893</u>	<u>\$ 11,549,839</u>	<u>\$ 1,737,278</u>	<u>\$ 19,964,010</u>	<u>\$ 391,993</u>
Supplemental Disclosure of Noncash Transactions					
Transfer of capital assets	\$ 926,546	\$ (140,546)	\$ -	\$ 786,000	\$ -

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Albany, Oregon (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, 2023

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, 2023**

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).

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.

Grants

This fund accounts for the City's grant activities. Major sources of revenues are federal, state and local grants and donations. Expenditures are for primarily based on the specified use per the grant agreements.

Albany Revitalization Agency

This fund accounts for the City's grant activities. Major sources of revenues are property taxes. Expenditures are for rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area and related debt service costs.

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, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 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.

Stormwater

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

The City also reports internal service funds which are 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, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition 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. Investments with a maturity greater than one year when purchased are stated at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment earnings.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain assets are classified as restricted because their use is limited. Restricted assets whose use is limited includes debt service proceeds not yet expended and assets restricted per an agreement.

Inventories and prepaid items

Inventories are stated at cost (first-in, first-out method) and consist of materials and supplies maintained for system maintenance and operation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government and fund financial statements.

Receivables

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 unavailable 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 an allowance for uncollectible accounts and unavailable revenues and, accordingly, are not recorded as revenue until received. Total uncollectible amounts related to assessments amounted to \$10,091,866 at June 30, 2023.

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.

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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Asset Type	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 Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term liabilities are reported 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. Bonds and loans payable are reported net of the unamortized bond premium or discount. Bond issuance costs are expensed as incurred.

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, 2023

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 related to pensions and other postemployment benefits in the government-wide and proprietary fund 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 reported in the government-wide and proprietary fund Statement of Net Position.

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, ambulance collections, uncollected assessments and system development charges.

Leases and Subscription-Based Technology Arrangements (SBITA)

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings, equipment, or SBITA, for a period of time in excess of 12 months are reported as a right of use - lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right of use - lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Right of use - lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

SBITA contracts that provide the City with control of a software or similar asset for a period of time in excess of 12 months are reported as a right to use asset with a related SBITA liability. The SBITA liability is recorded at the present value of future payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right to use asset is recorded for the same amount as the related SBITA liability plus any prepayments and initial direct costs to place the asset in service. SBITA assets are amortized over the shorter of the useful life of the asset or the contract term. The SBITA liability is reduced for payments made, less the interest portion of the contract payment.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 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) Nonspendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- 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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Issued Accounting Standards

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard resulted in the City reporting right of use assets and long-term liabilities associated with SBITAs.

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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

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.

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 for Linn County and \$5.9969 for Benton County per \$1,000 of assessed value, respectively. The assessed value (not including the urban renewal district) for 2022-2023 totaled \$5,019,177,057. 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.

With the exception of the Grants Fund, which is appropriated at the department level, the City appropriates all other funds at the program level. In accordance with local budget law, contingencies and transfers out are appropriated at the fund level.

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, 2023**

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	2021-23	2021-23	Changes
	Original Budget	Final Budget	
General	\$ 87,789,000	\$ 94,724,200	\$ 6,935,200
Risk Management	2,937,700	2,937,700	-
Street	28,422,800	31,675,100	3,252,300
Grants	17,741,500	20,770,500	3,029,000
Parks and Recreation	18,589,500	19,969,400	1,379,900
Building Inspection	6,120,000	6,120,000	-
Economic Development	4,381,200	5,377,500	996,300
Public Transit	10,638,800	10,713,800	75,000
Public Safety Levy	10,137,400	10,137,400	-
Albany Revitalization Agency	14,415,900	14,415,900	-
Debt Service	1,874,300	1,874,300	-
GO Debt Service	2,677,700	2,677,700	-
Capital Projects	1,299,900	1,374,200	74,300
Capital Replacement	6,733,000	6,733,000	-
Library Trust	88,700	88,700	-
Water	44,311,900	46,211,900	1,900,000
Sewer	61,439,200	66,639,200	5,200,000
Stormwater	7,613,100	7,613,100	-
Central Services	17,328,900	17,660,200	331,300
Public Works Services	22,131,900	22,191,900	60,000
	<u>\$ 366,672,400</u>	<u>\$ 389,905,700</u>	<u>\$ 23,233,300</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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES

Cash, Cash Equivalents and Investments

As of June 30, 2023, the City's cash, cash equivalents and investments are as follows:

Deposits with financial institutions	\$ 1,934,631
State of Oregon Treasurer's short-term investment pool	36,794,726
Cash in escrow	152,038
Cash on hand	<u>29,766</u>
Total cash and cash equivalents	<u>\$ 38,911,161</u>
Cash and investments are reflected on the Statement of Net Position as:	
Cash and cash equivalents - unrestricted and restricted	\$ 38,911,161
Investments - unrestricted and restricted	<u>123,371,121</u>
Total cash, cash equivalents, and investments	<u>\$ 162,282,282</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 \$1,934,361 and the bank balance was \$3,308,004.

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, 2023

3. DETAILED NOTES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

At June 30, 2023, the City had the following recurring fair value measurements:

<u>Investments by Fair Value Level</u>	<u>6/30/2023</u>	<u>Fair Value Measurements Using</u>	
		<u>Level 1</u>	<u>Level 2</u>
U.S. Government agency obligations:			
U.S. Treasury Notes	\$ 58,083,986	\$ 58,083,986	\$ -
Federal Farm Credit Bank	8,878,710	-	8,878,710
Federal Home Loan Mortgage Corporation	907,370	-	907,370
Federal National Mortgage Association	2,865,400	-	2,865,400
Federal Home Loan Banks	15,769,660	-	15,769,660
Corporate Bonds			
Amazon	3,818,105	-	3,818,105
Apple	1,863,320	-	1,863,320
Bank of America	3,407,400	-	3,407,400
Bank of New York Mellon Corp	1,877,060	-	1,877,060
JP Morgan	2,927,580	-	2,927,580
Proctor & Gamble	2,963,520	-	2,963,520
Walmart	1,463,940	-	1,463,940
Municipal bonds	10,980,630	-	10,980,630
Foreign bonds - Canadian banks	7,564,440	-	7,564,440
Totals	<u>\$ 123,371,121</u>	<u>\$ 58,083,986</u>	<u>\$ 65,287,135</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, 2023.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

As of June 30, 2023, the City had the following investments:

<u>Investment type</u>	<u>Moody's Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (yrs)</u>	<u>Percent of Total Portfolio</u>
U.S. Government agency obligations:				
U.S. Treasury Notes	Aaa	53,349,096	0.55	33%
U.S. Treasury Bills	P-1	4,734,890	0.00	3%
Federal Farm Credit Bank	AAA	8,878,710	0.18	6%
Federal Home Loan Mortgage Corporation	AAA	907,370	0.01	1%
Federal National Mortgage Association	AAA	2,865,400	0.02	2%
Federal Home Loan Banks	AAA	15,769,660	0.18	10%
Corporate Bonds				
Amazon	A1	3,818,105	0.09	2%
Apple	Aaa	1,863,320	0.02	0%
Bank of America	A1	3,407,400	0.06	2%
Bank of New York Mellon Corp	A1	1,877,060	0.02	1%
JP Morgan	A1	2,927,580	0.03	2%
Proctor & Gamble	Aa3	2,963,520	0.04	1%
Walmart	Aa2	1,463,940	0.05	2%
Municipal Bonds	Aaa	2,567,900	0.04	1%
Municipal Bonds	Aa1	3,378,478	0.07	2%
Municipal Bonds	Aa2	5,034,252	0.12	1%
Foreign bonds - Canadian banks	Aa2	995,720	0.00	1%
Foreign bonds - Canadian banks	A1	6,568,720	0.13	4%
Totals		<u>\$ 123,371,121</u>		<u>74%</u>
Portfolio Weighted Average Maturity			<u>1.658</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, 2023, was 1.658 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, 2023**

3. DETAILED NOTES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

Diversification constraints of the City's investment policy are:

<u>Issuer Type</u>	<u>Percent of Total Portfolio</u>
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's deposits might not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City'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, 2023, 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, 2023

3. DETAILED NOTES (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance at July 1, 2022	Additions	Deletions	Transfers/ Reclassifications	Balance at June 30, 2023
<u>Governmental activities</u>					
Capital assets not being depreciated					
Land	\$ 15,762,102	\$ -	\$ (150,869)	\$ -	\$ 15,611,233
Construction in progress	7,060,211	4,337,617	(29,623)	(3,635,521)	7,732,684
Total capital Assets, not being depreciated	<u>22,822,313</u>	<u>4,337,617</u>	<u>(180,492)</u>	<u>(3,635,521)</u>	<u>23,343,917</u>
Capital assets being depreciated					
Buildings and improvements	43,976,242	621,964	-	-	44,598,206
Vehicles and equipment	26,213,363	1,350,676	-	-	27,564,039
Infrastructure	169,354,336	1,235,022	(335)	2,849,521	173,438,544
SBITA agreements	-	1,027,342	-	-	1,027,342
Intangible assets	800,000	13,450	-	-	813,450
Total capital assets being depreciated	<u>240,343,941</u>	<u>4,248,454</u>	<u>(335)</u>	<u>2,849,521</u>	<u>247,441,581</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	10,672,342	895,519	-	-	11,567,861
Vehicles and equipment	19,443,686	1,069,034	-	-	20,512,720
Infrastructure	113,322,450	6,676,362	-	-	119,998,812
SBITA agreements	-	207,147	-	-	207,147
Intangible assets	391,102	40,645	-	-	431,747
Total accumulated depreciation and amortization	<u>143,829,580</u>	<u>8,888,707</u>	<u>-</u>	<u>-</u>	<u>152,718,287</u>
Total capital assets being depreciated, net	<u>96,514,361</u>	<u>(4,640,253)</u>	<u>(335)</u>	<u>2,849,521</u>	<u>94,723,294</u>
Governmental activities capital assets, net	<u>\$ 119,336,674</u>	<u>\$ (302,636)</u>	<u>\$ (180,827)</u>	<u>\$ (786,000)</u>	<u>\$ 118,067,211</u>
<u>Business-type activities</u>					
Capital assets, not being depreciated:					
Land	\$ 6,404,149	\$ -	\$ -	\$ -	\$ 6,404,149
Construction in progress	10,922,432	579,702	-	(216,119)	11,286,015
Total capital assets, not being depreciated	<u>17,326,581</u>	<u>579,702</u>	<u>-</u>	<u>(216,119)</u>	<u>17,690,164</u>
Capital assets being depreciated					
Land rights	19,794	-	-	-	19,794
Land improvements	82,335	-	-	-	82,335
Building and improvements	157,810,375	-	-	-	157,810,375
Vehicles and equipment	11,910,310	296,253	(118,726)	-	12,087,837
Infrastructure	198,648,401	6,111,650	-	1,002,119	205,762,170
Total capital assets being depreciated, net	<u>368,471,215</u>	<u>6,407,903</u>	<u>(118,726)</u>	<u>1,002,119</u>	<u>375,762,511</u>
Less accumulated depreciation for:					
Land rights	19,794	-	-	-	19,794
Land improvements	82,335	-	-	-	82,335
Building and improvements	62,352,450	4,040,452	-	-	66,392,902
Vehicles and equipment	9,003,350	542,368	(33,480)	-	9,512,238
Infrastructure	80,112,007	4,830,227	-	-	84,942,234
Total accumulated depreciation	<u>151,569,936</u>	<u>9,413,047</u>	<u>(33,480)</u>	<u>-</u>	<u>160,949,503</u>
Total capital assets being depreciated, net	<u>216,901,279</u>	<u>(3,005,144)</u>	<u>(85,246)</u>	<u>1,002,119</u>	<u>214,813,008</u>
Business-type activities capital assets, net	<u>\$ 234,227,860</u>	<u>\$ (2,425,442)</u>	<u>\$ (85,246)</u>	<u>\$ 786,000</u>	<u>\$ 232,503,172</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Capital Assets (Continued)

Depreciation expense has been charged as follows:

Governmental activities

General government	\$ 2,101,570
Public safety	993,731
Highway and streets	5,018,421
Culture and recreation	774,985
Total depreciation expense - governmental activities	<u>\$ 8,888,707</u>

Business-type activities

Water	\$ 3,815,563
Sewer	5,575,432
Stormwater	22,052
Total depreciation - business-type activities	<u>\$ 9,413,047</u>

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, 2023, amounted to \$10,579,944, net of an allowance for uncollectible accounts totaling \$10,091,866 for a net receivable of \$488,078. 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.

Loans Receivable

The listing which follows outlines the loans receivable as of June 30, 2023.

	Balance at July 1, 2022	Increase	Decrease	Balance at June 30, 2023
Governmental activities				
Albany Revitalization Agency (ARA) Regular Loans	\$ 1,438,810	\$ -	\$ 119,972	\$ 1,318,838
Economic Development	<u>1,994,886</u>	<u>-</u>	<u>130,357</u>	<u>1,864,529</u>
Total governmental activities	3,433,696	-	250,329	3,183,367
Business-type activities				
Sewer	<u>2,555,617</u>	<u>-</u>	<u>321,764</u>	<u>2,233,853</u>
Total loans receivable	<u>\$ 5,989,313</u>	<u>\$ -</u>	<u>\$ 572,093</u>	<u>\$ 5,417,220</u>

Albany Revitalization Area (ARA) Regular 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, 2023, totaled \$126,471.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Loans Receivable (Continued)

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 \$329,167 on June 30, 2023.

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 \$130,834 on June 30, 2023.

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. During 2023, the City determined the loan to be uncollectable and wrote off the balance of \$50,000.

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 was due January 5, 2023, however due to difficulties, the business was unable to make the payment. The City is currently renegotiating a payment schedule. The outstanding balance on June 30, 2023 was \$50,000.

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, 2023 was \$682,366.

Albany Revitalization Area (ARA) Fund - Forgivable Loans

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	Balance at July 1, 2022 (Restated)	Additions	Forgiven	Balance at June 30, 2023
Edgewater Village	\$ 1,392,400	\$ -	\$ 373,600	\$ 1,018,800
Ameri-Tool	25,000	-	5,000	20,000
Novak's Hungarian Restaurant	160,000	-	160,000	-
C.H.A.N.C.E	75,000	-	-	75,000
Sable Drive LLC	749,000	-	-	749,000
Glorietta Bay LLC	749,000	-	-	749,000
Total forgivable loans	\$ 3,150,400	\$ -	\$ 538,600	\$ 2,611,800

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3. DETAILED NOTES (CONTINUED)

Loans Receivable (Continued)

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, 2023 totaled \$639,962.

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, 2023, 13 businesses had an outstanding balance and the amount of principal outstanding totaled \$111,252.

In fiscal year 2021, the City's loaned \$1,216,351.97 to Sno-temp related to Lochner Rd with a variable interest rate ranging from 0.27% to 2.57%. This loan is expected to mature in December 2040. The outstanding balance at June 30, 2023 totaled \$1,113,318.

Sewer Fund - Wastewater Treatment Plant Loan - City of Millersburg

In August 2007, the City of Albany and the City of 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, 2023, Millersburg's loan balance was \$2,233,853.

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:

	General	Street	Grants	Albany Revitalization Agency	Non-major	Total Governmental Funds
Accounts	\$ 719,434	\$ -	\$ 3,231,599	\$ -	\$ 1,814	\$ 3,952,847
Assessments	479,010	-	-	-	13,189	492,199
Property taxes	591,914	-	-	120,385	301,501	1,013,800
System development charges	-	262,949	-	-	1,224	264,173
Total unavailable revenue	\$ 1,790,358	\$ 262,949	\$ 3,231,599	\$ 120,385	\$ 317,728	\$ 5,723,019

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Restricted Net Position

Total restricted net position of \$65,866,183 includes \$90,469 restricted for permanent endowments and \$65,775,714 restricted by enabling legislation or by agreement with other external entities as follows:

Governmental activities	\$	56,298,428
Business-type activities		<u>9,567,755</u>
 Total	 \$	 <u><u>65,866,183</u></u>

Contract Commitments

The City has active contractual commitments as of June 30, 2023 as follows:

Description	Fund	Initial Commitment	Spent to Date	Remaining Commitment
<i>Consultant contracts:</i>				
Hwy 20 corridor and downtown	Street	\$ 249,913	\$ 45,681	\$ 204,232
Albany transit operating facilities	Public Transit	\$ 793,300	\$ 247,085	546,215
Sewer model update	Sewer	89,230	37,916	51,314
Mixing zone study	Sewer	81,973	5,922	76,051
Water master plan	Water	<u>873,757</u>	<u>485,672</u>	<u>388,085</u>
Total consulting contracts		2,088,173	822,276	1,265,897
 <i>Construction contracts:</i>				
Asphalt surface treatment	Street	173,500	-	173,500
Waterfront project	ARA	17,310,634	2,137,194	15,173,440
Cured in place pipe project	Sewer	191,150	-	191,150
Cox Creek Interceptor	Sewer	5,137,694	4,346,024	791,670
Water treatment plant seismic valve	Water	59,150	-	59,150
Water treatment plant pump	Water	607,184	54,778	552,406
Eagle View Wishram water line	Water	<u>646,297</u>	<u>207,955</u>	<u>438,342</u>
Total construction contracts		<u>24,125,609</u>	<u>6,745,951</u>	<u>17,379,658</u>
 Total contract commitments		 <u><u>\$26,213,782</u></u>	 <u><u>\$ 7,568,227</u></u>	 <u><u>\$18,645,555</u></u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 and the amounts due within one year are presented below:

	Balance at July 1, 2022	Increase	Decrease	Balance at June 30, 2023	Due Within One Year
Governmental Activities					
Long-term debt:					
Bonds payable					
General obligation bonds,					
2015 Public Safety Facilities Bonds	\$ 14,635,000	\$ -	\$ 685,000	\$ 13,950,000	\$ 745,000
Limited tax pension obligations, Series 2002	3,620,000	-	600,000	3,020,000	685,000
Urban Renewal Bonds					
CARA Series 2022	15,114,767	-	471,074	14,643,693	1,278,842
Unamortized premium	413,568	-	31,813	381,755	31,813
Total bonds payable	<u>33,783,335</u>	<u>-</u>	<u>1,787,887</u>	<u>31,995,448</u>	<u>2,740,655</u>
Direct borrowings and placements					
2021 SPWF Lochner Road	1,167,347	-	54,029	1,113,318	54,063
Oregon IFA	6,320,833	-	519,755	5,801,078	533,009
Total direct borrowings and placements	<u>7,488,180</u>	<u>-</u>	<u>573,784</u>	<u>6,914,396</u>	<u>587,072</u>
Total long-term debt	<u>41,271,515</u>	<u>-</u>	<u>2,361,671</u>	<u>38,909,844</u>	<u>3,327,727</u>
Net pension liability	32,858,253	8,147,815	-	41,006,068	-
Total OPEB liability	4,068,254	-	695,473	3,372,781	-
Subscription liability	-	1,027,342	531,057	496,285	174,134
Compensated absences	3,198,780	-	783,096	2,415,684	1,207,841
Total Governmental Activities	<u>\$ 81,396,802</u>	<u>\$ 9,175,157</u>	<u>\$ 4,371,297</u>	<u>\$ 86,200,662</u>	<u>\$ 4,709,702</u>
Business-type Activities					
Long-term debt:					
Bonds payable					
2013 Water Refunding Bonds	\$ 19,080,000	\$ -	\$ 1,240,000	\$ 17,840,000	\$ 1,290,000
Unamortized premium	1,023,910	-	92,388	931,522	92,388
Total bonds payable	<u>20,103,910</u>	<u>-</u>	<u>1,332,388</u>	<u>18,771,522</u>	<u>1,382,388</u>
Direct borrowings and placements					
2018 SRF - WWTP	30,580,099	-	3,850,184	26,729,915	3,917,856
2012 SRF	950,000	-	100,000	850,000	100,000
2021 SRF - Riverfront Interceptor	9,874,190	-	474,363	9,399,827	479,119
Total direct borrowings and placements	<u>41,404,289</u>	<u>-</u>	<u>4,424,547</u>	<u>36,979,742</u>	<u>4,496,975</u>
Total long-term debt	<u>61,508,199</u>	<u>-</u>	<u>5,756,935</u>	<u>55,751,264</u>	<u>5,879,363</u>
Net pension liability	7,099,673	2,032,433	-	9,132,106	-
Total OPEB liability	1,215,489	-	374,165	841,324	-
Compensated absences	798,225	-	189,746	608,479	304,240
Total Business-Type Activities	<u>\$ 70,621,586</u>	<u>\$ 2,032,433</u>	<u>\$ 6,320,846</u>	<u>\$ 66,333,173</u>	<u>\$ 6,183,603</u>
Total primary government	<u>\$ 152,018,388</u>	<u>\$ 11,207,590</u>	<u>\$ 10,692,143</u>	<u>\$ 152,533,835</u>	<u>\$ 10,893,305</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (Continued)

Compensated Absences

The City's two internal service funds, Central Services and Public Works Funds, serve primarily the governmental and business-type activities, respectfully. At year end, long-term liabilities from the Central Service Fund for compensated absences totaling \$266,644 are included in the governmental activities and the compensated absences from the Public Works Fund totaling \$377,939 are included in the business-type 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, and the respective proprietary 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, 2023, is \$13,950,000.

For the year ending June 30,	Principal	Interest	Total
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	970,000	369,375	1,339,375
2028	1,050,000	330,575	1,380,575
2029-2033	6,345,000	1,133,381	7,478,381
2034-2035	3,135,000	154,375	3,289,375
Totals	<u>\$ 13,950,000</u>	<u>\$ 3,348,081</u>	<u>\$ 17,298,081</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, 2023, is \$3,020,000.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (Continued)

Governmental Activities (Continued)

Annual debt service requirements to maturity for the limited tax pension obligations are as follows:

For the year ending June 30,	Principal	Interest	Total
2024	\$ 685,000	\$ 206,870	\$ 891,870
2025	-	159,947	159,947
2026	865,000	159,948	1,024,948
2027	970,000	100,695	1,070,695
2028	500,000	34,250	534,250
Totals	<u>\$ 3,020,000</u>	<u>\$ 661,710</u>	<u>\$ 3,681,710</u>

Albany Revitalization Agency Urban Renewal Bonds - 2022

In April 2022, the Albany Revitalization Agency, an urban renewal district, issued bonds totaling \$15,114,767 to finance authorized projects in the urban renewal area. Debt service requirements are payable from tax increment revenues. The interest rate is 2.70 percent for the 10-year bonds. Final maturity is December 1, 2032. The balance outstanding at June 30, 2023, is \$14,643,693. Annual debt service requirements to maturity are as follows:

For the year ending June 30,	Principal	Interest	Total
2024	\$ 1,278,842	\$ 378,115	\$ 1,656,957
2025	1,313,371	343,120	1,656,491
2026	1,348,832	307,181	1,656,013
2027	1,385,251	270,271	1,655,522
2028	1,422,653	232,364	1,655,017
2029-2033	7,894,744	553,928	8,448,672
Totals	<u>\$ 14,643,693</u>	<u>\$ 2,084,979</u>	<u>\$ 16,728,672</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (Continued)

Governmental Activities (Continued)

Special Public Works Fund Loan – Lochner Road development project

In June 2021, the City entered into the first amendment to an infrastructure funding agreement for \$1,216,352 to be repaid over a 20-year period. The interest rate is 2.054 percent with a final maturity of December 1, 2040. The balance outstanding at June 30, 2023 is \$1,113,318.

For the year ending June 30,	Principal	Interest	Total
2024	\$ 54,063	\$ 20,211	\$ 74,274
2025	54,111	19,726	73,837
2026	54,170	19,373	73,543
2027	54,243	18,940	73,183
2028	59,337	18,392	77,729
2029-2033	298,749	79,059	377,808
2034-2038	323,411	50,763	374,174
2039-2043	215,234	11,078	226,312
Totals	<u>\$ 1,113,318</u>	<u>\$ 237,542</u>	<u>\$ 1,350,860</u>

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, 2023, is \$5,801,078. 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
2024	\$ 533,009	\$ 147,927	\$ 680,936
2025	546,600	134,336	680,936
2026	560,539	120,397	680,936
2027	574,832	106,104	680,936
2028	589,491	91,446	680,937
2029-2033	2,996,607	223,933	3,220,540
Totals	<u>\$ 5,801,078</u>	<u>\$ 824,143</u>	<u>\$ 6,625,221</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (Continued)

Business-Type Activities

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, 2023, is \$17,840,000.

For the year ending June 30,	Principal	Interest	Total
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	1,500,000	437,444	1,937,444
2028	1,560,000	376,244	1,936,244
2029-2033	8,780,000	1,007,319	9,787,319
2034-2035	1,945,000	30,391	1,975,391
Totals	<u>\$ 17,840,000</u>	<u>\$ 3,557,905</u>	<u>\$ 21,397,905</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, 2023, the balance outstanding is \$26,729,915. The final maturity date is October 1, 2029.

For the year ending June 30,	Principal	Interest	Total
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	4,128,097	314,309	4,442,406
2028	4,200,655	221,112	4,421,767
2029-2033	6,439,794	156,051	6,595,845
Totals	<u>\$ 26,729,915</u>	<u>\$ 2,177,634</u>	<u>\$ 28,907,549</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (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, 2023, is \$850,000. 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
2024	\$ 100,000	\$ 4,250	\$ 104,250
2025	100,000	3,750	103,750
2026	100,000	3,250	103,250
2027	100,000	2,750	102,750
2028	100,000	2,250	102,250
2029-2033	<u>350,000</u>	<u>4,000</u>	<u>354,000</u>
Totals	<u>\$ 850,000</u>	<u>\$ 20,250</u>	<u>\$ 870,250</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, 2023, the balance outstanding is \$9,399,827. The final maturity date is April 1, 2041.

For the year ending June 30,	Principal	Interest	Total
2024	\$ 479,119	\$ 92,803	\$ 571,922
2025	483,921	88,001	571,922
2026	488,773	83,149	571,922
2027	493,673	78,249	571,922
2028	498,622	73,300	571,922
2029-2033	2,569,100	290,510	2,859,610
2034-2038	2,700,485	159,125	2,859,610
2039-2043	<u>1,686,134</u>	<u>29,630</u>	<u>1,715,764</u>
Totals	<u>\$ 9,399,827</u>	<u>\$ 894,767</u>	<u>\$ 10,294,594</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. DETAILED NOTES (CONTINUED)

Subscription-based Information Technology Arrangements (SBITA)

The City has entered into various software agreements on a subscription basis. The subscription liability related to these SBITAs was initially recognized on July 1, 2022, with the adoption of GASB Statement No. 96. The City determined that it was not practicable to retroactively implement GASB 96, accordingly the SBITA asset and SBITA liability were equal at adoption. The subscription periods of these agreements expire between November 2024 and May 2027. Interest rates on these agreements range from 2.02% to 3.74%. Annual payments for the current year range from \$5,365 to \$134,134.

Future annual subscription commitments as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 174,134	\$ 11,968
2025	181,891	7,837
2026	121,015	3,520
2027	<u>19,245</u>	<u>689</u>
Total	<u>\$ 496,285</u>	<u>\$ 24,014</u>

Interfund Transfers

During the year ended June 30, 2023, interfund transfers were as follows:

	Transfers in						Total
	<u>Governmental Activities</u>				<u>Business-Type</u>		
Transfers out:	General	Risk Management	Street	Nonmajor Governmental Funds	Internal Service - Central Services	Water	
<u>Governmental Activities</u>							
General	\$ -	\$ -	\$ -	\$ 1,386,884	\$ -	\$ -	\$ 1,386,884
Streets	-	-	-	80,000	-	-	80,000
Grants	66,505	-	-	-	-	-	66,505
Albany Revitalization Agency	-	-	-	254,500	-	-	254,500
Nonmajor Governmental	4,779,045	-	10,015	533,417	4,800	-	5,327,277
Internal Service - Central Services	89,400	-	-	16,000	-	-	105,400
Noncash governmental activities	-	-	-	-	-	786,000	786,000
<u>Business-Type Activities</u>							
Water	-	-	962,240	-	-	-	962,240
Sewer	-	282,476	1,095,897	-	-	140,546	1,518,919
Nonmajor Stormwater	-	-	<u>1,100,000</u>	-	-	-	<u>1,100,000</u>
Total	<u>\$ 4,934,950</u>	<u>\$ 282,476</u>	<u>\$ 3,168,152</u>	<u>\$ 2,270,801</u>	<u>\$ 4,800</u>	<u>\$ 926,546</u>	<u>\$ 11,587,725</u>

Interfund transfers are used to provide operational support, capital projects and equipment replacement programs, and grant support.

**CITY OF ALBANY, OREGON
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

3. DETAILED NOTES (CONTINUED)

Interfund Transfers (Continued)

Transfers from the Public Safety Levy Police and Fire Funds to the General Fund totaled \$4,741,045 for the related programs. Also, the Sewer and Water Funds transferred \$1,095,897 and \$962,240, respectively, to the Streets Fund to assist with street costs with ILFF (in lieu of franchise fees) money, and the Stormwater Fund transferred \$1,100,000 for capital projects.

Interfund Loans

At June 30, 2023, interfund loans were as follows:

Payable	Receivable Economic Development Fund
Capital Projects Fund	\$ <u>655,497</u>

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 \$655,497 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, 2023

3. DETAILED NOTES (CONTINUED)

Governmental Fund Balances

As of June 30, 2023, the fund balance amounts for governmental funds have been reported in the categories listed below as follows:

	General	Risk Management	Street	Grants	Albany Revitalization Agency	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>							
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,469	\$ 90,469
Inventory	-	-	61,477	-	-	-	61,477
Prepays	815,151	-	-	-	-	-	815,151
Total Nonspendable	815,151	-	61,477	-	-	90,469	967,097
<u>Restricted:</u>							
Park and Recreation SDCs	-	-	-	-	-	2,883,190	2,883,190
Senior Center Foundation	-	-	-	-	-	37	37
Building Inspection	-	-	-	-	-	3,131,808	3,131,808
Electrical Inspection	-	-	-	-	-	479,232	479,232
Public Safety Levy	-	-	-	-	-	1,222,355	1,222,355
Transportation SDC Projects	-	-	7,174,204	-	-	-	7,174,204
Albany Revitalization Agency	-	-	-	-	27,994,082	-	27,994,082
Other Grants	-	-	-	5,446,865	-	-	5,446,865
2015 Public Safety Facilities	-	-	-	-	-	760,827	760,827
Economic Development	-	-	-	-	-	2,520,026	2,520,026
Library Programs	-	-	-	-	-	-	-
Total Restricted	-	-	7,174,204	5,446,865	27,994,082	10,997,475	51,612,626
<u>Committed:</u>							
Parks and Recreation Operations	-	-	-	-	-	6,017,012	6,017,012
Risk Management Reserve	-	1,040,445	-	-	-	-	1,040,445
PERS Reserve	-	2,003,689	-	-	-	-	2,003,689
Economic Development	-	-	-	-	-	986,879	986,879
Street Operations	-	-	698,075	-	-	-	698,075
Street Capital and Restoration	-	-	11,474,127	-	-	-	11,474,127
Capital Projects	-	-	-	-	-	521,982	521,982
ADA Capital Projects	-	-	224,191	-	-	-	224,191
Economic Development Opportunity	-	-	-	-	-	1,467,183	1,467,183
Albany Municipal Airport	-	-	-	-	-	150,059	150,059
Municipal Airport Capital Projects	-	-	-	-	-	375,506	375,506
Albany Transit	-	-	-	-	-	590,052	590,052
Albany Transit Capital Projects	-	-	-	-	-	434,911	434,911
Paratransit System	-	-	-	-	-	437,405	437,405
Linn-Benton Loop	-	-	-	-	-	471,189	471,189
Equipment Replacement	-	-	633,026	-	-	3,899,370	4,532,396
IT Equipment Replacement	-	-	13,431	-	-	754,648	768,079
Public Works Facilities	-	-	-	-	-	652,823	652,823
Total Committed	-	3,044,134	13,042,850	-	-	16,759,019	32,846,003
<u>Assigned:</u>							
2002 Limited Tax Pension Bonds	-	-	-	-	-	201,247	201,247
<u>Unassigned:</u>							
General Fund	9,053,707	-	-	-	-	-	9,053,707
Total Fund Balances	<u>\$ 9,868,858</u>	<u>\$ 3,044,134</u>	<u>\$ 20,278,531</u>	<u>\$ 5,446,865</u>	<u>\$ 27,994,082</u>	<u>\$ 28,048,210</u>	<u>\$ 94,680,680</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION

Defined Benefit Pension Plan

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement Systems (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Description Of Benefit Terms

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

Tier 1/Tier 2 Retirement Benefit (Chapter 238)

Tier 1/Tier 2 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 (1.67% for general service employees and 2% for police and fire 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, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

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:

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Death Benefits (Continued)

- the member was employed by an 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 when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

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

Pension Benefits

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:

General service: 1.5% 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.

Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

Pension Benefits (Continued)

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% 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% 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.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. 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, 2019 actuarial valuation.

Tier 1/Tier 2 employer contribution rates are 26.19% and the OPSRP employer contribution rates are 19.46% for general service employees and 23.82% for police and fire employees. Employer contributions for the year ended June 30, 2023 were \$8,199,625.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net Pension Liability

At June 30, 2023, the City reported a liability of \$50,138,174 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

Normal Cost Rate:

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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Normal Cost Rate (Continued):

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.

UAL Rate:

A 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 UAL represents the portion of the projected long-term contribution effort related to past service.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2022, the City's proportion was 0.32744353%, which was a decrease of 0.0117193% from its proportion measured as of June 30, 2021.

Pension Expense

For the year ended June 30, 2023, the City recognized pension expense of \$2,103,414.

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, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Net differences between projected and actual investment earnings
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and employer's proportionate share of system contributions
- Contributions subsequent to the measurement date

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources (Continued)

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. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

- Fiscal Year ended June 30, 2022 - 5.5 years
- Fiscal Year ended June 30, 2021 - 5.4 years
- Fiscal Year ended June 30, 2020 - 5.3 years
- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years
- Fiscal Year ended June 30, 2017 - 5.3 years
- Fiscal Year ended June 30, 2016 - 5.3 years
- Fiscal Year ended June 30, 2015 - 5.4 years
- Fiscal Year ended June 30, 2014 - 5.6 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the City 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>
Difference between expected and actual experience	\$ 2,433,804	\$ 312,671
Changes of assumptions	7,866,950	71,873
Net difference between projected and actual earnings on pension plan investments	-	8,963,736
Changes in proportionate share	789,698	2,493,565
Differences between employer contributions and employer's proportionate share of system contributions	319,576	5,320,930
Contributions subsequent to the measurement date	<u>8,199,625</u>	<u>-</u>
	<u>\$ 19,609,653</u>	<u>\$ 17,162,775</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$8,199,625 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources (Continued)

Year end June 30,	
2024	\$ (690,524)
2025	(2,394,003)
2026	(5,179,752)
2027	3,013,129
2028	<u>(501,597)</u>
	<u>\$(5,752,747)</u>

Actuarial Methods and Assumptions Used in Developing the Total Pension Liability

The total pension liability measured as of June 30, 2022 was based on an actuarial valuation as of December 31, 2020 using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier 1/Tier 2	\$40.9 million per year added to normal cost
Administrative expenses – OPSRP	\$8 million per year added to normal cost
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/ .015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. 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. 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.

**CITY OF ALBANY, OREGON
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions Used in Developing the Total Pension Liability (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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

UAL Amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tire 2 UAL over a closed 22 year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Discount Rate

The discount rate used to measure the total pension liability was 6.9%, the same as the prior fiscal year. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	<u>2.50%</u>
Total	<u>100.00%</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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 forward-looking capital market economic model.

Long-Term Expected Rate of Return¹

Asset Class	Target Allocation	20-Year		Annual Standard Deviation
		Annual Arithmetic Return ²	Annualized Geometric Mean	
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds – Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity – Hedge	0.63	5.85	5.31	11.05
Hedge Fund – Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ³	1.77	1.76	1.20
Assumed Inflation – Mean			2.40%	1.65%

¹Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

²The 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.

³Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market 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 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; 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 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

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

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2020 valuation used for determining the collective net pension liability that are expected to have a significant effect on the City's proportionate share of the collective net pension liability.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$88,915,715	\$50,138,174	\$17,683,163

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Plan Description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

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 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, 2023**

4. OTHER INFORMATION (CONTINUED)

Defined Contribution Plan (Continued)

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2023 were \$2,062,930.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Other Postemployment Benefits

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

Plan Description

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 Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf

Description of Benefit Terms

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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (Continued)

Oregon Public Employees Retirement System (PERS) Defined (Continued)

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.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. 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, 2019 actuarial valuation.

The City contributed 0.06% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2023, the City made contributions in the amount of \$5,889 to the RHIA.

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, 2023, the City reported an (asset) of \$(846,717) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. 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, 2022, the City's proportion was 0.23828678%, which was a decrease of 0.03882266% from its proportion measured as of June 30, 2021.

OPEB Expense

For the year ended June 30, 2023, the City recognized a credit to OPEB expense of \$80,018.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (Continued)

Oregon Public Employees Retirement System (PERS) Defined (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, 2022, 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
- Net difference between projected and actual investment earnings
- Contributions subsequent to the measurement date

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. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years
- Fiscal Year ended June 30, 2020 – 2.9 years
- Fiscal Year ended June 30, 2019 – 3.1 years
- Fiscal Year ended June 30, 2018 – 3.3 years
- Fiscal Year ended June 30, 2017 – 3.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2023, the City 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>
Difference between expected and actual experience	\$ –	\$ 22,945
Changes of assumptions	6,630	28,224
Net difference between projected and actual earnings on pension plan investments	–	64,573
Changes in proportionate share	59,138	5,889
Difference between contributions and proportionate share of system contributions	–	–
Contributions subsequent to the measurement date	<u>5,889</u>	<u>–</u>
	<u>\$ 71,657</u>	<u>\$ 121,631</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (Continued)

Oregon Public Employees Retirement System (PERS) Defined (Continued)

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$5,889 will be recognized as an adjustment to the net OPEB (asset) in the year ended June 30, 2024. 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 end June 30,	
2024	\$ (16,197)
2025	(19,599)
2026	(40,749)
2027	20,681
2028	<u> -</u>
	<u>\$ (55,863)</u>

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 in the defined pension plan footnote.

Retiree Healthcare Participation

Healthy retirees are assumed to participate 32% of the time while disabled retirees are assumed to participate 20% of the time.

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 that the plan's fiduciary net position (fair market 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.

**CITY OF ALBANY, OREGON
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (Continued)

Oregon Public Employees Retirement System (PERS) Defined (Continued)

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (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 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.

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 6.9%, 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 (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (763,130)	\$ (846,717)	\$ (918,370)

City of Albany Other Postemployment Benefits Plan

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.

Plan Membership

As of July 1, 2022, there were 391 active employees, 14 eligible retirees, and 2 spouses of eligible retirees for a total of 407 plan members.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefits Plan (Continued)

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

For retirees	\$	852
For spouses of retirees		967

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, 2023, the City reported a total OPEB liability of \$4,214,105. The total OPEB liability was measured as of June 30, 2022 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2022	\$ 5,238,743
Changes for the year:	
Service cost	414,927
Interest	121,887
Changes in benefit terms	-
Differences between expected and actual experience	140,358
Changes in assumptions or other inputs	(1,634,741)
Benefit payments	<u>(112,069)</u>
Balance as of June 30, 2023	<u>\$ 4,214,105</u>

For the year ended June 30, 2023, the City recognized OPEB expense of \$241,221. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 126,036	\$ 435,303
Changes in assumptions or inputs	242,654	1,978,824
Contributions subsequent to measurement date	<u>214,637</u>	<u>-</u>
	<u>\$ 583,327</u>	<u>\$ 2,414,127</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefits Plan (Continued)

Deferred outflows of resources related to OPEB resulting from the City’s benefit payments in the amount of \$214,637 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2024. 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 ended June 30,	
2024	\$ (295,593)
2025	(295,593)
2026	(295,593)
2027	(281,325)
2028	(242,621)
Thereafter	<u>(634,712)</u>
Total	<u>\$ (2,045,437)</u>

Actuarial Valuation

The City 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.

Actuarial Methods and Assumptions Used in Developing Total OPEB Liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40%
Projected Salary Increases	3.40%
Mortality	December 31, 2021 Oregon PERS valuation
Election and Lapse Rates	40% of eligible employees 60% of make members and 35% of female members will elect spouse coverage 5% annual lapse rate

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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefits Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.16%.

Healthcare Cost Trend Rate

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

Years	Pre-65 Trend
2022	4.25%
2023	6.75
2024	6.50
2025	6.00
2026	5.25
2027	5.00
2028 - 2029	4.75
2030	4.50
2031 - 2065	4.25
2066 - 2071	4.00
2072+	3.75

Dental costs are assumed to increase 4.00 percent until 2072, then 3.75% thereafter.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rates

The following presents the City's total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
City's total OPEB liability	\$ 4,572,715	\$ 4,214,105	\$ 3,883,291
	<u>1 Percentage Point Lower</u>	<u>Current Trend Rate</u>	<u>1 Percentage Point Higher</u>
City's total OPEB liability	\$ 3,754,945	\$ 4,214,105	\$ 4,755,373

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

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.

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, 2023, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$409,777. 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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. OTHER INFORMATION (CONTINUED)

Intergovernmental Agreements (Continued)

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.

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 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 will receive for the 2022-23 levy year has been reduced by \$41,255.

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 will receive for the 2022-23 levy year has been reduced by \$381,096.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Adjustments to and Restatements of Beginning Balances

During fiscal year 2023, the correction of errors resulted in adjustments to and restatements of beginning net position and fund balance. The City identified and corrected the following errors in prior year financial statements:

- (a) Expenditures of \$786,000 in the Street Fund should have been reported as expenses in the Water fund.
- (b) Abatement activity expenditures of \$230,466 in the General Fund should have been reported in the Internal Service funds.
- (c) Revenue of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) grant for \$500,000 should have been recognized in the Water Fund.

The effects of the correction of errors are as follows:

	Governmental Activities	Business-type Activities
Net position at beginning of year, as previously reported	\$113,862,975	\$220,588,649
Correction of Errors:		
Internal service fund allocations understated	68,415	-
Water project expense reported in Street fund	786,000	(786,000)
CSLFRF revenues not reported	-	500,000
	\$114,717,390	\$220,302,649

	Governmental Funds		Proprietary Funds	
	General	Street	Water	Internal Service Funds
Fund balance / net position beginning or year, as previously reported	\$ 9,022,786	\$ 14,523,777	\$ 85,494,483	\$ (10,680,694)
Correction of Errors:				
Abatement activity reported in wrong fund	(230,466)	-	-	230,466
Water project expense reported in Street fund	-	786,000	(786,000)	
CSLFRF revenues not reported	-	-	500,000	
	\$ 8,792,320	\$ 15,309,777	\$ 85,208,483	\$ (10,450,228)

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. OTHER INFORMATION (CONTINUED)

Adjustments to and Restatements of Beginning Balances (Continued)

The fiscal year 2021-22 amounts in the budgetary comparison statements for the General and Street fund have been adjusted for the error above as follows:

	<u>As Originally Reported</u>	<u>Adjustment</u>	<u>Restated Amount</u>
General Fund			
Revenues – Fines, forfeitures & assessments	\$ 1,037,342	\$ (256,021)	\$ 781,321
Expenditures – Abatement	30,743	(25,555)	5,188
Street Fund			
Expenditures – Street capital & restoration	2,684,574	(786,000)	1,898,574

The beginning fund balance for the fiscal year 2021-22 of the Grants Fund has been decreased by \$4,229,956 to correct an error related to the overstatement of revenues related to the CSLFRF grant.



CITY OF ALBANY

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALBANY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Plan Years Ended June 30, *

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share the net pension liability (asset)	City's covered payroll	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
2022	0.3274435%	\$ 50,138,174	\$ 30,634,144	163.67%	84.5%
2021	0.3339155%	39,957,926	31,058,405	128.65%	87.6%
2020	0.3468909%	75,703,519	31,757,483	238.38%	75.8%
2019	0.3490157%	60,371,361	30,687,896	196.73%	80.2%
2018	0.3199761%	48,472,169	28,831,758	168.12%	82.1%
2017	0.3380274%	45,566,225	27,155,094	167.80%	83.1%
2016	0.3477371%	52,203,413	24,999,736	208.82%	80.5%
2015	0.3856173%	22,140,067	24,474,058	90.46%	91.9%
2014	0.3705457%	(8,399,214)	23,890,519	-35.16%	103.6%

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.

Notes to schedule

Changes in Benefit Terms and Assumptions

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

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. There were no changes for the years ended June 30, 2022 or 2023.

CITY OF ALBANY, OREGON
SCHEDULE OF PENSION CONTRIBUTIONS
 Last 10 Fiscal Years Ended June 30,

Year Ended June 30,	Statutorily required contributions	Contributions in relation to the statutorily required contributions	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2023	\$ 8,199,625	\$ 8,199,625	\$ -	\$ 33,609,192	24.40%
2022	7,581,154	7,581,154	-	30,634,144	24.75%
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%

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

CITY OF ALBANY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30, *

Year Ended June 30,	City's proportion of the net OPEB liability (asset)	City's proportionate share the net OPEB liability (asset)	City's covered payroll	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
2022	0.2382868%	\$ (846,717)	\$ 30,634,144	-2.76%	194.6%
2021	0.2771095%	(951,595)	31,058,405	-3.06%	183.9%
2020	0.2654451%	(540,870)	31,757,483	-1.70%	150.1%
2019	0.2987078%	(577,211)	30,687,896	-1.88%	144.5%
2018	0.2862945%	(319,581)	28,831,758	-1.11%	124.0%
2017	0.2721579%	(113,583)	27,155,094	-0.42%	108.9%
2016	0.2721579%	79,318	24,999,736	0.32%	80.5%

*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.

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

Notes to schedule

Changes in Actuarial Assumptions Used to Determine Contributions:

Actuarial valuation Effective period	December 31, 2019 July 2021 - June 2023	December 31, 2017 July 2019 - June 2021	December 31, 2015 July 2017 - June 2019	December 31, 2013 July 2016 - June 2017
Actuarial assumptions:				
Inflation rate	2.40 percent	2.50 percent	2.50 percent	2.75 percent
Projected salary increase	3.40 percent	3.50 percent	3.50 percent	3.75 percent
Investment rate of return	6.90 percent	7.20 percent	7.20 percent	7.75 percent

CITY OF ALBANY, OREGON
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended June 30,*

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2023	\$ 5,889	\$ 5,889	\$ -	\$ 33,609,192	0.02%
2022	5,873	5,873	-	30,634,144	0.02%
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	0.51%
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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALBANY, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
Last 10 Plan Years Ended June 30, *

	2023	2022	2021	2020	2019	2018
Service cost	\$ 414,927	\$ 402,652	\$ 324,275	\$ 288,133	\$ 326,398	\$ 350,006
Interest on total OPEB liability	121,887	114,884	180,995	183,120	191,033	154,972
Effect of economic/demographic gains or losses	140,358	-	(577,579)	-	(66,862)	-
Effect of assumptions changes or inputs	(1,634,741)	23,455	186,229	159,069	(780,896)	(342,432)
Benefit payments	(112,069)	(105,399)	(223,685)	(229,898)	(241,660)	(239,684)
Net change in total OPEB liability	(1,069,638)	435,592	(109,765)	400,424	(571,987)	(77,138)
Total OPEB liability - beginning of year	<u>5,283,743</u>	<u>4,848,151</u>	<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>\$ 4,214,105</u>	<u>\$ 5,283,743</u>	<u>\$ 4,848,151</u>	<u>\$ 4,957,916</u>	<u>\$ 4,557,492</u>	<u>\$ 5,129,479</u>
Annual covered payroll	\$ 33,609,192	\$ 30,634,144	\$ 31,058,405	\$ 31,757,483	\$ 30,687,896	\$ 28,831,758
Total OPEB liability as a percentage of covered-employee payroll	12.5%	17.2%	15.6%	15.6%	14.9%	17.8%

Notes to schedule

*Information will be accumulated until 10 years are presented.

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

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore annual covered payroll is used in the percentages above.

Changes in assumptions

	2023	2022	2021	2020	2019	2018
Discount rate used	3.54%	2.16%	3.50%	3.87%	3.58%	3.50%



SUPPLEMENTARY INFORMATION

This section includes:

- Combining statements for nonmajor governmental funds and nonmajor proprietary funds.
- Budgetary comparison schedules for all funds, except General, Risk Management, Street, Grants and Albany Revitalization Agency.



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CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Permanent Library Trust	Total
ASSETS					
Cash and cash equivalents	\$ 4,422,720	\$ 957,580	\$ 1,199,396	\$ 90,469	\$ 6,670,165
Investments	14,525,655	-	5,418,945	-	19,944,600
Receivables:					
Property taxes	313,258	34,132	-	-	347,390
Accounts	1,245,167	61	4,121	-	1,249,349
Assessments	-	-	9,068	-	9,068
Interest	66,771	-	20,467	-	87,238
Loans, net of allowance for uncollectible	1,864,529	-	-	-	1,864,529
Interfund loan receivable	655,497	-	-	-	655,497
Total assets	\$ 23,093,597	\$ 991,773	\$ 6,651,997	\$ 90,469	\$ 30,827,836
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,115,639	\$ -	\$ 465,080	\$ -	\$ 1,580,719
Deposits	7,775	-	157,731	-	165,506
Unearned revenue	60,176	-	-	-	60,176
Interfund loan payable	-	-	655,497	-	655,497
Total liabilities	<u>1,183,590</u>	<u>-</u>	<u>1,278,308</u>	<u>-</u>	<u>2,461,898</u>
Deferred inflows of resources					
Unavailable revenue	274,840	29,699	13,189	-	317,728
Total deferred inflows of resources	<u>274,840</u>	<u>29,699</u>	<u>13,189</u>	<u>-</u>	<u>317,728</u>
Fund balances					
Nonspendable	-	-	-	90,469	90,469
Restricted	10,236,648	760,827	-	-	10,997,475
Committed	11,398,519	-	5,360,500	-	16,759,019
Assigned	-	201,247	-	-	201,247
Total fund balances	<u>21,635,167</u>	<u>962,074</u>	<u>5,360,500</u>	<u>90,469</u>	<u>28,048,210</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 23,093,597	\$ 991,773	\$ 6,651,997	\$ 90,469	\$ 30,827,836

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Permanent Library Trust	Total
Revenues					
Taxes:					
Property	\$ 10,838,895	\$ 1,239,812	\$ -	\$ -	\$ 12,078,707
Transient room	1,371,462	-	-	-	1,371,462
Construction excise	258,581	-	-	-	258,581
Licenses and permits	2,227,758	-	-	-	2,227,758
Charges for services	872,126	849,400	238,000	-	1,959,526
Intergovernmental	4,262,914	-	62,070	-	4,324,984
Investment earnings	483,521	62,424	118,818	4,491	669,254
Miscellaneous	663,364	-	139,507	-	802,871
Total revenues	<u>20,978,621</u>	<u>2,151,636</u>	<u>558,395</u>	<u>4,491</u>	<u>23,693,143</u>
Expenditures					
Current					
General government	2,983,866	675	2,491	-	2,987,032
Community development	3,032,588	-	-	-	3,032,588
Public safety	-	-	612,604	-	612,604
Culture and recreation	6,670,709	-	23,790	-	6,694,499
Debt service					
Principal	54,029	1,285,000	-	-	1,339,029
Interest	20,211	767,245	-	-	787,456
Capital outlay	1,375,754	-	490,993	-	1,866,747
Total expenditures	<u>14,137,157</u>	<u>2,052,920</u>	<u>1,129,878</u>	<u>-</u>	<u>17,319,955</u>
Excess (deficiency) of revenues over expenditures	<u>6,841,464</u>	<u>98,716</u>	<u>(571,483)</u>	<u>4,491</u>	<u>6,373,188</u>
Other financing sources (uses)					
Sale of capital assets	76,680	-	231,709	-	308,389
Transfers in	904,617	-	1,366,184	-	2,270,801
Transfers out	(5,327,277)	-	-	-	(5,327,277)
Total other financing sources (uses)	<u>(4,345,980)</u>	<u>-</u>	<u>1,597,893</u>	<u>-</u>	<u>(2,748,087)</u>
Net change in fund balances	2,495,484	98,716	1,026,410	4,491	3,625,101
Fund balances at beginning of year	<u>19,139,683</u>	<u>863,358</u>	<u>4,334,090</u>	<u>85,978</u>	<u>24,423,109</u>
Fund balances at end of year	<u>\$ 21,635,167</u>	<u>\$ 962,074</u>	<u>\$ 5,360,500</u>	<u>\$ 90,469</u>	<u>\$ 28,048,210</u>

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Parks and Recreation	Building Inspection	Economic Development	Public Transit	Public Safety Levy	Total
ASSETS						
Cash and cash equivalents	\$ 1,689,539	\$ 752,495	\$ 515,914	\$ 262,053	\$ 1,202,719	\$ 4,422,720
Investments	7,611,757	3,399,820	2,330,664	1,183,414	-	14,525,655
Receivables:						
Property taxes	169,971	-	-	-	143,287	313,258
Accounts	78,900	-	157,254	1,008,755	258	1,245,167
Interest	35,433	15,316	10,955	5,067	-	66,771
Loans, net of allowance for uncollectible	-	-	1,864,529	-	-	1,864,529
Interfund loan receivable	-	-	655,497	-	-	655,497
Total assets	\$ 9,585,600	\$ 4,167,631	\$ 5,534,813	\$ 2,459,289	\$ 1,346,264	\$ 23,093,597
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 470,868	\$ 480,917	\$ 29,586	\$ 134,268	\$ -	\$ 1,115,639
Deposits	5,200	-	2,000	575	-	7,775
Unearned revenue	60,176	-	-	-	-	60,176
Total liabilities	536,244	480,917	31,586	134,843	-	1,183,590
Deferred inflows of resources						
Unavailable revenue	149,117	-	1,814	-	123,909	274,840
Total deferred inflows of resources	149,117	-	1,814	-	123,909	274,840
Fund balances						
Restricted	2,883,227	3,611,040	2,520,026	-	1,222,355	10,236,648
Committed	6,017,012	75,674	2,981,387	2,324,446	-	11,398,519
Total fund balances	8,900,239	3,686,714	5,501,413	2,324,446	1,222,355	21,635,167
Total liabilities, deferred inflows of resources and fund balances	\$ 9,585,600	\$ 4,167,631	\$ 5,534,813	\$ 2,459,289	\$ 1,346,264	\$ 23,093,597

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	Parks and Recreation	Building Inspection	Economic Development	Public Transit	Public Safety Levy	Total
Revenues						
Taxes:						
Property	\$ 5,771,172	\$ -	\$ -	\$ -	\$ 5,067,723	\$ 10,838,895
Transient room	-	-	1,371,462	-	-	1,371,462
Construction excise	-	258,581	-	-	-	258,581
Licenses and permits	912,592	1,315,166	-	-	-	2,227,758
Charges for services	764,964	-	107,162	-	-	872,126
Intergovernmental	-	-	-	4,262,914	-	4,262,914
Investment earnings	223,159	108,550	62,645	21,355	67,812	483,521
Miscellaneous	599,337	1,059	23,422	39,546	-	663,364
Total revenues	<u>8,271,224</u>	<u>1,683,356</u>	<u>1,564,691</u>	<u>4,323,815</u>	<u>5,135,535</u>	<u>20,978,621</u>
Expenditures						
Current						
General government	-	-	-	2,983,866	-	2,983,866
Community development	-	1,811,814	1,220,774	-	-	3,032,588
Culture and recreation	6,670,709	-	-	-	-	6,670,709
Debt service						
Principal	-	-	54,029	-	-	54,029
Interest	-	-	20,211	-	-	20,211
Capital outlay	725,728	-	-	650,026	-	1,375,754
Total expenditures	<u>7,396,437</u>	<u>1,811,814</u>	<u>1,295,014</u>	<u>3,633,892</u>	<u>-</u>	<u>14,137,157</u>
Excess (deficiency) of revenues over expenditures	<u>874,787</u>	<u>(128,458)</u>	<u>269,677</u>	<u>689,923</u>	<u>5,135,535</u>	<u>6,841,464</u>
Other financing sources (uses)						
Sale of capital assets	76,680	-	-	-	-	76,680
Transfers in	650,117	-	254,500	-	-	904,617
Transfers out	(302,217)	-	(284,015)	-	(4,741,045)	(5,327,277)
Total other financing sources (uses)	<u>424,580</u>	<u>-</u>	<u>(29,515)</u>	<u>-</u>	<u>(4,741,045)</u>	<u>(4,345,980)</u>
Net change in fund balances	1,299,367	(128,458)	240,162	689,923	394,490	2,495,484
Fund balances at beginning of year	<u>7,600,872</u>	<u>3,815,172</u>	<u>5,261,251</u>	<u>1,634,523</u>	<u>827,865</u>	<u>19,139,683</u>
Fund balances at end of year	<u>\$ 8,900,239</u>	<u>\$ 3,686,714</u>	<u>\$ 5,501,413</u>	<u>\$ 2,324,446</u>	<u>\$ 1,222,355</u>	<u>\$ 21,635,167</u>

CITY OF ALBANY
PARKS & RECREATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Property taxes	\$ 11,159,800	\$ 5,646,111	\$ 5,771,172	\$ 11,417,283	\$ 257,483
Licenses, permits and fees	1,489,700	1,213,195	921,859	2,135,054	645,354
Charges for services	1,229,600	867,439	764,964	1,632,403	402,803
Intergovernmental	15,600	-	-	-	(15,600)
Interest	65,000	64,160	229,552	293,712	228,712
Miscellaneous	456,000	259,697	599,337	859,034	403,034
Total revenues	14,415,700	8,050,602	8,286,884	16,337,486	1,921,786
Expenditures					
Park & recreation admin	4,767,700	1,589,397	1,672,984	3,262,381	1,505,319
Resource dev marketing svcs	531,900	200,810	225,124	425,934	105,966
Performance & cultural arts	1,610,100	421,670	727,285	1,148,955	461,145
Child/youth/family rec svcs	656,100	318,213	276,113	594,326	61,774
Adult recreation services	1,280,200	382,220	463,079	845,299	434,901
Aquatic services	1,878,700	883,508	898,258	1,781,766	96,934
Park maintenance services	5,957,000	2,146,178	2,735,255	4,881,433	1,075,567
Park SDC projects	1,631,800	199,230	141,369	340,599	1,291,201
Parks capital improvement prg	1,480,900	86,269	332,970	419,239	1,061,661
Total expenditures	19,794,400	6,227,495	7,472,437	13,699,932	6,094,468
Excess (deficiency) of revenues over expenditures	(5,378,700)	1,823,107	814,447	2,637,554	8,016,254
Other financing sources (uses)					
Sale of capital assets	-	118,935	76,680	195,615	195,615
Transfers in	928,400	438,069	650,117	1,088,186	159,786
Transfers out	(175,000)	-	(226,217)	(226,217)	(51,217)
Total other financing sources (uses)	753,400	557,004	500,580	1,057,584	304,184
Net change in fund balance	(4,625,300)	2,380,111	1,315,027	3,695,138	8,320,438
Fund balance at beginning of period	4,625,300	5,472,301	7,852,412	5,472,301	847,001
Fund balance at end of period	\$ -	\$ 7,852,412	9,167,439	\$ 9,167,439	\$ 9,167,439
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(267,200)		
Fund balance (GAAP basis) - ending			\$ 8,900,239		

CITY OF ALBANY
BUILDING INSPECTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Licenses, permits and fees	\$ 2,474,600	\$ 2,128,470	\$ 1,315,166	\$ 3,443,636	\$ 969,036
Charges for services	15,400	7,800	7,600	15,400	-
Construction excise tax	630,000	396,321	258,581	654,902	24,902
Interest	31,900	20,521	99,648	120,169	88,269
Miscellaneous	-	640	1,059	1,699	1,699
Total revenues	3,151,900	2,553,752	1,682,054	4,235,806	1,083,906
Expenditures					
Building inspection	3,826,100	1,526,149	1,746,607	3,272,756	553,344
Electrical permit program	346,300	112,388	72,807	185,195	161,105
Building inspect IT equip	36,400	-	-	-	36,400
Electrical perm IT equip	3,500	-	-	-	3,500
Building inspection equip	44,600	-	-	-	44,600
Total expenditures	4,256,900	1,638,537	1,819,414	3,457,951	798,949
Net change in fund balance	(1,105,000)	915,215	(137,360)	777,855	1,882,855
Fund balance at beginning of period	2,968,100	3,028,205	3,943,420	3,028,205	60,105
Fund balance at end of period	\$ 1,863,100	\$ 3,943,420	3,806,060	\$ 3,806,060	\$ 1,942,960
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(119,346)		
Fund balance (GAAP basis) - ending			\$ 3,686,714		

CITY OF ALBANY
ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22 (restated)	FY 2022-23		
Revenues					
Charges for services	\$ 226,800	\$ 118,891	\$ 108,662	\$ 227,553	\$ 753
Intergovernmental	32,000	32,000	-	32,000	-
Transient room tax	2,319,400	1,257,063	1,371,462	2,628,525	309,125
Interest	24,800	14,875	70,718	85,593	60,793
Miscellaneous	369,600	141,780	168,062	309,842	(59,758)
Total revenues	2,972,600	1,564,609	1,718,904	3,283,513	310,913
Expenditures					
Economic dev activities	1,989,000	731,836	1,086,807	1,818,643	170,357
Lochner road improvements	144,100	69,858	74,240	144,098	2
Economic dev opportunity	1,875,500	16,217	200	16,417	1,859,083
Economic dev IT equip	3,100	-	-	-	3,100
Albany municipal airport	392,300	131,439	135,267	266,706	125,594
Airport capital projects	388,100	16,000	-	16,000	372,100
Total expenditures	4,792,100	965,350	1,296,514	2,261,864	2,530,236
Excess (deficiency) of revenues over expenditures	(1,819,500)	599,259	422,390	1,021,649	2,841,149
Other financing sources (uses)					
Transfers in	790,400	318,200	397,900	716,100	(74,300)
Transfers out	(585,400)	(291,759)	(284,015)	(575,774)	9,626
Total other financing sources (uses)	205,000	26,441	113,885	140,326	(64,674)
Net change in fund balance	(1,614,500)	625,700	536,275	1,161,975	2,776,475
Fund balance at beginning of period, as restated	1,614,500	1,901,226	2,526,926	1,901,226	286,726
Fund balance at end of year	\$ -	\$ 2,526,926	3,063,201	\$ 3,063,201	\$ 3,063,201
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(81,814)		
Loans receivable			1,864,529		
Interfund loans			655,497		
Fund balance (GAAP basis) - ending			\$ 5,501,413		

CITY OF ALBANY
PUBLIC TRANSIT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 2,639,000	\$ 524,731	\$ 72,800	\$ 597,531	\$ (2,041,469)
Intergovernmental	7,304,700	3,578,866	4,262,914	\$ 7,841,780	537,080
Interest	5,100	4,451	33,011	37,462	32,362
Miscellaneous	400	727	39,546	40,273	39,873
Total revenues	9,949,200	4,108,775	4,408,271	8,517,046	(1,432,154)
Expenditures					
Albany transit system	2,378,500	998,557	1,129,958	2,128,515	249,985
Albany transit system STIF	1,250,000	11,998	238,704	250,702	999,298
Linn-Benton loop	2,264,400	1,024,235	1,121,143	2,145,378	119,022
Linn-Benton loop STIF	1,296,000	455,005	-	455,005	840,995
Paratransit system	1,751,500	762,848	888,863	1,651,711	99,789
Paratransit system STIF	115,500	61,444	36,575	98,019	17,481
Albany transit capital	1,252,900	55,139	286,449	341,588	911,312
Albany transit IT equip	4,500	-	-	-	4,500
Linn-Benton loop IT equip	3,000	-	-	-	3,000
Paratransit sys IT equip	7,900	-	-	-	7,900
Albany transit sys equip	188,400	-	2,500	2,500	185,900
Linn-Benton loop equip rep	125,400	-	2,500	2,500	122,900
Paratransit system equip	75,800	-	-	-	75,800
Total expenditures	10,713,800	3,369,226	3,706,692	7,075,918	3,637,882
Excess (deficiency) of revenues over expenditures	(764,600)	739,549	701,579	1,441,128	2,205,728
Other financing sources (uses)					
Transfers in	300,000	300,000	-	300,000	-
Total other financing sources (uses)	300,000	300,000	-	300,000	-
Net change in fund balance	(464,600)	1,039,549	701,579	1,741,128	2,205,728
Fund balance at beginning of period	464,600	624,860	1,664,409	624,860	160,260
Fund balance at end of period	\$ -	\$ 1,664,409	2,365,988	\$ 2,365,988	\$ 2,365,988
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(41,542)		
Fund balance (GAAP basis) - ending			\$ 2,324,446		

CITY OF ALBANY
PUBLIC SAFETY LEVY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Property taxes	\$ 9,617,400	\$ 4,861,660	\$ 5,067,723	\$ 9,929,383	\$ 311,983
Interest	20,000	30,864	44,161	75,025	55,025
Total revenues	9,637,400	4,892,524	5,111,884	10,004,408	367,008
Expenditures					
Contingency	500,000	-	-	-	500,000
Total expenditures	500,000	-	-	-	500,000
Excess (deficiency) of revenues over expenditures	9,137,400	4,892,524	5,111,884	10,004,408	867,008
Other financing sources (uses)					
Transfers out	(9,637,400)	(4,541,101)	(4,741,045)	(9,282,146)	355,254
Total other financing sources (uses)	(9,637,400)	(4,541,101)	(4,741,045)	(9,282,146)	355,254
Net change in fund balance	(500,000)	351,423	370,839	722,262	1,222,262
Fund balance at beginning of period	500,000	500,093	851,516	500,093	93
Fund balance at end of period	\$ -	\$ 851,516	1,222,355	\$ 1,222,355	\$ 1,222,355

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2023

	Debt Service	GO Debt Service	Total
ASSETS			
Cash and cash equivalents	\$ 201,247	\$ 756,333	\$ 957,580
Receivables:			
Property taxes	-	34,132	34,132
Accounts	-	61	61
	-	61	61
Total assets	\$ 201,247	\$ 790,526	\$ 991,773
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Deferred inflows of resources			
Unavailable revenue	\$ -	\$ 29,699	\$ 29,699
	-	29,699	29,699
Fund Balances			
Restricted	-	760,827	760,827
Assigned	201,247	-	201,247
	201,247	760,827	962,074
Total deferred inflows of resources and fund balances	\$ 201,247	\$ 790,526	\$ 991,773

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2023

	<u>Debt Service</u>	<u>GO Debt Service</u>	<u>Total</u>
Revenues			
Taxes:			
Property	\$ -	\$ 1,239,812	\$ 1,239,812
Charges for services	849,400	-	849,400
Investment earnings	<u>14,883</u>	<u>47,541</u>	<u>62,424</u>
Total revenues	<u>864,283</u>	<u>1,287,353</u>	<u>2,151,636</u>
Expenditures			
Current			
General government	-	675	675
Debt service			
Principal	600,000	685,000	1,285,000
Interest	<u>247,970</u>	<u>519,275</u>	<u>767,245</u>
Total expenditures	<u>847,970</u>	<u>1,204,950</u>	<u>2,052,920</u>
Net change in fund balances	16,313	82,403	98,716
Fund balances at beginning of year	<u>184,934</u>	<u>678,424</u>	<u>863,358</u>
Fund balances at end of year	<u>\$ 201,247</u>	<u>\$ 760,827</u>	<u>\$ 962,074</u>

CITY OF ALBANY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 1,640,300	\$ 790,900	\$ 849,400	\$ 1,640,300	\$ -
Interest	14,000	3,610	9,024	12,634	(1,366)
Total revenues	<u>1,654,300</u>	<u>794,510</u>	<u>858,424</u>	<u>1,652,934</u>	<u>(1,366)</u>
Expenditures					
2002 LTD tax pension bonds	<u>1,874,300</u>	<u>814,275</u>	<u>847,970</u>	<u>1,662,245</u>	<u>212,055</u>
Total expenditures	<u>1,874,300</u>	<u>814,275</u>	<u>847,970</u>	<u>1,662,245</u>	<u>212,055</u>
Net change in fund balance	(220,000)	(19,765)	10,454	(9,311)	210,689
Fund balance at beginning of period	<u>220,000</u>	<u>210,558</u>	<u>190,793</u>	<u>210,558</u>	<u>(9,442)</u>
Fund balance at end of period	<u>\$ -</u>	<u>\$ 190,793</u>	<u>\$ 201,247</u>	<u>\$ 201,247</u>	<u>\$ 201,247</u>

CITY OF ALBANY
GENERAL OBLIGATION DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Property taxes	\$ 2,068,600	\$ 1,237,720	\$ 1,239,812	\$ 2,477,532	\$ 408,932
Interest	10,000	14,266	26,806	41,072	31,072
Total revenues	<u>2,078,600</u>	<u>1,251,986</u>	<u>1,266,618</u>	<u>2,518,604</u>	<u>440,004</u>
Expenditures					
Public safety facilities bonds	<u>2,677,700</u>	<u>1,169,875</u>	<u>1,204,950</u>	<u>2,374,825</u>	<u>302,875</u>
Total expenditures	<u>2,677,700</u>	<u>1,169,875</u>	<u>1,204,950</u>	<u>2,374,825</u>	<u>302,875</u>
Net change in fund balance	(599,100)	82,111	61,668	143,779	742,879
Fund balance at beginning of period	<u>599,100</u>	<u>617,048</u>	<u>699,159</u>	<u>617,048</u>	<u>17,948</u>
Fund balance at end of period	\$ -	\$ 699,159	760,827	\$ 760,827	\$ 760,827

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2023

	Capital Projects	Capital Replacement	Total
ASSETS			
Cash and cash equivalents	\$ 241,819	\$ 957,577	\$ 1,199,396
Investments	1,092,550	4,326,395	5,418,945
Receivables:			
Accounts	4,121	-	4,121
Assessments	9,068	-	9,068
Interest	4,341	16,126	20,467
Total assets	<u>\$ 1,351,899</u>	<u>\$ 5,300,098</u>	<u>\$ 6,651,997</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 3,500	\$ 461,580	\$ 465,080
Deposits	157,731	-	157,731
Interfund loan payable	655,497	-	655,497
Total liabilities	<u>816,728</u>	<u>461,580</u>	<u>1,278,308</u>
Deferred inflows of resources			
Unavailable revenue	13,189	-	13,189
Total deferred inflows of resources	<u>13,189</u>	<u>-</u>	<u>13,189</u>
Fund Balances			
Committed	521,982	4,838,518	5,360,500
Total fund balances	<u>521,982</u>	<u>4,838,518</u>	<u>5,360,500</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,351,899</u>	<u>\$ 5,300,098</u>	<u>\$ 6,651,997</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended June 30, 2023

	<u>Capital Projects</u>	<u>Capital Replacement</u>	<u>Total</u>
Revenues			
Charges for services	\$ -	\$ 238,000	\$ 238,000
Intergovernmental	-	62,070	62,070
Investment earnings	41,126	77,692	118,818
Miscellaneous	15	139,492	139,507
Total revenues	<u>41,141</u>	<u>517,254</u>	<u>558,395</u>
Expenditures			
Current			
General government	-	2,491	2,491
Public safety	-	612,604	612,604
Culture and recreation	-	23,790	23,790
Capital outlay	<u>14,640</u>	<u>476,353</u>	<u>490,993</u>
Total expenditures	<u>14,640</u>	<u>1,115,238</u>	<u>1,129,878</u>
Excess (deficiency) of revenues over expenditures	<u>26,501</u>	<u>(597,984)</u>	<u>(571,483)</u>
Other financing sources (uses)			
Sale of capital assets	231,709	-	231,709
Transfers in	<u>-</u>	<u>1,366,184</u>	<u>1,366,184</u>
Total other financing sources (uses)	<u>231,709</u>	<u>1,366,184</u>	<u>1,597,893</u>
Net change in fund balances	258,210	768,200	1,026,410
Fund balances at beginning of year	<u>263,772</u>	<u>4,070,318</u>	<u>4,334,090</u>
Fund balances at end of year	<u>\$ 521,982</u>	<u>\$ 4,838,518</u>	<u>\$ 5,360,500</u>

CITY OF ALBANY
CAPITAL PROJECT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium	Actual			Variance
	Budget	FY 2021-22 (restated)	FY 2022-23	Biennium	
Revenues					
Interest	\$ 10,000	\$ 5,787	\$ 41,070	\$ 46,857	\$ 36,857
Miscellaneous	140,900	33,477	15	33,492	(107,408)
Total revenues	150,900	39,264	41,085	80,349	(70,551)
Expenditures					
Albany data integration proj	124,500	5,355	14,640	19,995	104,505
LID construction projects	955,200	-	-	-	955,200
Total expenditures	1,079,700	5,355	14,640	19,995	1,059,705
Excess (deficiency) of revenues over expenditures	(928,800)	33,909	26,445	60,354	989,154
Other financing sources (uses)					
Sale of capital assets	153,600	76,800	231,709	308,509	154,909
Transfers out	(294,500)	(76,800)	(143,400)	(220,200)	74,300
Total other financing sources (uses)	(140,900)	-	88,309	88,309	229,209
Net change in fund balance	(1,069,700)	33,909	114,754	148,663	1,218,363
Fund balance at beginning of period, as restated	1,069,700	1,067,169	1,101,078	1,067,169	(2,531)
Fund balance at end of period	\$ -	\$ 1,101,078	1,215,832	\$ 1,215,832	\$ 1,215,832
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(38,353)		
Interfund loan payable			(655,497)		
Fund balance (GAAP basis) - ending			\$ 521,982		

CITY OF ALBANY
CAPITAL REPLACEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 953,400	\$ 581,500	\$ 1,585,700	\$ 2,167,200	\$ 1,213,800
Intergovernmental	-	100,205	62,070	162,275	162,275
Interest	39,800	23,591	103,845	127,436	87,636
Miscellaneous	31,000	205,521	139,492	345,013	314,013
Total revenues	1,024,200	910,817	1,891,107	2,801,924	1,777,724
Expenditures					
Municipal court IT equip	72,500	398	599	997	71,503
Finance equip replace	1,083,900	-	-	-	1,083,900
Employee city parking rent	228,200	-	-	-	228,200
IT phone equip replace	336,500	20,810	1,892	22,702	313,798
Planning IT equip replace	24,900	1,954	-	1,954	22,946
Police IT equip replace	417,000	226,410	49,335	275,745	141,255
Police bodycam system	60,000	-	-	-	60,000
Police equip replace	1,155,200	445,039	500,004	945,043	210,157
Fire & life safety IT eq	8,100	-	-	-	8,100
Fire emergency svc IT eq	86,500	8,931	12,836	21,767	64,733
Fire emergency svc equip	1,543,300	241,028	318,272	559,300	984,000
Fire build maint equip rep	50,000	9,020	38,700	47,720	2,280
PW facilities replacement	795,200	-	-	-	795,200
Parks & rec admin IT equip	58,000	-	2,430	2,430	55,570
Parks & rec admin equip	34,800	-	-	-	34,800
Adult rec equip replace	43,300	-	-	-	43,300
Aquatic services equip	114,900	2,469	21,360	23,829	91,071
Park maint equip replace	391,300	19,960	169,810	189,770	201,530
Facilities maint equip rep	125,500	-	-	-	125,500
Library IT equip replace	87,600	-	-	-	87,600
Library equip replace	16,300	-	-	-	16,300
Total expenditures	6,733,000	976,019	1,115,238	2,091,257	4,641,743
Excess (deficiency) of revenues over expenditures	(5,708,800)	(65,202)	775,869	710,667	6,419,467
Other financing sources (uses)					
Sale of capital assets	-	35,280	-	35,280	35,280
Transfers in	630,300	17,096	18,484	35,580	(594,720)
Total other financing sources (uses)	630,300	52,376	18,484	70,860	(559,440)
Net change in fund balance	(5,078,500)	(12,826)	794,353	781,527	5,860,027
Fund balance at beginning of year	5,078,500	4,208,863	4,196,037	4,208,863	(869,637)
Fund balance at end of year	\$ -	\$ 4,196,037	4,990,390	\$ 4,990,390	\$ 4,990,390
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(151,872)		
Fund balance (GAAP basis) - ending			\$ 4,838,518		

CITY OF ALBANY
LIBRARY TRUST - PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Interest	\$ 1,200	\$ 784	\$ 1,762	\$ 2,546	\$ 1,346
Total revenues	1,200	784	1,762	2,546	1,346
Expenditures					
V.O torney trust	4,600	-	-	-	4,600
Manela trust	4,600	-	-	-	4,600
Total expenditures	9,200	-	-	-	9,200
Net change in fund balance	(8,000)	784	1,762	2,546	10,546
Fund balance at beginning of period	87,500	87,923	88,707	87,923	423
Fund balance at end of period	\$ 79,500	\$ 88,707	\$ 90,469	\$ 90,469	\$ 10,969

CITY OF ALBANY
WATER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium		Actual		
	Budget	FY 2021-22 (restated)	FY 2022-23	Biennium	Variance
Revenues					
Charges for services	\$ 30,158,500	\$ 17,081,894	\$ 17,245,140	\$ 34,327,034	\$ 4,168,534
Licenses, permits and fees	230,000	309,886	308,896	618,782	388,782
System development charges	863,600	597,047	425,394	1,022,441	158,841
Intergovernmental	41,800	60,168	46,203	106,371	64,571
Interest	152,900	101,671	488,780	590,451	437,551
Miscellaneous	15,000	29,403	38,835	68,238	53,238
Total revenues	31,461,800	18,180,069	18,553,248	36,733,317	5,271,517
Expenditures					
Water administration	7,262,000	3,089,911	3,263,593	6,353,504	908,496
Albany-Millersburg wtp	3,299,700	1,503,135	1,614,308	3,117,443	182,257
Vine St water treatment plant	2,430,600	994,725	1,154,032	2,148,757	281,843
Water distribution	4,618,000	1,950,851	2,184,134	4,134,985	483,015
Water canal maintenance	2,099,200	996,959	1,065,053	2,062,012	37,188
Water system capital projects	14,359,400	2,605,948	1,731,827	4,337,775	10,021,625
Water SDC improvement fee	266,100	4,641	6,451	11,092	255,008
Water SDC reimbursement fee	714,300	2,122	7,823	9,945	704,355
Water economic development	510,000	-	135,884	135,884	374,116
North albany water capital	1,436,200	90,588	606,282	696,870	739,330
Water debt service	5,453,700	1,925,794	1,922,094	3,847,888	1,605,812
Water admin IT equip repl	3,000	-	-	-	3,000
Alb-Millersburg wtp IT eq	316,500	24,797	21,081	45,878	270,622
Vine St wtp IT equip repl	303,500	47,939	19,707	67,646	235,854
Water distrib IT equip	5,400	-	-	-	5,400
Canal maint IT equip repl	3,000	-	-	-	3,000
Water admin equip replace	25,300	23,563	-	23,563	1,737
Alb-millersburg wtp equip	91,700	-	-	-	91,700
Vine St wtp equip replace	17,700	-	-	-	17,700
Water distribution equip	627,400	108,198	-	108,198	519,202
Water canal maint equip	186,100	30,597	-	30,597	155,503
Contingency	202,600	-	-	-	202,600
Total expenditures	44,231,400	13,399,768	13,732,269	27,132,037	17,099,363
Excess (deficiency) of revenues over expenditures	(12,769,600)	4,780,301	4,820,979	9,601,280	22,370,880
Other financing sources (uses)					
Sale of capital assets	-	5,322	67,981	73,303	73,303
Transfers in	1,905,700	6,917	1,900,000	1,906,917	1,217
Transfers out	(1,980,500)	(947,258)	(962,240)	(1,909,498)	71,002
Total other financing sources (uses)	(74,800)	(935,019)	1,005,741	70,722	145,522
Net change in fund balance	(12,844,400)	3,845,282	5,826,720	9,672,002	22,516,402
Fund balance at beginning of period	12,844,400	16,351,695	20,982,977	16,351,695	3,507,295
Fund balance at beginning of period, as restated	12,844,400	16,351,695	20,196,977	16,351,695	3,507,295
Fund balance at end of period	\$ -	\$ 20,196,977	26,023,697	\$ 26,023,697	\$ 26,023,697
Reconciliation to generally accepted accounting principles					
Inventory			683,617		
Fair value adjustment on investments			(675,618)		
Other postemployment benefit asset			35,845		
Capital assets, net			85,994,667		
Deferred outflows of resources			693,545		
Accrued interest payable			(270,544)		
Unearned revenue			(1,290,136)		
Compensated absences payable			(112,588)		
Net pension liability			(1,539,738)		
Net other postemployment benefit liability			(178,399)		
Bonds payable			(17,840,000)		
Unamortized premium liability			(931,522)		
Deferred inflows of resources			(1,000,795)		
Net position - ending			\$ 89,592,031		

CITY OF ALBANY
SEWER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium		Actual		Variance
	Budget	FY 2021-22 (restated)	FY 2022-23	Biennium	
Revenues					
Charges for services	\$ 37,266,700	\$ 21,963,994	\$ 20,730,511	\$ 42,694,505	\$ 5,427,805
Licenses, permits and fees	52,000	91,521	38,821	130,342	78,342
System development charges	1,426,200	2,466,452	950,099	3,416,551	1,990,351
Intergovernmental	1,322,200	894,612	421,615	1,316,227	(5,973)
Interest	293,800	198,755	814,385	1,013,140	719,340
Miscellaneous	50,000	29,906	102,984	132,890	82,890
Total revenues	40,410,900	25,645,240	23,058,415	48,703,655	8,292,755
Expenditures					
Wastewater administration	9,042,200	4,309,462	4,056,791	8,366,253	675,947
Wastewater treatment plant	6,282,000	2,928,062	3,182,088	6,110,150	171,850
TWG wetlands	584,100	273,683	271,335	545,018	39,082
Water reuse and biosolids	704,500	146,297	336,406	482,703	221,797
Wastewater collections	3,710,800	1,659,394	1,798,322	3,457,716	253,084
Industrial pretreatment	1,172,900	473,892	430,022	903,914	268,986
Sewer system capital projects	24,496,000	11,367,628	5,297,264	16,664,892	7,831,108
Sewer SDC improvement fee	747,000	32,770	13,133	45,903	701,097
Sewer SDC reimbursement fee	330,400	3,585	2,390	5,975	324,425
Sewer economic development	510,000	-	135,884	135,884	374,116
Sewer debt service	14,054,300	5,140,717	5,282,986	10,423,703	3,630,597
Wastewater admin IT equip	4,600	-	-	-	4,600
Waste treatment IT equip	335,900	37,959	28,292	66,251	269,649
TWG wetlands IT equip repl	3,000	-	-	-	3,000
Water reuse & bio IT equip	9,100	-	-	-	9,100
Wastewater coll IT equip	12,800	860	-	860	11,940
Industrial pret IT equip	5,000	-	-	-	5,000
Wastewater admin equip rep	107,800	69,672	-	69,672	38,128
Wastewater TP equip rep	106,600	-	-	-	106,600
TWG wetlands equip replace	56,400	-	-	-	56,400
Water reuse & bio equip	334,000	211,324	-	211,324	122,676
Wastewater collect equip	543,400	119,371	54,837	174,208	369,192
Industrial pretreat equip	60,800	-	-	-	60,800
Contingency	74,300	-	-	-	74,300
Total expenditures	63,287,900	26,774,676	20,889,750	47,664,426	15,623,474
Excess (deficiency) of revenues over expenditures	(22,877,000)	(1,129,436)	2,168,665	1,039,229	23,916,229
Other financing sources (uses)					
Sale of capital assets	-	7,300	-	7,300	7,300
Settlement proceeds	-	12,000,000	-	12,000,000	12,000,000
Transfers in	5,205,700	5,616	5,200,000	5,205,616	(84)
Transfers out	(3,351,300)	(1,465,592)	(1,378,373)	(2,843,965)	507,335
Total other financing sources (uses)	1,854,400	10,547,324	3,821,627	14,368,951	12,514,551
Net change in fund balance	(21,022,600)	9,417,888	5,990,292	15,408,180	36,430,780
Fund balance at beginning of period, as restated	21,022,600	24,039,231	33,457,119	24,039,231	3,016,631
Fund balance at end of period	\$ -	\$ 33,457,119	39,447,411	\$ 39,447,411	\$ 39,447,411
Reconciliation to generally accepted accounting principles					
Inventory			224,022		
Fair value adjustment on investments			(1,076,154)		
Loans receivable			2,233,853		
Net other postemployment benefit asset			35,152		
Capital assets, net			146,146,007		
Deferred outflows of resources			388,629		
Unavailable revenues			6,627		
Unearned revenues			(723,848)		
Accrued interest payable			(145,791)		
Compensated absences payable			(114,932)		
Net pension liability			(951,623)		
Net other postemployment benefit liability			(174,954)		
Long-term obligations			(36,979,742)		
Deferred inflows of resources			(712,809)		
Net position - ending			\$ 147,601,848		

CITY OF ALBANY
STORMWATER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium Budget	Actual		Biennium	Variance
		FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 6,315,700	\$ 3,230,422	\$ 3,501,930	\$ 6,732,352	\$ 416,652
Licenses, permits and fees	180,000	190,069	135,254	325,323	145,323
Interest	11,200	13,462	74,587	88,049	76,849
Miscellaneous	-	935	771	1,706	1,706
Total revenues	6,506,900	3,434,888	3,712,542	7,147,430	640,530
Expenditures					
Stormwater administration	3,356,900	1,095,509	1,146,846	2,242,355	1,114,545
Stormwater operations	1,576,000	675,297	681,258	1,356,555	219,445
Stormwater capital projects	1,125,200	6,160	3,555	9,715	1,115,485
Stormwater admin IT equip	700	-	-	-	700
Stormwater op equip repl	304,700	-	92,636	92,636	212,064
Contingency	149,600	-	-	-	149,600
Total expenditures	6,513,100	1,776,966	1,924,295	3,701,261	2,811,839
Excess (deficiency) of revenues over expenditures	(6,200)	1,657,922	1,788,247	3,446,169	3,452,369
Other financing sources (uses)					
Transfers out	(1,100,000)	-	(1,100,000)	(1,100,000)	-
Total other financing sources (uses)	(1,100,000)	-	(1,100,000)	(1,100,000)	-
Net change in fund balance	(1,106,200)	1,657,922	688,247	2,346,169	3,452,369
Fund balance at beginning of period	1,106,200	1,350,873	3,008,795	1,350,873	244,673
Fund balance at end of period	\$ -	\$ 3,008,795	3,697,042	\$ 3,697,042	\$ 3,697,042
Reconciliation to generally accepted accounting principles					
Fair value adjustment on investments			(92,939)		
Net other postemployment benefit asset			1,419		
Capital assets, net			248,343		
Deferred outflows of resources			192,982		
Compensated absences payable			(3,020)		
Net pension liability			(367,553)		
Net other postemployment benefit liability			(7,064)		
Deferred inflows of resources			(230,964)		
Net position - ending			\$ 3,438,246		

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Central Services	Public Works Services	Total Internal Service Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,923,848	\$ 1,609,292	\$ 3,533,140
Receivables:			
Accounts	14,158	13,520	27,678
Prepaid items	350	-	350
Total current assets	1,938,356	1,622,812	3,561,168
Noncurrent assets:			
Capital assets:			
Capital assets, nondepreciable	-	31,260	31,260
Capital assets, net of accumulated depreciation	1,596,684	82,895	1,679,579
Total capital assets	1,596,684	114,155	1,710,839
Net OPEB asset	72,645	96,626	169,271
Total noncurrent assets	1,669,329	210,781	1,880,110
Total assets	3,607,685	1,833,593	5,441,278
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	2,432,512	2,582,917	5,015,429
Other postemployment benefit related items	56,195	74,746	130,941
Total deferred outflows of resources	2,488,707	2,657,663	5,146,370
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	485,796	479,876	965,672
Compensated absences, current portion	133,322	188,970	322,292
Subscriptions payable, current portion	174,134	-	174,134
Total current liabilities	793,252	668,846	1,462,098
Noncurrent liabilities			
Compensated absences	133,322	188,969	322,291
Subscriptions payable	322,151	-	322,151
Net pension liability	6,001,099	6,273,192	12,274,291
Total OPEB liability	361,553	480,907	842,460
Total noncurrent liabilities	6,818,125	6,943,068	13,761,193
Total liabilities	7,611,377	7,611,914	15,223,291
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,879,106	2,502,470	4,381,576
Other postemployment benefit related items	217,558	289,377	506,935
Total deferred inflows of resources	2,096,664	2,791,847	4,888,511
NET POSITION (DEFICIT)			
Net investment in capital assets	1,031,284	114,155	1,145,439
Restricted for:			
Other postemployment benefits	72,645	96,626	169,271
Unrestricted (deficit)	(4,715,578)	(6,123,286)	(10,838,864)
Total net position (deficit)	\$ (3,611,649)	\$ (5,912,505)	\$ (9,524,154)

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	<u>Central Services</u>	<u>Public Works Services</u>	<u>Total Internal Service Fund</u>
Operating revenues			
Service charges and fees	\$ 7,113,752	\$ 9,561,299	\$ 16,675,051
Miscellaneous	<u>23,761</u>	<u>28,505</u>	<u>52,266</u>
Total operating revenues	<u>7,137,513</u>	<u>9,589,804</u>	<u>16,727,317</u>
Operating expenses			
Personnel services	5,034,022	6,872,608	11,906,630
Materials and services	1,499,950	2,164,151	3,664,101
Depreciation and amortization	<u>272,102</u>	<u>24,609</u>	<u>296,711</u>
Total operating expenses	<u>6,806,074</u>	<u>9,061,368</u>	<u>15,867,442</u>
Operating income (loss)	<u>331,439</u>	<u>528,436</u>	<u>859,875</u>
Nonoperating revenues (expenses)			
Investment earnings, net	118,591	78,103	196,694
Gain on sale of capital assets	-	(22,693)	(22,693)
Interest expense	<u>(7,202)</u>	<u>-</u>	<u>(7,202)</u>
Total nonoperating revenues (expenses)	<u>111,389</u>	<u>55,410</u>	<u>166,799</u>
Income (loss) before transfers	442,828	583,846	1,026,674
Transfers in	4,800	-	4,800
Transfers out	<u>(105,400)</u>	<u>-</u>	<u>(105,400)</u>
Change in net position	<u>342,228</u>	<u>583,846</u>	<u>926,074</u>
Net position (deficit) at beginning of year	(4,184,343)	(6,496,351)	(10,680,694)
Prior period adjustment	<u>230,466</u>	<u>-</u>	<u>230,466</u>
Net position at beginning of year, as restated	<u>(3,953,877)</u>	<u>(6,496,351)</u>	<u>(10,450,228)</u>
Net position (deficit) at end of year	<u>\$ (3,611,649)</u>	<u>\$ (5,912,505)</u>	<u>\$ (9,524,154)</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023

	Central Services	Public Works Services	Total Internal Service Fund
Cash flows from operating activities			
Receipts from customers and users	\$ 7,102,944	\$ 9,547,804	\$ 16,650,748
Payments to suppliers	(1,441,934)	(2,168,434)	(3,610,368)
Payments to employees	(5,335,145)	(7,365,508)	(12,700,653)
Other receipts	23,761	28,505	52,266
Net cash provided by (used in) operating activities	<u>349,626</u>	<u>42,367</u>	<u>391,993</u>
Cash flows from noncapital financing activities			
Transfers in	4,800	-	4,800
Transfers out	(105,400)	-	(105,400)
Net cash provided by (used in) noncapital financing activities	<u>(100,600)</u>	<u>-</u>	<u>(100,600)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(415,481)	(88,553)	(504,034)
Proceeds from sale of capital assets	-	55,000	55,000
Principal paid on long-term obligations	(300,591)	-	(300,591)
Interest paid on long-term obligations	(7,202)	-	(7,202)
Net cash provided by (used in) capital and related financing activities	<u>(723,274)</u>	<u>(33,553)</u>	<u>(756,827)</u>
Cash flows from investing activities			
Interest on investments	50,753	32,697	83,450
Transfers out - investments	1,606,552	1,075,182	2,681,734
Net cash provided by (used in) investing activities	<u>1,657,305</u>	<u>1,107,879</u>	<u>2,765,184</u>
Net increase (decrease) in cash and cash equivalents	1,183,057	1,116,693	2,299,750
Cash and cash equivalents at beginning of year	<u>740,791</u>	<u>492,599</u>	<u>1,233,390</u>
Cash and cash equivalents at end of year	<u>\$ 1,923,848</u>	<u>\$ 1,609,292</u>	<u>\$ 3,533,140</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 331,439	\$ 528,436	\$ 859,875
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	272,102	24,609	296,711
(Increase) decrease in assets and deferred outflows:			
Accounts receivables, net	(10,808)	(13,495)	(24,303)
Prepaid items	(100)	214	114
Net OPEB asset	15,880	27,951	43,831
Deferred outflows - Pension related items	320,824	426,732	747,556
Deferred outflows - OPEB related items	(15,934)	(18,087)	(34,021)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued liabilities	41,385	(43,841)	(2,456)
Compensated absences liability	(60,456)	(117,607)	(178,063)
Net pension liability	873,424	1,161,753	2,035,177
Total OPEB liability	(129,983)	(210,809)	(340,792)
Deferred inflows - Pension related items	(1,374,712)	(1,828,524)	(3,203,236)
Deferred inflows - OPEB related items	86,565	105,035	191,600
Net cash provided by (used in) operating activities	<u>\$ 349,626</u>	<u>\$ 42,367</u>	<u>\$ 391,993</u>

CITY OF ALBANY
CENTRAL SERVICES FUND - INTERNAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium		Actual		Variance
	Budget	FY 2021-22 (restated)	FY 2022-23	Biennium	
Revenues					
Charges for services	\$ 16,219,300	\$ 7,984,862	\$ 7,383,838	\$ 15,368,700	\$ (850,600)
Licenses, permits and fees	-	261,070	4,800	265,870	265,870
Fines and forfeitures	59,400	-	1,414	1,414	(57,986)
Intergovernmental	32,000	16,074	14,551	30,625	(1,375)
Interest	22,800	15,023	47,117	62,140	39,340
Miscellaneous	-	15,684	18,210	33,894	33,894
Total revenues	16,333,500	8,292,713	7,469,930	15,762,643	(570,857)
Expenditures					
CS administration	1,224,200	397,085	653,315	1,050,400	173,800
Finance	2,944,700	1,402,361	1,437,116	2,839,477	105,223
Finance IT equip repl	47,900	2,953	15,345	18,298	29,602
Mayor & council	344,900	153,233	161,300	314,533	30,367
City manager's office	2,808,500	1,234,800	1,444,634	2,679,434	129,066
Code enforcement	361,200	194,971	220,530	415,501	(54,301)
Emergency mgmt / safety	388,000	173,996	203,092	377,088	10,912
Mayor & council IT equip	47,200	4,795	6,483	11,278	35,922
City manager's IT equip	27,900	1,952	-	1,952	25,948
Code enforcement IT equip	1,600	-	-	-	1,600
Emergency IT equip	2,000	-	-	-	2,000
Code enforcement equip	13,600	-	-	-	13,600
Emergency m/s equip replace	2,000	-	-	-	2,000
Information technology	3,131,400	1,498,769	1,556,690	3,055,459	75,941
GIS services	765,300	280,243	333,999	614,242	151,058
Permit tracking	252,700	156,653	79,185	235,838	16,862
Information tech IT equip	284,900	12,559	66,044	78,603	206,297
GIS Service IT equip replace	191,300	-	-	-	191,300
Permit tracking IT equip	59,900	-	-	-	59,900
IT equipment replacement	15,400	-	-	-	15,400
Human resources	1,830,900	799,045	913,400	1,712,445	118,455
Labor relations	150,000	103,953	44,697	148,650	1,350
Human resources IT equip	19,000	1,355	5,703	7,058	11,942
Facilities maintenance	1,698,700	640,511	774,571	1,415,082	283,618
GF Facilities maintenance proj	569,800	123,348	157,300	280,648	289,152
Facilities maint IT equip	16,300	-	-	-	16,300
Contingency	360,100	-	-	-	360,100
Total expenditures	17,559,400	7,182,582	8,073,404	15,255,986	2,303,414
Excess (deficiency) of revenues over expenditures	(1,225,900)	1,110,131	(603,474)	506,657	1,732,557
Other financing sources (uses)					
Transfers in	340,700	12,476	4,800	17,276	(323,424)
Transfers out	(100,800)	(9,934)	(89,400)	(99,334)	1,466
Total other financing sources (uses)	239,900	2,542	(84,600)	(82,058)	(321,958)
Net change in fund balance	(986,000)	1,112,673	(688,074)	424,599	1,410,599
Fund balance at beginning of period, as restated	986,000	1,027,961	2,140,634	1,027,961	41,961
Fund balance at end of period	\$ -	\$ 2,140,634	1,452,560	\$ 1,452,560	\$ 1,452,560
Reconciliation to generally accepted accounting principles					
Net other postemployment benefit asset			72,645		
Capital assets, net			1,596,684		
Deferred outflows of resources			2,488,707		
Compensated absences payable			(266,644)		
Net pension liability			(6,001,099)		
Net other postemployment benefit liability			(361,553)		
Long-term obligations			(496,285)		
Deferred inflows of resources			(2,096,664)		
Net position - ending			\$ (3,611,649)		

CITY OF ALBANY
PUBLIC WORKS SERVICES FUND - INTERNAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
BUDGET TO ACTUAL
Year and Biennium Ended June 30, 2023

	Biennium	Actual		Biennium	Variance
	Budget	FY 2021-22	FY 2022-23		
Revenues					
Charges for services	\$ 21,283,700	\$ 9,352,609	\$ 9,621,499	\$ 18,974,108	\$ (2,309,592)
Interest	6,300	8,978	30,269	39,247	32,947
Miscellaneous	-	5,288	28,505	33,793	33,793
Total revenues	<u>21,290,000</u>	<u>9,366,875</u>	<u>9,680,273</u>	<u>19,047,148</u>	<u>(2,242,852)</u>
Expenditures					
PW administration	2,701,300	1,290,110	1,234,632	2,524,742	176,558
PW engineering services	7,288,600	2,960,868	3,112,999	6,073,867	1,214,733
PW customer services	3,436,000	1,606,229	1,773,677	3,379,906	56,094
Operations administration	1,251,700	486,984	529,306	1,016,290	235,410
Facilities & maint engineering	5,206,800	2,271,224	2,379,002	4,650,226	556,574
Water quality control service	1,421,500	533,396	599,452	1,132,848	288,652
PW Admin IT equip replace	19,200	-	-	-	19,200
PW engineering IT equip	30,300	-	-	-	30,300
PW customer service IT eq	428,200	14,728	-	14,728	413,472
Operations admin IT equip	17,200	-	-	-	17,200
Facilities & maint eng IT eq	33,500	1,091	-	1,091	32,409
Water quality control IT eq	7,800	-	-	-	7,800
PW engineering equip rep	66,500	-	-	-	66,500
PW customer serv equip rep	50,300	-	-	-	50,300
Operations admin equip rep	13,200	-	-	-	13,200
Facilities & maint eng eq	201,400	-	-	-	201,400
Water quality ctrl equip	18,400	-	10,000	10,000	8,400
Total expenditures	<u>22,191,900</u>	<u>9,164,630</u>	<u>9,639,068</u>	<u>18,803,698</u>	<u>3,388,202</u>
Excess (deficiency) of revenues over expenditures	<u>(901,900)</u>	<u>202,245</u>	<u>41,205</u>	<u>243,450</u>	<u>1,145,350</u>
Other financing sources (uses)					
Sale of capital assets	-	13,200	55,000	68,200	68,200
Transfers in	-	4,597	-	4,597	4,597
Total other financing sources (uses)	<u>-</u>	<u>17,797</u>	<u>55,000</u>	<u>72,797</u>	<u>72,797</u>
Net change in fund balance	(901,900)	220,042	96,205	316,247	1,218,147
Fund balance at beginning of period	901,900	826,689	1,046,731	826,689	(75,211)
Fund balance at end of period	\$ -	\$ 1,046,731	1,142,936	\$ 1,142,936	\$ 1,142,936
Reconciliation to generally accepted accounting principles					
Net other postemployment benefit asset			96,626		
Capital assets, net			114,155		
Deferred outflows of resources			2,657,663		
Compensated absences payable			(377,939)		
Net pension liability			(6,273,192)		
Net other postemployment benefit liability			(480,907)		
Deferred inflows of resources			(2,791,847)		
Net position - ending			\$ (5,912,505)		



STATISTICAL SECTION



CITY OF ALBANY

★ OREGON ★

Inc. 1864



STATISTICAL SECTION

This section of the City of Albany's Annual Comprehensive 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 90,297,428	\$ 94,819,619	\$ 75,708,533	\$ 94,492,224	\$ 106,976,281	\$ 100,745,228	\$ 99,528,799	\$ 100,801,064	\$ 93,302,053	\$ 90,708,051
Restricted	16,359,363	11,071,442	27,479,252	18,450,736	11,795,562	20,833,823	23,456,343	29,540,017	44,532,306	56,298,428
Unrestricted	25,711,251	21,176,652	10,820,831	1,065,656	(11,987,143)	(13,085,181)	(18,883,265)	(14,331,810)	(23,971,384)	(11,314,178)
Total governmental activities net position	<u>132,368,042</u>	<u>127,067,713</u>	<u>114,008,616</u>	<u>114,008,616</u>	<u>106,784,700</u>	<u>108,493,870</u>	<u>104,101,877</u>	<u>116,009,271</u>	<u>113,862,975</u>	<u>135,692,301</u>
Business-type activities										
Net investment in capital assets	140,222,126	140,997,807	145,243,974	146,556,723	149,918,593	154,638,792	166,458,509	165,913,777	172,050,508	174,814,693
Restricted	10,863,027	10,717,596	10,115,449	9,490,275	9,209,257	9,085,389	8,269,926	7,959,532	9,258,672	9,567,755
Unrestricted	29,245,746	31,180,138	24,803,983	32,695,483	28,269,859	31,344,005	24,275,414	28,690,557	39,279,469	50,378,884
Total business-type activities net position	<u>180,330,899</u>	<u>182,895,541</u>	<u>180,163,406</u>	<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>	<u>220,588,649</u>	<u>234,761,332</u>
Total City of Albany										
Net investment in capital assets	230,519,554	235,817,426	220,952,507	241,048,947	256,894,874	255,384,020	265,987,308	266,714,841	265,352,561	265,522,744
Restricted	27,222,390	21,789,038	37,594,701	27,941,011	21,004,819	29,919,212	31,726,269	37,499,549	53,790,978	65,866,183
Unrestricted	54,956,997	52,356,790	35,624,814	33,761,139	16,282,716	18,258,824	5,392,149	14,358,747	15,308,085	39,064,706
Total net position	<u>\$ 312,698,941</u>	<u>\$ 309,963,254</u>	<u>\$ 294,172,022</u>	<u>\$ 302,751,097</u>	<u>\$ 294,182,409</u>	<u>\$ 303,562,056</u>	<u>\$ 303,105,726</u>	<u>\$ 318,573,137</u>	<u>\$ 334,451,624</u>	<u>\$ 370,453,633</u>

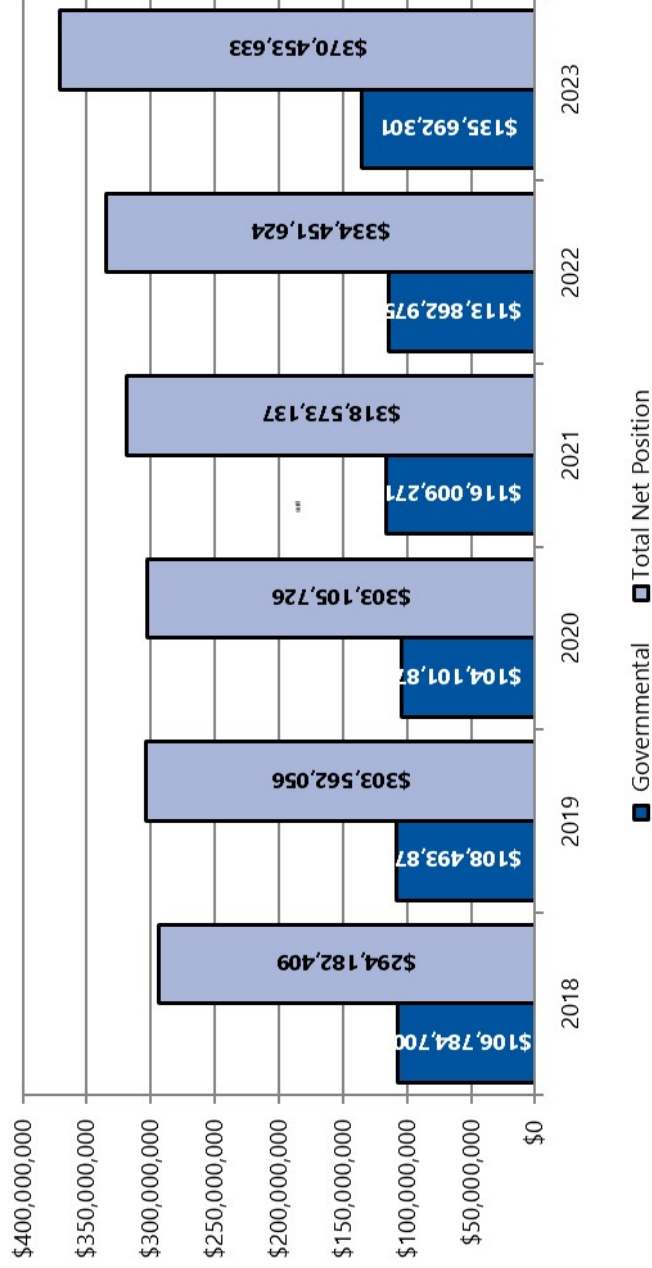
Over the last ten years the net position of governmental activities decreased by less than 1 percent or \$3,324,000. Included in program revenues are \$1,058,207 of capital contributions in the form of systems development charges, connection fees, improvement assurance fees, and site improvements.

During the same time frame (ten years), the net position of the business-type activities has increased by 30 percent (\$54,430,433). The two major components of the increase have been operating income (\$66,970,000) and capital contributions (\$20,344,000), 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.

Continued on next page

SCHEDULE 1

Governmental and Total Net Position
Last 6 Fiscal Years



Source: City of Albany 2014-2023 Annual Comprehensive Financial Reports

SCHEDULE 2

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

	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses											
Governmental activities											
General government	\$ 5,282,341	\$ 7,493,529	\$ 7,667,638	\$ 11,956,298	\$ 11,627,250	\$ 11,905,562	\$ 14,611,772	\$ 18,940,934	\$ 15,148,759	\$ 12,702,631	\$ 4,811,281
Community development	-	-	-	-	-	-	-	-	-	6,384,664	6,327,237
Public safety	27,832,589	26,533,616	20,771,259	39,213,576	33,190,548	35,845,712	37,378,693	39,337,254	42,960,751	40,688,040	43,249,573
Highways and streets	5,964,162	7,015,625	6,577,224	5,926,402	6,116,216	4,468,119	7,992,085	8,590,398	6,724,748	12,222,620	12,072,312
Culture and recreation	9,300,151	9,071,696	7,939,789	13,557,065	11,634,285	13,667,104	10,816,892	11,251,985	10,513,623	13,119,161	10,823,250
Interest on long-term debt	972,088	728,980	710,061	1,240,044	1,295,382	1,279,266	1,554,774	816,417	1,025,268	1,071,883	1,301,519
Total governmental activities expenses	49,351,331	50,843,446	43,665,971	71,893,385	63,863,681	67,165,763	72,354,216	78,936,988	76,373,149	86,188,999	78,585,172
Business-type activities											
Water	11,239,646	11,524,422	11,524,422	14,550,636	12,640,992	12,267,390	11,410,738	13,596,398	14,105,765	15,403,393	17,580,552
Sewer	12,210,391	14,765,389	14,765,389	17,663,062	15,726,496	15,140,083	14,099,323	15,617,877	16,572,791	23,998,931	20,679,855
Stormwater	-	-	-	-	1,095,648	1,708,963	2,138,837	2,520,663	2,785,117	2,724,103	3,001,020
Total business-type activities expenses	23,450,037	26,289,811	26,289,811	32,213,698	29,463,136	29,116,436	27,668,898	31,734,938	33,463,673	42,126,427	41,261,427
Program Revenues											
Governmental activities											
Charges for services:											
General government	2,699,581	4,081,131	3,487,011	3,718,959	4,173,637	4,621,225	4,607,980	4,987,451	3,904,240	6,353,267	5,191,769
Community development	-	-	-	-	-	-	-	-	-	2,128,470	2,196,964
Highways and streets	3,174,653	2,693,877	3,150,776	3,291,540	3,941,179	4,246,900	5,609,787	6,807,903	15,067,008	8,625,886	8,850,035
Culture and recreation	110,792	158,753	134,615	138,139	101,502	104,238	1,267,051	115,356	295,271	727,941	1,126,313
Operating grants and contributions	908,153	893,172	995,606	1,016,928	1,099,530	1,049,007	1,120,216	750,964	603,069	1,655,235	1,993,147
Capital grants and contributions	5,245,587	5,336,946	5,591,657	5,461,409	5,671,185	11,016,549	13,380,093	13,362,737	20,720,718	12,199,927	23,417,189
Total governmental activities program revenues	2,613,592	4,134,157	3,459,206	3,659,772	2,700,427	2,226,433	2,753,651	1,480,471	1,194,031	6,299,098	250,000
Total governmental activities program revenues	14,752,358	17,298,036	16,818,871	17,286,747	17,687,460	23,264,352	28,738,778	27,504,882	41,784,337	37,989,824	43,025,417
Business-type activities											
Water	11,873,787	13,055,548	13,820,209	13,594,778	16,764,392	14,268,332	14,502,634	14,667,426	16,040,040	19,085,036	21,677,783
Sewer	13,687,284	15,524,322	29,847,180	16,645,445	20,963,015	17,675,781	18,415,971	19,082,367	19,893,693	27,982,579	30,405,950
Stormwater	-	-	-	-	974,504	2,035,666	2,199,321	2,389,125	2,787,064	4,183,963	4,885,149
Total business-type activities program revenues	25,561,071	28,579,870	43,667,389	30,240,223	38,701,911	33,979,779	35,117,926	36,138,918	38,720,797	51,251,578	56,969,482
Total program revenues	40,313,429	45,877,906	60,486,260	47,526,970	56,389,371	57,244,131	63,856,704	63,643,800	80,505,134	89,241,402	99,994,899

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SCHEDULE 2

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

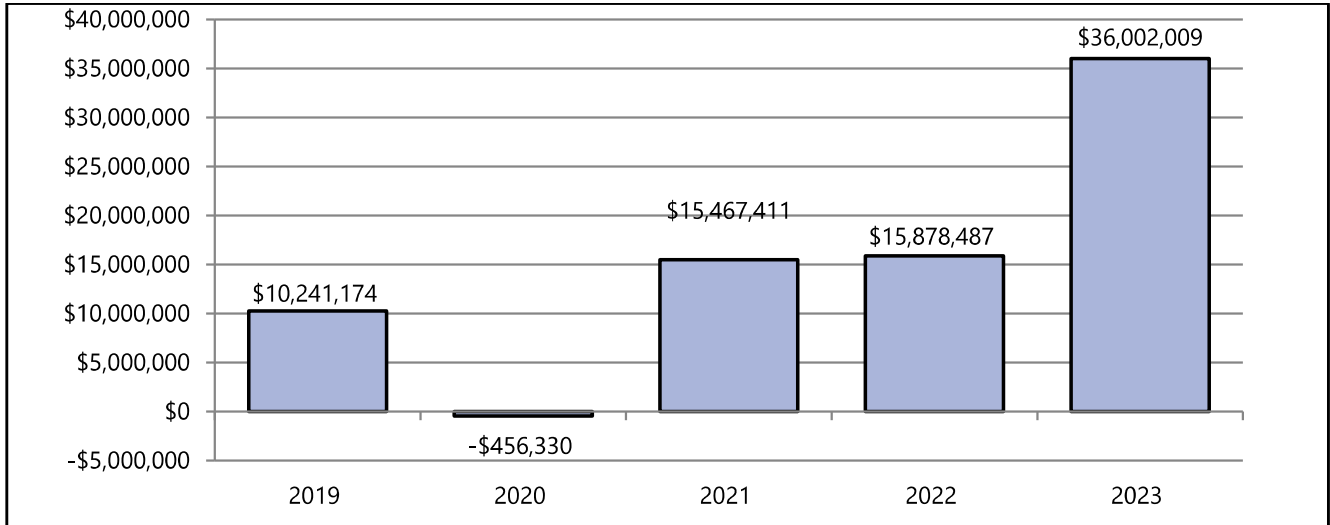
	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Transfers											
Governmental activities											
Taxes:											
Property taxes used for general purposes	22,540,932	\$ 25,857,223	\$ 26,146,965	\$ 27,578,824	\$ 29,075,234	\$ 31,312,153	\$ 27,950,003	\$ 30,304,403	\$ 35,293,292	\$ 36,908,432	\$ 39,352,861
Property taxes used for debt service	3,303,218	1,346,036	1,305,558	1,036,443	1,083,756	1,158,749	4,564,044	5,071,316	1,235,930	1,222,473	1,241,825
Transient room taxes used for general purposes	715,865	803,805	927,172	1,058,892	1,117,460	1,061,288	1,274,676	1,031,018	1,060,584	1,257,063	1,371,462
Motor fuel	2,746,350	2,913,483	2,899,968	3,046,727	3,120,603	-	-	-	-	-	-
Marijuana, cigarette and alcoholic beverage	699,755	1,251,981	1,300,909	1,317,405	1,336,937	1,982,371	1,256,415	1,498,433	1,722,632	1,639,863	1,425,676
Privilege	2,901,489	2,966,949	2,984,718	3,572,017	3,901,524	3,950,218	3,870,419	3,806,858	3,991,599	4,034,933	6,251,051
Unrestricted interest earnings	232,122	273,722	200,035	334,206	463,554	573,550	1,470,575	1,515,966	371,937	(1,851,202)	2,110,946
Miscellaneous	490,535	186,145	901,434	1,246,118	967,589	1,321,198	2,418,021	1,614,436	803,522	1,578,024	2,126,232
Total governmental activities general revenues	33,630,266	35,599,344	36,666,759	39,319,980	40,937,309	41,359,527	42,804,153	44,842,430	44,479,496	44,789,586	53,880,053
Gain (Loss) on disposal of capital assets	-	-	-	-	-	836,387	1,928,887	387,342	-	-	-
Transfers	419,885	1,689,391	1,083,453	1,196,104	1,076,350	1,262,303	1,453,095	1,960,030	2,013,751	2,410,251	2,654,613
Total governmental activities	34,050,151	37,288,735	37,750,212	40,516,084	42,013,659	43,458,217	46,186,135	47,189,802	46,493,247	47,199,837	56,534,666
Business-type activities											
Property taxes used for debt service	\$ 8,655	2,298	3,588	263	62	184	698	3	-	-	-
Unrestricted investment earnings	224,922	237,294	332,210	318,536	189,390	362,699	1,326,461	1,223,144	158,495	(1,407,982)	1,300,063
Miscellaneous	2,998,110	168,830	62,372	52,702	227,198	192,273	347,385	282,332	131,566	12,717,865	105,178
Total business-type activities general revenues	3,231,687	408,422	398,170	371,501	416,650	555,156	1,674,544	1,505,479	290,061	11,309,883	1,405,241
Transfers	(419,885)	(1,689,391)	(1,083,453)	(1,196,104)	(1,076,350)	(1,262,303)	(1,453,095)	(1,960,030)	(2,013,751)	(2,410,251)	(2,654,613)
Total business-type activities	2,811,802	(1,280,969)	(685,283)	(824,603)	(659,700)	(707,147)	221,449	(454,551)	(1,723,690)	8,899,632	(1,249,372)
Total general revenues and transfers	36,861,953	36,007,766	37,064,929	39,691,481	41,353,959	42,751,070	46,407,584	46,735,251	44,769,557	56,099,469	55,285,294
Change in Net Position											
Governmental activities	(677,106)	3,743,325	10,903,112	(14,090,554)	(4,162,562)	(443,194)	2,570,697	(4,242,304)	11,904,435	558,919	20,974,911
Business-type activities	5,614,086	1,009,090	5,597,801	(2,798,078)	8,579,075	4,156,196	7,670,477	3,949,429	3,533,434	18,024,783	14,458,683
Total Change in net position	4,936,980	4,752,415	16,500,913	(16,888,632)	4,416,513	3,713,002	10,241,174	(292,875)	15,437,869	18,583,702	35,433,594
Net position - beginning	302,584,425	307,946,526	312,698,939	309,963,254	294,172,022	295,527,181	293,320,882	303,562,056	303,105,726	318,573,137	334,451,624
Prior period adjustments	-	-	(19,236,598)	1,097,400	(3,061,354)	(5,919,301)	-	(163,455)	29,542	(2,705,215)	568,415
Net position - ending	\$ 307,521,405	\$312,698,941	\$309,963,254	\$294,172,022	\$295,527,181	\$293,320,882	\$303,562,056	\$303,105,726	\$318,573,137	\$334,451,624	\$370,453,633

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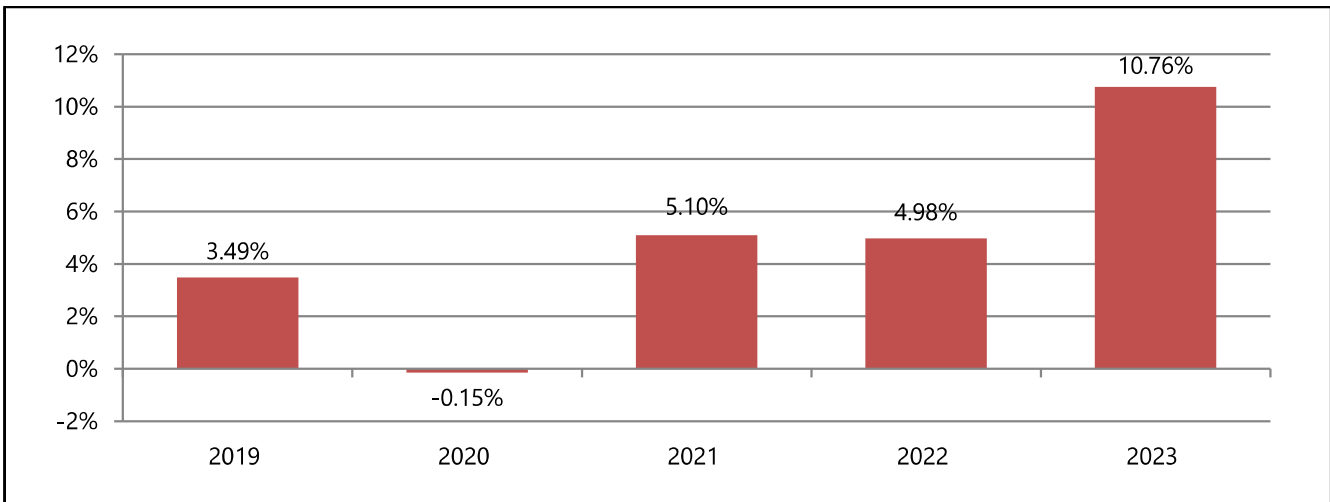
SCHEDULE 2

CITY OF ALBANY, OREGON

Change in Net Position
Last Five Years



Year to Year Percentage Change in Net Position
Last Five Years



Source: City of Albany 2014-2023 Annual Comprehensive Financial Reports

SCHEDULE 3

CITY OF ALBANY, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years (1)
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 9,764	\$ 9,634	\$ 41,153	\$ 32,515	\$ 156	\$ 2,000	\$ -	\$ -	\$ 831,633	\$ 815,151
Committed	279,918	-	-	-	-	-	-	-	-	-
Unassigned	1,775,867	2,672,273	3,793,981	4,010,512	3,368,061	3,759,052	3,145,359	4,810,803	8,191,153	9,182,613
Total General Fund	2,065,549	2,681,907	3,835,134	4,043,027	3,368,217	3,761,052	3,145,359	4,810,803	9,022,786	9,997,764
All other governmental funds										
Nonspendable	156,092	169,542	152,185	146,093	124,744	95,275	79,500	2,176,612	2,239,547	151,946
Restricted	13,663,170	12,565,772	27,479,252	14,991,430	10,336,691	19,518,045	22,128,918	24,884,177	44,229,496	51,612,626
Committed	21,652,083	20,480,214	21,614,668	19,747,584	19,576,312	20,237,894	18,054,205	20,580,077	24,146,960	32,846,003
Assigned	-	-	-	-	-	15,060	27,639	210,558	184,934	201,247
Unassigned	(3,589,921)	(2,566,638)	-	-	(4,214,620)	(277,283)	(122,289)	(246)	-	-
Total all other governmental funds	31,881,424	30,648,890	49,246,105	34,885,107	25,823,127	39,588,991	40,167,973	47,851,178	70,800,937	84,811,822
Total fund balances of governmental funds	\$ 33,946,973	\$ 33,330,797	\$ 53,081,239	\$ 38,928,134	\$ 29,191,344	\$ 43,350,043	\$ 43,313,332	\$ 52,661,981	\$ 79,823,723	\$ 94,809,586

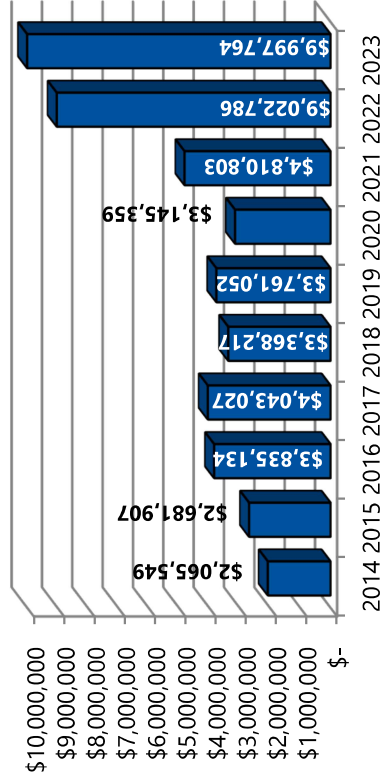
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SCHEDULE 3

CITY OF ALBANY, OREGON

**General Fund Unreserved/Unassigned Fund Balance
And Annual Percentage Change
Last Ten Fiscal Years**

**General Fund Unreserved Fund Balance
Last Ten Fiscal Years**



Fiscal Year	Fund Balance	% Change
2014	\$ 1,775,867	-
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%
2022	8,191,153	70.27%
2023	9,182,613	12.10%

The General Fund unreserved fund balance has increased by 417.08 percent over the last ten years. The 2022-23 unassigned fund balance of \$9,182,613 is 20.16 percent of total expenditures before transfers out, and 9.72 percent of the total General Fund 2021-23 budget.

Source: City of Albany 2014-2023 Annual Comprehensive Financial Reports

SCHEDULE 4

CITY OF ALBANY, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 27,416,529	\$ 28,286,016	\$ 29,897,203	\$ 31,464,424	\$ 33,367,732	\$ 35,929,111	\$ 36,532,685	\$ 37,927,297	\$ 40,318,181	\$ 41,913,225
Special assessments	17,864	817,846	526,610	281,495	2,614	205,991	-	-	-	-
Franchise fees and privilege taxes	-	-	-	-	-	-	-	5,518,142	5,735,810	6,251,051
Licenses and permits	6,502,757	7,217,726	7,621,457	8,925,034	8,799,331	8,978,341	8,288,165	3,398,672	8,455,757	6,556,739
Intergovernmental	10,517,304	9,332,104	9,123,174	8,450,512	11,047,952	16,417,359	14,734,721	20,265,679	16,904,712	21,602,685
Charges for services	6,082,333	5,927,810	6,326,874	6,907,045	7,481,482	7,558,952	7,100,862	6,852,413	7,584,169	6,224,667
Fines, forfeitures and assessments	3,123	3,127	8,403	19,544	61,362	84,711	166,570	950,970	1,037,342	817,803
Interest on investments	271,182	197,437	456,806	328,560	566,717	1,458,296	1,498,447	345,697	(1,799,005)	2,009,804
Miscellaneous	1,337,583	1,159,726	1,088,232	1,416,602	2,744,583	2,947,195	2,577,705	2,258,979	1,415,246	1,963,680
Total revenues	52,148,675	52,941,792	55,060,255	57,793,216	64,071,773	73,579,956	70,799,155	77,517,849	79,652,212	87,339,354
Expenditures										
General government	6,686,132	7,544,431	10,080,973	11,609,197	15,480,203	9,786,568	13,119,607	9,688,802	5,097,696	5,056,211
Community development	-	-	-	-	-	-	-	-	6,345,960	5,512,707
Public safety	25,595,092	25,997,415	27,404,433	28,332,212	32,391,938	34,451,423	36,241,251	37,587,519	37,168,139	41,052,792
Highways and streets	3,128,945	2,980,799	3,056,329	3,108,781	3,076,288	3,293,852	3,433,361	3,059,934	3,221,201	3,080,656
Culture and recreation	8,056,710	8,368,902	8,779,572	9,158,782	9,530,126	9,999,871	9,677,337	8,293,916	9,592,910	10,283,536
Health	-	-	125,745	130,621	151,939	586	33,976	-	-	-
Capital outlay	3,952,086	7,926,087	6,485,115	18,409,687	12,978,050	10,572,423	6,979,639	7,801,917	5,571,914	8,141,629
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	2,237,146	1,741,794	1,016,605	983,483	1,052,140	1,720,315	1,738,541	2,694,363	2,196,038	2,329,858
Interest	755,175	714,071	1,212,756	1,315,505	1,304,598	1,378,201	1,436,176	1,111,628	1,070,398	1,350,376
Total expenditures	50,411,286	55,273,499	58,161,528	73,048,268	75,965,282	71,203,239	72,659,888	70,238,079	70,264,256	76,807,765
Excess (deficiency) of revenues over (under) expenditures	1,737,389	(2,331,707)	(3,101,273)	(15,255,052)	(11,893,509)	2,376,717	(1,860,733)	7,279,770	9,387,956	10,531,589
Other financing sources (uses)										
Debt issuance	-	-	18,636,260	-	-	-	-	-	15,114,767	-
Capital lease	-	86,005	242,881	-	206,481	-	-	1,003,293	-	-
Sale of capital asset	-	-	1,745,013	-	836,387	1,928,887	387,342	184,343	249,841	357,527
Transfers in	6,660,676	6,577,243	12,316,154	6,913,140	8,289,131	7,206,816	15,227,044	10,228,846	9,144,108	10,656,379
Transfers out	(4,995,277)	(5,493,790)	(11,120,050)	(5,876,890)	(7,175,028)	(5,753,721)	(13,643,096)	(8,742,387)	(6,734,930)	(7,115,166)
Total other financing sources (uses)	1,665,399	1,169,458	21,820,258	1,036,250	2,156,971	11,781,982	1,971,290	2,674,095	17,773,786	3,898,740
Year period adjustments	-	(70,285)	1,031,457	65,699	(252)	(147,268)	(147,268)	2,887	(608,103)	555,534
Net change in fund balances	3,402,788	(1,232,534)	19,750,442	(14,153,102)	(9,736,790)	14,158,699	(66,711)	9,956,752	26,553,639	14,985,862

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SCHEDULE 4

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

	Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures																			
	Last Ten Fiscal Years																			
	(modified accrual basis of accounting)																			
Total debt service expenditures	\$	2,992,321	\$	2,455,865	\$	2,229,361	\$	2,298,988	\$	2,356,738	\$	3,098,516	\$	3,174,717	\$	3,805,991	\$	3,266,436	\$	3,680,234
Total noncapital expenditures		<u>46,459,200</u>		<u>47,347,412</u>		<u>51,676,413</u>		<u>44,350,115</u>		<u>51,002,132</u>		<u>51,671,259</u>		<u>65,682,749</u>		<u>63,180,153</u>		<u>64,758,645</u>		<u>68,666,136</u>
Ratio of total debt service expenditures less refundings to total noncapital expenditures		6.44%		5.19%		4.31%		5.18%		4.62%		6.00%		4.83%		6.02%		5.04%		5.36%

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
2014	Linn	\$ 2,690,866,895	\$ 8.78	\$ 135,999,495	\$ 2,826,866,390	\$ 3,117,569,985	90.68%
	Benton	668,393,866	7.98	-	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	9.19	147,927,166	2,895,358,204	3,418,838,730	84.69%
	Benton	706,740,905	7.92	-	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	8.15	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	8.38	231,137,526	3,349,050,580	4,501,152,682	74.40%
	Benton	833,885,589	8.27	-	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	8.39	246,939,463	3,462,998,107	4,919,399,014	70.39%
	Benton	855,444,364	8.28	-	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	8.41	276,449,354	3,655,888,307	5,381,597,775	67.93%
	Benton	925,945,042	8.31	-	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%
2022	Linn	3,524,374,499	8.39	300,729,535	3,825,104,034	5,998,111,668	63.77%
	Benton	925,945,042	8.36	-	966,825,726	1,458,627,895	66.28%
	Total	4,450,319,541		300,729,535	4,791,929,760	7,456,739,563	64.26%
2023	Linn	3,675,509,661	8.47	331,329,723	4,006,839,384	7,065,893,260	56.71%
	Benton	1,012,337,673	8.35	-	1,012,337,673	1,738,373,921	58.23%
	Total	4,687,847,334		331,329,723	5,019,177,057	8,804,267,181	57.01%

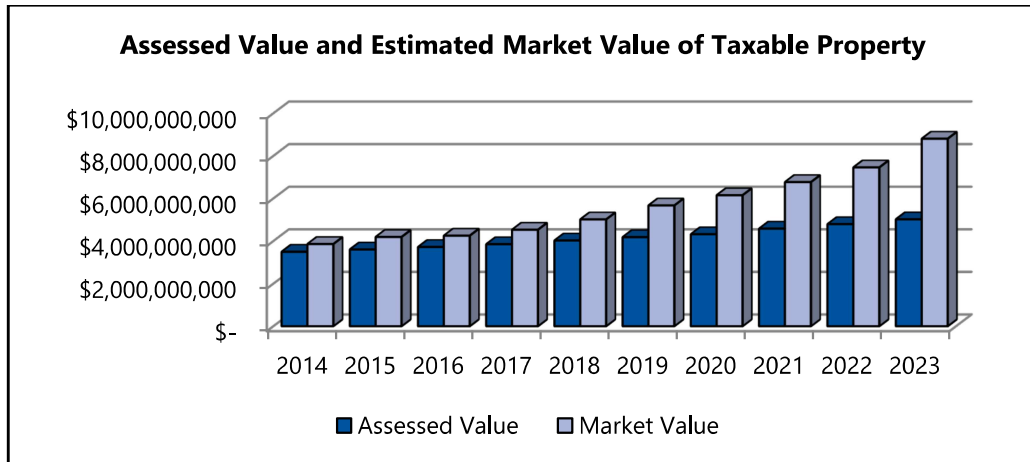
- (1) Does not include the assessed value of the urban renewal district.
- (2) Urban renewal district incremental amount

Source: Linn and Benton Counties Tax Assessors

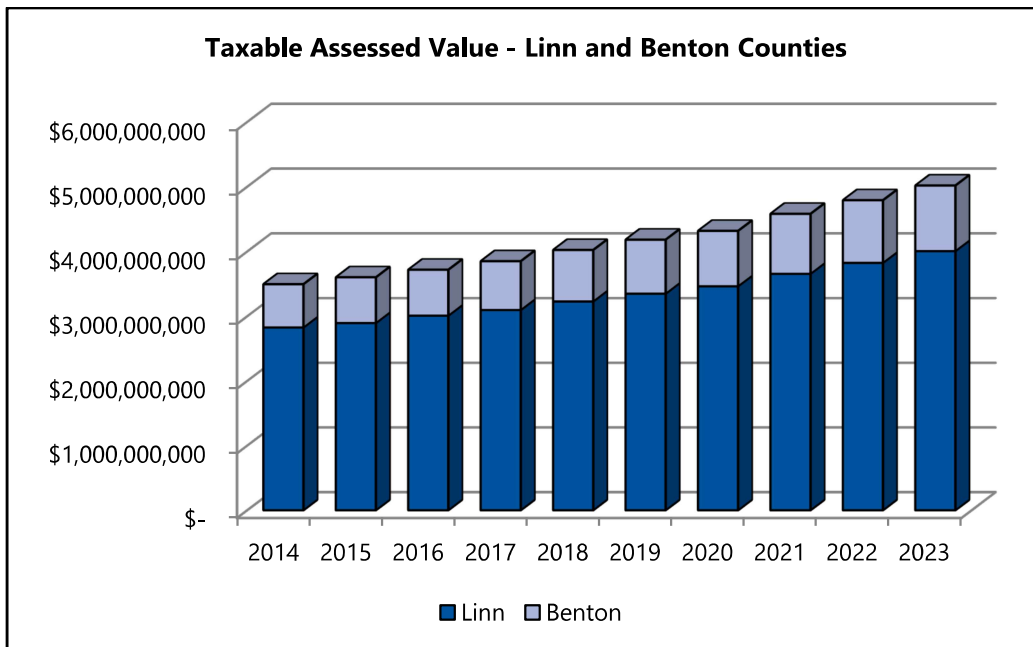
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SCHEDULE 5

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



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 57.01 percent of market value, leaving a \$3,785,090,124 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.



SCHEDULE 6

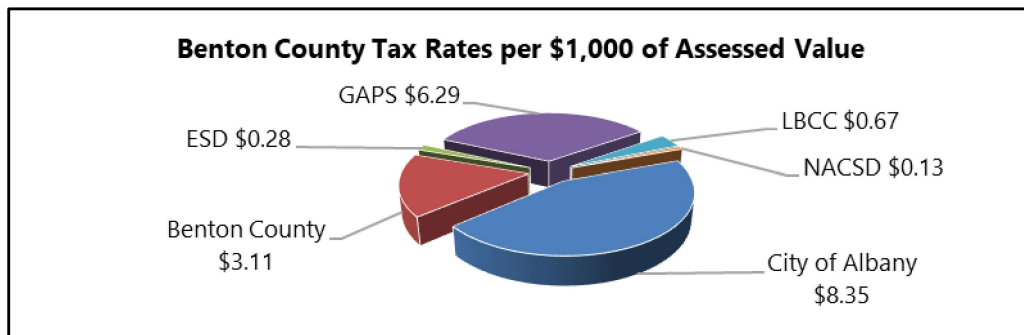
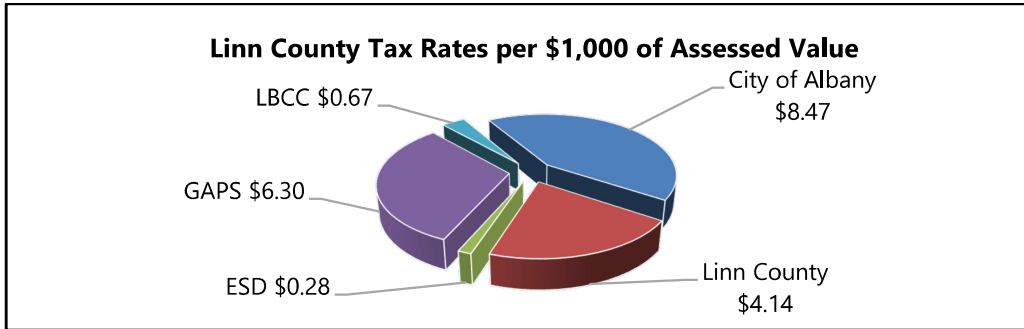
**CITY OF ALBANY, OREGON
DIRECT AND OVERLAPPING TAX RATES (1)
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	City of Albany Direct Rates											Overlapping Rates					
	County	Basic Rate	Local Option Public Safety Lew	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	Total Direct Rate	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		
2014	Linn	6.40	1.15	0.43	7.98	0.80	8.78	3.85	-	0.05	0.29	6.07	0.66	-	19.70		
	Benton	6.40	1.15	0.43	7.98	-	7.98	-	3.16	-	0.29	6.07	0.66	-	18.16		
2015	Linn	6.40	1.15	0.37	7.92	1.27	9.19	4.21	-	0.07	0.29	6.01	0.65	-	20.42		
	Benton	6.40	1.15	0.37	7.92	-	7.92	-	3.11	-	0.29	6.01	0.65	-	17.97		
2016	Linn	6.40	1.15	0.29	7.84	1.27	9.11	4.21	-	0.07	0.29	6.01	0.65	-	20.34		
	Benton	6.40	1.15	0.29	7.84	-	7.84	-	3.11	-	0.29	6.01	0.65	-	17.89		
2017	Linn	6.40	1.15	0.29	7.84	0.31	8.15	4.21	-	0.07	0.29	5.79	0.64	-	19.14		
	Benton	6.40	1.15	0.29	7.84	-	7.84	-	3.11	-	0.29	5.79	0.64	-	17.66		
2018	Linn	6.40	1.15	0.29	7.84	0.31	8.15	4.20	-	0.07	0.29	6.53	0.64	-	19.87		
	Benton	6.40	1.15	0.29	7.84	-	7.84	-	3.11	-	0.29	6.53	0.64	-	18.40		
2019	Linn	6.04	1.15	0.27	7.47	0.91	8.38	4.19	-	0.07	0.29	6.52	0.64	-	20.08		
	Benton	6.04	1.15	0.27	7.47	0.80	8.27	-	3.11	-	0.29	6.52	0.64	0.13	18.94		
2020	Linn	6.04	1.15	0.27	7.46	0.93	8.39	4.19	-	0.07	0.29	6.44	0.63	-	20.01		
	Benton	6.04	1.15	0.27	7.46	0.82	8.28	-	3.11	-	0.29	6.44	0.63	0.13	18.88		
2021	Linn	6.01	1.15	0.27	7.43	0.98	8.41	4.11	-	0.06	0.29	6.39	0.63	-	19.89		
	Benton	6.01	1.15	0.27	7.43	0.88	8.31	-	3.11	-	0.29	6.38	0.63	0.10	18.81		
2022	Linn	5.97	1.15	0.27	7.39	1.00	8.39	4.00	-	0.06	0.29	6.20	0.63	-	19.57		
	Benton	5.98	1.15	0.27	7.39	0.97	8.36	-	3.11	-	0.28	6.56	0.65	0.13	19.10		
2023	Linn	5.95	1.15	0.24	7.34	1.13	8.47	4.14	-	0.06	0.28	6.30	0.67	-	19.92		
	Benton	5.95	1.15	0.24	7.34	1.01	8.35	-	3.11	-	0.28	6.29	0.67	0.13	18.83		

Continued on next page

SCHEDULE 6

CITY OF ALBANY, OREGON



(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

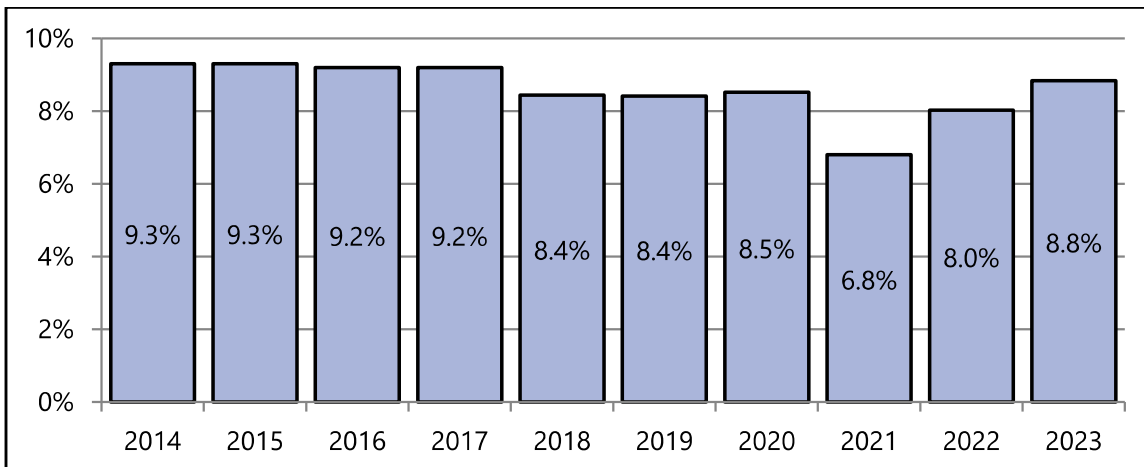
Source: Linn and Benton Counties Tax Assessors

SCHEDULE 7

**CITY OF ALBANY, OREGON
PRINCIPAL PROPERTY TAXPAYERS**
Fiscal Years 2013-2014 and 2022-2023

Taxpayer	2022-2023		% of	2013-2014		% of
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Taxable Assessed Value	Rank	Total Taxable Assessed Value
Target Corporation	\$ 80,502,180	1	1.68%	\$ 74,484,570	1	2.91%
Oregon Freeze Dry Foods, Inc.	60,622,030	2	1.27%	34,900,480	3	1.05%
Pacific Cast Technologies	59,987,080	3	1.25%	26,901,050	5	0.00%
WR Grace & Co Conn	51,448,270	4	1.07%			0.00%
Pacificorp (PP&L)	44,756,000	5	0.93%	17,829,000	10	2.31%
Eugene Freezing & Storage Co	28,232,370	6	0.59%			0.00%
Mennonite Home of Albany	27,392,946	7	0.57%			0.70%
Northwest Natural Gas	28,816,130	8	0.60%	18,275,000	9	1.49%
Glorietta Bay LLC	19,930,060	9	0.42%			
Walmart Real estate Business Trust	21,696,500	10	0.45%	16,628,610	8	0.00%
Oregon Metallurgical Corporation			0.00%	52,994,720	2	1.15%
Comcast Corporation			0.00%	28,856,100	4	0.56%
Waverly Land Management			0.00%	24,117,140	6	0.49%
Metropolitan Life Insurance			0.00%	17,938,630	7	0.49%
Total	\$ 423,383,566		8.84%	\$ 312,925,300		11.15%
Total taxable assessed value, all properties	\$ 4,791,929,760			\$ 3,398,584,772		

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



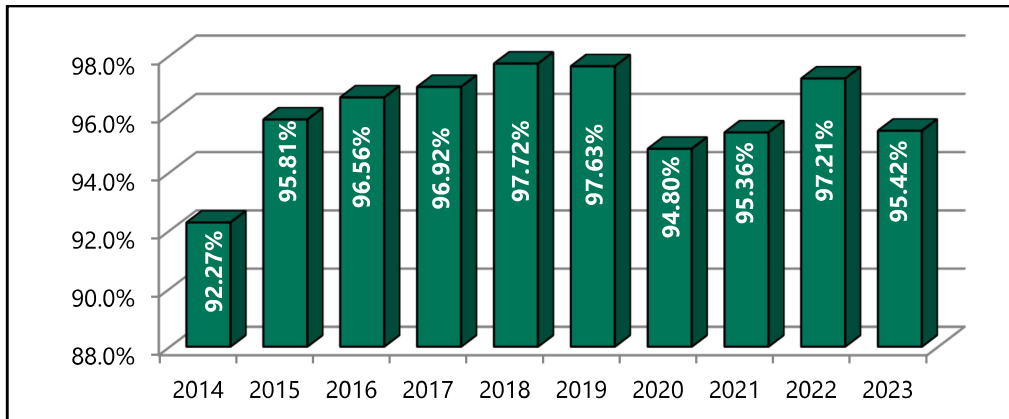
Source: Linn and Benton Counties Tax Assessors

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
2014	\$ 27,562,841	\$ 25,431,964	92.27%	\$ 1,059,582	\$ 26,491,546	96.11%
2015	27,836,933	26,669,274	95.81%	2,130,558	28,799,832	103.46%
2016	29,171,625	28,169,159	96.56%	1,159,592	29,328,751	100.54%
2017	30,457,817	29,521,130	96.92%	1,011,400	30,532,530	100.25%
2018	32,481,243	31,741,907	97.72%	958,526	32,700,433	100.67%
2019	33,570,277	32,775,527	97.63%	707,966	33,483,493	99.74%
2020	35,914,291	34,046,853	94.80%	649,982	34,696,835	96.61%
2021	37,656,830	35,910,456	95.36%	488,470	36,398,926	96.66%
2022	39,744,828	38,636,774	97.21%	648,019	39,284,793	98.84%
2023	41,786,744	39,872,788	95.42%	-	39,872,788	95.42%



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 96.01 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 2023-25 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										BUSINESS-TYPE ACTIVITIES					Total Outstanding Debt	% of Personal Income	Debt per Capita
	General Obligation Bonds (4)	Limited Tax Pension Obligations	General Revenue Obligations	Urban Renewal (UR) TIF Bonds (1)	Urban Renewal (UR) Loan	Unamortized Premium	Notes Payable	Finance Purchase	Water Revenue Bonds (3)	Unamortized Premium	Notes Payable (2)	Water Revenue Bonds (3)	Unamortized Premium	Notes Payable (2)				
2014	\$ 1,335,000	\$ 5,314,001	\$ 940,000	\$ 2,822,000	\$ -	\$ -	\$ 71,881	\$ 71,241	\$ 27,400,000	\$ 1,845,694	\$ 62,373,072	\$ 27,400,000	\$ 1,845,694	\$ 62,373,072	\$ 102,172,889	2.62%	\$ 2,014	
2015	-	5,208,982	800,000	2,696,000	-	-	36,107	63,325	26,505,000	1,711,966	58,900,330	26,505,000	1,711,966	58,900,330	95,921,710	2.73%	1,871	
2016	17,605,000	5,101,484	655,000	2,363,000	-	604,447	-	208,742	25,570,000	1,578,238	55,321,160	25,570,000	1,578,238	55,321,160	109,007,071	2.94%	2,110	
2017	17,235,000	4,992,002	500,000	2,014,000	-	572,634	-	131,334	24,595,000	1,485,850	51,632,167	24,595,000	1,485,850	51,632,167	103,157,987	2.71%	1,963	
2018	16,820,000	4,880,861	340,000	1,648,000	-	540,821	-	239,805	23,575,000	1,393,462	47,700,361	23,575,000	1,393,462	47,700,361	97,138,310	2.46%	1,843	
2019	16,355,000	4,769,605	175,000	1,265,000	-	509,007	7,803,830	164,483	22,515,000	1,301,074	42,425,307	22,515,000	1,301,074	42,425,307	97,283,306	2.12%	1,831	
2020	15,835,000	4,610,001	-	863,000	-	477,194	7,321,892	84,406	21,415,000	1,208,686	45,455,491	21,415,000	1,208,686	45,455,491	97,270,670	2.02%	1,797	
2021	15,260,000	4,150,001	-	442,000	-	445,381	8,044,016	43,204	20,275,000	1,116,298	45,523,382	20,275,000	1,116,298	45,523,382	95,299,282	1.23%	1,735	
2022	14,635,000	3,620,000	-	-	15,114,767	413,568	7,488,180	15,426	19,080,000	1,023,910	41,404,289	19,080,000	1,023,910	41,404,289	102,795,140	1.39%	1,797	
2023	13,950,000	3,020,000	-	-	14,643,693	381,755	6,914,396	-	17,840,000	931,522	36,979,742	17,840,000	931,522	36,979,742	94,661,108	n/a	1,632	

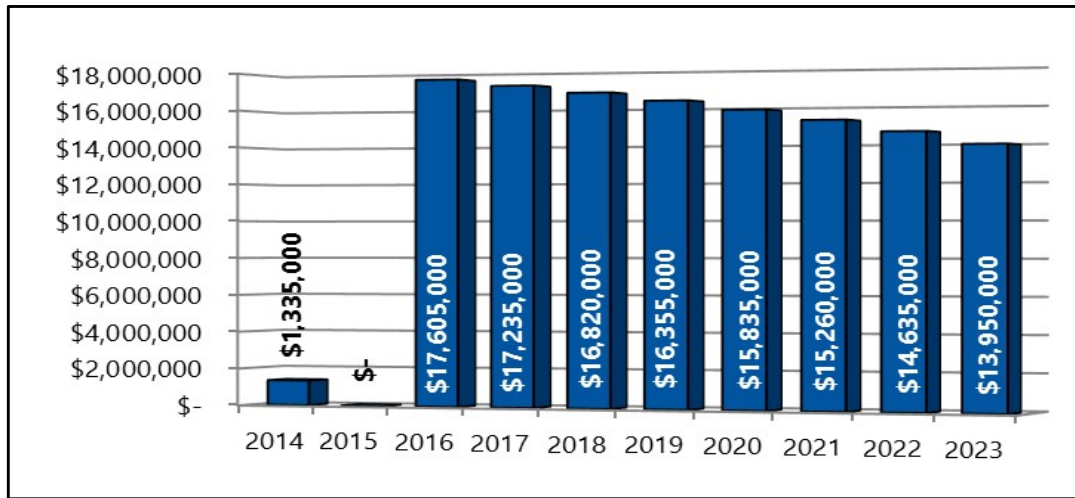
Source: City of Albany 2014-2023 Annual Comprehensive Financial Reports

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SCHEDULE 9

CITY OF ALBANY, OREGON

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

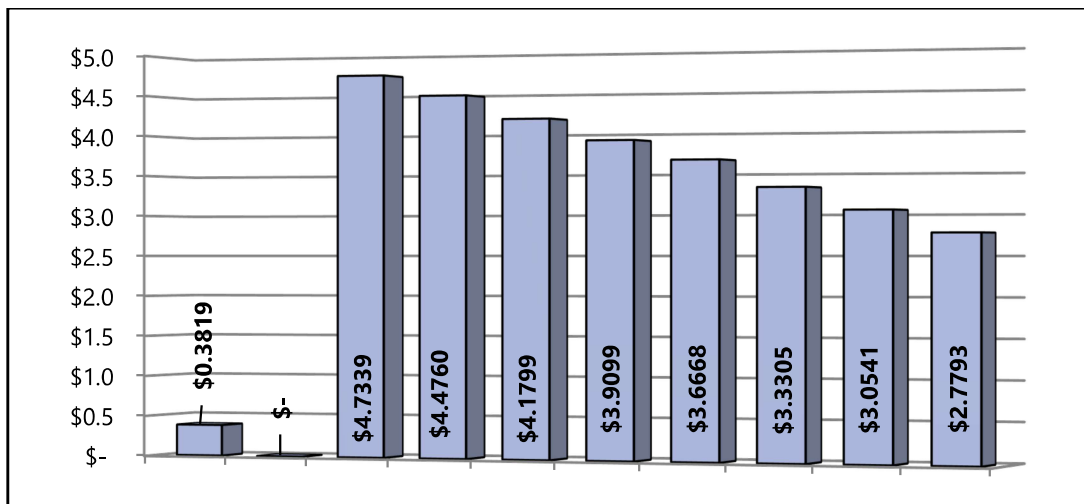


The chart above reflects the issuance of general obligation bonds in FY 2016-17.

- (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 2014-2023 Annual Comprehensive Financial Reports

**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 over three percent, with a high of 4.73 percent in 2016 and a low of 0.38 percent in 2014.

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	General Revenue Obligations	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
2014	50,720	\$ 3,495,260,256	\$ 1,335,000	\$ 28,112	\$ 5,314,001	\$ 940,000	\$ 439,829	\$ 7,177,284	0.2053%	\$ 141.51	0.19%
2015	51,270	3,602,099,109	-	-	5,208,982	800,000	161,727	5,847,255	0.1623%	114.05	0.14%
2016	51,670	3,718,890,337	17,605,000	-	5,101,484	655,000	276,187	23,085,297	0.6208%	446.78	0.51%
2017	52,540	3,850,553,389	17,235,000	604,447	4,992,002	500,000	328,548	23,002,901	0.5974%	437.82	0.49%
2018	52,710	4,024,026,236	16,820,000	572,634	4,880,861	340,000	400,634	22,212,861	0.5520%	421.42	0.41%
2019	53,145	4,182,936,169	16,355,000	540,821	4,769,605	175,000	330,065	21,510,361	0.5142%	404.75	0.39%
2020	54,120	4,318,442,471	15,835,000	509,007	4,610,001	-	498,688	20,455,320	0.4737%	377.96	0.35%
2021	54,935	4,581,833,349	15,260,000	477,194	4,150,001	-	827,606	19,059,589	0.4160%	346.95	0.28%
2022	57,199	4,791,929,760	14,635,000	413,568	3,620,000	-	863,358	17,805,210	0.3716%	311.29	0.26%
2023	57,390	5,019,177,057	13,950,000	381,755	3,020,000	-	962,074	16,389,681	0.3265%	285.58	0.22%

(1) General bonded debt includes general obligation bonds and other debt financed with any general governmental resources excluding special assessment bonds.

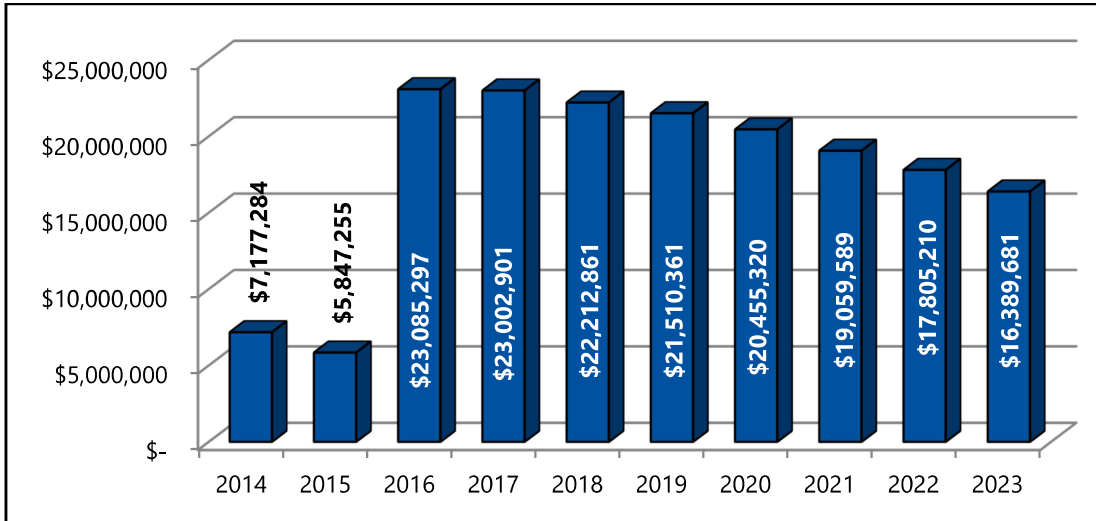
(2) Available for the 2002 Limited Tax Pension Bonds and the 2015 Public Safety Facility Bonds.

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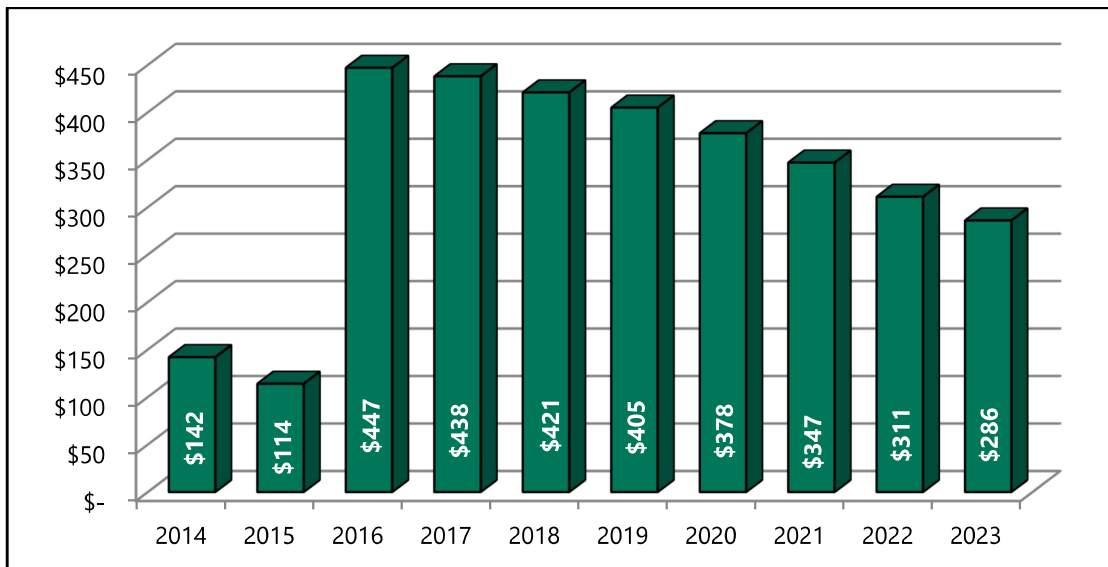
SCHEDULE 10

CITY OF ALBANY, OREGON

Net General Bonded Debt
Last Ten Fiscal Years



Net General Bonded Debt Per Capita
Last Ten Fiscal Years



Source: City of Albany 2014-2023 Annual Comprehensive Financial Reports

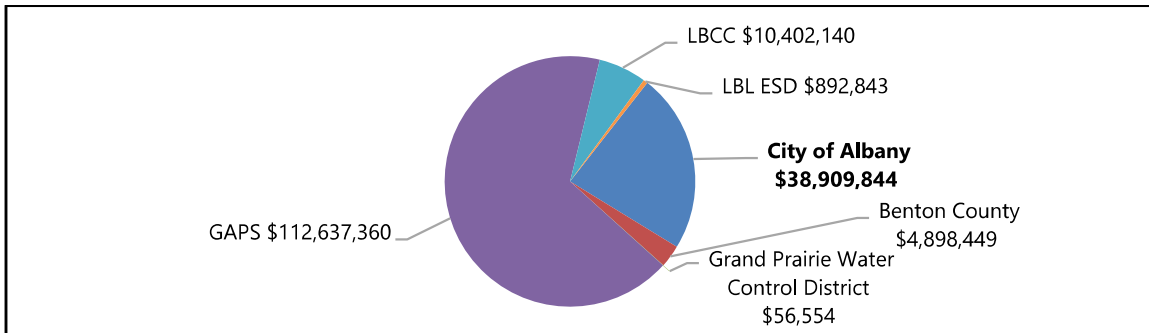
SCHEDULE 11

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

As of June 30, 2023

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)	\$ 38,909,844	100.0000%	\$ 38,909,844
OVERLAPPING DEBT			
Benton County	50,585,000	9.6836%	4,898,449
Grand Prairie Water Control District	70,621	80.0810%	56,554
Greater Albany Public School (GAPS) District 8J	156,525,997	71.9608%	112,637,360
Linn Benton Community College (LBCC)	45,100,413	23.0644%	10,402,140
Linn-Benton-Lincoln (LBL) ESD	5,750,000	15.5277%	892,843
Total overlapping debt	<u>258,032,031</u>		<u>128,887,346</u>
Total direct and overlapping debt	<u>\$ 296,941,875</u>		<u>\$ 167,797,190</u>

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	\$ 13,950,000
2002 Limited Tax Pension Obligations	3,020,000
Total City of Albany net outstanding debt - bonds	<u>16,970,000</u>

(3) Remaining City of Albany net outstanding debt

CARA Banner Bank Note	14,643,693
Oregon IFA	5,801,078
2021 Lochner Rd	1,113,318
Unamortized Premium	381,755
Total Remaining City of Albany net outstanding debt	<u>21,939,844</u>
Grand Total of City of Albany net outstanding debt	<u>\$ 38,909,844</u>

SCHEDULE 12

**CITY OF ALBANY, OREGON
COMPUTATION OF LEGAL DEBT MARGIN**

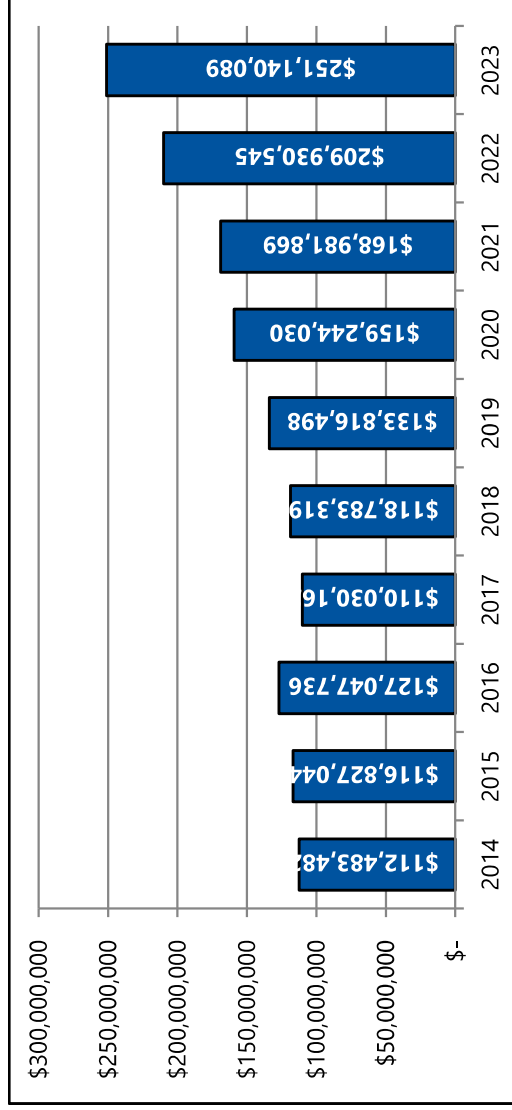
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limitation	\$ 114,909,144	\$ 116,699,781	\$ 127,047,736	\$ 127,544,869	\$ 135,869,904	\$ 150,428,007	\$ 175,292,368	\$ 184,510,207	\$ 223,702,187	\$ 264,128,015
Total net debt applicable to limitation	2,425,662	(127,263)	-	17,514,707	17,086,585	16,611,509	16,048,338	15,528,338	13,771,642	12,987,926
Legal debt margin	\$ 112,483,482	\$ 116,827,044	\$ 127,047,736	\$ 110,030,162	\$ 118,783,319	\$ 133,816,498	\$ 159,244,030	\$ 168,981,869	\$ 209,930,545	\$ 251,140,089

Ratio of net debt applicable to the debt limitation

	2.11%	-0.11%	0.00%	13.73%	12.58%	11.04%	9.16%	8.42%	6.16%	4.92%
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Legal Debt Margin
Last Ten Fiscal Years



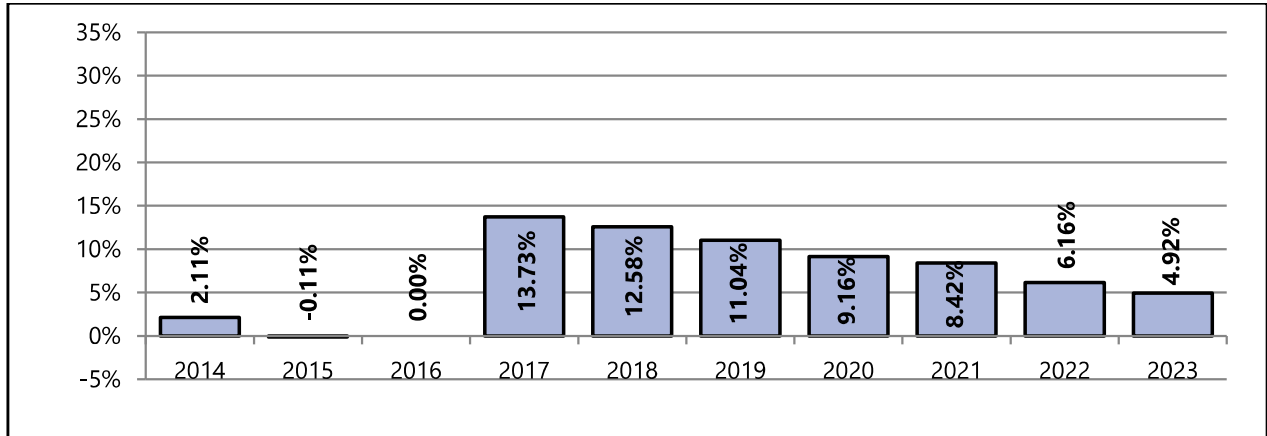
The state-mandated legal debt margin for general obligation debt is three percent of true cash value (market value). The legal debt margin is a direct function of the true cash value of properties in the City and the City's net general obligation debt. The City's legal debt margin has increased by 123.27 percent (\$138,656,607) over the last ten years. During the same period, the City's true cash value increased by 128.08 percent (\$4,944,073,009) and the City's general obligation debt increased by 931.58 percent (\$12,436,642).

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SCHEDULE 12

CITY OF ALBANY, OREGON

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
PLEGDED 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	
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%
2022	15,464,031	11,947,989	3,723,196	7,239,238	1,195,000	730,794	1,925,794	375.91%
2023	17,408,574	13,455,631	3,805,588	7,758,531	1,240,000	682,094	1,922,094	403.65%

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	
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%
2022	20,422,413	18,308,150	5,450,858	7,565,121	4,119,093	979,536	5,098,629	148.38%
2023	20,737,443	15,718,691	5,560,856	10,579,608	4,424,545	858,441	1,922,094	550.42%

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 2014-2023 Annual Comprehensive Financial Reports

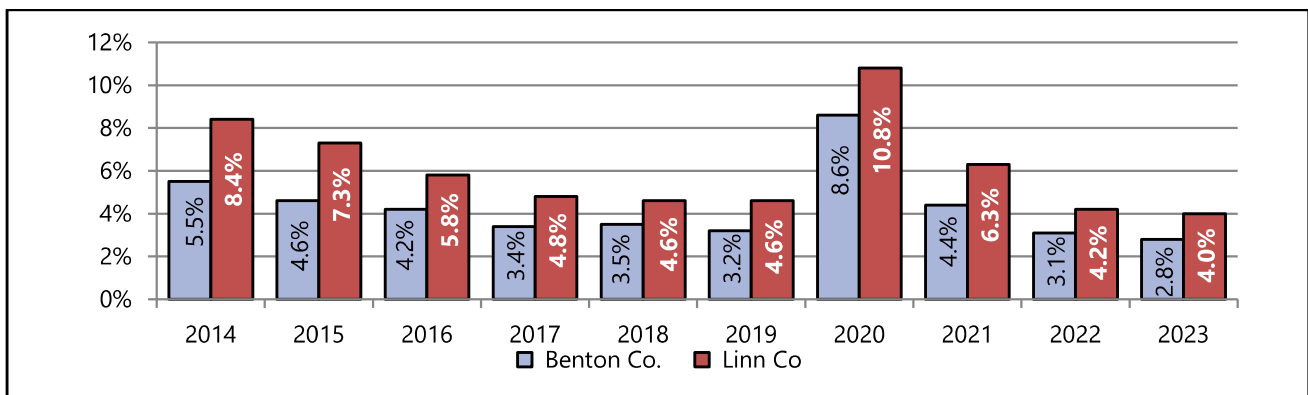
SCHEDULE 14

**CITY OF ALBANY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS**
Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Albany Population (1)	Albany-Lebanon Metropolitan Statistical Area		Per Capita Personal Income (2)	Albany School Enrollment (3)	Unemployment Rate (4)	
		Population (1)	Personal Income (2)			Linn Co.	Benton Co.
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	6,757,131,000	52,230	8,946	6.3%	4.4%
2022	57,199	130,467	6,845,480,000	54,123	8,910	4.2%	3.1%
2023	57,997	129,848	7,411,738,000	57,016	8,798	4.0%	2.8%

Over the last ten years, the City's population has increased by 14.35 percent (7,277). From 2014 to 2023 per capita personal income has risen by 81.1 percent (\$25,533) in the Albany-Lebanon metropolitan statistical area (established in 2013). Albany's city boundaries span two counties: Linn County (population 48,156) and Benton County (population 9,841). As of fiscal year 2022-23, per capita personal income was \$56,805 for Linn County, \$59,310 for Benton County, and \$66,839 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District decreased by 11.36 percent (-1,127 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

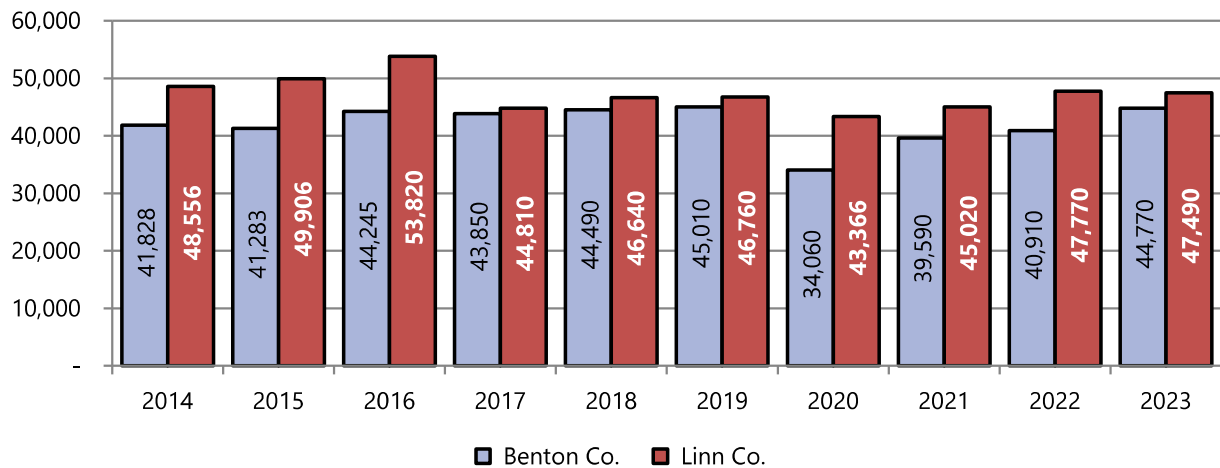
**CITY OF ALBANY, OREGON
ALBANY AREA PRINCIPAL EMPLOYERS**

Last Ten Fiscal Years

Employer	June 30, 2023			June 30, 2014		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	10,844	1	11.75%	9,240	1	10.22%
Samaritan Health Services	3,372	2	3.65%	5,000	2	5.53%
ATI Wah Chang (Teledyne Wah Chang - 1997)	1,300	3	1.41%	857	6	0.95%
Greater Albany Public School District 8J	1,035	4	1.12%	983	4	1.09%
Linn Benton Community College	974	5	1.06%	941	5	1.04%
Linn County	690	6	0.75%	635	8	0.70%
Dayton-Hudson Corporation (Target)	425	7	0.46%	650	7	0.72%
Selmet	420	8	0.46%	-	-	0.00%
Mennonite Village	417	9	0.45%	-	-	0.00%
City of Albany	404	10	0.44%	390	9	0.43%
Hewlett Packard	-	-	0.00%	2,000	3	2.21%
Express Personnel	-	-	0.00%	300	10	0.33%
Totals	19,881		21.55%	20,996		23.23%
Total employment in Linn and Benton Counties	92,260			90,384		

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 increased by 2.08 percent (1,876 jobs) over the last ten years. For the ten-year period, the low point was 77,426 jobs in June 2020, and the high point was 98,065 jobs in June 2016. 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**
Last Ten Fiscal Years

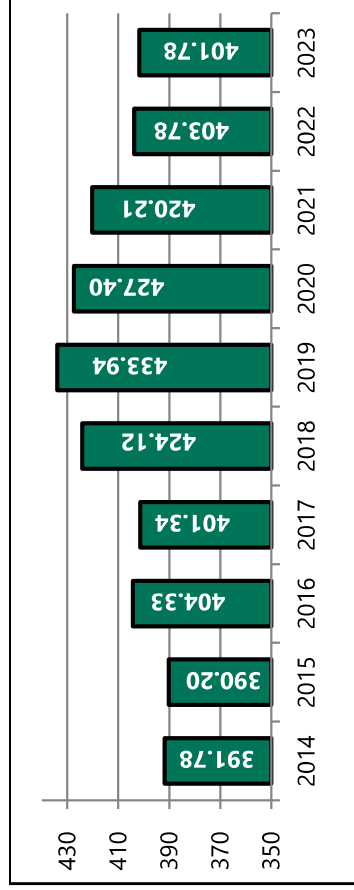
Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
General Government										
Economic Development	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Transit	11.30	11.30	12.88	12.88	10.87	13.88	13.88	13.93	18.00	18.00
Planning	6.10	6.42	6.42	6.42	6.52	6.52	6.82	6.82	6.80	6.80
Building Inspection	5.75	5.43	6.43	6.43	6.43	6.43	6.73	6.73	9.00	9.00
Electrical Permit Program	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	-	-
Total General Government	25.90	24.90	28.48	28.48	26.57	29.58	30.18	30.23	35.80	35.80
Public Safety										
Fire	78.40	75.60	79.40	79.40	86.91	93.60	90.60	89.60	78.60	78.60
Police	87.88	88.88	92.25	92.25	98.25	98.25	94.25	91.25	91.25	89.25
Municipal Court	4.38	4.38	4.38	4.38	4.38	5.38	5.38	4.98	4.38	4.38
Total Public Safety	170.65	168.85	176.03	176.03	189.54	197.23	190.23	185.83	174.23	172.23
Highways and Streets										
Street Fund	7.45	7.45	7.45	7.45	7.45	8.45	8.10	8.65	9.00	9.00
Airport	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.50	-	-
Total Highways and Streets	7.55	7.55	7.55	7.55	7.55	8.55	8.20	9.15	9.00	9.00
Culture and Recreation										
Parks & Recreation	26.65	26.78	28.15	31.65	34.56	33.19	32.09	25.40	28.24	28.24
Library	20.93	20.93	20.93	20.93	21.20	21.70	21.06	21.06	19.31	19.31
Total Culture and Recreation	47.58	47.70	49.08	52.58	55.76	54.89	53.15	46.46	47.55	47.55
Total Governmental Activities	251.58	249.00	261.13	264.64	279.42	290.24	281.75	271.66	266.58	264.58
BUSINESS-TYPE ACTIVITIES										
Enterprise										
Water	21.50	21.50	21.50	21.50	23.50	22.50	22.50	22.50	22.50	22.50
Sewer	23.50	23.50	23.50	23.50	23.50	22.50	23.85	19.85	19.50	19.50
Stormwater	-	-	-	-	-	-	-	4.00	1.00	1.00
Total Enterprise	45.00	45.00	45.00	45.00	47.00	45.00	46.35	46.35	43.00	43.00
Internal Service										
Central Services	41.20	41.20	41.20	37.70	40.70	40.70	41.60	44.50	33.20	33.20
Public Works Services	54.00	55.00	57.00	54.00	57.00	58.00	57.70	57.70	61.00	61.00
Total Internal Service	95.20	96.20	98.20	91.70	97.70	98.70	99.30	102.20	94.20	94.20
Total Business-type Activities	140.20	141.20	143.20	136.70	144.70	143.70	145.65	148.55	137.20	137.20
Grand Total - All Full-time Equivalents	391.78	390.20	404.33	401.34	424.12	433.94	427.40	420.21	403.78	401.78

Continued on next page

SCHEDULE 16

CITY OF ALBANY, OREGON

Total Full-time Equivalents
Last Ten Fiscal Years



Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 2014
2014	391.78	-	-
2015	390.20	-0.40%	-0.40%
2016	404.33	3.62%	3.20%
2017	401.34	-0.74%	2.44%
2018	424.12	5.68%	8.26%
2019	433.94	2.32%	10.76%
2020	427.40	-1.51%	9.09%
2021	420.21	-1.68%	7.26%
2022	403.78	-3.91%	3.06%
2023	401.78	-0.50%	2.55%

The average annual rate of change over the ten-year period is 0%.

SCHEDULE 17

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
General Government										
Planning and Community Development										
Number of planning applications	62	132	138	197	57	140	41	214	122	127
Total permits issued	2,189	2,332	2,359	2,549	2,570	3,041	2,783	2,881	2,925	2,950
New construction permits issued	418	5	154	143	180	219	188	257	187	168
Single-family permits issued	128	141	130	98	157	207	132	201	1,429	246
Electrical permits issued	816	905	910	1,011	1,007	1,085	998	974	715	1,108
Building Maintenance										
Square footage of buildings maintained	233,780	296,233	317,366	317,366	323,933	443,337	443,337	443,337	453,337	446,161
Work orders completed	2,001	1,886	1,627	1,725	1,702	2,447	2,130	3,439	3,175	2,100
Public Transit										
Total number of riders	234,186	231,224	214,865	209,595	200,910	200,738	183,250	135,941	71,842	88,279
Total annual route miles	275,977	287,257	206,720	308,451	298,076	280,481	291,738	287,998	268,109	387,543
Public Safety										
Municipal Court										
Number of warrants issued	1,777	2,516	3,102	2,970	2,686	2,879	3,959	548	3,490	4,119
Case numbers issued	3,671	5,079	6,121	5,746	5,314	8,412	8,665	7,296	4,382	5,273
Police										
Total arrests	3,609	4,777	4,964	4,884	6,854	6,185	7,093	6,644	4,778	4,998
Traffic citations issued	3,315	3,907	5,263	4,659	5,884	5,275	5,040	3,867	2,325	3,343
Animal and abandoned vehicle calls	2,320	2,288	2,513	2,349	2,498	2,855	2,514	2,815	2,417	1,727
Fire										
Total calls for emergency fire and EMS services	6,448	7,133	7,511	8,029	9,038	9,341	10,438	9,921	11,283	11,459
Full response structure fires	53	49	42	53	83	61	93	52	87	102

Continued on next page

SCHEDULE 18

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Highways and Streets										
Miles of improved streets	166	181	200	401	197	196	197	200	201	201
Miles of unimproved streets	35	14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Miles of gravel streets	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Culture and Recreation										
Parks & Recreation										
Number of developed park sites	36	36	36	36	36	36	29	29	28	33
Acres of developed park land	564	564	564	564	564	564	431	431	428	332
Library										
Number of libraries	2	2	2	2	2	2	2	2	2	2
*Number of physical and digital units	250,946	249,982	259,309	260,695	261,474	283,492	273,174	267,508	254,057	289,276
BUSINESS-TYPE ACTIVITIES										
Enterprise										
Sewer										
Miles of sanitary sewer lines (6 inches or larger)	230	230	201	203	203	204	204	204	206	208
Miles of storm sewer lines (12 inches or larger)	104	105	105	107	107	138	139	139	142	140
Number of sewer hookups	16,556	16,187	16,292	16,590	17,154	17,576	17,795	17,545	18,819	20,747
Water										
Miles of water lines	276	261	264	264	264	265	274	299	299	277
Number of water hookups	18,000	17,079	17,105	17,777	17,898	19,343	18,463	19,087	17,684	18,915
Number of water treatment plants	2	2	2	2	1	2	2	2	2	2

Source: City of Albany departmental records



CITY OF ALBANY

★ OREGON ★

Inc. 1864



COMPLIANCE SECTION



CITY OF ALBANY

★ OREGON ★

Inc. 1864

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

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

We have audited the basic financial statements of the City of Albany, Oregon (the "City") as of and for the year ended June 30, 2023 and have issued our report thereon dated July 22, 2025. 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 162-010-000 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 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

Honorable Mayor and Members of the City Council
City of Albany, Oregon
Independent Auditor's Report Required by Oregon State Regulations

OAR 150-294-0430 – general operating contingencies

The City appropriated contingencies in the Public Safety Levy fund, which is, by definition, a non-operating fund. An operating fund is defined as one which contains estimates for personnel services, materials and services, or capital outlay.

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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Restriction of Use

This report is intended solely for the information and use of the City Council and management of the City 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

July 22, 2025

By:



Brad Bingenheimer, Partner

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

INDEPENDENT AUDITOR'S REPORT

Honorable 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 (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Albany, Oregon (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 22, 2025.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2023-001 to be a material weakness.

Honorable Mayor and Members of the City Council
City of 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*

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2023-002 and 2023-003 to be significant deficiencies.

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*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Responses*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

July 22, 2025

**CITY OF ALBANY, OREGON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

MATERIAL WEAKNESS

2023-001 Financial Reporting and Material Adjustments

Criteria: Financial statements are required to be presented in accordance with generally accepted accounting principles (GAAP) and provided to the State of Oregon by December 31st subsequent to the City's year-end. In preparing the financial statements account balances should be reconciled, and all appropriate adjustments recorded.

Condition: Account balances were not properly reconciled, and financial statements could not be prepared in a timely manner. Additionally material misstatements were identified in the audit which required adjustment.

Cause: Staffing changes and inadequate documentation of financial reporting process.

Effect or potential effect: The financial statements could not be prepared in a timely manner and the accounting records contained material misstatements.

Recommendation: The City should establish procedures for reconciliation of all account balances at year end, including supervisory review and approval, and design and document the financial reporting process.

Views of responsible officials: The City acknowledges the material weakness identified in the 2023 audit related to financial reporting and material audit adjustments. Management recognizes the importance of timely and accurate financial reporting in accordance with generally accepted accounting principles (GAAP) and is committed to implementing the necessary improvements to address the issues noted.

To strengthen our financial reporting processes, the following corrective actions are being taken:

1. Year-End Account Reconciliation Procedures

- A standardized reconciliation checklist will be implemented, including due dates and staff responsibilities.
- Each reconciliation will be reviewed and approved to ensure accuracy and completeness.
- A month-end close process will be initiated to reduce the risk of year-end surprises.

**CITY OF ALBANY, OREGON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022
(Continued)**

2023-001 Financial Reporting and Material Adjustments (continued)

2. Financial Reporting Process Documentation

- The City will develop and formalize a comprehensive year-end financial reporting calendar and procedure manual.
- These procedures will detail the timeline, responsible parties, and source documentation required for financial statement preparation and audit readiness.
- All documentation will be centrally stored and available to ensure continuity and knowledge transfer.

3. Staff Training and Cross-Training

- Existing staff will receive additional training focused on year-end closing and financial statement preparation.
- At least one additional staff member will be cross trained in critical reporting tasks to ensure continuity during transitions or absences.
- The City will evaluate long-term staffing needs and address capacity concerns as part of its budget and strategic planning processes.

4. Implementation Timeline

- Reconciliation procedures and checklist: August 31, 2025
- Documented financial reporting process: September 30, 2025
- Cross-training and staffing review: October 31, 2025
- Internal review and draft financials for audit: November 30, 2025

These steps will help ensure the accuracy, reliability, and timeliness of the City's financial reporting and position the Finance Department for long-term sustainability and compliance with State reporting deadlines.

**CITY OF ALBANY, OREGON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022
(Continued)**

SIGNIFICANT DEFICIENCIES

2023-002 Inventory Valuation

Criteria: Inventory is to be reported at cost.

Condition: The City has reported at estimated replacement cost.

Cause: Staff turnover and lack of established policies and procedures over valuation of inventory.

Effect or potential effect: The inventory in the Water Fund was overstated by an estimated \$286,755.

Recommendation: The City establish policies and procedures over the valuation of inventory at historical cost.

Views of responsible officials: The City agrees with the finding and recommendation. To ensure accurate financial reporting and compliance with GAAP, the City is taking the following corrective actions:

1. Policy Development

- The Finance staff will develop a formal Inventory Valuation Policy that requires inventory to be valued at historical cost.
- The policy will include definitions, responsibilities, and the process for recording and reporting inventory transactions.

2. Revaluation of Existing Inventory

- A detailed review and revaluation of Water Fund inventory will be conducted using historical purchase documentation.
- Adjusting journal entries will be made to reflect the corrected inventory valuation in the general ledger.

3. Staff Training

- Staff responsible for inventory management and reporting will be trained on the new policies and procedures.
- Training will include guidance on how to document purchases, track cost data, and perform regular reconciliations.

CITY OF ALBANY, OREGON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022
(Continued)

2023-002 Inventory Valuation (continued)

4. Procedure Implementation

- Written procedures will be established to guide the recording, valuation, and reconciliation of inventory.
- These procedures will include steps for year-end reconciliations and reporting.

5. Ongoing Monitoring and Review

- The inventory valuation process will be reviewed annually and updated as needed.

2023-003 Timely Reconciliation of Bank Accounts

Criteria: Internal controls should include policies and procedures to ensure that all bank accounts are reconciled to the general ledger monthly on a timely basis.

Condition: During the year bank accounts were not reconciled to the general ledger monthly on a timely basis.

Cause: Staff turnover.

Effect or potential effect: Material misstatements could occur and not be detected and corrected on a timely basis.

Recommendation: The City should establish policies and procedures to ensure that all bank accounts are reconciled monthly, including supervisory review and approval of the reconciliations.

Views of responsible officials: The City concurs with the auditor's recommendation. Timely bank reconciliation is a critical component of the City's financial internal control system. We are implementing the following corrective actions:

1. Establish Bank Reconciliation Policy

- A formal Bank Reconciliation Policy will be developed, requiring:
- All bank accounts to be reconciled within 30 days after month-end.
- Reconciliations to be tied to the general ledger and supported by appropriate documentation.
- Supervisor review and approval of all reconciliations within 5 days of completion.

2023-003 Timely Reconciliation of Bank Accounts (continued)

2. Define Roles & Responsibilities

- Assign primary and backup staff for all reconciliation tasks to mitigate the impact of future staff turnover.
- Include specific reconciliation duties and review expectations in job descriptions and performance goals.

3. Integrate into Month-End Close Process

The following steps will be incorporated into the City's formal month-end close checklist:

- Download and archive all bank statements
- Complete reconciliation for all active bank accounts
- Tie GL balances to bank balances and identify variances
- Submit reconciliations for review
- Approval of reconciliations and resolution of discrepancies
- Upload final reconciliations to shared drive/audit folder

4. Implement Review and Documentation Standards

- All reconciliations must be:
 - Initialed and dated by preparer and reviewer.
 - Stored in a shared audit-ready folder with naming conventions by fund and month.
- Variances over a threshold (e.g., \$100) must be documented and explained.

5. Training and Cross-Training

- Conduct staff training to ensure all accounting staff understand the reconciliation policy, documentation standards, and month-end deadlines.
- Cross train team members on key account reconciliations to reduce dependency on individual staff.

6. Monitor and Review

- Monthly reconciliation compliance will be tracked on a central dashboard or log.
- The Finance Director will perform quarterly spot checks and ensure adherence to policy.