



for a



# CITY OF ALBANY, OREGON

## Comprehensive Annual Financial Report

### FY2019-2020





**City of Albany, Oregon**

**Comprehensive Annual Financial Report**

**for the Fiscal Year Ended**

**June 30, 2020**

**\* \* \* \* \***

**Peter Troeddson, City Manager**

**Jeanna Yeager, Finance Director**

**Prepared by:**

**The Finance Department  
City of Albany, Oregon**



## Table of Contents

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Council Members, Administrative Staff and Principal Finance Staff .....	11
Organizational Chart .....	12
Letter of Transmittal.....	13
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	25
Management’s Discussion and Analysis .....	29
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position .....	41
Statement of Activities.....	42
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	44
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	45
Statement of Revenues, Expenditures and Changes in Fund Balances.....	46
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	47
Major Governmental Funds Budgetary Comparison Statements	
General .....	48
Parks and Recreation.....	50
Risk Management .....	52
Street .....	53
Proprietary Funds:	
Statement of Net Position .....	54
Statement of Revenues, Expenses and Changes in Net Position .....	55
Statement of Cash Flows.....	56
Notes to the Basic Financial Statements .....	59
<b>Required Supplementary Information</b>	
Schedule of the Proportionate Share of the Net Pension Liability .....	116
Schedule of Contributions .....	117
Schedule of the Proportionate Share of the Net OPEB Liability .....	118
Schedule of OPEB Contributions.....	119
Schedule of Changes in the City’s Total Other Postemployment Benefit Liability and Related Ratios.....	120

## Table of Contents, continued

	<u>Page</u>
<b>FINANCIAL SECTION (Continued)</b>	
<b>Supplementary Data</b>	
<b>Budgetary Comparison Schedule Capital Projects</b> .....	122
<b>Nonmajor Governmental Funds</b>	
<b>Combining Statements</b>	
Combining Balance Sheet .....	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	124
<b>Special Revenue Funds</b>	
Combining Balance Sheet .....	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	128
<b>Budgetary Comparison Schedules</b>	
Grants .....	130
Building Inspection .....	131
Economic Development .....	132
Public Transit .....	133
Public Safety Levy .....	134
Albany Revitalization Agency .....	135
<b>Debt Service Fund</b>	
Combining Balance Sheet .....	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	137
<b>Budgetary Comparison Schedule</b>	
Debt Service.....	138
GO Debt Service .....	139
<b>Capital Project Funds</b>	
<b>Budgetary Comparison Schedule</b>	
Capital Replacement .....	140
<b>Permanent Funds</b>	
<b>Budgetary Comparison Schedule</b>	
Library Trust .....	141
<b>Proprietary Funds</b>	
<b>Enterprise Funds</b>	
Water Fund Budgetary Comparison Schedule .....	142
<b>Water Fund Reconciliation of Budgetary Revenues, Expenditures and Fund</b>	
Balance to Statement of Revenues, Expenses and Changes in Net Position .....	143
Sewer Fund Budgetary Comparison Schedule .....	144
<b>Sewer Fund Reconciliation of Budgetary Revenues, Expenditures and Fund</b>	
Balance to Statement of Revenues, Expenses and Changes in Net Position .....	145
Stormwater Fund Budgetary Comparison Schedule .....	146
<b>Stormwater Fund Reconciliation of Budgetary Revenues, Expenditures and Fund</b>	
Balance to Statement of Revenues, Expenses and Changes in Net Position .....	147

**FINANCIAL SECTION (Continued)**

**Supplementary Data (continued)**

**Proprietary Funds (continued)**

**Internal Service Funds**

Combining Statement of Net Position.....	148
Combining Statement of Revenues, Expenses and Changes in Net Position.....	149
Combining Statement of Cash Flows.....	150
Budgetary Comparison Schedules	
Central Services .....	151
Public Works Services .....	152
Reconciliation of Budgetary Revenues, Expenditures and Fund Balance to Statement of Revenues, Expenses and Changes in Net Position of Internal Service Funds .....	153

**STATISTICAL SECTION**

Net Position by Component.....	156
Change in Net Position.....	158
Fund Balances of Governmental Funds .....	162
Change in Fund Balances of Governmental Funds .....	164
Assessed Values and Estimated Market Value of Taxable Property .....	166
Direct and Overlapping Tax Rates .....	168
Principal Property Taxpayers .....	170
Property Tax Levies and Collections .....	171
Schedule of Debt Per Capita and Debt as a Percentage of Personal Income .....	172
Ratio of General Bonded Debt To Assessed Value.....	174
Computation of Direct and Overlapping Debt .....	176
Computation of Legal Debt Margin .....	178
Pledged Revenue Coverage.....	180
Demographic and Economic Statistics .....	181
Albany Area Principal Employers.....	182
Employee Full-time Equivalents by Function.....	184
Operating Indicators by Function.....	186
Capital Asset Statistics by Function.....	188

**COMPLIANCE SECTION**

Independent Auditor’s Report Required by Oregon State Regulations .....	193
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**COMPLIANCE SECTION (continued)**

**Government Auditing Standards and Uniform Guidance Reports**

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> .....	195
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Controls Over Compliance in Accordance with the Uniform Guidance.....	197
Schedule of Findings and Questioned Costs .....	199
Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards.....	200
Summary of Prior Year Audit Findings	201



## **INTRODUCTORY SECTION**

<b>Council Members, Administrative Staff and Principal Finance Staff.....</b>	<b>i</b>
<b>Organizational Chart .....</b>	<b>ii</b>
<b>Letter of Transmittal.....</b>	<b>iii</b>
<b>Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2018.....</b>	<b>xii</b>



## City of Albany, Oregon

333 Broadalbin Street SW

Albany, Oregon 97321

[www.cityofalbany.net](http://www.cityofalbany.net)

Council Members, Administrative Staff and Principal Finance Staff

June 30, 2020

### Council Members

Ward	Council	Years of Service	Term Expires
	Sharon Konopa, Mayor	24	December 31, 2020
I	Dick Olsen	22	December 31, 2022
I	Mike Sykes	4	December 31, 2020
II	Bill Coburn	12	December 31, 2020
II	Alex Johnson II	2	December 31, 2022
III	Bessie Johnson	18	December 31, 2022
III	Rich Kellum	7	December 31, 2020

### Administrative Staff

City Manager	Peter Troeddson
Finance Director	Jeanna Yeager
Public Works Director (Ops)	Chris Bailey
Public Works Director (Eng/CD)	Jeff Blaine
Parks and Recreation Director	Kim Lyddane
Library Director	Eric Ikenouye
Police Chief	Marcia Harnden
Fire Chief	Shane Wooton
Assistant City Manager/Chief Information Officer	Jorge Salinas
Human Resources Director	Danette Jamison

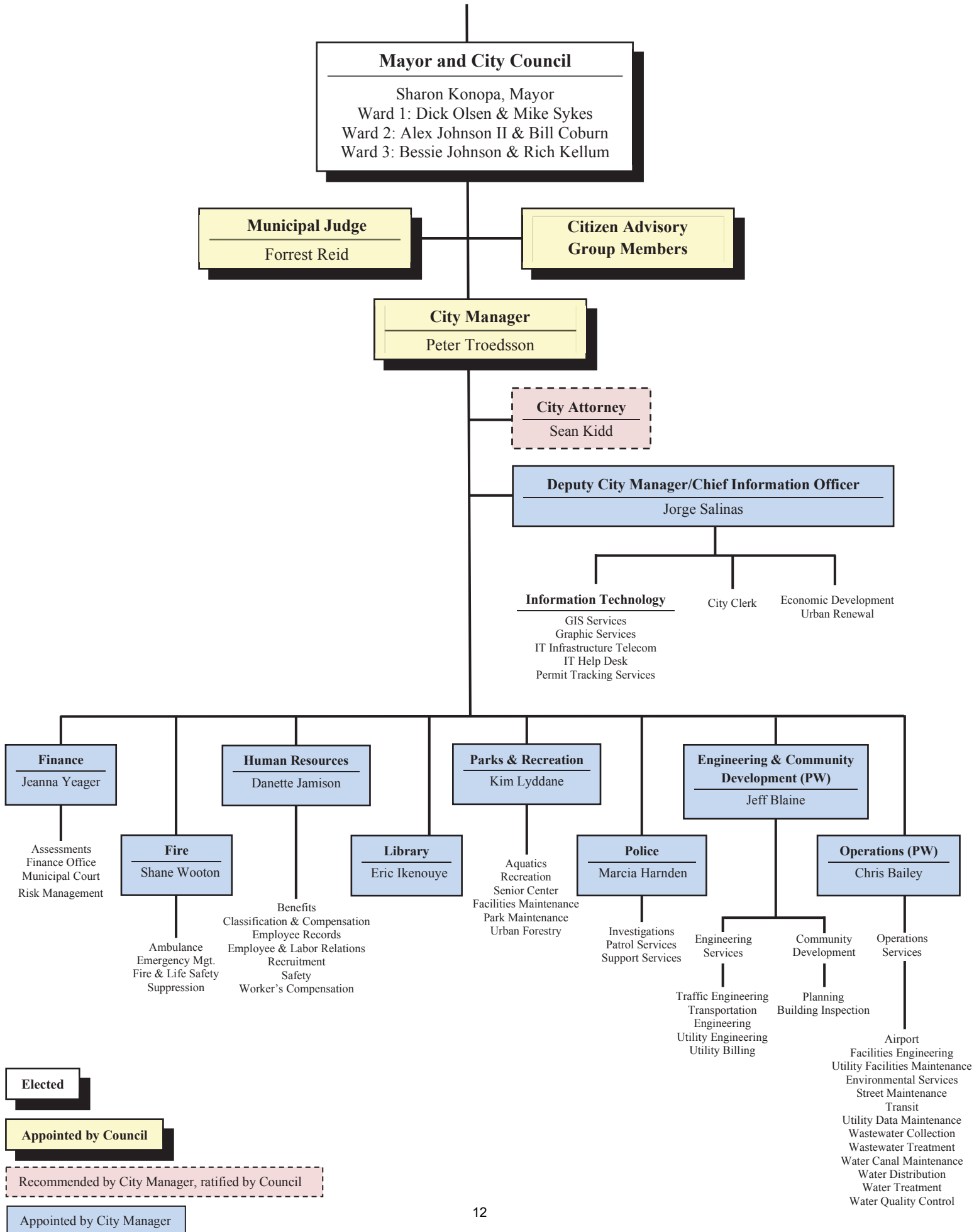
### Principal Finance Staff

Finance Director  
Jeanna Yeager

Finance Manager  
J.C. Rowley

Senior Accountant  
Brett Tieszen

# Citizens of the City of Albany



January 29, 2021

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. Thus, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Albany, Oregon (City), for the fiscal year ended June 30, 2020, together with the unqualified opinion therein of our independent certified public accountants, Boldt Carlisle Smith, a division of SingerLewak.

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

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

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the report of the independent auditors, beginning on page 26.

## **ABOUT ALBANY, OREGON**

Albany is located in the heart of the Willamette Valley 40 miles north of Eugene, the state's second largest city, and 24 miles south of Salem, the state capital. With a 2020 population of 54,120 Albany is the state's 11th largest city. The city's boundaries span Linn and Benton counties with a population of 45,865 in Linn County and 8,255 in Benton County. It is the county seat and largest city in Linn County and the second largest city in Benton County.

Population:

Year	City of Albany	Linn County	Benton County
1970 Census	18,181	71,914	53,776
1980 Census	26,678	89,495	68,211
1990 Census	29,540	91,227	70,811
2000 Census	40,010	103,069	78,153
2010 Census	50,710	111,355	87,000

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

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

## **ECONOMIC OUTLOOK AND CONDITION**

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

Oregon State University in nearby Corvallis, as well as Samaritan Health Services and ATI Wah Chang in Albany, employ over 13,300 people. The development of the U. S. Bureau of Mines in Albany in the 1940s led to the growth of a significant rare metals industry in the Albany area. Today, Albany is known as the "Rare Metals Capital of the World" due to the production volume of specialized metals. Manufacturing firms, such as ATI Wah Chang (estimated 1,400 full-time employees), create specialized products for aerospace, super conductivity, fiber optics, nuclear energy generation, and photography.

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

Unemployment rates increased across the state, much of this being attributed to the current COVID-19 pandemic. Over the period of March and April, Oregon's employment dropped by 14.5 percent. Although employment is rebounding, statistics published by the Oregon Employment Department show that as of June 30, 2020, the unemployment rates for Linn and Benton counties were 10.8 percent and 8.6 percent,

respectively. These rates were 4.7 percent and 3.2 percent as of June 30, 2019. Linn County's jobless rate ranked 18th of Oregon's 36 counties, and Benton County's jobless rate was ranked 6th. State forecasts predict the economy will return to pre-COVID levels by mid-2023.

A factor in measuring the economic condition of a community is its overall real market value. For properties within the city, the real market value increased 8.5 percent from \$5.67 billion to \$6.15 billion in the last fiscal year.

In May 2016, Albany voters approved the Public Safety Operating Levy effective July 1, 2017. This five-year, \$1.15/1000 of assessed valuation special levy will make available approximately \$4 million each year for public safety purposes.

Albany voters also approved a \$18 million bond issuance in May 2015 for the construction of public safety facilities. The 20-year bonds have interest rates ranging from 3 to 5 percent.

In October 2016, the city council approved via resolution an \$8.4 million loan from the Oregon Infrastructure Finance Authority (IFA) for the financing of projects in the Central Albany Revitalization Area. The interest rate is 2.55 percent, and payment will be made from the transfer of Albany Revitalization Agency incremental tax receipts. The agreement with the IFA was signed on November 17, 2016. The recognition of this debt for financial reporting purposes occurred in the current fiscal year.

## **MAJOR INITIATIVES**

### **Strategic Plan**

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

### **Communications**

Our current communications footprint is comprised of direct outreach through social media outlets, email, Nixle messaging, City websites, and in-person events where appropriate, as well as continuing professional relations with traditional media outlets such as broadcast TV, newspaper, and radio.

As a result of staff vacancies and budget constraints, the City has worked to consolidate the number of platforms used and to find efficiencies in fully utilizing each platform for maximum connection with the public.

The City's website and associated subsites remain the backbone of our communications efforts. In 2020, the City websites served over 1,250,000 external pageviews. The main website was upgraded in January 2020 with a more mobile-friendly template and a new main navigation scheme that closely mirrors the City's Strategic Plan themes. The bounce rate and number of pages users accessed went up last year, indicating users found what they were looking for more easily after this change. Mobile users now comprise over half of visitors.

Social media channels connect with a broad demographic of residents who increasingly are not consuming more traditional methods of communication. The City maintains nine Facebook pages, two Twitter accounts, five Instagram accounts, one LinkedIn account, one NextDoor account, and a YouTube channel. The main City of Albany Facebook page has a follower count of 5,833, a 38 percent increase in the last year. The City's Instagram page has 1,641 followers, an increase of 52 percent in the last year.

In 2020, City Bridges, the City's monthly electronic newsletter, was converted to a digest of the previous month's social media posts. Staff no longer had the resources to continue generating original content. Using this new model, residents who may not be users of social media continue to receive messaging from the City without having to have an account on social media. This year, a careful audit was done of the subscriber list within the Mailchimp software used to maintain the mailing list and distribute City Bridges. Email addresses for recipients who had not opened any newsletters in the last year were removed from the list. As a result, the subscriber count went down by 57 percent to 3,970; however, the average open rate doubled to 42 percent.

Nixle/Everbridge is a service that provides instant messages through SMS texting or by app to subscribers and is used primarily for emergency situations. The main City Nixle group has 7,371 members, a 33 percent increase in the last year. The Albany Police Department maintains their own account on Nixle.

The City no longer actively broadcasts to public access television Channel 28 provided through our Comcast franchise agreement. A repeating message directs users to the various resources that are now provided through the internet.

Live streams of City Council meetings, COVID-19 updates, Library storytimes, and other videos are now provided using Facebook Live and YouTube, with archives available on our YouTube channel. The City has seen a dramatic increase in viewership and engagement using these two streaming methods.

### **Public Safety**

The Fire Department responded to almost 10,000 calls in FY 2019-2020. Of those, 88 percent were medical related. To both respond to an increased call volume and to replace aging vehicles in the fleet, four new apparatus were put into service. Two new ambulances and a new engine were supplied with equipment replacement funds, and a new rescue boat was funded by the Albany Rural Fire Protection District.

The Department continues to partner with the City of Millersburg on development of a permanent Station 15. A site has been identified and plans are in the early design stage.

Partnering with other Linn County fire departments, a study was conducted to identify shortfalls in the aged and failing communications system and to provide mitigation strategies and costs to move forward on replacing it.

In 2017, the Albany Police department added a full-time Accreditation Manager to coordinate the Commission on Accreditation for Law Enforcement Agencies (CALEA) accreditation process. The department completed its onsite assessment in June 2019; and in November 2019, APD was granted national CALEA accreditation. Every four years, the department will be reaccredited through onsite assessments and extensive file reviews. Receiving CALEA accreditation represents the department's high level of dedication to maintaining policies and standards.



At the beginning of 2018, the entire police department was officially housed in the new police building. The new location provides enhanced security, technology advancements, and plenty of space for future growth.

### **Municipal Court**

Court was completely closed to the public for 4.5 months of this last year and 5 months only open for court sessions. The court schedule was altered to meet COVID restrictions. Court sessions are currently limited to 15 people per session and chairs are spaced 6 feet apart in the courtroom. To come into the courtroom defendants must have an appointment, wear a face covering, have their temperature taken and pass a health screening. After each court session all tables, chairs and pen pads are sanitized.

In June, July, and August court sessions were held in both the mornings and afternoons to catch up on the backlog from being shut down for March, April, and May. In the time Court was closed to the public, clerks were able to start cleaning up and scanning files. The City saw a 35 percent decrease in the number of citations filed (mostly in traffic citations), but only a 10 percent decrease in the amount of revenue collected.

### **Parks and Recreation**

2020 looked very different from the year the Parks & Recreation Department had planned. COVID-19 caused major disruptions to recreation programming starting in March. As a result of the stay-at-home orders and sector guideline updates all recreations were modified or canceled. Parks and outdoor recreation facilities were very popular as people flocked outside. Staff worked diligently to keep up with increased usage, trash, and constantly changing guideline signage. With the traditional major events and activities canceled, recreation staff developed alternative ways to serve the community through virtual programs, modified in-person classes, and drive-thru events.

Funding programs and services through a pandemic became the most important ongoing initiative. Spending was cut drastically throughout the department to offset the loss of registration fees, sponsorships, and public dollars. The department lost 4.5 FTE in 2020. With all new, non-traditional programs, 13 sponsors kept their cash sponsorships in place for a total \$73,950 in addition to \$8,000 of in-kind support. CARES Act funding helped to offset costs associated with COVID-19 and gave the department opportunities to invest in new technology and equipment so that the community could continue to be served even as restrictive guidelines remain in place. The department received \$84,884 of grant funding from Linn County to fund several youth enrichment activities. Two additional grants totaling \$7,500 were received to offset a life jacket lending program (as pools were closed for a portion of the summer) and senior care packages to combat loneliness while the Senior Center is closed.

The 10-year Parks Master Plan will be presented to the Albany City Council in January 2021 along with a revised SDC methodology. This will be the first SDC methodology revision in almost 20 years. Working with the Albany Waterfront Project contractors, improvements for Monteith Park and the Dave Clark Path incorporate many of the wishes identified by the community during the Master Plan and waterfront survey processes.

### **Library**

In 2020, library staff completed a new mission, vision, and values. The Library's new vision reads, "A connected and diverse Albany that celebrates Curiosity, Knowledge, and Possibility."

The library staff quickly shifted in-person programs to a virtual model offering storytimes, book clubs, and other events online for patrons of all ages. Despite being virtual, the Summer Reading program still had over 1,600 participants. The Library contributed thousands of books to many Free Little Libraries in Albany and dropped off materials at the GAPS Free Lunch sites.

Staff continued with outreach to our Spanish-speaking patrons through events (Día De Los Muertos) and community partnerships like one with Samaritan Health Services for an Esperanza para las madres (hope for mothers) class.

With the pandemic closing the doors, the Library staff increased purchasing of e-books and e-audiobooks to meet patrons' demands. While patrons couldn't visit the libraries in person, the Library did add a curbside checkout model that circulated 9,000 items a month. The Library also had a table at the Farmer's Market to distribute library materials to patrons.

### **Building**

The Building Division processed permits with over \$100 million permit valuation from a wide variety of new construction and building alterations in fiscal year 2019-2020:

- New and altered commercial buildings accounted for \$46.9 million, approximately 47 percent of the total permit valuation for fiscal year 2019-2020.
- New one-two family dwelling units and manufactured homes accounted for \$49.8 million, approximately 50 percent of the total permit value for fiscal year 2019-2020.
- For FY 2019-2020, the division processed applications for 213 new apartment units.
- For FY 2019-2020, the division processed 198 applications for new single-family-homes/duplexes and manufactured homes units.
- The average permit value per dwelling unit of new residences decreased from \$248,463 in 2018-2019 to \$245,407 in 2019-2020.
- 2426 other miscellaneous permits not specifically based on value were processed in fiscal year 2019- 2020.
- There were 10,042 scheduled inspections scheduled in fiscal year 2019-2020 compared to 9,013 in 2018-2019.

The Building Division is continuing to enhance the abilities for customer to make applications for all permits through the City's online permit systems. These enhancements are reducing the need for customers to take time off work or drive to City Hall to apply for permits. Further enhancement should be implemented in fiscal year 2020-2021.

### **Planning**

The Planning Division implements the Albany Development Code and supports the planning, landmarks, and community development commissions. It administers the City's Community Development Block Grant, Certified Local Government historic preservation grant, and floodplain management programs. Major initiatives for FY 2019-2020 include:

- **Current Planning:** Reviewed 118 land use applications and held 90 pre-application conferences in FY 2019-2020. Staff also worked with a team of consultants and a development code task force to identify code amendments intended to provide more certainty, flexibility, and timely reviews for

the development community while still achieving desired outcomes for implementing community visions.

- Long Range: Coordinated update and adoption of Buildable Lands Inventory, Economic Opportunities Analysis, and Housing and Residential Land Needs Assessment; secured a Transportation Growth Management Grant for East Albany refinement plan (work to begin in 2021).
- Community Development Block Grant (CDBG): In FY 2019-2020, the City received an allocation of \$380,311 from the Department of Housing and Urban Development to address community housing, economic and community needs. CDBG funds provided services to more than 2,200 low- and moderate-income Albany individuals and households with the following programs: housing rehabilitation, small business assistance, emergency shelter and case management, healthy food boxes, beds and furniture, child abuse prevention, senior companions for the elderly and persons with disabilities. Funds also provided a new more direct walking path and lighting at Sunrise Park.
- Certified Local Government (CLG): The Certified Local Government (CLG) grant program is funded by a Federal apportionment to Oregon through the National Park Service. The funds may be used for projects promoting historic preservation including documentation, designation, and rehabilitation of historic properties, planning, review and compliance, and public education. The grant cycle is 17 months. The 2020-2021 CLG grant began in April 2020 and will conclude in September 2021. The grant allocation was \$12,000. CLG funds were used to promote Historic Preservation Month activities, Residential Renovation Matching Grants, attendance at the Oregon Heritage Conference, and preservation awards.
- Floodplain Management: Completed two successful audits, which included a Community Assistance Consultation with FEMA and an audit with the Community Rating System (CRS). The CRS audit resulted in maintaining a Class 5 Rating. This means flood insurance rates for structures in the floodplain will remain discounted up to 25 percent during the next rating cycle.

### **Utility Billing**

The Public Works Department updated the five-year rate plans for the sewer, water, and stormwater utilities for use by the City Council when considering utility rate adjustments. This comprehensive look at the rate requirements is an important tool for the City Council to use and also serves to help inform Albany citizens about rates and utility needs. Led by Information Technology and Finance staff, Utility Billing also initiated a billing software upgrade anticipated to be completed in 2021.

### **Engineering**

The City's Engineering team initiated design and construction efforts on nearly \$12 million in public infrastructure projects in FY 2020. Key improvement projects include 9th Avenue road improvements, Vine Street Water Treatment Plant upgrades, and dewatering and solids handling improvements at the Water Reclamation Facility.

### **Public Works Operations**

In addition to the routine work in the drinking water section, major maintenance activity included the installation of active mixers in the Valley View Reservoirs, refurbishment of both accelerators at the Vine Street treatment plant, and replacement of the Crown-Zellerbach gate structure and associated weirs on the Santiam-Albany Canal.

In FY 2019-2020 the public transit programs began final planning and ordered equipment for the expansion of service on all three transit systems: Albany Transit, Call-a-Ride, and the Linn-Benton Loop. Four additional transit buses were ordered using funding from the Oregon Special Transportation Improvement

Fund and Federal Transit Administration grants. The service improvements will be the first significant change to the transit systems in decades.

The main taxiway and parking apron at the Albany Municipal Airport were resurfaced using a combination of federal, state, and local funds.

### **Information Technology**

I.T. staff worked on the following projects during Fiscal 2020:

- Upgraded the City's virtual infrastructure, including the addition of shared network storage to increase capacity and performance.
- Upgraded the City's ERP system, Phase 2 – HR/Payroll
- Deployed new network activation form
- Deployed a data warehouse to provide a central resource for reports and business intelligence across City systems. To date, 53 reports and 6 dashboards have been built for Fire, Police, Court, Finance, and Human Resources.
- Implemented a curbside module within the library catalog to provide patron scheduling and item pickup during the pandemic.
- Automated the recommendation to hire task process and monthly payroll task process to provide efficient management of recurring tasks
- Enabled users to effectively telecommute during the COVID-19 pandemic
- Trained users on Microsoft Teams and other teleconferencing tools
- Completed the City of Albany aerial photography, mapping, and database
- InfoHub is a map-based view of Albany that provides property tax assessment and neighborhood information for all residences and businesses.
- Cybersecurity:
  - Developed and implemented a Cyber Security policy.
  - Deployed multifactor authentication
  - Deployed Barracuda Essentials – Advanced Email Security platform.
  - Deployed Malwarebytes Anti-Ransomware

### **Human Resources**

The Human Resources Department received and processed 2,215 applications for 41 vacant positions. The department also processed 129 applications for state and/or federal Family Medical Leave and 56 additional COVID-related leaves. The department processed 755 Personnel Action Forms and reviewed 24 position-related requests. These include requests for reclassification, establishing a new classification, reviewing a position's compensation, and increasing or decreasing a position's FTE. The department also completed negotiations with the Albany Police Union and worked with departments to process 140 COVID-related telecommuting agreements.

### **Finance**

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

The City was recognized by the Government Finance Officers Association for receiving the Distinguished Budget Presentation Award. Due to time constraints and understaffing issues, the City was not able to apply for either the Certificate of Achievement for Excellence in Financial Reporting or the Award for Outstanding Achievement in Popular Annual Financial Reporting for Fiscal 2019.

## **FINANCIAL INFORMATION**

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

### **Financial and Accounting Policies**

This report is prepared in conformance with the guidelines for financial reporting developed by Government Finance Officers Association and the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the City as of June 30, 2020, the results of operations of such funds, and cash flow of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

During FY 2019-2020, the City utilized a total of 20 funds, of which 15 are governmental fund types and 5 are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General, Special Revenue, Debt Service, Capital Project, and Permanent). The accrual basis is used for the proprietary fund types (Enterprise and Internal Service).

### **Risk Management**

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

### **Cash Management**

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

**Independent Audit**

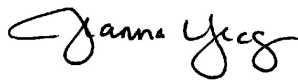
State statutes require an annual audit by independent certified public accountants. The accounting firm of Boldt Carlisle Smith, a division of SingerLewak, performed the audit for the fiscal year ended June 30, 2020. This audit is conducted in accordance with generally accepted accounting standards, Government Auditing Standards, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State. The auditor must determine whether the City followed generally accepted accounting and reporting principles.

**Acknowledgements**

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the Finance Department and the certified public accountants of Boldt Carlisle Smith, a division of SingerLewak.. Each has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Albany City Council, preparation of this report would not have been possible.

Respectfully submitted,



Jeanna Yeager  
Finance Director



J.C. Rowley  
Finance Manager



Brett Tieszen  
Senior Accountant

## **FINANCIAL SECTION**

Independent Auditor’s Report.....	1-3
Management Discussion and Analysis .....	4-16
Basic Financial Statements .....	17-86
Required Supplementary Information.....	87-91
Supplementary Data	
Major Capital Project Fund Budget to Actual .....	92
Nonmajor Governmental Funds.....	93-110
Proprietary Funds.....	111-122
Other Financial Schedules .....	123-154





## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Parks and Recreation, Risk Management and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 29 - 40 and the schedules on pages 116 - 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining statements, individual fund schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, individual fund schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mayor and Members  
of the City Council  
City of Albany  
Independent Auditor's Report  
January 29, 2021  
Page Three

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

#### *Other Reporting Required by Oregon State Regulations*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 29, 2021 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

*Singer Lewak LLP*

January 29, 2021

By:



Bradley G. Bingenheimer,  
Partner



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2020

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, 2020. 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 \$303.1 million (net position). As shown on Table 1, \$6.6 million is unrestricted and may be used to meet the City's ongoing obligations and pay for daily operations. This reflects a decrease of \$11.7 million from fiscal year 2018-2019. New investment in capital outlay accounts for \$12.4 million of this difference.

The City's liabilities and deferred inflows totaled \$180.1 million at fiscal year-end. This increase of \$11.1 million from the prior year is due mainly to an increase of \$10.5 million in long-term debt obligation.

The City's governmental funds reported combined ending fund balance of \$43.3 million was unchanged from fiscal year 2018-19. Of the combined ending governmental fund balance, \$3.3 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 \$3.1 million, or 7.3% 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2020

### Overview of the Financial Statements (Continued)

#### Government-wide Financial Statements (Continued)

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

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

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

Business-type activities include the following:

- Water
- Sanitary Sewer
- Stormwater

The government-wide financial statements can be found on pages 41-43 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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2020

### Overview of the Financial Statements (Continued)

#### Fund Financial Statements (Continued)

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

The City maintains 16 governmental funds. Information is presented separately on the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General, Parks and Recreation, Risk Management, Streets, and Capital Projects Funds, all of which are considered major governmental funds. Financial information for the remaining nonmajor governmental funds is combined into a single aggregated presentation. Combining statements and budgetary comparisons for governmental and business-type funds can be found starting on page 123 of this report.

#### Proprietary Funds

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

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

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

#### Notes to the Basic Financial Statements

The notes to the basic financial statements provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic financial statements). Information such as significant accounting policies and detail of certain assets, liabilities, and deferred inflows/outflows are included in the notes, which should be read in conjunction with the basic financial statements. The notes to the financial statements can be found on pages 59-114 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 123.

#### Statistical Information

The City would like to direct the reader's attention to the Statistical Section, starting on page 156, for additional information about the City, including graphs, tables, and analysis of current and historical information.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

**Overview of the Financial Statements (Continued)**

**Selected Financial Statistics:**

Population	54,120
Assessed value per capita	\$ 79,794
Market value per capita	\$ 113,643
Long-term debt (bonds, notes, certificates of participation, capital leases)	\$ 165,213,502
Total long-term debt per capita	\$ 3,053
Total general obligation debt	\$ 15,835,000
General obligation debt per capita	\$ 293
General obligation debt per \$1,000 of assessed value	\$ 4
General obligation debt service for Fiscal Year 2020 per \$1,000 of assessed value	\$ 0.26
Property taxes as a percentage of General Fund expenditures*	60%
Public safety expenditures as a percentage of General Fund expenditures	84%

\*Property taxes from the public safety levy are recorded as tax receipts in the Public Safety Levy Fund. To accurately reflect the significance of property taxes in the General Fund, transfers into the General Fund from the Public Safety Levy Fund have been included in total General Fund revenues and General Fund property tax revenues for this table.

**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 \$303.1 million at June 30, 2020, virtually unchanged from the prior year. The following is a condensed statement of net position and an analysis of the change in the City's financial position from the previous year.

**Table 1 - Net Position Summary**  
**Governmental and Business-type Activities**  
**For the Years Ended June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Cash and investments	\$ 47,576,186	\$ 45,360,024	\$ 37,912,773	\$ 42,651,967	\$ 85,488,959	\$ 88,011,991
Other assets	9,601,354	7,553,396	7,832,874	8,343,086	17,434,228	15,896,482
Capital assets	123,550,857	126,508,540	234,561,488	222,005,173	358,112,345	348,513,713
Total assets	<u>180,728,397</u>	<u>179,421,960</u>	<u>280,307,135</u>	<u>273,000,226</u>	<u>461,035,532</u>	<u>452,422,186</u>
Deferred Outflows of Resources	<u>17,952,429</u>	<u>16,361,819</u>	<u>4,285,471</u>	<u>3,830,381</u>	<u>22,237,900</u>	<u>20,192,200.00</u>
Other liabilities	6,551,256	5,185,213	3,222,017	2,604,502	9,773,273	7,789,715
Long term debt outstanding	83,832,979	76,764,927	81,404,325	77,907,854	165,237,304	154,672,781
Total liabilities	<u>90,384,235</u>	<u>81,950,140</u>	<u>84,626,342</u>	<u>80,512,356</u>	<u>175,010,577</u>	<u>162,462,496</u>
Deferred Inflows of Resources	<u>4,194,714</u>	<u>5,339,769</u>	<u>962,415</u>	<u>1,250,065</u>	<u>5,157,129</u>	<u>6,589,834.00</u>
Net Position:						
Net Investment in capital assets,	99,528,799	100,745,228	166,458,509	154,638,792	265,987,308	255,384,020
Restricted	22,292,560	20,833,823	8,269,926	9,085,389	30,562,486	29,919,212
Unrestricted	(17,719,482)	(13,085,181)	24,275,414	31,344,005	6,555,932	18,258,824
Total Net Position	<u>\$ 104,101,877</u>	<u>\$ 108,493,870</u>	<u>\$ 199,003,849</u>	<u>\$ 195,068,186</u>	<u>\$ 303,105,726</u>	<u>\$ 303,562,056</u>



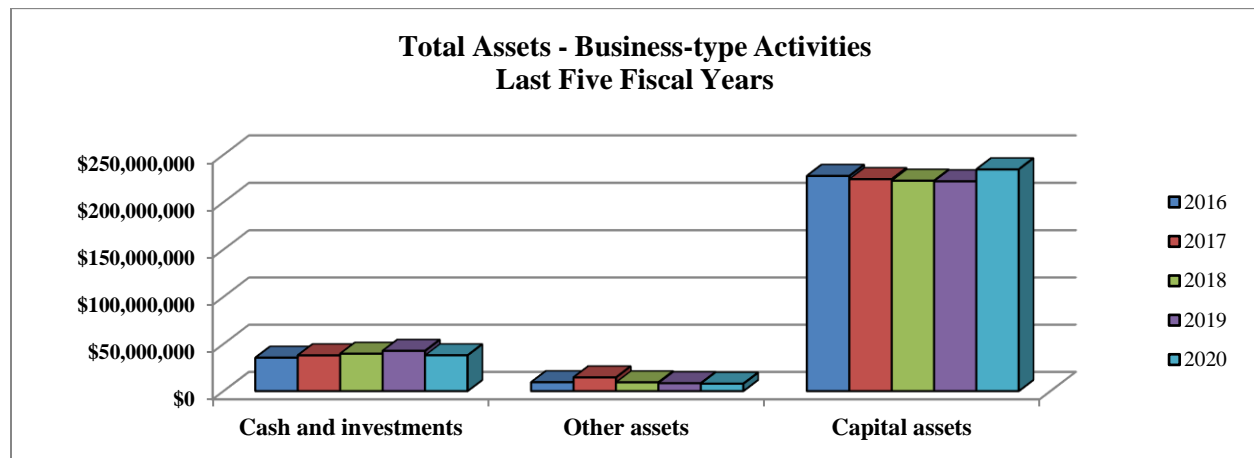
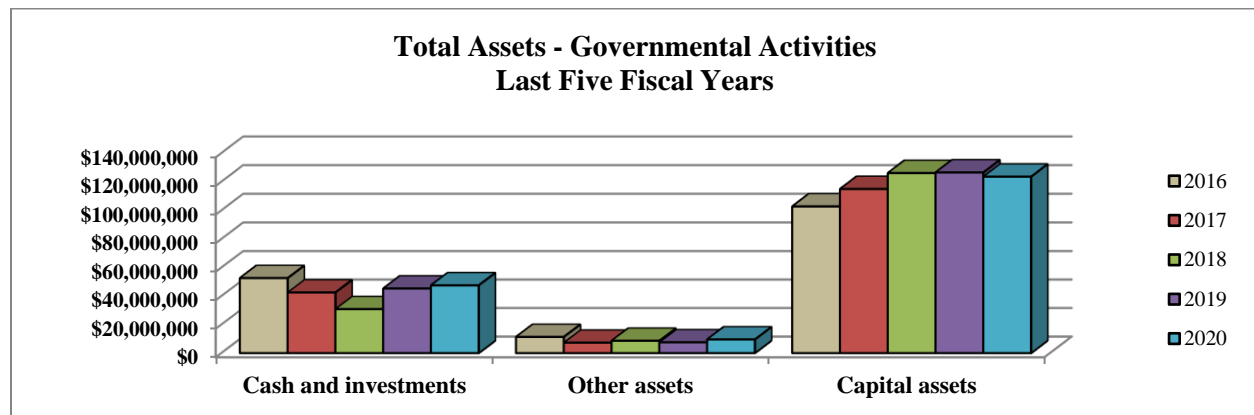
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Analysis of Net Position (Continued)**

By far the largest portion of the City's net position (87.8 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 (\$30.6 million or 10 percent) represents resources that are subject to restrictions on how they may be used.

Capital assets increased \$10.6 million because of extensive work on the Riverfront Interceptor and the Cox Creek Interceptor projects. While restricted net position remained virtually unchanged, unrestricted fund balance decreased by \$11.7 million, as stated above.



Debt increased by \$10.5 million as discussed in further detail in the debt administration section on page 38.

**Analysis of Changes in Net Position**

The following is a comparison between the June 30, 2020 and 2019 Statement of Activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Analysis of Changes in Net Position (Continued)**

**Table 2 - Statement of Activities Summary**  
**Governmental and Business-type Activities**  
**For the Years Ended June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 12,661,674	\$ 12,605,034	\$ 34,628,927	\$ 33,387,387	\$ 47,290,601	\$ 45,992,421
Grants and contributions:						
Operating	13,362,737	13,380,093	-	-	13,362,737	13,380,093
Capital	1,480,471	2,753,651	1,509,991	1,730,539	2,990,462	4,484,190
General revenues						
Taxes	41,712,028	38,915,557	3	698	41,712,031	38,916,255
Interest	1,515,966	1,470,575	1,223,144	1,326,491	2,739,110	2,797,066
Other	1,614,436	2,418,021	282,332	347,385	1,896,768	2,765,406
Total revenues	<u>\$ 72,347,312</u>	<u>\$ 71,542,931</u>	<u>\$ 37,644,397</u>	<u>\$ 36,792,500</u>	<u>\$ 109,991,709</u>	<u>\$ 108,335,431</u>
<b>EXPENSES</b>						
Governmental activities:						
General government	18,940,934	14,611,772	-	-	18,940,934	14,611,772
Public safety	39,337,254	37,378,693	-	-	39,337,254	37,378,693
Highways and streets	8,590,398	7,992,085	-	-	8,590,398	7,992,085
Culture and recreation	11,251,985	10,816,892	-	-	11,251,985	10,816,892
Interest on long-term debt	816,417	1,554,774	-	-	816,417	1,554,774
Business-type activities:						
Water	-	-	13,596,398	11,410,738	13,596,398	11,410,738
Sewer	-	-	15,617,877	14,099,323	15,617,877	14,099,323
Stormwater	-	-	2,520,663	2,158,837	2,520,663	2,158,837
Total expenses	<u>\$ 78,936,988</u>	<u>\$ 72,354,216</u>	<u>\$ 31,734,938</u>	<u>\$ 27,668,898</u>	<u>\$ 110,671,926</u>	<u>\$ 100,023,114</u>
Increase (Decrease) in net position before transfers	(6,589,676)	(811,285)	5,909,459	9,123,602	(680,217)	8,312,317
Special Item	387,342	1,928,887	-	-	387,342	1,928,887
Transfers	1,960,030	1,453,095	(1,960,030)	(1,453,095)	-	-
Increase (Decrease) in net position	<u>(4,242,304)</u>	<u>2,570,697</u>	<u>3,949,429</u>	<u>7,670,507</u>	<u>(292,875)</u>	<u>10,241,204</u>
Beginning net position	108,493,870	105,923,173	195,068,186	187,397,709	303,562,056	293,320,882
Prior period adjustment	(149,689)	0	(13,766)	-	(163,455)	-
Ending net position	<u>\$ 104,101,877</u>	<u>\$ 108,493,870</u>	<u>\$ 199,003,849</u>	<u>\$ 195,068,216</u>	<u>\$ 303,105,726</u>	<u>\$ 303,562,086</u>

**Governmental Activities**

Governmental activities decreased the City's net position by \$4.4 million for the year ended June 30, 2020. Key elements of the decrease are as follows:

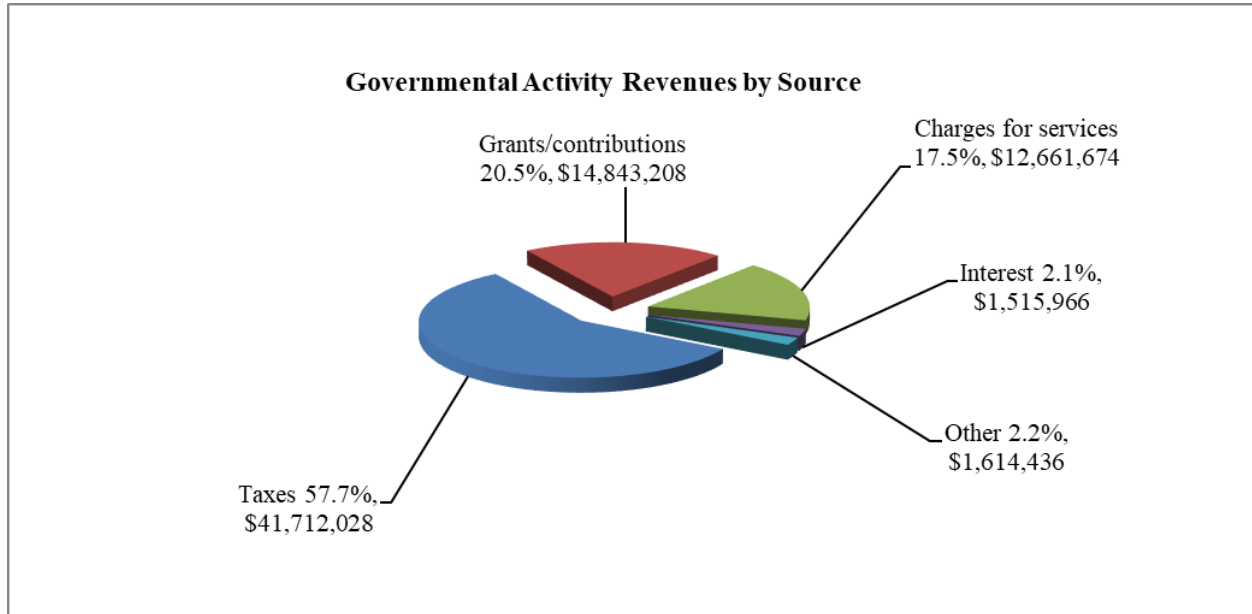
- Program revenues increased overall by approximately \$800 thousand. Charges for service stayed virtually unchanged at \$12.6 million. Capital and operating grants and contributions decreased \$1.3 million because the City received \$2.2 million of surface transportation program revenues in 2018-2019 that was not repeated in 2019-20.
- Taxes and investment income increased \$2.8 million due to increases in property taxes of \$2.9 million, increases of \$244 thousand in marijuana, cigarette, and alcohol tax revenues, offset by a decrease of \$242 thousand in transient lodging taxes.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (continued)**

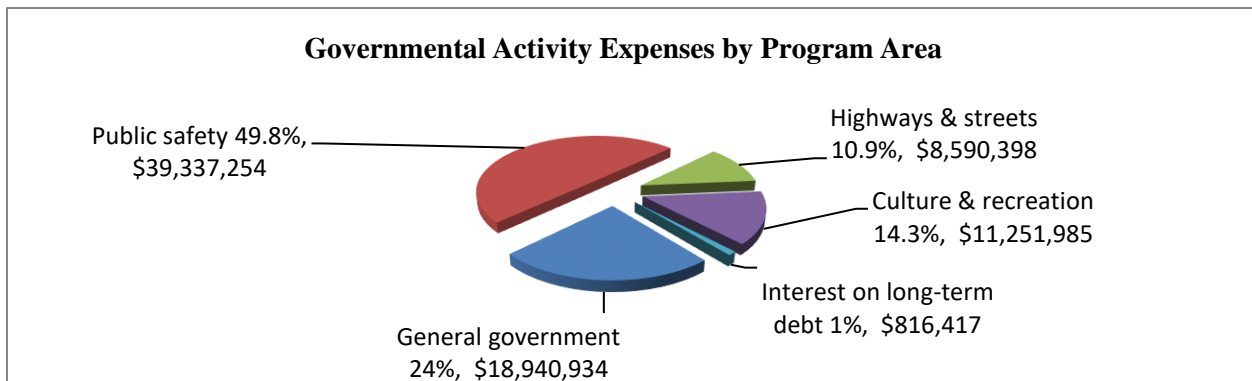
- Governmental expenses increased by \$6.6 million, primarily in the general government and public safety due to increased costs in staffing and professional services as the City increased service levels in those areas. As an indication of the City's favorable debt position, interest on long-term debt accounted for only 1 percent of governmental activity total expenses.



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

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

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

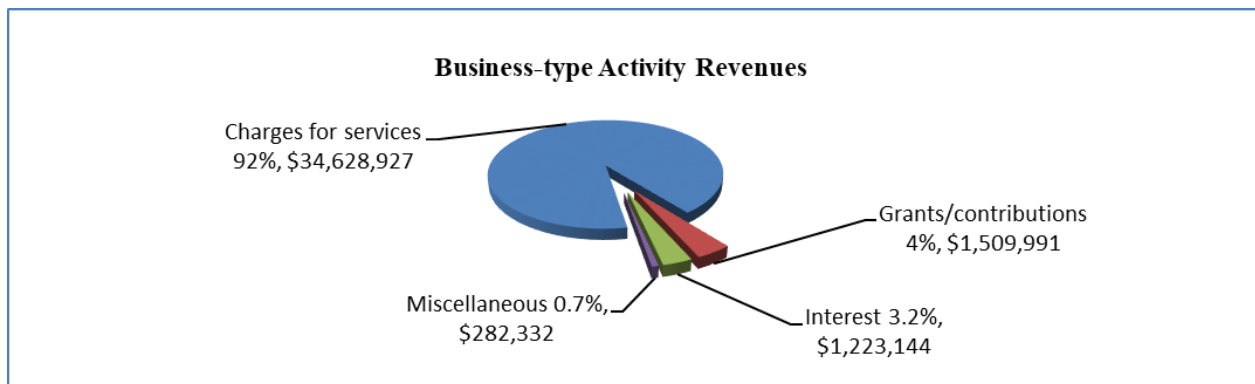
**Governmental Activities (continued)**

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

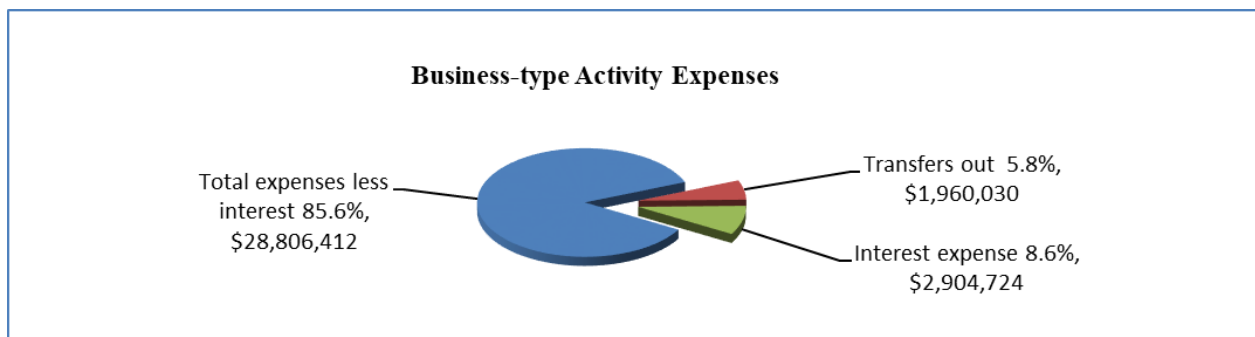
Highways and streets are funded with intergovernmental revenues (primarily state gas taxes), developer contributions, and SDCs.

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

**Business-type Activities**



As shown in the pie chart above, charges for services accounted for 92% of total business-type revenue in fiscal year 2019-20 compared to 91% in fiscal year 2018-2019. 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2020

### **Governmental Funds (Continued)**

As stated above, the City's governmental funds had combined ending fund balances of \$43.3 million at the end of the fiscal year, unchanged from the prior fiscal year. Decreases in ending fund balance in the General and Risk Management funds were offset by increased fund balances in the other governmental funds. Increases in General Fund expenditures, specifically in general government and public safety contributed to the reduced balance. In the Risk Management fund, fund balance was moved to the Economic Development Fund (included in nonmajor funds).

Of the combined ending fund balance of \$43.3 million, \$79.5 thousand was nonspendable in the Library Trust permanent fund; \$22.1 million was restricted by creditors, grantors or by law; \$18.0 million was committed to specific purposes through City Council adopted resolution or ordinance; \$27.6 million was assigned by intent of the City to a specific purpose; and \$3.1 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 \$3.1 million, down \$616 thousand (16.4%) from the previous year. The unassigned fund balance represents 7.5% of total General Fund requirements. As noted above increased spending for general government and public safety activities contributed to the decrease in the ending fund balance.

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

The Parks and Recreation Fund's ending fund balance increased by \$838 thousand due to the restructuring of department programs.

The transfer of fund balance to the Economic Development Fund contributed to a decrease of \$4.2 million in the Risk Management Fund's ending fund balance. Monies that were received as part of a past settlement were allocated to economic development activities.

Ending fund balance in the Streets Fund increased by \$892 thousand. Revenues decreased by \$2.6 million. In 2018-2019, the City received \$2.2 million in surface transportation funding that was not repeated in 2019-20. This was offset by increases in in-lieu-of-franchise fee revenues from the Water and Sewer Funds, as well as a transfer from the Equipment Replacement Fund. In 2018-2019, the Street Fund transferred \$600 thousand to the Economic Development Fund for capital improvements. This transfer was not made in 2019-20 and that, along with reduced capital spending (\$1.6 million), also contributed to the increased ending fund balance.

The Capital Project Fund's ending fund balance increased by \$185 thousand due to the proceeds from the sale of property, offset by the transfer of funds to the Economic Development Fund as payment for an interfund loan.

### **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 and the Sewer Fund.

The unrestricted net position of the Water Fund at the end of the year amounted to \$10.9 million, a decrease of \$983 thousand. Net investment in capital assets increased by \$2.6 million due to several water line projects, as well as a water treatment plant accelerator. Net position restricted for capital construction decreased by \$273 thousand. Overall net position increased by \$1.3 million to \$81.2 million.

The Sewer Fund's overall net position increased by \$3.3 million to \$123.1 million. The unrestricted net position decreased by \$5.2 million. This was offset by an increase of \$9.1 million in net investment in capital assets, due to the construction of two interceptors. Net position restricted for capital construction decreased by \$627 thousand.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

**Proprietary Funds (Continued)**

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 48, shows the original budget, final budget, actual revenues and expenditures, and transfers in and out for the fiscal year ended June 30, 2020. During the 2019-2021 biennial budget cycle, General Fund budgeted resources changed as follows:

- Budgeted resources increased by \$1.0 million. \$480 thousand was an additional transfers-in from the Public Safety Levy Fund due to unanticipated revenues. An additional \$500 thousand reflects the collection of county transient lodging taxes, a program implemented after budget development.
- Budgeted expenditures increased by \$1.0 million, of which \$480 thousand is appropriated for public safety activities. \$500 thousand was appropriated for the county transient lodging tax pass-through.

**CAPITAL ASSETS**

As of June 30, 2020, the City had \$358,112,345 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 73.

**Table 3 - Capital Assets at Year-end**  
**(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land, land rights, & land improvements	\$ 15,762,102	\$ 15,762,102	\$ 6,404,149	\$ 6,297,244	\$ 22,166,251	\$ 22,059,346
Buildings and improvements	34,548,544	35,620,334	101,749,820	104,690,780	136,298,364	140,311,114
Intangible assets	488,871	529,828	-	-	488,871	529,828
Vehicles and equipment	5,149,987	5,516,303	2,732,983	2,670,640	7,882,970	8,186,943
Infrastructure	61,850,466	63,923,826	110,284,709	100,849,092	172,135,175	164,772,918
Construction in progress	5,750,887	5,156,147	13,389,827	7,497,417	19,140,714	12,653,564
	<u>\$ 123,550,857</u>	<u>\$ 126,508,540</u>	<u>\$ 234,561,488</u>	<u>\$ 222,005,173</u>	<u>\$ 358,112,345</u>	<u>\$ 348,513,713</u>

Major construction projects affecting capital assets for fiscal year 2019-20 are as follows:

- Street Construction - Improvement of various street infrastructure projects added over \$3.7 million to capital assets. Projects included new construction, paving projects designed to improve and extend the life of street surfaces, bridge construction, and other improvements. Although most spending is recorded in the Street Fund, the \$1.1 million Lochner Road project is recorded in the Economic Development Fund.
- Water Fund Improvements - \$1.4 million was expended on water Improvements. Included were water line upgrades on Belmont Avenue, Hill Street, and Gibson Hill, as well as a water treatment plant accelerator. Developer constructed water infrastructure contributed to the City totaled \$576 thousand in the current year.
- Sewer Fund Improvements added to capital assets in 2019-20 were \$11.0 million. Significant projects were the Riverfront Interceptor and Cox Creek Interceptors, Please refer to Note 3 on page 73 of the basic financial statements for further detailed information on capital assets.

**DEBT ADMINISTRATION**

As of June 30, 2020, the City had \$165.2 million in long-term debt, unamortized premiums and discounts, net pension obligations, and other postemployment benefits, an increase of \$10.5 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$1.7 million that are amortized over the life of the associated debt. Debt outstanding by type at year-end is as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2020

**DEBT ADMINISTRATION (Continued)**

**Table 4 - Outstanding Debt at Year End**

	June 30, 2020	June 30, 2019
<b>Governmental Activities</b>		
General obligation	\$ 15,835,000	\$ 16,355,000
Limited tax pension	4,610,001	4,769,605
General revenue	-	175,000
CARA bonds	863,000	1,265,000
IFA Loan	7,321,892	7,803,830
Net pension liability	48,577,164	39,277,192
Other postemployment benefits	3,908,711	3,692,953
Unamortized premium on debt issuance	477,194	509,007
Compensated absences	2,155,609	2,752,857
Capital leases	84,408	164,483
<b>Sub-total</b>	<b>83,832,979</b>	<b>76,764,927</b>
<b>Business-type Activities</b>		
Water revenue	21,415,000	22,515,000
Oregon DEQ State Revolving Fund loan	38,082,103	41,736,200
Wetland Loan	86,671	564,107
SRF Loan	1,150,000	1,250,000
SRF Loan - RFI	6,160,519	-
Net pension liability	11,794,197	9,194,977
Other postemployment benefits	1,049,205	864,539
Unamortized premium on defeasance	1,208,686	1,301,074
Compensated absences	457,944	481,957
<b>Sub-total</b>	<b>81,404,325</b>	<b>77,907,854</b>
<b>Total</b>	<b>\$ 165,237,304</b>	<b>\$ 154,672,781</b>

The significant changes in long-term debt include proceeds of \$6.1 million for drawdowns of notes payable from the State of Oregon Department of Environmental Quality to fund construction on the riverfront interceptor project and increase of \$12.3 million in net pension obligation and other postemployment benefits. This increase was offset by \$7.1 million in scheduled principal payments.

**Debt Limitation Ratings**

Oregon Revised Statutes 287A.050 provides a limit on general obligation bonded indebtedness in excess of three percent of the real market value of all taxable property within the City. Based on the fiscal year 2019-20 value, the City's debt limitation is \$169 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$15.5 million.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 80.

**ECONOMIC FACTORS AND OUTLOOK FOR NEXT BIENNIUM**

In May 2016 a five-year public safety levy was passed by the citizens of Albany, creating a tax rate of \$1.15 per \$1,000 of assessed value. Tax collections in 2019-20 totaled \$4,383,179.

Oregon's unemployment rate was 14.5 percent on June 30, 2020. The unemployment rates for Linn and Benton Counties were 10.8 percent and 8.6 percent, respectively. The increases are mostly attributable to the COVID-19 pandemic. State economists forecast a return to pre-COVID economic activity levels by mid-2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2020

**ECONOMIC FACTORS AND OUTLOOK FOR NEXT BIENNIUM (Continued)**

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

The 2019-2021 Budget was prepared in accordance with the City's Strategic Plan (the Plan). As such, the budget becomes the implementing document for the Plan. The four themes of the Plan are Great Neighborhoods, Safe City, Healthy Economy, and Effective Government. Specific goals, objectives, and activities are determined by each department director and incorporated into their budgets in order 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, 2020

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 47,576,186	\$ 37,912,773	\$ 85,488,959
Internal balances	435,110	(435,110)	-
Receivables			
Property taxes	1,662,077	1,379	1,663,456
Accounts	3,704,314	4,007,047	7,711,361
Assessments	1,449,091	-	1,449,091
Interest	152,121	126,918	279,039
Loans, net of allowance for uncollectible loans	1,557,960	3,182,569	4,740,529
Inventories	99,043	827,921	926,964
Restricted cash and investments	86,577	-	86,577
Net other postemployment benefit asset	455,061	122,150	577,211
Capital assets			
Land and construction in progress	21,512,989	19,793,976	41,306,965
Other capital assets, net of depreciation	102,037,868	214,767,512	316,805,380
Total assets	<u>180,728,397</u>	<u>280,307,135</u>	<u>461,035,532</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>17,952,429</u>	<u>4,285,471</u>	<u>22,237,900</u>
<b>LIABILITIES</b>			
Accounts payable	6,174,925	2,470,929	8,645,854
Accrued interest payable	162,165	601,454	763,619
Refundable deposits and advances	214,166	149,634	363,800
Long-term obligations			
Due within one year	3,101,050	5,366,358	8,467,408
Due in more than one year	80,731,929	76,037,967	156,769,896
Total liabilities	<u>90,384,235</u>	<u>84,626,342</u>	<u>175,010,577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>4,194,714</u>	<u>962,415</u>	<u>5,157,129</u>
<b>NET POSITION</b>			
Net investment in capital assets	99,528,799	166,458,509	265,987,308
Restricted for:			
Capital projects	-	2,872,788	2,872,788
Debt service	526,259	5,397,138	5,923,397
Highways and Streets	5,113,047	-	5,113,047
Public safety	1,061,984	-	1,061,984
Grant programs	421,584	-	421,584
Parks and recreation	2,767,663	-	2,767,663
Community development	10,278,124	-	10,278,124
Other purposes - expendable	3,208,182	-	3,208,182
Other purposes - nonexpendable	79,500	-	79,500
Unrestricted	<u>(18,883,265)</u>	<u>24,275,414</u>	<u>5,392,149</u>
Total net position	<u>\$ 104,101,877</u>	<u>\$ 199,003,849</u>	<u>\$ 303,105,726</u>

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental activities</b>				
General government	\$ 18,940,934	\$ 4,987,451	\$ 5,924,735	\$ -
Public safety	39,337,254	6,807,903	3,201,405	-
Highways and streets	8,590,398	115,356	3,778,371	940,394
Culture and recreation	11,251,985	750,964	458,226	540,077
Interest on long-term obligations	816,417	-	-	-
Total governmental activities	<u>78,936,988</u>	<u>12,661,674</u>	<u>13,362,737</u>	<u>1,480,471</u>
<b>Business-type activities</b>				
Water	13,596,398	14,220,336	-	447,090
Sewer	15,617,877	18,019,466	-	1,062,901
Stormwater	2,520,663	2,389,125	-	-
Total business-type activities	<u>31,734,938</u>	<u>34,628,927</u>	<u>-</u>	<u>1,509,991</u>
Totals	<u>\$ 110,671,926</u>	<u>\$ 47,290,601</u>	<u>\$ 13,362,737</u>	<u>\$ 2,990,462</u>

**General revenues:**

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

**Special item - gain on sale of property**

**Transfers**

Total general revenues, special item, and transfers

Change in net position

Net position - beginning

Prior period adjustments

Net position - ending

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

Net (Expense) Revenue and  
Change in Net Position

Governmental Activities	Business- type Activities	Totals	
			<b>Governmental activities</b>
\$ (8,028,748)	\$ -	\$ (8,028,748)	General government
(29,327,946)	-	(29,327,946)	Public safety
(3,756,277)	-	(3,756,277)	Highways and streets
(9,502,718)	-	(9,502,718)	Culture and recreation
(816,417)	-	(816,417)	Interest on long-term obligations
<u>(51,432,106)</u>	<u>-</u>	<u>(51,432,106)</u>	Total governmental activities
			<b>Business-type activities</b>
-	1,071,028	1,071,028	Water
-	3,464,490	3,464,490	Sewer
-	(131,538)	(131,538)	Stormwater
<u>-</u>	<u>4,403,980</u>	<u>4,403,980</u>	Total business-type activities
<u>(51,432,106)</u>	<u>4,403,980</u>	<u>(47,028,126)</u>	Totals
			<b>General revenues:</b>
30,304,403	-	30,304,403	Property taxes used for general purposes
5,071,316	3	5,071,319	Property taxes used for debt service
1,031,018	-	1,031,018	Transient room taxes used for general purposes
1,498,433	-	1,498,433	Marijuana, cigarette and alcoholic beverage taxes
3,806,858	-	3,806,858	Privilege taxes
1,515,966	1,223,144	2,739,110	Unrestricted investment earnings
1,614,436	282,332	1,896,768	Miscellaneous
387,342	-	387,342	Special item - gain on sale of property
<u>1,960,030</u>	<u>(1,960,030)</u>	<u>-</u>	<b>Transfers</b>
<u>47,189,802</u>	<u>(454,551)</u>	<u>46,735,251</u>	Total general revenues, special item, and transfers
(4,242,304)	3,949,429	(292,875)	Change in net position
108,493,870	195,068,186	303,562,056	Net position - beginning
<u>(149,689)</u>	<u>(13,766)</u>	<u>(163,455)</u>	Prior period adjustments
<u>\$ 104,101,877</u>	<u>\$ 199,003,849</u>	<u>\$ 303,105,726</u>	Net position - ending

**CITY OF ALBANY, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2020

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 4,943,379	\$ 4,434,055	\$ 1,533,775	\$ 12,292,795	\$ 1,020,873	\$ 21,913,404	\$ 46,138,281
Receivables:							
Property taxes	982,319	244,718	-	-	-	435,040	1,662,077
Accounts	1,698,806	55,202	-	257,075	-	1,690,879	3,701,962
Assessments	1,422,878	-	-	13,024	13,189	-	1,449,091
Interest	12,180	15,230	872	36,900	3,643	80,000	148,825
Loans, net of allowance for uncollectible loans	-	-	-	-	-	2,510,457	2,510,457
Restricted cash and investments	-	-	-	-	-	86,577	86,577
<b>Total assets</b>	<b>\$ 9,059,562</b>	<b>\$ 4,749,205</b>	<b>\$ 1,534,647</b>	<b>\$ 12,599,794</b>	<b>\$ 1,037,705</b>	<b>\$ 26,716,357</b>	<b>\$ 55,697,270</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 2,724,351	\$ 260,796	\$ 142,072	\$ 1,036,263	\$ -	\$ 1,699,999	\$ 5,863,481
Deposits	46,306	-	-	1,000	164,283	2,575	214,164
Interfund loans payable	-	-	-	-	952,497	-	952,497
<b>Total liabilities</b>	<b>2,770,657</b>	<b>260,796</b>	<b>142,072</b>	<b>1,037,263</b>	<b>1,116,780</b>	<b>1,702,574</b>	<b>7,030,142</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	3,143,546	223,418	-	23,957	13,189	1,949,686	5,353,796
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	79,500	79,500
Restricted	-	2,767,663	-	5,113,047	-	14,248,208	22,128,918
Committed	-	1,497,328	1,392,575	6,425,527	-	8,738,775	18,054,205
Assigned	-	-	-	-	-	27,639	27,639
Unassigned	3,145,359	-	-	-	(92,264)	(30,025)	3,023,070
<b>Total fund balances</b>	<b>3,145,359</b>	<b>4,264,991</b>	<b>1,392,575</b>	<b>11,538,574</b>	<b>(92,264)</b>	<b>23,064,097</b>	<b>43,313,332</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,059,562</b>	<b>\$ 4,749,205</b>	<b>\$ 1,534,647</b>	<b>\$ 12,599,794</b>	<b>\$ 1,037,705</b>	<b>\$ 26,716,357</b>	<b>\$ 55,697,270</b>

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

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

June 30, 2020

Total fund balances per Governmental Funds Balance Sheet (page 44).		\$ 43,313,332
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land and construction in progress	21,512,989	
Other capital assets, net of depreciation	<u>102,037,868</u>	
Total capital asset adjustments		123,550,857
Other long-term assets are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		5,353,796
Net other post employment benefit asset		
		404,020
Deferred outflows of resources		
Pension related	15,023,821	
Other postemployment benefit related	<u>269,813</u>	
Total deferred outflows of resources		15,293,634
Inventories of materials and supplies are capitalized on the Statement of Net Position.		
		99,043
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.		
		(3,966,302)
Deferred inflows of resources		
Pension related	(2,833,985)	
Other postemployment benefit related	<u>(722,053)</u>	
Total deferred inflows of resources		(3,556,038)
Long-term liabilities, including bonds payable, notes payable, accrued interest, deferred inflows of resources, compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term obligations	(29,191,495)	
Net pension liability	(41,514,740)	
Interest payable on long-term debt	(162,165)	
Compensated absences	(2,051,793)	
Other postemployment benefits	<u>(3,470,272)</u>	
Total long-term obligations adjustments		<u>(76,390,465)</u>
Net Position of Governmental Activities		<u>\$ 104,101,877</u>

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2020

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 20,565,042	\$ 5,141,309	\$ -	\$ -	\$ -	\$ 9,522,410	\$ 35,228,761
Transient room	-	-	-	-	-	793,162	793,162
Construction excise taxes	-	-	-	-	-	510,762	510,762
Franchise fees, privilege taxes, licenses, and permits	5,668,895	9,500	-	1,051,974	-	1,557,796	8,288,165
Intergovernmental	5,526,516	62,983	-	3,672,501	-	5,472,721	14,734,721
Charges for services	4,384,936	699,621	-	-	-	2,016,305	7,100,862
Fines and forfeitures	66,570	-	-	-	-	-	66,570
Interest on investments	151,720	144,650	35,135	354,986	31,640	780,316	1,498,447
Miscellaneous	146,777	883,970	1,115,863	51,355	291	379,449	2,577,705
<b>Total revenues</b>	<b>36,510,456</b>	<b>6,942,033</b>	<b>1,150,998</b>	<b>5,130,816</b>	<b>31,931</b>	<b>21,032,921</b>	<b>70,799,155</b>
<b>EXPENDITURES</b>							
Current:							
General government	2,944,334	-	1,323,810	-	73,873	8,777,437	13,119,454
Public safety	35,444,982	-	-	-	-	796,269	36,241,251
Highways and streets	-	-	-	3,433,514	-	-	3,433,514
Culture and recreation	3,062,717	6,440,616	-	-	-	174,004	9,677,337
Health	-	-	-	-	-	33,976	33,976
Debt service:							
Principal	-	-	-	-	-	1,738,541	1,738,541
Interest	-	-	-	-	-	1,436,176	1,436,176
Capital outlay	154,642	-	-	2,873,916	154,810	3,796,271	6,979,639
<b>Total expenditures</b>	<b>41,606,675</b>	<b>6,440,616</b>	<b>1,323,810</b>	<b>6,307,430</b>	<b>228,683</b>	<b>16,752,674</b>	<b>72,659,888</b>
Excess (deficiency) of revenues over expenditures	(5,096,219)	501,417	(172,812)	(1,176,614)	(196,752)	4,280,247	(1,860,733)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	5,482,820	525,600	750,200	2,145,042	-	6,323,382	15,227,044
Transfers out	(979,410)	(183,000)	(4,771,194)	(105,100)	-	(7,604,392)	(13,643,096)
<b>Total other financing sources (uses)</b>	<b>4,503,410</b>	<b>342,600</b>	<b>(4,020,994)</b>	<b>2,039,942</b>	<b>-</b>	<b>(1,281,010)</b>	<b>1,583,948</b>
<b>SPECIAL ITEM</b>							
Proceeds from sale of land	-	-	-	-	387,342	-	387,342
Net change in fund balances	(592,809)	844,017	(4,193,806)	863,328	190,590	2,999,237	110,557
Fund balance - beginning	3,761,052	3,426,667	5,582,779	10,647,017	(277,283)	20,209,811	43,350,043
Prior period adjustment	(22,884)	(5,693)	3,602	28,229	(5,571)	(144,951)	(147,268)
<b>Fund balance - ending</b>	<b>\$ 3,145,359</b>	<b>\$ 4,264,991</b>	<b>\$ 1,392,575</b>	<b>\$ 11,538,574</b>	<b>\$ (92,264)</b>	<b>\$ 23,064,097</b>	<b>\$ 43,313,332</b>

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

**CITY OF ALBANY, OREGON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2020

Net change in fund balances - total Governmental funds (page 46). \$ 110,557

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and disposals in the current period.

Capital outlay by governmental funds	6,980,130	
Capital outlay by governmental-type internal service funds	(2,991)	
Depreciation for the current fiscal year	<u>(9,937,813)</u>	
Total capital outlay/depreciation adjustment		(2,960,674)

The purchase of goods is shown as an expenditure in the governmental funds, but the cost of materials on hand at the end of the year is capitalized on the Statement of Activities. 28,715

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and other revenues reported in the funds are not revenues reported in the Statement of Activities.

Property taxes	146,958	
Principal portion of loan receipts	(41,562)	
Other fees and charges	<u>1,937,270</u>	
Total revenue adjustments		2,042,666

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,818,617

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 the governmental funds.

Compensated absences	498,915	
Other postemployment benefits	508,737	
Accrued interest on long-term obligations	11,163	
Pension expense	(5,869,518)	
Bond premium amortization	<u>31,813</u>	
Total expense/expenditure adjustments		(4,818,890)

The net expense of certain activities of internal service funds is reported with governmental activities. (463,295)

Change in net position of Governmental Activities (pages 42-43) \$ (4,242,304)

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

**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Property taxes:						
Current	\$ 39,600,000	\$ 39,600,000	\$ 20,209,124	\$ -	\$ 20,209,124	\$ (19,390,876)
Delinquent	1,150,000	1,150,000	355,918	-	355,918	(794,082)
Privilege tax: electric	6,725,000	6,725,000	3,216,887	-	3,216,887	(3,508,113)
Franchise fee: communications facilities	115,200	115,200	60,382	-	60,382	(54,818)
Franchise fee: telephone	168,600	168,600	74,126	-	74,126	(94,474)
Franchise fee: garbage collection	1,339,000	1,339,000	774,536	-	774,536	(564,464)
Privilege tax: natural gas	1,333,000	1,333,000	589,971	-	589,971	(743,029)
Franchise fee: cable television	1,360,200	1,360,200	622,717	-	622,717	(737,483)
Permit fees	3,000	3,000	-	-	-	(3,000)
Dog permit fees	1,600	1,600	500	-	500	(1,100)
Planning - CDBG reimbursement	135,600	135,600	-	-	-	(135,600)
Life safety division fees	360,000	360,000	105,199	-	105,199	(254,801)
Licenses	10,000	10,000	6,685	-	6,685	(3,315)
Library fees	117,300	117,300	48,717	-	48,717	(68,583)
Planning fees	206,000	206,000	129,249	-	129,249	(76,751)
Alarm fees	26,400	26,400	39,891	-	39,891	13,491
Medical marijuana facility permit	-	-	35	-	35	35
State & city marijuana tax	775,000	775,000	484,936	-	484,936	(290,064)
DUII enforcement grant	-	-	3,703	-	3,703	3,703
State liquor taxes	1,875,000	1,875,000	891,875	-	891,875	(983,125)
State cigarette taxes	126,000	126,000	121,622	-	121,622	(4,378)
State revenue sharing	1,275,000	1,275,000	642,386	-	642,386	(632,614)
Conflagration response reimbursement	450,000	450,000	121,998	-	121,998	(328,002)
Workers' compensation wage subsidy reimbursement	50,000	50,000	33,466	-	33,466	(16,534)
Overtime reimbursement - DEA	3,000	3,000	-	-	-	(3,000)
Linn County	26,400	26,400	5,555	-	5,555	(20,845)
Albany Rural Fire Protection District	1,389,400	1,389,400	847,287	-	847,287	(542,113)
North Albany Rural Fire Protection District	806,500	806,500	403,442	-	403,442	(403,058)
Palestine Rural Fire Protection District	384,400	384,400	191,564	-	191,564	(192,836)
Millersburg Fire Protection	2,737,300	2,737,300	1,406,291	-	1,406,291	(1,331,009)
Linn County TLT	-	500,000	237,856	-	237,856	(262,144)
Greater Albany Public Schools police grant	305,700	305,700	120,000	-	120,000	(185,700)
State Department of Forestry	-	-	3,221	-	3,221	3,221
OSFM/USAR team response reimbursement	22,000	22,000	11,314	-	11,314	(10,686)
Ambulance service fees	7,170,000	7,170,000	3,056,996	-	3,056,996	(4,113,004)
FireMed fees	340,000	340,000	188,040	-	188,040	(151,960)
City hall rental and insurance	667,600	667,600	329,700	-	329,700	(337,900)
Space rental charges	-	31,500	15,422	-	15,422	(16,078)
County Assessments	80,000	80,000	31,549	-	31,549	(48,451)
Parking violations	11,000	11,000	5,976	-	5,976	(5,024)
Municipal court fines	1,648,000	1,648,000	794,778	-	794,778	(853,222)
Nuisance vehicle administration fee	12,200	12,200	6,150	-	6,150	(6,050)
Dog control assessment	2,000	2,000	2,940	-	2,940	940
Damaged material fine	8,000	8,000	269	-	269	(7,731)
Delrelict structure fee	50,000	50,000	28,776	-	28,776	(21,224)
Delrelict structure interest	-	-	519	-	519	519
Gifts and donations	5,000	5,000	180	-	180	(4,820)
Restitution payments	-	-	619	-	619	619
Grass abatement fee principal	-	-	685	-	685	685
Grass Abatement Fee Interest	-	-	928	-	928	928
Miscellaneous	170,000	170,000	105,460	-	105,460	(64,540)
Albany economic improvement district principal	64,000	64,000	28,977	-	28,977	(35,023)
Albany economic improvement district interest	-	-	213	-	213	213
Club sales	400	400	106	-	106	(294)
Interest on investments	147,000	147,000	151,720	-	151,720	4,720
<b>Total revenues</b>	<b>73,251,800</b>	<b>73,783,300</b>	<b>36,510,456</b>	<b>-</b>	<b>36,510,456</b>	<b>(37,272,844)</b>

Continued on next page



**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUDGETARY COMPARISON STATEMENT, continued**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Other financing sources</b>						
Transfer from Building Inspection Fund	\$ 120,000	\$ 120,000	\$ 60,000	\$ -	\$ 60,000	\$ (60,000)
Transfer from Economic Development Fund	80,000	80,000	80,000	-	80,000	-
Transfer from Grants Fund	160,600	160,600	76,717	-	76,717	(83,883)
Transfer from Transient Room Tax Fund	99,200	99,200	49,600	-	49,600	(49,600)
Transfer from Public Safety Levy Fund	8,992,000	9,472,000	5,164,835	-	5,164,835	(4,307,165)
Transfer from CARA Fund	100,000	100,000	50,000	-	50,000	(50,000)
Transfer from Equipment Replacement Fund	-	-	1,668	-	1,668	1,668
Total other financing sources	<u>9,551,800</u>	<u>10,031,800</u>	<u>5,482,820</u>	<u>-</u>	<u>5,482,820</u>	<u>(4,548,980)</u>
<b>Fund balance, beginning</b>						
Unassigned	3,900,000	3,900,000	3,761,052	-	3,761,052	(138,948)
Prior period adjustment	-	-	(22,884)	-	(22,884)	(22,884)
Total Fund Balance, beginning	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,738,168</u>	<u>-</u>	<u>3,738,168</u>	<u>(161,832)</u>
Amount available for appropriation	<u>\$ 86,703,600</u>	<u>\$ 87,715,100</u>	<u>45,731,444</u>	<u>-</u>	<u>45,731,444</u>	<u>(41,983,656)</u>
<b>Expenditures</b>						
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
Nondepartmental:						
Materials and services	\$ 626,800	\$ 1,086,800	\$ 582,948	\$ -	\$ 582,948	\$ 503,852
General operating contingency	2,303,600	2,303,600	-	-	-	2,303,600
Municipal Court	1,967,600	1,967,600	1,028,931	-	1,028,931	938,669
Code Enforcement	-	40,000	-	-	-	40,000
Public Safety Levy - Fire	2,791,000	3,041,000	1,542,441	-	1,542,441	1,498,559
Fire and Life Safety	2,127,300	2,127,300	931,210	-	931,210	1,196,090
Fire Emergency Services	31,071,500	31,071,500	15,820,984	-	15,820,984	15,250,516
Police	32,015,200	32,015,200	15,787,634	-	15,787,634	16,227,566
Public Safety Levy - Police	3,118,700	3,348,700	1,517,355	-	1,517,355	1,831,345
Planning	2,884,600	2,884,600	1,332,455	-	1,332,455	1,552,145
Library	6,012,700	6,012,700	3,062,717	-	3,062,717	2,949,983
Total expenditures	<u>84,919,000</u>	<u>85,899,000</u>	<u>41,606,675</u>	<u>-</u>	<u>41,606,675</u>	<u>44,292,325</u>
<b>Other financing uses</b>						
Transfers to other funds	1,784,600	1,816,100	979,410	-	979,410	836,690
Total expenditures and other financing uses	<u>\$ 86,703,600</u>	<u>\$ 87,715,100</u>	<u>42,586,085</u>	<u>-</u>	<u>42,586,085</u>	<u>45,129,015</u>
<b>Fund balance, ending</b>			<u>\$ 3,145,359</u>	<u>\$ -</u>	<u>\$ 3,145,359</u>	<u>\$ 3,145,359</u>

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

**CITY OF ALBANY, OREGON**  
**PARKS AND RECREATION FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Property taxes:						
Current	\$ 9,850,000	\$ 9,850,000	\$ 5,052,344	\$ -	\$ 5,052,344	\$ (4,797,656)
Delinquent	200,000	200,000	88,965	-	88,965	(111,035)
Financed park system development charges						
Principal	2,000	2,000	-	-	-	(2,000)
Interest	1,000	1,000	-	-	-	(1,000)
Park system development charges	435,000	435,000	539,197	-	539,197	104,197
Street tree development fees	10,000	10,000	9,500	-	9,500	(500)
State Marine Board	15,600	15,600	7,800	-	7,800	(7,800)
Agricultural lease payments	6,400	6,400	3,203	-	3,203	(3,197)
Charges for services	34,600	34,600	16,500	-	16,500	(18,100)
SDC administrative charges	200,000	200,000	100,000	-	100,000	(100,000)
Children/youth/family recreation fees	110,000	110,000	24,950	-	24,950	(85,050)
Adult recreation fees	135,000	135,000	37,567	-	37,567	(97,433)
Swimming pool	195,000	195,000	76,024	-	76,024	(118,976)
Senior Center rental fees	40,000	40,000	15,392	-	15,392	(24,608)
Maple Lawn preschool fees	125,000	125,000	81,039	-	81,039	(43,961)
Sports program fees	266,500	266,500	57,897	-	57,897	(208,603)
Waverly boat rentals	16,000	16,000	8,620	-	8,620	(7,380)
Park permits	24,000	24,000	(1,440)	-	(1,440)	(25,440)
Fitness program sponsorships	-	-	375	-	375	375
Preschool materials and services fees	-	-	3,510	-	3,510	3,510
Senior program fees	30,000	30,000	2,695	-	2,695	(27,305)
Northwest Art and Air Festival fees	22,000	22,000	1,794	-	1,794	(20,206)
Hot air balloon rides	26,000	26,000	7,850	-	7,850	(18,150)
Senior newsletter	16,000	16,000	3,386	-	3,386	(12,614)
Gift shop	21,000	21,000	8,578	-	8,578	(12,422)
Trip	140,000	140,000	33,981	-	33,981	(106,019)
Merchandise sales - aquatics	1,300	1,300	442	-	442	(858)
Merchandise sales - Cool!	4,500	4,500	2,032	-	2,032	(2,468)
Cool! Pool facility rental fees	19,500	19,500	3,528	-	3,528	(15,972)
Concession sales - sports	10,000	10,000	4,574	-	4,574	(5,426)
Concession sales - aquatics	8,500	8,500	2,859	-	2,859	(5,641)
Concession sales - Cool!	20,500	20,500	7,249	-	7,249	(13,251)
Public arts	1,000	1,000	107	-	107	(893)
Track club	4,000	4,000	-	-	-	(4,000)
Facility enhancement fee	13,600	13,600	-	-	-	(13,600)
Albany Community Pool swimming pool	310,000	310,000	109,906	-	109,906	(200,094)
Albany Community Pool facility rental fees	55,000	55,000	17,047	-	17,047	(37,953)
Tournament rental Fees	45,500	45,500	2,750	-	2,750	(42,750)
Youth program user fees	5,000	5,000	-	-	-	(5,000)
Community garden	-	-	540	-	540	540
Pool room	1,900	1,900	449	-	449	(1,451)
River Rhythms Food Faire	28,500	28,500	4,509	-	4,509	(23,991)
NWAAF food vendors	24,500	24,500	2,100	-	2,100	(22,400)
NWAAF souvenir sales	4,000	4,000	3,527	-	3,527	(473)
NWAAF parking	40,000	40,000	42,381	-	42,381	2,381
Summer Sounds - food vendors	6,000	6,000	2,527	-	2,527	(3,473)
Trolley rental charges	-	-	460	-	460	460
River Rhythms donations	24,500	24,500	15,522	-	15,522	(8,978)
NWAAF donations	16,500	16,500	4,139	-	4,139	(12,361)
Summer Sounds - donations	10,000	10,000	4,324	-	4,324	(5,676)
Summer Sounds - sponsorships	59,000	59,000	11,500	-	11,500	(47,500)
Park maintenance revenue	10,000	10,000	23,318	-	23,318	13,318
Gifts and donations	20,200	20,200	6,466	-	6,466	(13,734)
Senior Center sponsorships	27,000	27,000	5,000	-	5,000	(22,000)

Continued on next page

**CITY OF ALBANY, OREGON**  
**PARKS AND RECREATION FUND**  
**BUDGETARY COMPARISON STATEMENT (continued)**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues, continued</b>						
River Rhythms sponsorships	\$ 225,000	\$ 225,000	\$ 73,633	\$ -	\$ 73,633	\$ (151,367)
NWAAF sponsorships	205,000	205,000	84,437	-	84,437	(120,563)
Aquatic sponsorship	10,000	10,000	3,500	-	3,500	(6,500)
Aquatics fundraising	-	-	1,590	-	1,590	1,590
Sports sponsorship	10,000	10,000	4,500	-	4,500	(5,500)
CYF sponsorships	47,000	47,000	8,318	-	8,318	(38,682)
Aquatics donations	142,000	142,000	70,000	-	70,000	(72,000)
Albany GEMS	31,000	31,000	12,860	-	12,860	(18,140)
Miscellaneous	40,000	40,000	29,342	-	29,342	(10,658)
Brochure advertising	2,000	2,000	240	-	240	(1,760)
FEMA grant	-	-	51,980	-	51,980	51,980
Interest on investments	65,200	65,200	144,650	-	144,650	79,450
Total revenues	<u>13,468,800</u>	<u>13,468,800</u>	<u>6,942,033</u>	<u>-</u>	<u>6,942,033</u>	<u>(6,526,767)</u>
<b>Other financing sources</b>						
Transfer from General Fund	389,600	389,600	280,300	-	280,300	(109,300)
Transfer from Transient Room Tax Fund	346,600	346,600	135,300	-	135,300	(211,300)
Transfer from Street Fund	160,000	160,000	80,000	-	80,000	(80,000)
Transfer from Equipment Replacement Fund	-	30,000	30,000	-	30,000	-
Intrafund Transfer from Parks Program	550,000	550,000	32,100	-	32,100	(517,900)
Total other financing sources	<u>1,446,200</u>	<u>1,476,200</u>	<u>557,700</u>	<u>-</u>	<u>557,700</u>	<u>(918,500)</u>
<b>Fund balance, beginning</b>						
Unassigned	2,598,300	2,878,300	3,426,667	-	3,426,667	548,367
Prior period adjustment	-	-	(5,693)	-	(5,693)	(5,693)
Total Fund Balance, beginning	<u>2,598,300</u>	<u>2,878,300</u>	<u>3,420,974</u>	<u>-</u>	<u>3,420,974</u>	<u>542,674</u>
Amount available for appropriation	<u>\$ 17,513,300</u>	<u>\$ 17,823,300</u>	<u>10,920,707</u>	<u>-</u>	<u>10,920,707</u>	<u>(6,902,593)</u>
<b>Expenditures</b>						
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
Sports programs	\$ 729,500	\$ 729,500	\$ 291,024	\$ -	\$ 291,024	\$ 438,476
Children/youth/family recreation services	734,900	734,900	422,499	-	422,499	312,401
Resource development/marketing services	458,800	458,800	150,734	-	150,734	308,066
Park maintenance services	4,598,700	4,628,700	2,130,096	-	2,130,096	2,498,604
Parks and Recreation administration	3,451,100	3,731,100	1,356,718	-	1,356,718	2,374,382
Aquatic services	1,924,900	1,924,900	818,877	-	818,877	1,106,023
Adult recreation and fitness services	1,254,300	1,254,300	428,808	-	428,808	825,492
Performance and cultural arts	1,421,900	1,421,900	552,207	-	552,207	869,693
Park system development charge projects	1,559,600	1,559,600	235,004	-	235,004	1,324,596
Senior Center Foundation	96,600	96,600	22,549	-	22,549	74,051
Parks capital improvement program	550,000	550,000	32,100	-	32,100	517,900
Contingency	-	-	-	-	-	-
Total expenditures	<u>16,780,300</u>	<u>17,090,300</u>	<u>6,440,616</u>	<u>-</u>	<u>6,440,616</u>	<u>10,649,684</u>
<b>Other financing uses</b>						
Transfers to other funds	183,000	183,000	183,000	-	183,000	-
Intrafund Transfers out	550,000	550,000	32,100	-	32,100	(517,900)
Total other financing uses	<u>733,000</u>	<u>733,000</u>	<u>215,100</u>	<u>-</u>	<u>215,100</u>	<u>517,900</u>
Total expenditures and other financing uses	<u>\$ 17,513,300</u>	<u>\$ 17,823,300</u>	<u>6,655,716</u>	<u>-</u>	<u>6,655,716</u>	<u>11,167,584</u>
<b>Fund balance, ending</b>			<u>\$ 4,264,991</u>	<u>\$ -</u>	<u>\$ 4,264,991</u>	<u>\$ 4,264,991</u>

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

**CITY OF ALBANY, OREGON**  
**RISK MANAGEMENT FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Miscellaneous	\$ 800,000	\$ 800,000	\$ 417,424	\$ -	\$ 417,424	\$ (382,576)
PERS reserve contributions	-	-	698,439	-	698,439	698,439
Interest on investments	20,000	20,000	35,135	-	35,135	15,135
Total revenues	<u>820,000</u>	<u>820,000</u>	<u>1,150,998</u>	<u>-</u>	<u>1,150,998</u>	<u>330,998</u>
<b>Other financing sources</b>						
Transfers from Sewer Fund	1,500,000	1,500,000	750,200	-	750,200	(749,800)
Total other financing sources	<u>1,500,000</u>	<u>1,500,000</u>	<u>750,200</u>	<u>-</u>	<u>750,200</u>	<u>(749,800)</u>
<b>Fund balance, beginning</b>						
Unassigned	3,573,400	4,233,400	4,468,782	-	4,468,782	235,382
Prior period adjustment	-	-	3,602	-	3,602	3,602
Total Fund Balance, beginning	<u>3,573,400</u>	<u>4,233,400</u>	<u>4,472,384</u>	<u>-</u>	<u>4,472,384</u>	<u>238,984</u>
Amount available for appropriation	<u>\$ 5,893,400</u>	<u>\$ 6,553,400</u>	<u>6,373,582</u>	<u>-</u>	<u>6,373,582</u>	<u>(179,818)</u>
<b>Expenditures</b>						
Risk Management	\$ 2,893,400	\$ 2,893,400	\$ 1,323,810	\$ -	\$ 1,323,810	\$ 1,569,590
Total expenditures	<u>2,893,400</u>	<u>2,893,400</u>	<u>1,323,810</u>	<u>-</u>	<u>1,323,810</u>	<u>1,569,590</u>
<b>Other financing uses</b>						
Transfers to other funds	3,000,000	3,660,000	3,657,197	-	3,657,197	2,803
Total expenditures and other financing uses	<u>\$ 5,893,400</u>	<u>\$ 6,553,400</u>	<u>4,981,007</u>	<u>-</u>	<u>4,981,007</u>	<u>1,572,393</u>
<b>Fund balance, ending</b>			<u>\$ 1,392,575</u>	<u>\$ -</u>	<u>\$ 1,392,575</u>	<u>\$ 1,392,575</u>

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

**CITY OF ALBANY, OREGON**  
**STREET FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Financed transportation system development charges						
Principal	\$ 3,000	\$ 3,000	\$ 309	\$ -	\$ 309	\$ (2,691)
Interest	2,000	2,000	126	-	126	(1,874)
Street connection fees	20,000	20,000	34,111	-	34,111	14,111
Transportation system development charges	1,200,000	1,200,000	936,309	-	936,309	(263,691)
Public facility construction permit	30,000	30,000	81,119	-	81,119	51,119
State gasoline tax	8,190,000	8,190,000	3,672,501	-	3,672,501	(4,517,499)
Surface transportation program	1,895,100	1,895,100	-	-	-	(1,895,100)
Miscellaneous	2,000	2,000	51,355	-	51,355	49,355
Interest on investments	90,600	90,600	354,986	-	354,986	264,386
Total revenues	<u>11,432,700</u>	<u>11,432,700</u>	<u>5,130,816</u>	<u>-</u>	<u>5,130,816</u>	<u>(6,301,884)</u>
<b>Other financing sources</b>						
Transfer from Albany Municipal Airport Fund	15,600	15,600	4,643	-	4,643	(10,957)
Transfer from Transient Room Tax Fund	5,600	5,600	2,800	-	2,800	(2,800)
Transfer from Equipment Replacement Fund	-	-	719,021	-	719,021	719,021
Transfer from Sewer Fund	1,366,000	1,366,000	775,330	-	775,330	(590,670)
Transfer from Water Fund	1,232,800	1,232,800	643,248	-	643,248	(589,552)
Intrafund Transfer	40,000	40,000	20,000	-	20,000	(20,000)
Total other financing sources	<u>2,660,000</u>	<u>2,660,000</u>	<u>2,165,042</u>	<u>-</u>	<u>2,165,042</u>	<u>(494,958)</u>
<b>Fund balance, beginning</b>						
Unassigned	9,834,700	9,834,700	10,647,017	-	10,647,017	812,317
Prior period adjustment	-	-	28,229	-	28,229	28,229
Total Fund Balance, beginning	<u>9,834,700</u>	<u>9,834,700</u>	<u>10,675,246</u>	<u>-</u>	<u>10,675,246</u>	<u>840,546</u>
Amount available for appropriation	<u>\$ 23,927,400</u>	<u>\$ 23,927,400</u>	<u>17,971,104</u>	<u>-</u>	<u>17,971,104</u>	<u>(5,956,296)</u>
<b>Expenditures</b>						
Personnel services	\$ 2,307,600	\$ 2,307,600	\$ 981,701	\$ -	\$ 981,701	\$ 1,325,899
Materials and services	5,080,700	5,080,700	2,646,000	-	2,646,000	2,434,700
Capital	15,943,400	15,943,400	2,679,729	-	2,679,729	13,263,671
Contingencies	370,600	370,600	-	-	-	370,600
Total expenditures	<u>23,702,300</u>	<u>23,702,300</u>	<u>6,307,430</u>	<u>-</u>	<u>6,307,430</u>	<u>17,394,870</u>
<b>Other financing uses</b>						
Transfers to other funds	185,100	185,100	105,100	-	105,100	80,000
Intrafund Transfers out	40,000	40,000	20,000	-	20,000	20,000
Total other financing uses	<u>225,100</u>	<u>225,100</u>	<u>125,100</u>	<u>-</u>	<u>125,100</u>	<u>100,000</u>
Total expenditures and other financing uses	<u>\$ 23,927,400</u>	<u>\$ 23,927,400</u>	<u>6,432,530</u>	<u>-</u>	<u>6,432,530</u>	<u>17,494,870</u>
<b>Fund balance, ending</b>			<u>\$ 11,538,574</u>	<u>\$ -</u>	<u>\$ 11,538,574</u>	<u>\$ 11,538,574</u>

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

June 30, 2020

	Business-type Activities			Totals Enterprise Funds	Internal Service Funds
	Water	Sewer	Stormwater		
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 5,488,559	\$ 8,020,039	\$ 390,334	\$ 13,898,932	\$ 858,449
Investments	9,152,467	13,373,771	650,896	23,177,134	1,416,163
Receivables:					
Property taxes	1,379	-	-	1,379	-
Accounts	1,644,708	2,172,932	189,383	4,007,023	2,373
Assessments	-	-	-	-	4,036
Accrued interest	50,402	71,057	4,719	126,178	-
Inventories	638,185	189,736	-	827,921	-
Total current assets	<u>16,975,700</u>	<u>23,827,535</u>	<u>1,235,332</u>	<u>42,038,567</u>	<u>2,281,021</u>
Noncurrent assets:					
Other postemployment benefit asset	24,402	22,749	3,249	50,400	122,794
Loans receivable	-	3,182,569	-	3,182,569	-
Capital assets:					
Land and construction in progress	2,798,176	16,964,540	-	19,762,716	34,251
Other capital assets, net of depreciation	<u>87,452,442</u>	<u>127,123,357</u>	<u>181,481</u>	<u>214,757,280</u>	<u>10,232</u>
Total noncurrent assets	<u>90,275,020</u>	<u>147,293,215</u>	<u>184,730</u>	<u>237,752,965</u>	<u>167,277</u>
Total assets	<u>107,250,720</u>	<u>171,120,750</u>	<u>1,420,062</u>	<u>279,791,532</u>	<u>2,448,298</u>
<b>Deferred Outflows of Resources</b>					
Pension and other postemployment benefit related items	<u>768,498</u>	<u>475,015</u>	<u>186,129</u>	<u>1,429,642</u>	<u>5,514,624</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,065,633	949,354	56,535	2,071,522	710,853
Compensated absences	46,380	52,585	382	99,347	181,536
Interest payable	338,206	263,248	-	601,454	-
Refundable deposits	148,825	809	-	149,634	-
Loans payable, current portion	-	3,904,995	-	3,904,995	-
Bonds payable, current portion	<u>1,232,388</u>	<u>-</u>	<u>-</u>	<u>1,232,388</u>	<u>-</u>
Total current liabilities	<u>2,831,432</u>	<u>5,170,991</u>	<u>56,917</u>	<u>8,059,340</u>	<u>892,389</u>
Long-term obligations					
Compensated absences	46,379	52,582	381	99,342	181,535
Other postemployment benefits	209,596	195,407	27,908	432,911	1,054,733
Loans payable, long-term portion	-	41,574,298	-	41,574,298	-
Net pension liability	2,131,051	1,407,927	490,964	4,029,942	14,826,679
Bonds payable, long-term portion	<u>21,391,298</u>	<u>-</u>	<u>-</u>	<u>21,391,298</u>	<u>-</u>
Total long-term obligations	<u>23,778,324</u>	<u>43,230,214</u>	<u>519,253</u>	<u>67,527,791</u>	<u>16,062,947</u>
Total liabilities	<u>26,609,756</u>	<u>48,401,205</u>	<u>576,170</u>	<u>75,587,131</u>	<u>16,955,336</u>
<b>Deferred Inflows of Resources</b>					
Pension and other postemployment benefit related items	<u>171,055</u>	<u>89,628</u>	<u>45,283</u>	<u>305,966</u>	<u>1,295,125</u>
<b>Net Position</b>					
Net investment in capital assets	67,626,932	98,608,604	181,481	166,417,017	44,483
Restricted for capital construction	1,039,116	1,833,672	-	2,872,788	-
Restricted for debt service	1,652,578	3,744,560	-	5,397,138	-
Unrestricted	<u>10,919,781</u>	<u>18,918,096</u>	<u>803,257</u>	<u>30,641,134</u>	<u>(10,332,022)</u>
Total net position	<u>\$ 81,238,407</u>	<u>\$ 123,104,932</u>	<u>\$ 984,738</u>	<u>205,328,077</u>	<u>\$ (10,287,539)</u>
Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.				<u>(6,324,228)</u>	
Net position of business-type activities (page 41)				<u>\$ 199,003,849</u>	

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2020

	Business-type Activities			Totals Enterprise Funds	Internal Service Funds
	Water	Sewer	Stormwater		
<b>OPERATING REVENUES:</b>					
Service charges and fees	\$ 13,989,063	\$ 18,019,466	\$ 2,389,125	\$ 34,397,654	\$ 16,711,653
Miscellaneous	102,463	1,150,976	-	1,253,439	140,039
Total operating revenues	<u>14,091,526</u>	<u>19,170,442</u>	<u>2,389,125</u>	<u>35,651,093</u>	<u>16,851,692</u>
<b>OPERATING EXPENSES:</b>					
Salaries and wages	2,941,259	2,824,602	375,882	6,141,743	14,502,180
Contracted services	513,164	1,276,179	136,864	1,926,207	594,695
Operating supplies	852,558	765,239	190,456	1,808,253	1,475,762
Utilities	496,638	553,869	-	1,050,507	190,621
Depreciation and amortization	3,578,502	4,038,331	6,356	7,623,189	2,928
Repairs and maintenance	576,283	1,216,874	107,054	1,900,211	274,949
Charges for services	3,525,400	3,507,355	1,457,056	8,489,811	1,711,866
Miscellaneous	-	37,188	-	37,188	50,403
Total operating expenses	<u>12,483,804</u>	<u>14,219,637</u>	<u>2,273,668</u>	<u>28,977,109</u>	<u>18,803,404</u>
Operating income (loss)	<u>1,607,722</u>	<u>4,950,805</u>	<u>115,457</u>	<u>6,673,984</u>	<u>(1,951,712)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Property taxes	3	-	-	3	-
Interest on investments	473,884	707,885	38,776	1,220,545	20,118
Gain (loss) on sale of capital asset	-	8,215	-	8,215	-
Miscellaneous	41,640	140,395	1,207	183,242	-
Interest	<u>(722,973)</u>	<u>(940,040)</u>	<u>-</u>	<u>(1,663,013)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(207,446)</u>	<u>(83,545)</u>	<u>39,983</u>	<u>(251,008)</u>	<u>20,118</u>
Income (loss) before capital contributions and transfers	1,400,276	4,867,260	155,440	6,422,976	(1,931,594)
Capital contributions	578,109	591	-	578,700	-
Transfers in	-	-	-	-	604,830
Transfers out	<u>(643,248)</u>	<u>(1,525,530)</u>	<u>-</u>	<u>(2,168,778)</u>	<u>(20,000)</u>
Change in net position	1,335,137	3,342,321	155,440	4,832,898	(1,346,764)
Prior period adjustment	12,283	(20,886)	(1,183)	-	(6,401)
Net position - beginning	<u>79,890,987</u>	<u>119,783,497</u>	<u>830,481</u>	<u>-</u>	<u>(8,934,374)</u>
Net position - ending	<u>\$ 81,238,407</u>	<u>\$ 123,104,932</u>	<u>\$ 984,738</u>	<u>\$ -</u>	<u>\$ (10,287,539)</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(883,469)</u>	
Change in net position of business-type activities (pages 42-43)				<u>\$ 3,949,429</u>	

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2020

	Business-type Activities			Governmental Activities	
	Water	Sewer	Stormwater	Totals	
				Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 14,212,759	\$ 19,083,397	\$ 2,413,451	\$ 35,709,607	\$ 16,860,040
Cash payments to suppliers of goods and services	(5,452,178)	(7,085,688)	(1,885,262)	(14,423,128)	(4,289,974)
Cash payments to employees for services	(2,520,784)	(2,382,327)	(339,601)	(5,242,712)	(12,320,756)
Other revenues	41,640	140,395	1,207	183,242	-
Net cash provided by (used in) operating activities	<u>6,281,437</u>	<u>9,755,777</u>	<u>189,795</u>	<u>16,227,009</u>	<u>249,310</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Property taxes	3,674	-	-	3,674	-
Transfers in	-	-	-	-	604,830
Transfers out	(643,248)	(1,525,530)	-	(2,168,778)	(20,000)
Net cash provided by (used in) noncapital financing activities	<u>(639,574)</u>	<u>(1,525,530)</u>	<u>-</u>	<u>(2,165,104)</u>	<u>584,830</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(4,973,889)	(15,012,491)	(187,837)	(20,174,217)	(2,991)
Proceeds from issuance of debt	-	6,136,717	-	6,136,717	-
System development charges collected	578,109	591	-	578,700	-
Principal paid on loan	-	(4,231,533)	-	(4,231,533)	-
Principal paid on bonds	(1,100,000)	-	-	(1,100,000)	-
Payment from City of Millersburg	-	305,377	-	305,377	-
Interest paid on long-term debt	(833,694)	(951,961)	-	(1,785,655)	-
Net cash (used in) capital and related financing activities	<u>(6,329,474)</u>	<u>(13,753,300)</u>	<u>(187,837)</u>	<u>(20,270,611)</u>	<u>(2,991)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Net (increase) decrease in investments	(495,848)	1,872,515	(67,169)	1,309,498	(587,253)
Interest on investments	463,216	702,095	36,878	1,202,189	20,033
Net cash provided by (used in) investing activities	<u>(32,632)</u>	<u>2,574,610</u>	<u>(30,291)</u>	<u>2,511,687</u>	<u>(567,220)</u>
Net increase (decrease) in cash and cash equivalents	(720,243)	(2,948,443)	(28,333)	(3,697,019)	263,929
<b>Cash and cash equivalents, July 1, 2019</b>	<u>6,208,802</u>	<u>10,968,482</u>	<u>418,667</u>	<u>17,595,951</u>	<u>594,520</u>
<b>Cash and cash equivalents, June 30, 2020</b>	<u>\$ 5,488,559</u>	<u>\$ 8,020,039</u>	<u>\$ 390,334</u>	<u>\$ 13,898,932</u>	<u>\$ 858,449</u>

Continued on next page



**CITY OF ALBANY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2020

	Business-type Activities			Governmental Activities	
	Water	Sewer	Stormwater	Totals Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,607,722	\$ 4,950,805	\$ 115,457	\$ 6,673,984	\$ (1,951,712)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,578,502	4,038,331	6,356	7,623,189	2,928
Other revenues	41,640	140,395	1,207	183,242	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Receivables	116,914	(87,045)	24,326	54,195	8,348
Inventories	(7,524)	116,159	-	108,635	-
Prepaid items	-	-	-	-	1,332
Net other postemployment benefit asset	(13,653)	(16,679)	(477)	(30,809)	(80,983)
Deferred outflows of resources	(89,353)	(91,464)	(10,961)	(191,778)	(485,617)
Accounts payable	519,389	154,857	6,168	680,414	6,990
Net pension liability	500,738	487,198	70,468	1,058,404	2,645,041
Compensated absences	17,021	(10,071)	763	7,713	(130,059)
Other postemployment benefits	56,309	108,837	(11,628)	153,518	458,472
Refundable deposits	4,319	-	-	4,319	-
Deferred inflows of resources	(50,587)	(35,546)	(11,884)	(98,017)	(225,430)
Total adjustments	4,673,715	4,804,972	74,338	9,553,025	2,201,022
Net cash provided by (used in) operating activities	<u>\$ 6,281,437</u>	<u>\$ 9,755,777</u>	<u>\$ 189,795</u>	<u>\$ 16,227,009</u>	<u>\$ 249,310</u>

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



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

**Blended Component Unit**

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

**Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basic Financial Statements (continued)**

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.

*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 and sanitary sewer 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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.

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, state shared revenues, municipal court fines, licenses, and permits. Primary expenditures are for general government (planning, code enforcement, and housing), public safety (municipal court, police, fire, fire suppression, and fire life safety), and culture and recreation (library).

**Parks and Recreation**

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

**Risk Management**

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

**Street**

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

**Capital Projects**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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.

Stormwater

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

Additionally, the City reports the following nonmajor fund types:

Special Revenue

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

Debt Service

The City utilizes these funds to account for debt service on bonds issued by the governmental funds. General obligation bonds are funded by property taxes. Other sources of funds include transient room taxes, financed assessments, and the general revenues of the City.

Capital Projects

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

Permanent

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

Internal Service

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Restricted Assets**

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

**Inventories**

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

**Receivables**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Receivables (continued)**

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

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

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

It is the City's policy to permit employees to earn vacation 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 leave is accrued when earned in the government-wide and



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Long-term Obligations**

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

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

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows relating to pensions and other postemployment benefits.

**Equity**

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Equity (continued)**

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

- 1) Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- 2) Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- 3) Committed – Amounts are those constrained by City Council through resolution or ordinance before the end of the fiscal year. The State of Oregon recognizes resolutions and ordinances as being equally binding, and the process for establishing, modifying, and rescinding resolutions and ordinances are substantively the same. Therefore, the City uses both to commit funds.
- 4) Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City's Finance Director to assign fund balance amounts.
- 5) Unassigned – The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

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

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Annual 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**Budgetary Information (continued)**

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

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

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

An election must be held to approve general obligation debt pledging the full faith and credit of the City. As a result of Ballot Measure 50 and subsequent legislation, the City's permanent tax rate has been set at \$6.3984 per \$1,000 of assessed value. The assessed value (not including the urban renewal district) for 2019-2020 was \$3,216,058,644. Assessed value is calculated on a property-by-property basis and is limited to a three percent increase annually. Compression of tax revenues comes into play when the real market value of an individual residential property is not sufficient to allow for an annual three percent increase in the assessed value.

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

General	Capital Project
Special Revenue	Capital Projects
Parks and Recreation	Capital Replacement
Building Inspection	Permanent
Risk Management	Library Trust
Economic Development	Internal Service
Public Transit	Central Services
Albany Revitalization Agency (ARA)	Public Works Services
Debt Service	
Debt Service	
GO Debt Service	

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**Budgetary Information (continued)**

A budget is appropriated by total personnel services, materials and services, capital outlay, transfers out, and contingency for the following funds:

Special Revenue	Permanent
Grants	Senior Center Endowment
Street	Enterprise
Public Safety Levy	Water
	Sewer
	Stormwater

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.

During the fiscal year ended June 30, 2020, the City made supplemental budget changes as outlined by fund in the following table:

Fund	2019-21 Original Budget	2019-21 Final Budget	Changes
General	\$ 86,703,600	\$ 87,715,100	\$ 1,011,500
Parks and Recreation	17,513,300	17,823,300	310,000
Risk Management	5,893,400	6,553,400	660,000
Street	23,927,400	23,927,400	-
Grants	3,390,600	3,705,600	315,000
Building Inspection	4,179,900	4,179,900	-
Economic Development	9,921,300	10,881,300	960,000
Public Transit	7,108,900	7,575,900	467,000
Public Safety Levy	8,992,000	9,472,000	480,000
Albany Revitalization Agency	14,415,900	14,415,900	-
Debt Service	1,872,400	1,872,400	-
GO Debt Service	2,527,100	2,527,100	-
Capital Projects	2,957,000	2,957,000	-
Capital Replacement	10,067,800	10,067,800	-
Library Trust	6,500	6,500	-
Water	41,795,000	41,795,000	-
Sewer	77,678,600	77,678,600	-
Stormwater	5,271,400	5,271,400	-
Central Services	16,145,600	16,317,600	172,000
Public Works Services	20,872,400	21,140,400	268,000
	\$ 361,240,100	\$ 365,883,600	\$ 4,643,500

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**Budgetary Information (continued)**

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.

**Excess of Expenditures over Appropriations**

There were no excess expenditures in the General Fund over appropriations in the current biennium. However, an excess of expenditures over appropriations occurred in the Grants Fund due to the Coronavirus Relief Fund program for \$213,716.

**3. DETAILED NOTES**

**Cash and Investments**

The City pools virtually all funds for investment purposes. Each fund type's portion is displayed on the Statement of Net Position as 'cash and investments' and 'restricted cash and investments' (page 41).

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

Cash on hand	\$ 29,846
Bank balances with financial institutions	(268,041)
State of Oregon Treasurer's short-term investment pool	32,345,308
Other investments	<u>53,468,423</u>
Total cash and investments	<u>\$ 85,575,536</u>

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

Cash and investments	\$ 85,488,959
Restricted cash and investments	<u>86,577</u>
Total cash and investments	<u>\$ 85,575,536</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 \$(298,912) and the bank balance was \$1,338,860.

**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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

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 market 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.

At June 30, 2020, the City had the following recurring fair value measurements.

Investments by fair value level	6/30/2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Government agency obligations:				
US Treasury Notes	\$ 11,212,660	\$ 11,212,660	\$ -	\$ -
Federal Farm Credit Bank	17,181,328	-	17,181,328	-
Federal Home Loan Mortgage Corporation	1,504,095	-	1,504,095	-
Federal Home Loan Banks	18,587,790	-	18,587,790	-
Corporate Bonds				
Apple	2,021,960	-	2,021,960	-
Microsoft	2,063,820	-	2,063,820	-
Municipal bonds - Oregon	250,000	-	250,000	-
Municipal bonds - California	646,770	-	646,770	-
Totals	<u>\$ 53,468,423</u>	<u>\$ 11,212,660</u>	<u>\$ 42,255,763</u>	<u>\$ -</u>

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

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, 2020.

As of June 30, 2020, 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	\$ 11,212,660	0.18	13%
Federal Farm Credit Bank	AAA	17,181,328	0.27	20%
Federal Home Loan Mortgage Corporation	AAA	1,504,095	0.05	2%
Federal Home Loan Banks	AAA	18,587,790	0.34	22%
Corporate Bonds				
Apple	AA1	2,021,960	0.02	2%
Microsoft	AAA	2,063,820	0.04	2%
Municipal bonds - Oregon	AA1	250,000	0.01	0%
Municipal bonds - California	AA2	646,770	0.01	1%
Oregon Short-term Fund	NR	32,345,308	-	38%
Totals		<u>\$ 85,813,731</u>		<u>100%</u>
Portfolio Weighted average maturity			<u>0.92</u>	

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

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, 2020, was 0.92 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.

Diversification constraints of the City's investment policy are:

Issuer Type	Percent of Total Portfolio
U. S. Treasury obligations	100%
GSE-Agency Securities	100%
Per Issuer	35%
FDIC - Temporary liquidity guarantee securities	0%
Commercial paper *	35%
Bankers Acceptance *	10%
Corporate indebtedness, Oregon issuers *	35%
Local Government Investment Pool	ORS Limit 294.810
Certificates of Deposit/Bank Deposits/Savings	10%
Obligations of the States (municipal securities) *	25%

\* Shall be limited to 5% per issuer.

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.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

Custodial Risk – Deposits

This is the risk that in the event of a bank failure, the City of Albany’s deposits might not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City of Albany’s deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest-bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2020, none of the City’s deposits were exposed to custodial credit risk.

**Capital Assets**

Governmental Activities

Capital asset activity for the year ended June 30, 2020, was as follows:

	July 1, 2019 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2020 Balance
<b>Non-depreciable capital assets</b>				
Land	\$ 15,762,102	\$ -	\$ -	\$ 15,762,102
Construction in progress	5,156,147	3,204,949	(2,610,209)	5,750,887
Total non-depreciable capital assets	<u>20,918,249</u>	<u>3,204,949</u>	<u>(2,610,209)</u>	<u>21,512,989</u>
<b>Depreciable capital assets</b>				
Buildings and improvements	43,362,148	77,031	-	43,439,179
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	21,063,762	1,803,363	(167,394)	22,699,731
Infrastructure	156,968,105	1,894,787	2,610,209	161,473,101
Total depreciable capital assets	<u>222,194,015</u>	<u>3,775,181</u>	<u>2,442,815</u>	<u>228,412,011</u>
<b>Accumulated depreciation</b>				
Buildings and improvements	(7,741,814)	(1,148,821)	-	(8,890,635)
Intangible assets	(270,172)	(40,957)	-	(311,129)
Vehicles and equipment	(15,547,459)	(2,169,679)	167,394	(17,549,744)
Infrastructure	(93,044,279)	(6,578,356)	-	(99,622,635)
Total accumulated depreciation	<u>(116,603,724)</u>	<u>(9,937,813)</u>	<u>167,394</u>	<u>(126,374,143)</u>
Depreciable capital assets net of depreciation	<u>105,590,291</u>	<u>(6,162,632)</u>	<u>2,610,209</u>	<u>102,037,868</u>
Governmental activities, capital assets, net	<u>\$ 126,508,540</u>	<u>\$ (2,957,683)</u>	<u>\$ -</u>	<u>\$ 123,550,857</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Capital Assets (continued)**

Depreciation expense for governmental activities has been charged as follows:

General Government	\$ 2,131,365
Public Safety	1,637,480
Highways & Streets	4,375,131
Culture & Recreation	1,793,837
Total depreciation for governmental activities	\$ 9,937,813

**Business-type Activities**

Capital asset activity for the year ended June 30, 2020, was as follows:

	July 1, 2019 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2020 Balance
Non-depreciable capital assets				
Land	\$ 6,285,374	\$ 118,775	\$ -	\$ 6,404,149
Construction in progress	7,497,417	9,565,409	(3,672,999)	13,389,827
Total non-depreciable capital assets	13,782,791	9,684,184	(3,672,999)	19,793,976
Depreciable capital assets				
Land rights	19,794	-	-	19,794
Land improvements	82,335	-	-	82,335
Buildings and improvements	155,639,416	175,047	-	155,814,463
Vehicles and equipment	10,787,890	511,686	(58,928)	11,240,648
Infrastructure	168,453,162	9,848,643	3,635,871	181,937,676
Total depreciable capital assets	334,982,597	10,535,376	3,576,943	349,094,916
Accumulated depreciation				
Land rights	(19,794)	-	-	(19,794)
Land improvements	(70,465)	(11,870)	-	(82,335)
Buildings and improvements	(50,948,636)	(3,116,007)	-	(54,064,643)
Vehicles and equipment	(8,117,250)	(449,343)	58,928	(8,507,665)
Infrastructure	(67,604,070)	(4,048,897)	-	(71,652,967)
Total accumulated depreciation	(126,760,215)	(7,626,117)	58,928	(134,327,404)
Depreciable capital assets net of depreciation	208,222,382	2,909,259	3,635,871	214,767,512
Business-type activities, capital assets, net	\$ 222,005,173	\$ 12,593,443	\$ (37,128)	\$ 234,561,488

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Capital Assets (continued)**

Depreciation expense for business-type activities has been charged as follows:

Water Fund	\$ 3,579,478
Sewer Fund	4,039,307
Stormwater Fund	7,332
Total depreciation for business-type activities	\$ 7,626,117

**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, 2020, amounted to \$617,286 which represented approximately 43 percent of the outstanding assessment receivables. Since assessments are liens against the benefited properties, an allowance for uncollectible accounts is not deemed necessary. Assessments are payable for a period of five to twenty years and bear an interest rate of nine percent for unbonded assessments and the bond rate plus 1.5 percent for financed assessments.

**Loans Receivable**

The listing which follows outlines the loans receivable as of June 30, 2020. The ARA loans have been restated to show the division of regular and forgivable loans.

	July 1, 2019 Balance	Increase	Decrease	June 30, 2020 Balance
Governmental Funds				
Albany Revitalization Agency (ARA) Regular loans	\$ 868,972	\$ -	\$ (41,563)	\$ 827,409
Economic Development	-	745,000	(14,449)	730,551
Enterprise Fund - Sewer	3,487,946	-	(305,377)	3,182,569
Total government-wide loans	\$ 4,356,918	\$ 745,000	\$ (361,389)	\$ 4,740,529

**Albany Revitalization Area (ARA) Fund**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

In March 2009, ARA approved a ten-year loan of \$307,500 to Cameron House, LLC, and Herb Yamamoto, Principal, to renovate the structure known as CADD Connection Building at 705 Lyon Street. The first loan amount of \$112,500, with an annual interest rate of 4.85 percent, is secured by a promissory note and trust deed. The principal and accrued interest are fully due and payable on March 13, 2016. The second and third loan amounts are each \$97,500, one of which is in the forgivable category, and is secured by a promissory note and trust deed. As of June 30, 2020 only the forgivable loan has a remaining balance as the other was paid in full.

In fiscal year 2012 ARA approved a modification to the \$148,000 loan to Flinn Block, LLC, Marc and Anni Manley, personally. The original loan, dated February 12, 2008, was to make further improvements to the structure known as the Flinn and Ames Building. The modification, dated August 11, 2011, changed 50% of the loan (\$74,000) to a forgivable loan, and changed the interest rate on the remaining \$74,000 to two percent annually. Both portions are secured by a trust deed and promissory note. Interest for the loan will accrue from the modification date until the loan is paid in full. This loan was paid in full and does not have a balance owing at June 30, 2020.

In fiscal year 2016 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 \$729.17 began on January 15, 2016. Due to COVID not all 12 payments were collected, as the City has deferred them for future consideration. The outstanding balance at June 30, 2020 totaled \$137,408.

In fiscal year 2016 ARA approved a twenty-year loan of \$500,000, to Rick Mikesell, for renovations to the 1<sup>st</sup> Avenue Century Building. This no interest loan is secured by a promissory note and trust deed. Monthly payments of \$2,083.33 started in September 2016, resulting in an outstanding balance of \$404,167 at June 30, 2020.

ARA converted a \$200,000 forgivable loan to R3 Development to repayable in July 2016. The twenty-year loan has zero interest and monthly payments of \$833.33. Payments began in August 2016, resulting in an ending balance of \$160,834 at June 30, 2020.

In fiscal year 2017 ARA approved a five-year loan to Dawson House. Annual interest only payments begin on May 22, 2018 with a balloon payment of principal and interest payable due on May 22, 2023. This loan was paid in full and does not have a balance owing at June 30, 2020.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Signs of Victory received a five-year \$50,000 loan from 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 first payment due December 31, 2020. The outstanding balance at June 30, 2020 is \$75,000.

3 Sheets Brewery was approved for a \$10,000 loan on July 7, 2017. This was originally going to be a storefront grant, but was later agreed upon as a loan with the first payment being due on September 1, 2017. This loan was paid in full and does not have a balance owing at June 30, 2020.

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

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

Borrower	Loan Draws to Date	Forgiven	Balance yet to be forgiven
CADD Connection - Yamamoto	\$ 97,500	\$ 83,571	\$ 13,929
Edgewater Village	2,400,000	580,000	1,820,000
Ameri-Tool	50,000	15,000	35,000
	<u>\$ 2,547,500</u>	<u>\$ 678,571</u>	<u>\$ 1,868,929</u>

**Economic Development Loan – Stack HIP LLC**

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 \$3,947.78 began on January 2, 2020. The outstanding balance at June 30, 2020 totaled \$730,551.

**Wastewater Treatment Plant Loan - City of Millersburg**

In August 2007, the cities of Albany and Millersburg approved an intergovernmental agreement for expansion and improvement of Albany's Davidson Street wastewater treatment plant. Costs of the project will be shared ninety percent for Albany and ten percent for Millersburg. The initial cost estimate was \$70 million. The project went online in 2010-11 and final project costs, plus adjustments totaled \$77,854,374. The loan balance was set to be paid back over a 19-year period at the same interest rate charged for the Albany loan from the Clean Water State Revolving Fund but in fiscal year 2017-18, this loan was refinanced at a lower interest rate decreasing the interest owed. As of June 30, 2020, Millersburg's loan balance was \$3,182,569.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Deferred Inflows of Resources**

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

Delinquent property taxes		
General	\$	885,249
Parks and Recreation		220,452
Nonmajor governmental		391,582
Accounts		849,462
Assessments		1,449,091
Economic development loans		<u>1,557,960</u>
Total unavailable revenue	\$	<u>5,353,796</u>

**Restricted Net Position**

Total restricted net position of \$22,903,956 includes \$79,500 restricted for permanent endowments and \$22,824,456 restricted by enabling legislation as follows:

Governmental activities	\$	14,634,030
Business-type activities		<u>8,269,926</u>
Total	\$	<u>22,903,956</u>

**Construction Commitments**

The City has active construction projects as of June 30, 2020 as follows:

Construction Project	Spent to Date	Remaining Commitment
Governmental Activities		
Pickleball Courts	\$ 28,750	\$ 301,138
Business-type Activities		
Vine Street Improvements	7,440	1,008,016
Riverfront Wet Weather	79,888	7,157,302
Belmont Ave	117,300	1,152,961
14th & Oak	-	197,620
AM Influent Valve	-	98,875
Ninth Avenue Street	590,922	796,563
Lochner Road	786,400	1,621,159
Crocker Street	110,300	481,149

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Capital Leases**

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

The assets acquired by capital lease are as follows:

	Governmental Activities
Vehicles and equipment	\$ <u>84,408</u>

The future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

<u>Years ending June 30,</u>	Governmental Activities
2021	\$ 41,205
2022	<u>43,203</u>
Total	\$ <u>84,408</u>

**Operating Leases**

The City has entered into a lease agreement for the use of police vehicles.

Total costs for the lease were \$50,740 for the year ended June 30, 2020. New lease agreements will be initiated in the following fiscal year.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Long-term Obligations**

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

	Beginning Balance June 30, 2019	Increase	Decrease	Ending Balance June 30, 2020	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds, 2015 Public Safety Facilities Bonds	\$ 16,355,000	\$ -	\$ 520,000	\$ 15,835,000	\$ 575,000
Limited tax pension obligations, Series 2002	4,769,605	-	159,604	4,610,001	460,000
General revenue obligations, Series 2004	175,000	-	175,000	-	-
Urban Renewal Bonds 2007 CARA Series A Tax-exempt	1,265,000	-	402,000	863,000	421,000
<b>Direct borrowings and placements</b> Oregon IFA	<u>7,803,830</u>	<u>-</u>	<u>481,938</u>	<u>7,321,892</u>	<u>494,228</u>
Subtotal	<u>30,368,435</u>	<u>-</u>	<u>1,738,542</u>	<u>28,629,893</u>	<u>1,950,228</u>
Net pension liability	39,277,192	9,299,972	-	48,577,164	-
Other postemployment benefits	3,692,953	215,758	-	3,908,711	-
Unamortized premium on debt issuance	509,007	-	31,813	477,194	31,813
Compensated absences	2,752,857	3,954,472	4,551,720	2,155,609	1,077,805
Capital leases	<u>164,483</u>	<u>-</u>	<u>80,075</u>	<u>84,408</u>	<u>41,204</u>
Total Governmental Activities	<u>76,764,927</u>	<u>13,470,202</u>	<u>6,402,150</u>	<u>83,832,979</u>	<u>3,101,050</u>
<b>Business-type Activities</b>					
<b>Revenue bonds</b>					
2013 Water Refunding Bonds	22,515,000	-	1,100,000	21,415,000	1,140,000
<b>Direct borrowings and placements</b>					
2018 SRF - WWTP	41,736,200	-	3,654,097	38,082,103	3,718,324
2009 Wetland	564,107	-	477,436	86,671	86,671
2012 SRF	1,250,000	-	100,000	1,150,000	100,000
2021 SRF - Riverfront Interceptor*	<u>-</u>	<u>6,160,519</u>	<u>-</u>	<u>6,160,519</u>	<u>-</u>
Subtotal	<u>66,065,307</u>	<u>6,160,519</u>	<u>5,331,533</u>	<u>66,894,293</u>	<u>5,044,995</u>
Net pension liability	9,194,977	2,599,220	-	11,794,197	-
Other postemployment benefits	864,539	184,666	-	1,049,205	-
Unamortized premium on debt issuance	1,301,074	-	92,388	1,208,686	92,388
Compensated absences	<u>481,957</u>	<u>868,046</u>	<u>892,059</u>	<u>457,944</u>	<u>228,975</u>
Total Business-type Activities	<u>77,907,854</u>	<u>9,812,451</u>	<u>6,315,980</u>	<u>81,404,325</u>	<u>5,366,358</u>
Totals	<u>\$ 154,672,781</u>	<u>\$ 23,282,653</u>	<u>\$ 12,718,130</u>	<u>\$ 165,237,304</u>	<u>\$ 8,467,408</u>

\*The 2021 SRF – Riverfront Interceptor has loan proceeds but the loan was not finalized in the current fiscal year, hence the balance with no payments due within one year.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

One of the City's two internal service funds, Central Services, serves primarily governmental activities. At year end, long-term liabilities from the Central Service Fund for compensated absences in the amount of \$51,908 are included in the above totals for governmental activities. For governmental activities compensated absences, pension liabilities and other postemployment benefit liabilities are generally liquidated by the fund in which they were incurred, including the General, Parks and Recreation, Building Inspection, Street, Economic Development, and Public Transit Funds.

Governmental Activities

*General Obligation Bonds*

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

The City issued \$18,000,000 in general obligation bonds in August 2015 to finance construction of new public safety facilities. Interest rates range from three to five percent for the 20-year bonds. Final maturity is June 15, 2035. The balance outstanding at June 30, 2020, is \$15,835,000.

For the year ending June 30,	Principal	Interest	Total
2021	\$ 575,000	\$ 567,275	\$ 1,142,275
2022	625,000	544,275	1,169,275
2023	685,000	519,275	1,204,275
2024	745,000	491,875	1,236,875
2025	815,000	454,625	1,269,625
2026-2030	5,215,000	1,678,525	6,893,525
2031-2035	7,175,000	723,056	7,898,056
Totals	\$ 15,835,000	\$ 4,978,906	\$ 20,813,906

*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, 2020, is \$4,610,001. Annual debt service requirements to maturity for the limited tax pension obligations are as follows:

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

**Governmental Activities (continued)**

For the year ending June 30,	Principal	Interest	Total
2021	\$ 460,000	\$ 315,785	\$ 775,785
2022	530,000	284,275	814,275
2023	600,000	247,970	847,970
2024	685,000	206,870	891,870
2025	-	159,947	159,947
2026-2028	<u>2,335,001</u>	<u>294,893</u>	<u>2,629,894</u>
Totals	<u>\$ 4,610,001</u>	<u>\$ 1,509,740</u>	<u>\$ 6,119,741</u>

*General Revenue Obligations*

The City issued \$3,720,000 of general revenue obligations in December 2004, secured by and payable from any unobligated, non-property tax revenues legally available to the City, to finance the construction of a public swimming pool and repayment and/or defeasance of the City's Certificates of Participation, Series 1994. Interest rates range from two percent to five percent for the 15-year bonds. Final maturity is January 1, 2020. This debt service was paid in full and does not have a balance owing at June 30, 2020.

*Albany Revitalization Agency Urban Renewal Bonds*

In October 2007, the Albany Revitalization Agency, an urban renewal district, issued bonds totaling \$4,687,000 to finance authorized projects in the urban renewal area. Debt service requirements are payable from tax increment revenues. Interest rates range from 4.85 percent to 6.25 percent for the 15-year bonds. Final maturity is June 15, 2022. The balance outstanding at June 30, 2020, is \$863,000. Annual debt service requirements to maturity for urban renewal bonds are as follows:

For the year ending June 30,	Principal	Interest	Total
2021	\$ 421,000	\$ 41,855	\$ 462,855
2022	<u>442,000</u>	<u>21,437</u>	<u>463,437</u>
Totals	<u>\$ 863,000</u>	<u>\$ 63,292</u>	<u>\$ 926,292</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Governmental Activities (continued)

*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, 2020 is \$7,321,892. 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	Principal	Interest	Total
<u>June 30,</u>	<u></u>	<u></u>	<u></u>
2021	\$ 494,228	\$ 186,708	\$ 680,936
2022	506,831	174,105	680,936
2023	519,755	161,181	680,936
2024	533,009	147,927	680,936
2025	546,600	134,336	680,936
2026-2030	2,949,323	455,359	3,404,682
2031-2032	<u>1,772,146</u>	<u>86,522</u>	<u>1,858,668</u>
	<u>\$7,321,892</u>	<u>\$1,346,138</u>	<u>\$8,668,030</u>

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, 2020, is \$21,415,000.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Business-type Activities (continued)

For the year ending June 30,	Principal	Interest	Total
2021	\$ 1,140,000	\$ 783,194	\$ 1,923,194
2022	1,195,000	730,794	1,925,794
2023	1,240,000	682,094	1,922,094
2024	1,290,000	631,494	1,921,494
2025	1,345,000	572,069	1,917,069
2026-2030	7,810,000	1,883,645	9,693,645
2031-2034	7,395,000	470,693	7,865,693
Totals	<u>\$ 21,415,000</u>	<u>\$ 5,753,983</u>	<u>\$ 27,168,983</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, 2020, the balance outstanding is \$38,082,103. The final maturity date is October 1, 2029.

For the year ending June 30,	Principal	Interest	Total
2021	\$ 3,718,324	\$ 840,651	\$ 4,558,975
2022	3,783,680	756,703	4,540,383
2023	3,850,184	671,281	4,521,465
2024	3,917,856	584,357	4,502,213
2025	3,986,720	495,906	4,482,626
2026-2030	<u>18,825,339</u>	<u>1,097,371</u>	<u>19,922,710</u>
Totals	<u>\$ 38,082,103</u>	<u>\$ 4,446,269</u>	<u>\$ 42,528,372</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Business-type Activities (continued)

Loans Payable (continued)

On December 21, 2009, the City of Albany purchased land to be used in the Wetlands Talking Water Garden for a total cost of \$4,639,457, of which \$4,114,000 was financed by the seller. The interest rate for the loan is 4.0 percent and the final maturity is December 21, 2021. Debt service requirements are payable from pledged sewer system revenues, i.e. sewer service charges. In the event of default, the DEQ may declare the outstanding loan amount plus any unpaid accrued interest immediately due and payable. As of June 30, 2020, the balance outstanding is \$86,671.

For the year ending June 30,	Principal	Interest	Total
2021	\$ 86,671	\$ 3,467	\$ 90,138

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, 2020, is \$1,150,000. 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
2021	\$ 100,000	\$ 5,750	\$ 105,750
2022	100,000	5,250	105,250
2023	100,000	4,750	104,750
2024	100,000	4,250	104,250
2025	100,000	3,750	103,750
2026-2030	500,000	11,250	511,250
2031-2032	150,000	1,000	151,000
Totals	\$ 1,150,000	\$ 36,000	\$ 1,186,000

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Interfund Transfers**

Transfers out	Transfers In						Total
	General	Parks and Recreation	Risk Management	Street	Nonmajor Governmental	Internal Service Funds	
Governmental funds							
General	\$ -	\$ 280,300	\$ -	\$ -	\$ 639,110	\$ 60,000	\$ 979,410
Parks and Recreation	-	-	-	-	183,000	-	183,000
Risk Management	-	-	-	-	4,771,194	-	4,771,194
Street	-	80,000	-	-	25,100	-	105,100
Nonmajor governmental funds	<u>5,482,820</u>	<u>165,300</u>	<u>-</u>	<u>726,464</u>	<u>684,978</u>	<u>544,830</u>	<u>7,604,392</u>
Total governmental funds	<u>5,482,820</u>	<u>525,600</u>	<u>-</u>	<u>726,464</u>	<u>6,303,382</u>	<u>604,830</u>	<u>13,643,096</u>
Proprietary funds							
Water	-	-	-	643,248	-	-	643,248
Sewer	-	-	750,200	775,330	-	-	1,525,530
Total proprietary funds	<u>-</u>	<u>-</u>	<u>750,200</u>	<u>1,418,578</u>	<u>-</u>	<u>-</u>	<u>2,168,778</u>
Internal Service Funds							
Central Services	-	-	-	-	20,000	-	20,000
Total Internal Service Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total transfers	<u>\$ 5,482,820</u>	<u>\$ 525,600</u>	<u>\$ 750,200</u>	<u>\$ 2,145,042</u>	<u>\$ 6,323,382</u>	<u>\$ 604,830</u>	<u>\$ 15,831,874</u>
Interfund Loans:							
Governmental funds							
Economic Development - receivable							\$ 952,497
Capital Projects - payable							<u>(952,497)</u>
Total interfund loans							<u>\$ -</u>

**Governmental Funds**

*Transfers from General Fund*

Transfers out of the General Fund totaled \$979,410. Major activity included a transfer of \$280,300 to the Parks and Recreation Fund to support grants to outside agencies and the Urban Forestry program and \$625,000 to the Public Transit Fund to support operation of the City's transit systems. \$14,110 was transferred to the Capital Replacement fund for net earnings from leasing the shop at Fire Station 13. \$60,000 was transferred to Central Services to fund the City Hall HVAC Replacement project.

*Transfers from Parks and Recreation*

A total of \$183,000 was transferred from the Parks and Recreation Fund to the Debt Service Fund.

*Transfers from Risk Management Fund*

Transfers out of the Risk Management fund totaled \$3,657,197 to the Economic Development Fund for the closure of the Settlement Projects program and the establishment of the Economic Development Opportunity program.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Interfund Transfers (continued)**

Governmental Funds (continued)

*Transfers from Street Fund*

A total of \$105,100 was transferred from the Street Fund to the Parks and Recreation Fund and the Economic Development Fund. \$80,000 was transferred to the Parks and Recreation fund for the Urban Forestry program. \$25,100 was transferred to the Grants Fund for a street capital matching funds grant.

*Transfers from Other Governmental Funds*

*Public Safety Levy Fund*

The amount of \$1,886,083 was transferred to the General Fund to offset inflationary costs in the Fire Suppression and Police programs. Other transfers to the General Fund included \$1,713,328 for Public Safety Levy - Police program, and \$1,565,424 for the Public Safety Levy - Fire program.

*Albany Revitalization Agency Fund*

To support the cost of personnel, \$197,700 was transferred to the Economic Development Fund. An additional \$50,000 was transferred to the General Fund for code enforcement.

*Economic Development Fund*

Total transfers of \$285,343 included \$49,600 to the General Fund for fire and police programs, \$141,600 to the Parks Fund in support of the Northwest Art & Air Festival, the Monteith House, and the trolley; \$6,700 to the Central Service Fund; \$80,000 to the General Fund for code enforcement; and \$7,443 to the Street Fund.

*Capital Replacement Fund*

The amount of \$1,389,202 was transferred from the Capital Replacement Fund to realign equipment replacement programs within the funds that they would serve: \$1,669 to General Fund, \$28,718 to Building Inspection Fund, \$431,047 to Transit Fund, \$719,021 to the Streets Fund, and 208,747 to the Public Works Central Service Fund. \$323,082 was transferred to the Central Services Fund for the movement of a General Facilities Maintenance Program and the facilities they serve. \$30,000 was transferred to Parks and Recreation for the support of a large river cleanup due to flooding in the previous fiscal year.

*Others*

The Building Inspection Fund transferred \$60,000 the General Fund for code enforcement; the Grants fund transferred \$76,807 to the General Fund for support of CDBG activities.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Interfund Transfers (continued)**

Proprietary Funds

*Transfers from Sewer Fund*

A transfer of \$775,330 was made to the Street Fund as its in-lieu-of revenue, and \$750,200 to the Risk Management Fund.

*Transfer from Water Fund*

The amount of \$643,248 was transferred to the Street Fund as its In-Lieu of revenue.

The loan of \$3,458,997 to the Risk Management Fund from the Capital Projects Fund will be paid back over time. This loan receivable was changed to the Economic Development Fund as the program that supported the loan was reformed as the Economic Development Opportunity Fund with a balance owing of \$952,497 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, 2020**

**3. DETAILED NOTES (continued)**

**Governmental Fund Balances - GASB 54**

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

Fund Balances	General	Parks and Recreation	Risk Management	Street	Capital Projects	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>							
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,500	\$ 79,500
<b>Restricted for:</b>							
Park and Recreation SDC's	-	2,695,520	-	-	-	-	2,695,520
Senior Center Foundation	-	72,143	-	-	-	-	72,143
Building Inspection	-	-	-	-	-	2,873,449	2,873,449
Electrical Inspection	-	-	-	-	-	298,442	298,442
Public Safety Levy	-	-	-	-	-	878,191	878,191
Transportation SDC Projects	-	-	-	5,113,047	-	-	5,113,047
CARA	-	-	-	-	-	9,298,134	9,298,134
Grants Fund	-	-	-	-	-	421,584	421,584
2015 Public Safety Facilities	-	-	-	-	-	471,049	471,049
Library Programs	-	-	-	-	-	7,359	7,359
	-	2,767,663	-	5,113,047	-	14,248,208	22,128,918
<b>Committed for:</b>							
Park and Recreation Operations	-	1,497,328	-	-	-	-	1,497,328
Risk Management Reserve	-	-	871,156	-	-	-	871,156
PERS Reserve	-	-	501,297	-	-	-	501,297
SVC Litigation Projects	-	-	20,122	-	-	-	20,122
Street Operations	-	-	-	518,386	-	-	518,386
Street Capital & Restoration	-	-	-	5,050,457	-	-	5,050,457
ADA Capital Projects	-	-	-	132,268	-	-	132,268
Lochner Road Improvements	-	-	-	-	-	15,387	15,387
Economic Development Opportunity	-	-	-	-	-	2,888,327	2,888,327
Albany Municipal Airport	-	-	-	-	-	174,743	174,743
Municipal Airport Capital Projects	-	-	-	-	-	197,891	197,891
Albany Transit	-	-	-	-	-	119,007	119,007
Albany Transit STIF	-	-	-	-	-	93,944	93,944
Paratransit System	-	-	-	-	-	85,305	85,305
Linn-Benton Loop	-	-	-	-	-	6,782	6,782
Linn-Benton Loop STIF	-	-	-	-	-	144,228	144,228
Equipment Replacement	-	-	-	724,416	-	3,340,130	4,064,546
IT Equipment Replacement	-	-	-	-	-	1,288,126	1,288,126
Public Works Facilities	-	-	-	-	-	384,905	384,905
	-	1,497,328	1,392,575	6,425,527	-	8,738,775	18,054,205
<b>Assigned for:</b>							
2002 Limited Tax Pension Bonds	-	-	-	-	-	27,639	27,639
<b>Unassigned:</b>							
General Fund	3,145,359	-	-	-	-	-	3,145,359
Economic Development	-	-	-	-	-	(30,025)	(30,025)
Capital Projects	-	-	-	-	(92,264)	-	(92,264)
	3,145,359	-	-	-	(92,264)	(30,025)	3,023,070
<b>Total Fund Balances</b>	<b>\$ 3,145,359</b>	<b>\$ 4,264,991</b>	<b>\$ 1,392,575</b>	<b>\$ 11,538,574</b>	<b>\$ (92,264)</b>	<b>\$ 23,064,097</b>	<b>\$ 43,313,332</b>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Prior Period Adjustments**

The beginning fund balance of the Grants fund was reduced by \$115,430 to reverse an accrual of revenue which was never received. In Fiscal Year 2019 the City had recognized \$115,430 of grant revenue which the Federal Aviation Administration recorded as awarding to the City. However, due to an error in paperwork the funds are yet to be disbursed to the City.

The beginning fund balances of most funds were restated to correct for a matured investment which was not removed from the City's calculation of accrued interest revenues. Correcting this error resulted in prior period adjustments as follows:

<u>Fund</u>	<u>Effect of Change</u>
General Fund	\$ (11,153)
Parks & Recreation Fund	(5,544)
Grants Fund	725
Building Inspection Fund	(3,178)
Risk Management Fund	3,602
Economic Development Fund	(706)
Public Transit Fund	57
Public Safety Levy Fund	(2,719)
Capital Replacement Fund	(7,555)
Streets Fund	(10,502)
CARA Fund	(11,414)
Debt Service Fund	(1,681)
General Obligation Debt Service Fund	(1,506)
Capital Projects Fund	(5,571)
Library Trust Fund	(76)
Sewer Fund	(22,426)
Water Fund	(15,426)
Storm Water Fund	(1,183)
Central Services Fund	(438)
Public Works Central Services Fund	(1,117)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. DETAILED NOTES (continued)**

**Prior Period Adjustments (continued)**

All other prior period adjustments are to account for various expenditures adjustments to correct financial reporting due to software conversions and reporting caught after the previous year's financials were reported.

<u>Fund</u>	<u>Effect of Change</u>
General Fund	\$ (11,731)
Parks & Recreation Fund	(149)
Grants Fund	(469)
Building Inspection Fund	(435)
Economic Development Fund	30
Public Transit Fund	(565)
Capital Replacement Fund	(480)
Streets Fund	38,731
CARA Fund	451
Sewer Fund	1,540
Water Fund	27,709
Central Services Fund	(1,983)
Public Works Central Services Fund	(2,863)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION**

**Defined Benefit Pension Plan**

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

**A. Plan description**

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

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

OPERS produces an independently audited Comprehensive Annual Financial Report and Actuarial Valuation which that can be obtained at:

[www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf), and  
[www.oregon.gov/pers/Documents/Financials/Actuarial/2019/Actuarial-Valuation.pdf](http://www.oregon.gov/pers/Documents/Financials/Actuarial/2019/Actuarial-Valuation.pdf)

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

**B. Description of benefit terms**

**Plan Benefits**

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

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

**Pension Benefits**

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

**Death Benefits**

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

**Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**Benefit Changes After Retirement**

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**B. Description of benefit terms (continued)**

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

**Pension Benefits**

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

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

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

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

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

**Death Benefits**

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

**Disability Benefits**

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**B. Description of benefit terms (continued)**

**Benefit Changes After Retirement**

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

**C. Contributions**

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

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

Tier One/Tier Two employer contribution rates are 26.51 percent and the OPSRP employer contribution rates are 17.27 percent for general service employees and 21.90 for police and fire employees. Employer contributions for the year ended June 30, 2020 were \$6,718,166 excluding amounts to fund employer specific liabilities.

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

At June 30, 2020, the City of Albany reported a liability of \$60,371,361 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City of Albany's proportion of the net pension liability was based on a projection of the City of Albany's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

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

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

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

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

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



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

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

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

At June 30, 2019, the City of Albany’s proportion was 0.34901572 percent, which increased from its proportion of 0.31997613 percent measured as of June 30, 2018.

For the year ended June 30, 2020, the City of Albany recognized pension expense of \$15,293,634. At June 30, 2020, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,329,303	\$ -
Changes in assumptions	8,190,064	-
Net differences between projected and actual earnings on pension plan investments	-	1,711,467
Changes in proportion	2,787,470	2,104,907
Differences between City contributions and proportionate share of contributors	827,419	309,171
City contributions subsequent to the measurement date	<u>6,718,166</u>	<u>-</u>
Total	<u>\$ 21,852,422</u>	<u>\$ 4,125,545</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

\$6,718,166 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

Year ending June 30,		
2021	\$	5,749,704
2022		846,430
2023		2,169,950
2024		2,014,782
2025		227,845
Thereafter		-
	\$	<u>11,008,711</u>

**E. Actuarial Valuations**

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Actuarial Methods and Assumptions**

Valuation date	December 31, 2017
Measurement date	June 30, 2019
Experience study report	2016, published July 26, 2017
Actuarial assumptions:	
Inflation rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount rate	7.2 percent
Projected salary increases	3.5 percent
	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blended based on service
Mortality	<b><i>Healthy retirees and beneficiaries:</i></b> RP-2014 Heathy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b><i>Active members:</i></b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b><i>Disabled retirees:</i></b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2017 Experience Study which reviewed experience for the four-year period ending on December 31, 2017

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**F. Actuarial Methods and Assumptions Used in Developing Total Pension Liability (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Depletion Date Projection**

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair 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 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**F. Actuarial Methods and Assumptions Used in Developing Total Pension Liability (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 July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows the actuary’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Long-Term Expected Rate of Return</u> <sup>1</sup>	Target	Annual	Compound Annual	Standard
Asset Class	Allocation*	Arithmetic	(Geometric)	Deviation
		Return <sup>2</sup>	Return	
Core Fixed Income	8.00 %	3.59 %	3.49 %	4.55 %
Short-Term Bonds	8.00	3.42	3.38	2.70
Bank/Leveraged Loans	3.00	5.34	5.09	7.50
High Yield Bonds	1.00	6.90	6.45	10.00
Large/Mid Cap US Equities	15.75	7.45	6.30	16.25
Small Cap US Equities	1.31	8.49	6.69	20.55
Micro Cap US Equities	1.31	9.01	6.80	22.90
Developed Foreign Equities	13.13	8.21	6.71	18.70
Emerging Market Equities	4.13	10.53	7.45	27.35
Non-US Small Cap Equities	1.88	8.67	7.01	19.75
Private Equity	17.50	11.45	7.82	30.00
Real Estate (Property)	10.00	6.15	5.51	12.00
Real Estate (REITS)	2.50	8.26	6.37	21.00
Hedge Fund of Funds - Diversified	2.50	4.36	4.09	7.80
Hedge Fund - Event-driven	0.63	6.21	5.86	8.90
Timber	1.88	6.37	5.62	13.00
Farmland	1.88	6.90	6.15	13.00
Infrastructure	3.75	7.54	6.60	14.65
Commodities	1.88	5.43	3.84	18.95
Assumed Inflation - Mean			2.50 %	1.85 %

<sup>1</sup> Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**F. Actuarial Methods and Assumptions Used in Developing Total Pension Liability (continued)**

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

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

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City’s proportionate share of the net pension liability (asset)	\$ 96,679,378	\$ 60,371,361	\$ 29,986,553

**Changes of Assumptions**

Details and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study, which were published on July 26, 2017. This report can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**G. Changes in Plan Provisions During the Measurement Period**

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

**H. Changes in Plan Provisions Subsequent to Measurement Date**

There were no changes subsequent to the June 30, 2019, measurement date.

**Defined Contribution Plan**

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

**Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Defined Contribution Plan (continued)**

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**Death Benefits**

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

**Contributions**

The City of Albany makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2020, were \$1,851,657.

**Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

**Other Postemployment Benefits**

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

**A. Plan description and Benefits Provided**

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

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the plan's fiduciary net position. The report can be found at: <http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (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.

**B. Contributions**

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The City contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits and 0.00 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability. For the year ended June 30, 2020, the City made contributions in the amount of \$18,956 to the RHIA.

**C. Actuarial valuations**

Except as outlined below, the December 31, 2017 actuarial valuation used the same actuarial methods and valuation procedures to determine contribution rates as the PERS Tier One and Tier Two defined benefit pension plan as discussed above.

*Economic assumptions*

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

*Retiree healthcare participation assumptions*

Eligible retiring members are assumed to elect RHIA coverage 38% of the time for health retirees and 20% of the time for disabled retirees.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

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

*Net OPEB liability (asset)*

At June 30, 2020, the City reported a liability/(asset) of \$(577,211) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2019, the City's proportion was 0.29870783 percent, which was an increase (decrease) of 0.01241329 percent from its proportion measured as of June 30, 2018.

*OPEB expense*

For the year ended June 30, 2019, the City recognized OPEB expense (revenue) of \$(80,888).

*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, 2019, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 76,117
Changes of assumptions	-	598
Net difference between projected and actual		
Earning on pension plan investments	-	35,628
Changes in proportionate share	-	9,073
Contributions subsequent to the measurement date	18,956	-
Total	\$ 18,956	\$ 121,416

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$18,956 will be recognized as an adjust to the net OPEB (asset) / liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2021	\$ (62,970)
2022	(55,201)
2023	(6,916)
2024	3,670
Total	\$ (121,416)

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

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

*Healthcare cost trend rate*

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

*Depletion date projection*

GASB 75 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 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.

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 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

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

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

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

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (447,488)	\$ (577,211)	\$ (687,745)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**City of Albany Other Postemployment Benefit Plan**

**A. Plan Description and Benefits Provided**

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

**B. Plan membership**

The City's membership in the plan at July 1, 2018 (the date of the last actuarial valuation), consisted of the following:

Active employees	378	
Retirees, spouses or dependents	31	
Total	409	

**C. Contributions**

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

	Employee	Employee + Child(ren)	Employee + Spouse	Employee + Family
Pacific Source	\$ 700.21	\$ 1,236.70	\$ 1,507.98	\$ 2,030.18
Delta Dental	63.19	131.46	111.85	180.15
Willamette Dental	43.22	76.50	93.50	125.90
MODA Vision	26.11	49.53	46.36	69.74
<u>Fire Union</u>		<u>All-Coverage</u>		
Blue Classic, medical only		\$ 1,606.50		
Blue Classic, medical/dental/vision		2,021.90		
<u>Fire Union COBRA &amp; Retiree</u>		<u>Employee</u>	<u>Two-Party</u>	<u>Family</u>
Blue Classic Medical		\$ 789.60	\$ 1,658.50	\$ 2,290.20
Blue Classic Medical/Dental/Vision		881.60	1,828.80	2,583.20

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

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

At June 30, 2020, the City of Albany reported a total OPEB liability of \$4,957,915. The total OPEB liability was measured as of June 30, 2019 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balance at June 30, 2019	\$ 4,557,492
Changes for the year:	
Service cost	288,133
Interest	183,120
Economic/demographic gains or losses	-
Changes in assumptions or other inputs	159,069
Benefit payments	(229,898)
Balance at June 30, 2020	\$ 4,957,916

For the year ended June 30, 2020, the City of Albany recognized OPEB expense of \$365,308. At June 30, 2020, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 53,216
Changes of assumptions or inputs	142,837	856,952
Benefit payments	223,685	-
	\$ 366,522	\$ 910,168

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date in the amount of \$223,685 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2021	\$ (105,944)
2022	(105,944)
2023	(105,944)
2024	(105,944)
2025	(105,944)
Thereafter	(237,611)
	\$ (767,331)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Post-Employment Benefits (continued)**

**E. Actuarial valuation**

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

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

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	Healthy retirees and beneficiaries: RP-2014 Health Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

*Discount rate*

The discount rate used to measure the total OPEB liability was 3.50 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.87 percent.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

*Healthcare cost trend rate*

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

<u>Year</u>	<u>Pre-65 Trend</u>
2018	6.75%
2019	7.00%
2020	5.50%
2021-2025	5.00%
2026-2029	4.75%
2030-2033	5.00%
2034	5.25%
2035	5.75%
2036-2038	6.00%
2039-2045	5.75%
2046-2050	5.50%
2051-2061	5.25%
2062-2065	5.00%
2066+	4.75%

Dental costs are assumed to increase 4.5 percent in all future years.

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

The following presents the City of Albany total OPEB liability calculated using the discount rate of 3.50 percent, as well as what the City of Albany’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 5,413,112	\$ 4,957,916	\$ 4,540,568
	1- Percentage Point Lower	Current Trend Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 4,387,557	\$ 4,957,916	\$ 5,632,784

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Risk Management**

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

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

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

**Commitments and Contingent Liabilities**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. Claims are generally covered by insurance. In the opinion of management, based on the advice of Counsel with respect to such litigation and claims, the ultimate disposition of these matters will not have a material adverse affect 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, 2020, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$344,880. A copy of the Linn Regional Fueling Facility audit report may be obtained from Linn County, P.O. Box 100, Albany, Oregon 97321.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Intergovernmental Agreements**

Water supply system

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

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

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

Wastewater treatment facility

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

The Davidson Plant improvements will be constructed in phases to meet the growing treatment needs of Albany and Millersburg. Phase I improvements are 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 will 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. OTHER INFORMATION (continued)**

**Intergovernmental Agreements (continued)**

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

**Tax Abatements**

Linn County has established a tax abatement program for nonprofit low-income rental housing under ORS 307.541. As a result, the property taxes that the City of Albany will receive for the 2019-20 levy year has been reduced by \$39,150.

Linn County has established an enterprise zone under ORS 285C.175 that abates property taxes on new business development within zone. As a result, the property taxes that the City of Albany will receive for the 2019-20 levy year has been reduced by \$503,441.

Linn County has established a construction in process in enterprise zone under ORS 285C.170 that abates property taxes on new business construction within zone. There are none in the current year. As a result, the property taxes that the City of Albany will receive for the 2019-20 levy year has been reduced by \$0.

**Special Item**

During fiscal year 2020, the City sold property resulting in a gain of \$387,342. The gain is reported in the governmental activities on the Statement of Activities as a special item and matches the proceeds as the cost basis of the land was zero. \$387,342 is reported in the Capital Projects Fund.

## **Required Supplementary Information**

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

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Year Ended June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.3490157%	\$ 60,371,361	\$ 30,687,895	196.73%	80.20%
2018	0.3199761%	48,472,169	28,831,758	168.12%	82.07%
2017	0.3380274%	45,566,225	27,155,094	167.80%	83.12%
2016	0.3477371%	52,203,413	24,999,736	208.82%	80.50%
2015	0.3856173%	22,140,067	24,474,058	90.46%	91.90%
2014	0.3705457%	(8,399,214)	23,890,519	-35.16%	1.04%

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

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

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF CONTRIBUTIONS**  
**For the Last Seven Fiscal Years**

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Year Ended June 30,	(a) Statutorily required contributions	(b) Contributions in relation to the statutorily required contributions	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
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.

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

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

---

Year Ended June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share the net OPEB liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2019	0.2987078%	\$ (577,211)	\$ 30,687,895	-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%

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

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

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Last Four Fiscal Years**

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Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 18,956	\$ 18,956	-	\$ 31,757,483	0.06%
2019	148,046	148,046	-	30,687,896	0.48%
2018	138,625	138,625	-	28,831,758	0.48%
2017	137,431	137,431	-	27,155,094	0.51%

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

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

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	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 288,133	\$ 326,398	\$ 350,006
Interest on total OPEB liability	183,120	191,033	154,972
Effect of economic/demographic gains or losses	-	(66,862)	-
Effect of assumptions changes or inputs	159,069	(780,896)	(342,432)
Benefit payments	<u>(229,898)</u>	<u>(241,660)</u>	<u>(239,684)</u>
Net change in total OPEB liability	400,423	(571,987)	(77,138)
Total OPEB liability - beginning of year	<u>4,557,492</u>	<u>5,129,479</u>	<u>5,206,617</u>
Total OPEB liability - end of year	<u>\$ 4,957,916</u>	<u>\$ 4,557,492</u>	<u>\$ 5,129,479</u>
Covered employee payroll	\$ 30,687,896	\$ 28,831,758	\$ 27,155,094
Total OPEB liability as a percentage of covered payroll	16.2%	15.8%	18.9%

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.



## **Supplementary Data**

This section includes:

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

**CITY OF ALBANY, OREGON**  
**CAPITAL PROJECTS FUND - A Major Fund**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Charges for services						
Financed principal	\$ 18,000	\$ 18,000	\$ -	\$ -	\$ -	\$ (18,000)
Miscellaneous	-	-	291	-	291	291
Interest on investments	31,000	31,000	31,640	-	31,640	640
Total revenues	<u>49,000</u>	<u>49,000</u>	<u>31,931</u>	<u>-</u>	<u>31,931</u>	<u>(17,069)</u>
<b>Other financing sources</b>						
Sale of property	-	-	387,342	-	387,342	387,342
<b>Fund balance, beginning</b>						
Unassigned	2,908,000	2,908,000	836,714	-	836,714	(2,071,286)
Prior period adjustment	-	-	(5,571)	-	(5,571)	(5,571)
Total Fund Balance, beginning	<u>2,908,000</u>	<u>2,908,000</u>	<u>831,143</u>	<u>-</u>	<u>831,143</u>	<u>(2,076,857)</u>
Amount available for appropriation	<u>\$ 2,957,000</u>	<u>\$ 2,957,000</u>	<u>1,250,416</u>	<u>-</u>	<u>1,250,416</u>	<u>(1,706,584)</u>
<b>Expenditures</b>						
Albany Data Integration Project	\$ 270,000	\$ 270,000	\$ 154,810	\$ -	\$ 154,810	\$ 115,190
LID Construction Projects	1,638,000	1,338,000	73,873	-	73,873	1,264,127
Public Safety Facilities	1,049,000	1,049,000	-	-	-	1,049,000
Total expenditures	<u>2,957,000</u>	<u>2,657,000</u>	<u>228,683</u>	<u>-</u>	<u>228,683</u>	<u>2,428,317</u>
<b>Other financing uses</b>						
Transfers out	-	300,000	161,500	-	161,500	138,500
Total expenditures and other financing uses	<u>\$ 2,957,000</u>	<u>\$ 2,957,000</u>	<u>390,183</u>	<u>-</u>	<u>390,183</u>	<u>2,566,817</u>
<b>Budgetary Fund Balance</b>			<u>860,233</u>	<u>-</u>	<u>860,233</u>	<u>860,233</u>
Adjustment for Interfund Loans to Economic Development			<u>(952,497)</u>	<u>-</u>	<u>(952,497)</u>	<u>(952,497)</u>
<b>Fund Balance, ending</b>			<u>\$ (92,264)</u>	<u>\$ -</u>	<u>\$ (92,264)</u>	<u>\$ (92,264)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2020

	Special Revenue	Debt Service	Capital Projects Capital Replacement	Permanent Library Trust	Totals
<b>ASSETS</b>					
Cash and investments	\$ 16,800,519	\$ 488,365	\$ 4,624,520	\$ -	\$ 21,913,404
Receivables:					
Property taxes	374,050	60,990	-	-	435,040
Accounts	1,690,833	46	-	-	1,690,879
Interest	60,473	4,497	14,748	282	80,000
Loans	2,510,457	-	-	-	2,510,457
Restricted cash and investments	-	-	-	86,577	86,577
Total assets	<u>\$21,436,332</u>	<u>\$ 553,898</u>	<u>\$ 4,639,268</u>	<u>\$ 86,859</u>	<u>\$ 26,716,357</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,622,609	\$ -	\$ 77,390	\$ -	\$ 1,699,999
Deposits	<u>2,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,575</u>
Total liabilities	<u>1,625,184</u>	<u>-</u>	<u>77,390</u>	<u>-</u>	<u>1,702,574</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>1,894,476</u>	<u>55,210</u>	<u>-</u>	<u>-</u>	<u>1,949,686</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	79,500	79,500
Restricted	13,769,800	471,049	-	7,359	14,248,208
Committed	4,176,897	-	4,561,878	-	8,738,775
Assigned	-	27,639	-	-	27,639
Unassigned	<u>(30,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,025)</u>
Total fund balances	<u>17,916,672</u>	<u>498,688</u>	<u>4,561,878</u>	<u>86,859</u>	<u>23,064,097</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$21,436,332</u>	<u>\$ 553,898</u>	<u>\$ 4,639,268</u>	<u>\$ 86,859</u>	<u>\$ 26,716,357</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2020

	Special Revenue	Debt Service	Capital Projects Replacement	Permanent Library Trust	Totals
<b>REVENUES</b>					
Property taxes	\$ 8,272,387	\$ 1,250,023	\$ -	\$ -	\$ 9,522,410
Transient room taxes	793,162	-	-	-	793,162
Construction excise taxes	510,762	-	-	-	510,762
Franchise fees, privilege taxes, licenses, and permits	1,557,796	-	-	-	1,557,796
Intragovernmental	5,472,721	-	-	-	5,472,721
Charges for services	156,605	740,400	1,119,300	-	2,016,305
Interest on investments	586,260	28,815	163,334	1,907	780,316
Miscellaneous	262,379	-	117,069	1	379,449
Total revenues	<u>17,612,072</u>	<u>2,019,238</u>	<u>1,399,703</u>	<u>1,908</u>	<u>21,032,921</u>
<b>EXPENDITURES</b>					
Current:					
General government	8,138,379	-	639,058	-	8,777,437
Public safety	796,269	-	-	-	796,269
Culture and recreation	173,964	-	-	40	174,004
Health	33,976	-	-	-	33,976
Debt service:					
Principal	883,938	854,603	-	-	1,738,541
Interest	260,351	1,175,825	-	-	1,436,176
Capital outlay	2,306,820	-	1,489,451	-	3,796,271
Total expenditures	<u>12,593,697</u>	<u>2,030,428</u>	<u>2,128,509</u>	<u>40</u>	<u>16,752,674</u>
Excess (deficiency) of revenues over expenditures	<u>5,018,375</u>	<u>(11,190)</u>	<u>(728,806)</u>	<u>1,868</u>	<u>4,280,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	6,106,270	183,002	34,110	-	6,323,382
Transfers out	<u>(5,862,106)</u>	<u>(2)</u>	<u>(1,742,284)</u>	<u>-</u>	<u>(7,604,392)</u>
Total other financing sources (uses)	<u>244,164</u>	<u>183,000</u>	<u>(1,708,174)</u>	<u>-</u>	<u>(1,281,010)</u>
Net change in fund balances	5,262,539	171,810	(2,436,980)	1,868	2,999,237
Fund balance - beginning	<u>12,787,786</u>	<u>330,065</u>	<u>7,006,893</u>	<u>85,067</u>	<u>20,209,811</u>
Prior period adjustment	<u>(133,653)</u>	<u>(3,187)</u>	<u>(8,035)</u>	<u>(76)</u>	<u>(144,951)</u>
Fund balance - ending	<u>\$17,916,672</u>	<u>\$ 498,688</u>	<u>\$ 4,561,878</u>	<u>\$ 86,859</u>	<u>\$23,064,097</u>



**CITY OF ALBANY, OREGON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2020

	<u>Grants</u>	<u>Building Inspection</u>	<u>Economic Development</u>
<b>ASSETS</b>			
Cash and investments	\$ (285,061)	\$ 3,396,642	\$ 2,736,747
Receivables:			
Property taxes	-	-	-
Accounts	846,888	-	545,343
Interest	1,863	10,498	8,627
Loans	-	-	1,683,048
Total assets	<u>\$ 563,690</u>	<u>\$ 3,407,140</u>	<u>\$ 4,973,765</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 142,106	\$ 206,317	\$ 994,750
Deposits	-	-	2,000
Total liabilities	<u>142,106</u>	<u>206,317</u>	<u>996,750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	730,693
<b>FUND BALANCES</b>			
Restricted	421,584	3,171,891	-
Committed	-	28,932	3,276,347
Unassigned	-	-	(30,025)
Total fund balances	<u>421,584</u>	<u>3,200,823</u>	<u>3,246,322</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 563,690</u>	<u>\$ 3,407,140</u>	<u>\$ 4,973,765</u>

Public Transit	Public Safety Levy	Albany Revitalization Agency	Totals	
\$ 656,505	\$ 851,956	\$ 9,443,730	\$ 16,800,519	<b>ASSETS</b>
-	203,919	170,131	374,050	Cash and investments
296,123	171	2,308	1,690,833	Receivables:
1,847	5,938	31,700	60,473	Property taxes
-	-	827,409	2,510,457	Accounts
<u>\$ 954,475</u>	<u>\$ 1,061,984</u>	<u>\$ 10,475,278</u>	<u>\$ 21,436,332</u>	Interest
				Loans
				Total assets
\$ 82,282	\$ -	\$ 197,154	\$ 1,622,609	<b>LIABILITIES</b>
575	-	-	2,575	Accounts payable
<u>82,857</u>	<u>-</u>	<u>197,154</u>	<u>1,625,184</u>	Deposits
				Total liabilities
-	183,793	979,990	1,894,476	<b>DEFERRED INFLOWS OF RESOURCES</b>
				Unavailable revenue
-	878,191	9,298,134	13,769,800	<b>FUND BALANCES</b>
871,618	-	-	4,176,897	Restricted
-	-	-	(30,025)	Committed
<u>871,618</u>	<u>878,191</u>	<u>9,298,134</u>	<u>17,916,672</u>	Unassigned
				Total fund balances
<u>\$ 954,475</u>	<u>\$ 1,061,984</u>	<u>\$ 10,475,278</u>	<u>\$ 21,436,332</u>	Total liabilities, deferred inflows of resources and fund balances

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended June 30, 2020

	<u>Grants</u>	<u>Building Inspection</u>	<u>Economic Development</u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Transient room taxes	-	-	793,162
Construction excise taxes	-	510,762	-
Licenses and fees	-	1,557,796	-
Intergovernmental	2,913,487	-	715,575
Charges for services	-	-	97,695
Interest on investments	13,199	104,549	96,021
Miscellaneous	113,932	4,266	54,437
Total revenues	<u>3,040,618</u>	<u>2,177,373</u>	<u>1,756,890</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,282,351	1,858,548	2,839,318
Public safety	796,269	-	-
Culture and recreation	173,964	-	-
Health	33,976	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	231,494	75,516	1,204,174
Total expenditures	<u>2,518,054</u>	<u>1,934,064</u>	<u>4,043,492</u>
Excess (deficiency) of revenues over expenditures	<u>522,564</u>	<u>243,309</u>	<u>(2,286,602)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	25,100	28,718	4,968,894
Transfers out	(76,718)	(60,000)	(285,343)
Total other financing sources (uses)	<u>(51,618)</u>	<u>(31,282)</u>	<u>4,683,551</u>
Net change in fund balances	470,946	212,027	2,396,949
Fund balances - beginning	65,812	2,992,409	850,049
Prior period adjustment	(115,174)	(3,613)	(676)
Fund balances - ending	<u>\$ 421,584</u>	<u>\$ 3,200,823</u>	<u>\$ 3,246,322</u>



Public Transit	Public Safety Levy	Albany Revitalization Agency	Totals	
\$ -	\$ 4,452,595	\$ 3,819,792	\$ 8,272,387	<b>REVENUES</b>
-	-	-	793,162	Property taxes
-	-	-	510,762	Transient room taxes
-	-	-	1,557,796	Construction excise taxes
1,843,659	-	-	5,472,721	Licenses and fees
58,910	-	-	156,605	Intergovernmental
15,235	63,939	293,317	586,260	Charges for services
18,509	-	71,235	262,379	Interest on investments
<u>1,936,313</u>	<u>4,516,534</u>	<u>4,184,344</u>	<u>17,612,072</u>	Miscellaneous
				Total revenues
				<b>EXPENDITURES</b>
				Current:
2,031,192	-	126,970	8,138,379	General government
-	-	-	796,269	Public safety
-	-	-	173,964	Culture and recreation
-	-	-	33,976	Health
				Debt service:
-	-	883,938	883,938	Principal
-	-	260,351	260,351	Interest
136,040	-	659,596	2,306,820	Capital outlay
<u>2,167,232</u>	<u>-</u>	<u>1,930,855</u>	<u>12,593,697</u>	Total expenditures
<u>(230,919)</u>	<u>4,516,534</u>	<u>2,253,489</u>	<u>5,018,375</u>	Excess (deficiency) of revenues over expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>
1,083,558	-	-	6,106,270	Transfers in
<u>(27,510)</u>	<u>(5,164,835)</u>	<u>(247,700)</u>	<u>(5,862,106)</u>	Transfers out
<u>1,056,048</u>	<u>(5,164,835)</u>	<u>(247,700)</u>	<u>244,164</u>	Total other financing sources (uses)
825,129	(648,301)	2,005,789	5,262,539	Net change in fund balances
46,997	1,529,211	7,303,308	12,787,786	Fund balances - beginning
<u>(508)</u>	<u>(2,719)</u>	<u>(10,963)</u>	<u>(133,653)</u>	Prior period adjustment
<u>\$ 871,618</u>	<u>\$ 878,191</u>	<u>\$ 9,298,134</u>	<u>\$ 17,916,672</u>	Fund balances - ending



**CITY OF ALBANY, OREGON**  
**BUILDING INSPECTION FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Residential building permits	\$ 905,000	\$ 905,000	\$ 637,418	\$ -	\$ 637,418	\$ (267,582)
Commercial building permits	1,195,000	1,195,000	739,509	-	739,509	(455,491)
GAPS construction excise tax	625,000	625,000	510,762	-	510,762	(114,238)
Residential electrical permits	320,000	320,000	151,753	-	151,753	(168,247)
Document imaging fees	50,000	50,000	27,269	-	27,269	(22,731)
Electrical document imaging	3,000	3,000	1,847	-	1,847	(1,153)
Miscellaneous	-	-	4,266	-	4,266	4,266
Interest on investments	31,200	31,200	104,549	-	104,549	73,349
Total revenues	<u>3,129,200</u>	<u>3,129,200</u>	<u>2,177,373</u>	<u>-</u>	<u>2,177,373</u>	<u>(951,827)</u>
<b>Other financing sources</b>						
Transfer from Equipment Replacement Fund	-	-	28,718	-	28,718	28,718
<b>Fund balance, beginning</b>						
Unassigned	2,259,300	2,259,300	2,992,409	-	2,992,409	733,109
Prior period adjustment	-	-	(3,613)	-	(3,613)	(3,613)
Total Fund Balance, beginning	<u>2,259,300</u>	<u>2,259,300</u>	<u>2,988,796</u>	<u>-</u>	<u>2,988,796</u>	<u>729,496</u>
Amount available for appropriation	<u>\$ 5,388,500</u>	<u>\$ 5,388,500</u>	<u>5,194,887</u>	<u>-</u>	<u>5,194,887</u>	<u>(193,613)</u>
<b>Expenditures</b>						
Building Inspection	\$ 3,670,200	\$ 3,670,200	\$ 1,817,057	\$ -	\$ 1,817,057	\$ 1,853,143
Electrical Permit Program	389,700	389,700	117,007	-	117,007	272,693
Total expenditures	<u>4,059,900</u>	<u>4,059,900</u>	<u>1,934,064</u>	<u>-</u>	<u>1,934,064</u>	<u>2,125,836</u>
<b>Other financing uses</b>						
Transfer to Police Code Enforcement	120,000	120,000	60,000	-	60,000	60,000
Total fund appropriations	<u>4,179,900</u>	<u>4,179,900</u>	<u>1,994,064</u>	<u>-</u>	<u>1,994,064</u>	<u>2,185,836</u>
Total reserved for future expenditures	<u>1,208,600</u>	<u>1,208,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund appropriations and reserves for future expenditures	<u>\$ 5,388,500</u>	<u>\$ 5,388,500</u>	<u>1,994,064</u>	<u>-</u>	<u>1,994,064</u>	<u>3,394,436</u>
<b>Fund balance, ending</b>			<u>\$ 3,200,823</u>	<u>\$ -</u>	<u>\$ 3,200,823</u>	<u>\$ 3,200,823</u>

**CITY OF ALBANY, OREGON**  
**ECONOMIC DEVELOPMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Transient room tax	\$ 2,105,800	\$ 2,105,800	\$ 793,162	\$ -	\$ 793,162	\$ (1,312,638)
Special Public Works Fund Grant	300,000	300,000	-	-	-	(300,000)
ODOT Immediate Opportunity Fund Grant	978,000	978,000	218,868	-	218,868	(759,132)
Airport fuel	4,800	4,800	3,999	-	3,999	(801)
Airport tie down rentals	900	900	945	-	945	45
Airport lease	174,400	174,400	73,131	-	73,131	(101,269)
Fixed base operator	36,000	36,000	19,620	-	19,620	(16,380)
Miscellaneous	12,000	12,000	13,749	-	13,749	1,749
Interest on investments	7,700	7,700	96,021	-	96,021	88,321
Total revenues	<u>3,619,600</u>	<u>3,619,600</u>	<u>1,219,495</u>	<u>-</u>	<u>1,219,495</u>	<u>(2,400,105)</u>
<b>Other financing sources</b>						
Transfer from Albany Revitalization Agency Fund	411,400	411,400	197,700	-	197,700	(213,700)
Transfer from Risk Management Fund	3,000,000	3,660,000	3,657,197	-	3,657,197	(2,803)
Transfer Capital Projects Funds	-	300,000	161,500	-	161,500	(138,500)
Intrafund Transfer from Transient Room Tax Program	144,600	144,600	21,000	-	21,000	(123,600)
Intrafund Transfers In	-	-	96	-	96	96
Proceeds from long-term obligations	1,769,000	1,769,000	537,395	-	537,395	(1,231,605)
Total other financing sources	<u>5,325,000</u>	<u>6,285,000</u>	<u>4,574,888</u>	<u>-</u>	<u>4,574,888</u>	<u>(1,710,112)</u>
<b>Fund balance, beginning</b>						
Unassigned	976,700	976,700	850,049	-	850,049	(126,651)
Prior period adjustment	-	-	(676)	-	(676)	(676)
Total Fund Balance, beginning	<u>976,700</u>	<u>976,700</u>	<u>849,373</u>	<u>-</u>	<u>849,373</u>	<u>(127,327)</u>
Amount available for appropriation	<u>\$ 9,921,300</u>	<u>\$ 10,881,300</u>	<u>6,643,756</u>	<u>-</u>	<u>6,643,756</u>	<u>(4,237,544)</u>
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
<b>Expenditures</b>						
Economic Development Activity	\$ 1,897,000	\$ 1,897,000	\$ 846,098	\$ -	\$ 846,098	\$ 1,050,902
Lochner Road	3,647,000	3,647,000	1,144,689	-	1,144,689	2,502,311
Economic Development Opportunity	2,920,000	3,880,000	1,890,684	-	1,890,684	1,989,316
Albany Airport	398,200	398,200	102,537	-	102,537	295,663
Municipal Airport Capital Projects	305,800	305,800	59,484	-	59,484	246,316
Total expenditures	<u>9,168,000</u>	<u>10,128,000</u>	<u>4,043,492</u>	<u>-</u>	<u>4,043,492</u>	<u>6,084,508</u>
<b>Other financing uses</b>						
Transfers out to other funds	608,700	608,700	285,439	-	285,439	323,261
Intrafund Transfers out	144,600	144,600	21,000	-	21,000	123,600
Total other financing uses	<u>753,300</u>	<u>753,300</u>	<u>306,439</u>	<u>-</u>	<u>306,439</u>	<u>446,861</u>
Total expenditures and other financing uses	<u>\$ 9,921,300</u>	<u>\$ 10,881,300</u>	<u>4,349,931</u>	<u>-</u>	<u>4,349,931</u>	<u>6,531,369</u>
<b>Budgetary Fund Balance</b>						
Adjustment for Interfund Loan			2,293,825	-	2,293,825	2,293,825
			952,497	-	952,497	952,497
<b>Fund balance, ending</b>			<u>\$ 3,246,322</u>	<u>\$ -</u>	<u>\$ 3,246,322</u>	<u>\$ 3,246,322</u>





**CITY OF ALBANY, OREGON**  
**ALBANY REVITALIZATION AGENCY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Property taxes - current	\$ 7,350,000	\$ 7,350,000	\$ 3,757,959	\$ -	\$ 3,757,959	\$ (3,592,041)
Property taxes - delinquent	100,000	100,000	61,833	-	61,833	(38,167)
Settlement proceeds	2,400	2,400	-	-	-	(2,400)
Miscellaneous	-	-	26,235	-	26,235	26,235
Loan repayment-principal	137,400	137,400	43,750	-	43,750	(93,650)
Loan repayment-interest	6,100	6,100	1,250	-	1,250	(4,850)
Interest on investments	50,000	50,000	293,317	-	293,317	243,317
Total revenues	<u>7,645,900</u>	<u>7,645,900</u>	<u>4,184,344</u>	<u>-</u>	<u>4,184,344</u>	<u>(3,461,556)</u>
<b>Fund balance, beginning</b>						
Unassigned	6,770,000	6,770,000	7,303,308	-	7,303,308	533,308
Prior period adjustment	-	-	(10,963)	-	(10,963)	(10,963)
Total Fund Balance, beginning	<u>6,770,000</u>	<u>6,770,000</u>	<u>7,292,345</u>	<u>-</u>	<u>7,292,345</u>	<u>522,345</u>
Amount available for appropriation	<u>\$ 14,415,900</u>	<u>\$ 14,415,900</u>	<u>11,476,689</u>	<u>-</u>	<u>11,476,689</u>	<u>(2,939,211)</u>
<b>Expenditures</b>						
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
CARA Urban Renewal Area	\$ 13,904,500	\$ 13,904,500	\$ 1,930,855	\$ -	\$ 1,930,855	\$ 11,973,645
<b>Other financing uses</b>						
Special payments	511,400	511,400	247,700	-	247,700	263,700
Total expenditures and other financing uses	<u>\$ 14,415,900</u>	<u>\$ 14,415,900</u>	<u>2,178,555</u>	<u>-</u>	<u>2,178,555</u>	<u>12,237,345</u>
<b>Fund balance, ending</b>			<u>\$ 9,298,134</u>	<u>\$ -</u>	<u>\$ 9,298,134</u>	<u>\$ 9,298,134</u>

**CITY OF ALBANY, OREGON  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS**

June 30, 2020

	Debt Service	GO Debt Service	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 26,395	\$ 461,970	\$ 488,365
Receivables:			
Property taxes	-	60,990	60,990
Accounts	-	46	46
Interest	1,244	3,253	4,497
Total assets	\$ 27,639	\$ 526,259	\$ 553,898
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	\$ -	\$ 55,210	\$ 55,210
 <b>FUND BALANCES</b>			
Restricted	-	471,049	471,049
Assigned	27,639	-	27,639
Total fund balances	27,639	471,049	498,688
Total liabilities and fund balances	\$ 27,639	\$ 526,259	\$ 553,898



**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
For the Year Ended June 30, 2020

	Debt Service	GO Debt Service	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ 1,250,023	\$ 1,250,023
Charges for services	740,400	-	740,400
Interest on investments	<u>9,111</u>	<u>19,704</u>	<u>28,815</u>
Total revenues	<u>749,511</u>	<u>1,269,727</u>	<u>2,019,238</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	334,603	520,000	854,603
Interest	<u>587,150</u>	<u>588,675</u>	<u>1,175,825</u>
Total expenditures	<u>921,753</u>	<u>1,108,675</u>	<u>2,030,428</u>
Excess (deficiency) of revenues over expenditures	<u>(172,242)</u>	<u>161,052</u>	<u>(11,190)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	183,002	-	183,002
Transfers out	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Total other financing sources (uses)	<u>183,002</u>	<u>(2)</u>	<u>183,000</u>
Net change in fund balances	10,760	161,050	171,810
Prior period adjustment	<u>(1,681)</u>	<u>(1,506)</u>	<u>(3,187)</u>
Fund balance - beginning	<u>18,560</u>	<u>311,505</u>	<u>330,065</u>
Fund balance - ending	<u>\$ 27,639</u>	<u>\$ 471,049</u>	<u>\$ 498,688</u>



**CITY OF ALBANY, OREGON**  
**GO DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	<u>Biennium</u>		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Property taxes - current	\$ 2,250,400	\$ 2,250,400	\$ 1,229,295	\$ -	\$ 1,229,295	\$ (1,021,105)
Property taxes - delinquent	50,000	50,000	20,728	-	20,728	(29,272)
Interest on investments	10,000	10,000	19,704	-	19,704	9,704
Total revenues	<u>2,310,400</u>	<u>2,310,400</u>	<u>1,269,727</u>	<u>-</u>	<u>1,269,727</u>	<u>(1,040,673)</u>
<b>Fund balance, beginning</b>						
Unassigned	216,700	216,700	311,505	-	311,505	94,805
Prior period adjustment	-	-	(1,506)	-	(1,506)	(1,506)
Total Fund Balance, beginning	<u>216,700</u>	<u>216,700</u>	<u>309,999</u>	<u>-</u>	<u>309,999</u>	<u>309,999</u>
Amount available for appropriation	<u>\$ 2,527,100</u>	<u>\$ 2,527,100</u>	<u>1,579,726</u>	<u>-</u>	<u>1,579,726</u>	<u>(730,674)</u>
	<u>Biennium</u>		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
	Original Budget	Final Budget				
<b>Expenditures</b>						
2015 Public Safety Facility Bonds	\$ 2,527,100	\$ 2,527,100	\$ 1,108,675	\$ -	\$ 1,108,675	\$ 1,418,425
<b>Other financing uses</b>						
Transfers to other funds	-	-	2	-	2	(2)
Total expenditures and other financing uses	<u>\$ 2,527,100</u>	<u>\$ 2,527,100</u>	<u>1,108,677</u>	<u>-</u>	<u>1,108,677</u>	<u>1,418,423</u>
<b>Fund balance, ending</b>			<u>\$ 471,049</u>	<u>\$ -</u>	<u>\$ 471,049</u>	<u>\$ 687,749</u>

**CITY OF ALBANY, OREGON**  
**CAPITAL REPLACEMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Equipment replacement charges	\$ 2,649,400	\$ 2,649,400	\$ 1,019,300	\$ -	\$ 1,019,300	\$ (1,630,100)
Departmental charges	200,000	200,000	100,000	-	100,000	(100,000)
Miscellaneous	-	-	117,069	-	117,069	117,069
Interest on investments	176,000	176,000	163,334	-	163,334	(12,666)
Total revenues	<u>3,025,400</u>	<u>3,025,400</u>	<u>1,399,703</u>	<u>-</u>	<u>1,399,703</u>	<u>(1,625,697)</u>
<b>Other financing sources</b>						
Transfer from General Fund	-	31,500	14,110	-	14,110	(17,390)
Transfer from Central Services Fund	40,000	40,000	20,000	-	20,000	(20,000)
Intrafund Transfer	-	-	10,400	-	10,400	10,400
Total other financing sources	<u>40,000</u>	<u>71,500</u>	<u>44,510</u>	<u>-</u>	<u>44,510</u>	<u>(26,990)</u>
<b>Fund balance, beginning</b>						
Property management	1,500	1,500	-	-	-	(1,500)
Monteith House	18,700	18,700	24,539	-	24,539	5,839
Energy Trust	50,600	50,600	37,362	-	37,362	(13,238)
City Hall HVAC	72,500	72,500	73,572	-	73,572	1,072
Library reserve	-	-	2,608	-	2,608	2,608
Unassigned	6,859,100	6,859,100	6,868,812	-	6,868,812	9,712
Prior period adjustment	-	-	(8,035)	-	(8,035)	(8,035)
Total Fund Balance, beginning	<u>7,002,400</u>	<u>7,002,400</u>	<u>6,998,858</u>	<u>-</u>	<u>6,998,858</u>	<u>(3,542)</u>
Amount available for appropriation	<u>\$ 10,067,800</u>	<u>\$ 10,099,300</u>	<u>8,443,071</u>	<u>-</u>	<u>8,443,071</u>	<u>(1,656,229)</u>
<b>Expenditures</b>						
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
Equipment replacement	\$ 6,993,000	\$ 5,536,500	\$ 1,801,632	\$ -	\$ 1,801,632	\$ 3,734,868
Information technology equipment replacement	2,030,400	2,030,400	326,877	-	326,877	1,703,523
Public works facilities replacement	629,200	629,200	-	-	-	629,200
Total expenditures	<u>9,652,600</u>	<u>8,196,100</u>	<u>2,128,509</u>	<u>-</u>	<u>2,128,509</u>	<u>6,067,591</u>
<b>Other financing uses</b>						
Transfers to other funds	415,200	1,871,700	1,742,284	-	1,742,284	129,416
Intrafund Transfers Out	-	-	10,400	-	10,400	(10,400)
Total other financing uses	<u>415,200</u>	<u>1,871,700</u>	<u>1,752,684</u>	<u>-</u>	<u>1,752,684</u>	<u>119,016</u>
Total expenditures and other financing uses	<u>\$ 10,067,800</u>	<u>\$ 10,067,800</u>	<u>3,881,193</u>	<u>-</u>	<u>3,881,193</u>	<u>6,186,607</u>
<b>Fund Balance, ending</b>			<u>\$ 4,561,878</u>	<u>\$ -</u>	<u>\$ 4,561,878</u>	<u>\$ 4,530,378</u>





**CITY OF ALBANY, OREGON**  
**WATER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2020

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 15,349,534	\$ 15,399,934	\$ 13,614,672
<b>Reconciling items</b>			
June 30, 2020, asset and liability balances:			
Capital assets, net	-	-	90,250,618
Other postemployment benefits asset	-	-	24,402
Accounts receivable	-	-	1,508,385
Unamortized issue costs/loss on defeasance	-	-	(1,116,298)
Inventory balance	-	-	638,185
Salaries, withholdings, and vacations payable	-	-	(92,759)
Net pension liability	-	-	(2,131,051)
Deferred outflows - pension and other postemployment benefit related	-	-	768,498
Deferred inflows - pension and other postemployment benefit related	-	-	(171,055)
Other postemployment benefits liability	-	-	(209,596)
Interest payable	-	-	(338,206)
Bonds payable	-	-	(21,507,388)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	(164,372)	-	-
<b>Adjustments to current year expenses</b>			
Interest paid on long-term obligations	-	(833,694)	-
Eliminate principal paid on long-term obligations	-	(1,100,000)	-
Change in compensated absences liability	-	17,021	-
Change in OPEB liability and related deferred outflows and inflows	-	44,842	-
Depreciation and amortization	-	3,578,502	-
Expenditures capitalized	-	(4,973,889)	-
Changes in inventories	-	(7,524)	-
Pension Expense	-	358,612	-
<b>Other adjustments</b>			
Nonoperating revenues			
Property taxes	(3)	-	-
Interest on investments	(473,884)	-	-
Miscellaneous	(41,640)	-	-
Capital contributions	(578,109)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 55)	<u>\$ 14,091,526</u>	<u>\$ 12,483,804</u>	<u>\$ 81,238,407</u>

**CITY OF ALBANY, OREGON**  
**SEWER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Sewer service charges						
Albany sewer service charges	\$ 34,542,000	\$ 34,542,000	\$ 17,279,265	\$ -	\$ 17,279,265	\$ (17,262,735)
Charges collected through property taxes	100,000	100,000	36,487	-	36,487	(63,513)
Collection agency payments	10,000	10,000	8,259	-	8,259	(1,741)
Financed system development charges						
Principal	6,000	6,000	591	-	591	(5,409)
Interest	2,200	2,200	138	-	138	(2,062)
Financed connection fees						
Principal	1,000	1,000	103	-	103	(897)
Interest	200	200	9	-	9	(191)
Sewer oversizing and expansion						
Public facility construction permits	10,000	10,000	14,714	-	14,714	4,714
Sewer system development charges	1,360,000	1,360,000	1,062,310	-	1,062,310	(297,690)
General sewer connection fees	20,000	20,000	112,196	-	112,196	92,196
Wastewater compliance fees	-	-	1,828	-	1,828	1,828
Charges for services						
Equipment replacement charges	255,600	255,600	92,500	-	92,500	(163,100)
Millersburg operation and maintenance charges	350,000	350,000	360,499	-	360,499	10,499
Wah Chang operation and maintenance charges	300,000	300,000	125,301	-	125,301	(174,699)
City of Lebanon	49,600	49,600	13,914	-	13,914	(35,686)
City of Millersburg	1,148,200	1,148,200	396,443	-	396,443	(751,757)
Workers' Compensation wage subsidy reimbursement	-	-	11,370	-	11,370	11,370
Water reclamation facility compost sales	146,000	146,000	-	-	-	(146,000)
Miscellaneous	50,000	50,000	140,395	-	140,395	90,395
Interest on investments	183,000	183,000	707,885	-	707,885	524,885
Total revenues	<u>38,533,800</u>	<u>38,533,800</u>	<u>20,364,207</u>	<u>-</u>	<u>20,364,207</u>	<u>(18,169,593)</u>
<b>Other financing sources</b>						
Transfer from Sewer SDC Improvement Projects	2,394,400	2,394,400	1,644,400	-	1,644,400	(750,000)
Transfer from Sewer SDC Reimbursement Projects	400,000	400,000	-	-	-	(400,000)
Sale of capital assets	-	-	8,215	-	8,215	8,215
Proceeds from long-term debt	12,750,000	12,750,000	6,136,717	-	6,136,717	(6,613,283)
Total other financing sources	<u>15,544,400</u>	<u>15,544,400</u>	<u>7,789,332</u>	<u>-</u>	<u>7,789,332</u>	<u>(7,755,068)</u>
<b>Fund balance, beginning</b>						
Unassigned	23,600,400	23,600,400	25,626,168	-	25,626,168	2,025,768
Prior period adjustment	-	-	(20,886)	-	(20,886)	(20,886)
Total Fund Balance, beginning	<u>23,600,400</u>	<u>23,600,400</u>	<u>25,605,282</u>	<u>-</u>	<u>25,605,282</u>	<u>2,004,882</u>
Amount available for appropriation	<u>\$ 77,678,600</u>	<u>\$ 77,678,600</u>	<u>53,758,821</u>	<u>-</u>	<u>53,758,821</u>	<u>(23,919,779)</u>
<b>Expenditures</b>						
Personnel services	\$ 5,217,100	\$ 5,217,100	\$ 2,382,327	\$ -	\$ 2,382,327	\$ 2,834,773
Materials and services	14,955,200	14,955,200	6,908,552	-	6,908,552	8,046,648
Capital	36,264,900	36,264,900	15,315,511	-	15,315,511	20,949,389
Debt service	14,500,900	14,500,900	5,244,484	-	5,244,484	9,256,416
Contingencies	1,068,800	1,068,800	-	-	-	1,068,800
Total expenditures	<u>72,006,900</u>	<u>72,006,900</u>	<u>29,850,874</u>	<u>-</u>	<u>29,850,874</u>	<u>42,156,026</u>
<b>Other financing uses</b>						
Transfers out to other funds	2,877,300	2,877,300	1,525,530	-	1,525,530	1,351,770
Intrafund transfers out	2,794,400	2,794,400	1,644,400	-	1,644,400	1,150,000
Total other financing uses	<u>5,671,700</u>	<u>5,671,700</u>	<u>3,169,930</u>	<u>-</u>	<u>3,169,930</u>	<u>2,501,770</u>
Total expenditures and other financing uses	<u>\$ 77,678,600</u>	<u>\$ 77,678,600</u>	<u>33,020,804</u>	<u>-</u>	<u>33,020,804</u>	<u>\$ 44,657,796</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 20,738,017</u>	<u>\$ -</u>	<u>\$ 20,738,017</u>	<u>\$ 20,738,017</u>



**CITY OF ALBANY, OREGON**  
**SEWER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2020

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 20,364,207	\$ 29,850,874	\$ 20,738,017
<b>Reconciling items</b>			
June 30, 2020, asset and liability balances:			
Capital assets, net	-	-	144,087,897
Accounts receivable	-	-	1,949,619
Loans receivable	-	-	3,182,569
Inventories	-	-	189,736
Net other postemployment benefit asset	-	-	22,749
Salaries, withholdings, and vacations payable	-	-	(105,167)
OPEB payable	-	-	(195,407)
Interest payable	-	-	(263,248)
Loans payable	-	-	(45,479,293)
Net pension liability	-	-	(1,407,927)
Deferred outflows - pension and other postemployment benefit related	-	-	475,015
Deferred inflows - pension and other postemployment benefit related	-	-	(89,628)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	(39,517)	-	-
<b>Adjustments to current year expenses</b>			
Expenditures capitalized	-	(15,020,706)	-
Change in inventory	-	116,159	-
Interest expense	-	(975,763)	-
Change in compensated absences liability	-	(10,071)	-
Change in OPEB liability and related deferred outflows and inflows	-	103,431	-
Loan principal	-	(4,231,533)	-
Depreciation and amortization	-	4,038,331	-
Pension expense	-	348,915	-
<b>Other adjustments</b>			
Nonoperating revenues			
Interest on investments	(707,885)	-	-
Miscellaneous	(140,395)	-	-
Capital contributions	(591)	-	-
Millersburg loan reclassification	(305,377)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 55)	\$ 19,170,442	\$ 14,219,637	\$ 123,104,932

**CITY OF ALBANY, OREGON**  
**STORMWATER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Stormwater service charges						
Albany stormwater service charges	\$ 4,261,000	\$ 4,261,000	\$ 2,051,413	\$ -	\$ 2,051,413	\$ (2,209,587)
Storm drain plan review/inspection fees	20,000	20,000	15,589	-	15,589	(4,411)
Stormwater quality permits	20,000	20,000	39,085	-	39,085	19,085
EPSC Permit Fees	100,000	100,000	74,035	-	74,035	(25,965)
Stormwater Capital						
Albany stormwater service charges	20,000	20,000	50,000	-	50,000	30,000
Storm drain connection fees	20,000	20,000	18,740	-	18,740	(1,260)
Stormwater deferred planting	10,000	10,000	53,407	-	53,407	43,407
Stormwater in-lieu of planting	10,000	10,000	50,259	-	50,259	40,259
Charges for services						
Equipment replacement charges	124,500	124,500	62,100	-	62,100	(62,400)
Miscellaneous	-	-	1,207	-	1,207	1,207
Interest on investments	7,000	7,000	38,776	-	38,776	31,776
Total revenues	<u>4,592,500</u>	<u>4,592,500</u>	<u>2,454,611</u>	<u>-</u>	<u>2,454,611</u>	<u>(2,137,889)</u>
<b>Fund balance, beginning</b>						
Unassigned	678,900	678,900	954,848	-	954,848	275,948
Prior period adjustment	-	-	(1,183)	-	(1,183)	(1,183)
Total Fund Balance, beginning	<u>678,900</u>	<u>678,900</u>	<u>953,665</u>	<u>-</u>	<u>953,665</u>	<u>274,765</u>
Amount available for appropriation	<u>\$ 5,271,400</u>	<u>\$ 5,271,400</u>	<u>3,408,276</u>	<u>-</u>	<u>3,408,276</u>	<u>(1,863,124)</u>
	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
	Original Budget	Final Budget				
<b>Expenditures</b>						
Personnel services	\$ 887,700	\$ 887,700	\$ 339,601	\$ -	\$ 339,601	\$ 548,099
Materials and services	3,586,700	3,586,700	1,839,672	-	1,839,672	1,747,028
Capital	605,900	605,900	239,595	-	239,595	366,305
Contingencies	191,100	191,100	-	-	-	191,100
Total expenditures	<u>\$ 5,271,400</u>	<u>\$ 5,271,400</u>	<u>2,418,868</u>	<u>-</u>	<u>2,418,868</u>	<u>2,852,532</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 989,408</u>	<u>\$ -</u>	<u>\$ 989,408</u>	<u>\$ 989,408</u>

**CITY OF ALBANY, OREGON**  
**STORMWATER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2020

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 2,454,611	\$ 2,418,868	\$ 989,408
<b>Reconciling items</b>			
June 30, 2020, asset and liability balances:			
Capital assets, net	-	-	181,481
Accounts receivable	-	-	189,389
Salaries, withholdings, and vacations payable	-	-	(763)
Net other postemployment benefit asset	-	-	3,249
OPEB payable	-	-	(27,908)
Net pension liability	-	-	(490,964)
Deferred outflows - pension and other postemployment benefit related	-	-	186,129
Deferred inflows - pension and other postemployment benefit related	-	-	(45,283)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	(25,503)	-	-
<b>Adjustments to current year expenses</b>			
Expenditures capitalized	-	(187,837)	-
Change in compensated absences liability	-	763	-
Change in OPEB liability and related deferred outflows and inflows	-	(14,949)	-
Depreciation and amortization	-	6,356	-
Pension expense	-	50,467	-
<b>Other adjustments</b>			
Nonoperating revenues			
Interest on investments	(38,776)	-	-
Miscellaneous	(1,207)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 55)	<u>\$ 2,389,125</u>	<u>\$ 2,273,668</u>	<u>\$ 984,738</u>

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

June 30, 2020

	Central Services	Public Works Services	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 542,079	\$ 316,370	\$ 858,449
Investments	895,826	520,337	1,416,163
Receivables:			
Accounts	2,349	24	2,373
Interest	3,296	740	4,036
Total current assets	<u>1,443,550</u>	<u>837,471</u>	<u>2,281,021</u>
Noncurrent assets:			
Other postemployment benefit asset	51,044	71,750	122,794
Capital assets:			
Land and construction in progress	2,991	31,260	34,251
Other capital assets, net of depreciation	-	10,232	10,232
Total noncurrent assets	<u>54,035</u>	<u>113,242</u>	<u>167,277</u>
Total assets	<u>1,497,585</u>	<u>950,713</u>	<u>2,448,298</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>2,658,795</u>	<u>2,855,829</u>	<u>5,514,624</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	311,446	399,407	710,853
Compensated absences	51,908	129,628	181,536
Total current liabilities	<u>363,354</u>	<u>529,035</u>	<u>892,389</u>
Long-term debt obligations			
Compensated absences	51,908	129,627	181,535
Other postemployment benefits	438,439	616,294	1,054,733
Net pension liability	7,062,424	7,764,255	14,826,679
Total long-term debt obligations	<u>7,552,771</u>	<u>8,510,176</u>	<u>16,062,947</u>
Total liabilities	<u>7,916,125</u>	<u>9,039,211</u>	<u>16,955,336</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>638,676</u>	<u>656,449</u>	<u>1,295,125</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,991	41,492	44,483
Unrestricted	<u>(4,401,412)</u>	<u>(5,930,610)</u>	<u>(10,332,022)</u>
Total net position	<u>\$ (4,398,421)</u>	<u>\$ (5,889,118)</u>	<u>\$ (10,287,539)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2020

	Central Services	Public Works Services	Totals
<b>OPERATING REVENUES</b>			
Service charges and fees	\$ 7,494,965	\$ 9,216,688	\$ 16,711,653
Miscellaneous	<u>103,215</u>	<u>36,824</u>	<u>140,039</u>
Total operating revenues	<u>7,598,180</u>	<u>9,253,512</u>	<u>16,851,692</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	6,159,768	8,342,412	14,502,180
Contracted services	333,902	260,793	594,695
Operating supplies	934,025	541,737	1,475,762
Utilities	95,451	95,170	190,621
Depreciation	-	2,928	2,928
Repairs and maintenance	134,392	140,557	274,949
Charges for services	824,971	886,895	1,711,866
Miscellaneous	<u>50,403</u>	<u>-</u>	<u>50,403</u>
Total operating expenses	<u>8,532,912</u>	<u>10,270,492</u>	<u>18,803,404</u>
Operating income (loss)	(934,732)	(1,016,980)	(1,951,712)
<b>NONOPERATING REVENUES:</b>			
Interest on investments	<u>17,519</u>	<u>2,599</u>	<u>20,118</u>
Income before transfers	(917,213)	(1,014,381)	(1,931,594)
Transfers in	396,082	208,748	604,830
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
Change in net position	<u>(541,131)</u>	<u>(805,633)</u>	<u>(1,346,764)</u>
Prior period adjustment	(2,421)	(3,980)	(6,401)
Net position - beginning	<u>(3,854,869)</u>	<u>(5,079,505)</u>	<u>(8,934,374)</u>
Net position - ending	<u>\$ (4,398,421)</u>	<u>\$ (5,889,118)</u>	<u>\$ (10,287,539)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2020

	Central Services	Public Works Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 7,607,644	\$ 9,252,396	\$ 16,860,040
Cash payments to suppliers of goods and services	(2,378,046)	(1,911,928)	(4,289,974)
Cash payments to employees for services	<u>(5,034,919)</u>	<u>(7,285,837)</u>	<u>(12,320,756)</u>
Net cash provided by (used in) operating activities	<u>194,679</u>	<u>54,631</u>	<u>249,310</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	396,082	208,748	604,830
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>376,082</u>	<u>208,748</u>	<u>584,830</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of capital assets	<u>(2,991)</u>	<u>-</u>	<u>(2,991)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (increase) decrease in investments	(398,487)	(188,766)	(587,253)
Interest on investments	<u>16,089</u>	<u>3,944</u>	<u>20,033</u>
Net cash provided by (used in) investing activities	<u>(382,398)</u>	<u>(184,822)</u>	<u>(567,220)</u>
Net increase (decrease) in cash and cash equivalents	185,372	78,557	263,929
<b>Cash and cash equivalents, July 1, 2019</b>	<u>356,707</u>	<u>237,813</u>	<u>594,520</u>
<b>Cash and cash equivalents, June 30, 2020</b>	<u><u>\$ 542,079</u></u>	<u><u>\$ 316,370</u></u>	<u><u>\$ 858,449</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income	\$ (934,732)	\$ (1,016,980)	\$ (1,951,712)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	2,928	2,928
Changes in assets, deferred outflows, liabilities and deferred inflows:			
(Increase) decrease in net other postemployment benefit asset	(50,265)	(30,718)	(80,983)
(Increase) decrease in accounts receivable	9,464	(1,116)	8,348
(Increase) decrease in prepaid items	1,332	-	1,332
(Increase) decrease in deferred outflows of resources	(222,305)	(263,312)	(485,617)
Increase (decrease) in net pension liability	1,104,225	1,540,816	2,645,041
Increase (decrease) in accounts payable	(6,234)	13,224	6,990
Increase (decrease) in accrued compensated absences	(98,333)	(31,726)	(130,059)
Increase (decrease) in other postemployment benefits	427,324	31,148	458,472
Increase (decrease) in deferred inflows of resources	<u>(35,797)</u>	<u>(189,633)</u>	<u>(225,430)</u>
Total adjustments	<u>1,129,411</u>	<u>1,071,611</u>	<u>2,201,022</u>
Net cash provided by operating activities	<u><u>\$ 194,679</u></u>	<u><u>\$ 54,631</u></u>	<u><u>\$ 249,310</u></u>

**CITY OF ALBANY, OREGON**  
**CENTRAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues</b>						
Building maintenance charges	\$ 1,640,400	\$ 1,640,400	\$ 820,200	\$ -	\$ 820,200	\$ (820,200)
Administrative services charges	9,153,500	9,153,500	4,411,800	-	4,411,800	(4,741,700)
Information technology charges	3,415,100	3,415,100	1,684,000	-	1,684,000	(1,731,100)
Equipment replacement charges	40,000	40,000	-	-	-	(40,000)
GIS services charge	921,700	921,700	448,600	-	448,600	(473,100)
Permit Tracking services charge	241,500	241,500	116,800	-	116,800	(124,700)
Linn County emergency planning	-	-	13,500	-	13,500	13,500
GIS information sales	-	-	65	-	65	65
Linn County TLT administration	24,000	24,000	11,893	-	11,893	(12,107)
Miscellaneous	85,000	85,000	91,322	-	91,322	6,322
Interest on investments	12,000	12,000	17,519	-	17,519	5,519
Total revenues	<u>15,533,200</u>	<u>15,533,200</u>	<u>7,615,699</u>	<u>-</u>	<u>7,615,699</u>	<u>(7,917,501)</u>
<b>Other financing source</b>						
Intrafund transfers in	-	-	172,000	-	172,000	172,000
Transfer from General Fund	120,000	120,000	60,000	-	60,000	(60,000)
Transfer from Transient Lodging Taxes	12,600	12,600	6,300	-	6,300	(6,300)
Transfer from Capital Replacement	312,000	312,000	323,082	-	323,082	11,082
Transfer from Economic Development Fund	13,600	13,600	6,700	-	6,700	(6,900)
Total other financing sources	<u>458,200</u>	<u>458,200</u>	<u>568,082</u>	<u>-</u>	<u>568,082</u>	<u>109,882</u>
<b>Fund balance, beginning</b>						
Unassigned	154,200	326,200	553,798	-	553,798	227,598
Prior period adjustment	-	-	(2,421)	-	(2,421)	(2,421)
Fund balance, beginning	<u>154,200</u>	<u>326,200</u>	<u>551,377</u>	<u>-</u>	<u>551,377</u>	<u>225,177</u>
Amount available for appropriation	<u>\$ 16,145,600</u>	<u>\$ 16,317,600</u>	<u>8,735,158</u>	<u>-</u>	<u>8,735,158</u>	<u>(7,582,442)</u>
<b>Expenditures</b>						
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
Finance	\$ 3,283,300	\$ 3,283,300	\$ 1,509,765	\$ -	\$ 1,509,765	\$ 1,773,535
Council and nondepartmental	638,300	638,300	306,037	-	306,037	332,263
City manager's office	3,141,900	3,141,900	1,391,726	-	1,391,726	1,750,174
Information technology services	3,737,000	3,909,000	1,860,130	-	1,860,130	2,048,870
GIS services	941,700	941,700	444,397	-	444,397	497,303
Permit tracking services	241,500	241,500	168,020	-	168,020	73,480
Human resources	1,949,000	1,949,000	925,997	-	925,997	1,023,003
Facilities maintenance	1,721,300	1,721,300	801,763	-	801,763	919,537
GF Facilities Maintenance	451,600	451,600	3,219	-	3,219	448,381
Total expenditures	<u>\$ 16,105,600</u>	<u>\$ 16,277,600</u>	<u>7,411,054</u>	<u>-</u>	<u>7,411,054</u>	<u>8,866,546</u>
<b>Other financing uses</b>						
Intrafund transfers in	-	-	172,000	-	172,000	(172,000)
Transfers to other funds	40,000	40,000	20,000	-	20,000	20,000
Total other financing uses	<u>40,000</u>	<u>40,000</u>	<u>192,000</u>	<u>-</u>	<u>192,000</u>	<u>(152,000)</u>
Total expenditures and other financing uses	<u>\$ 16,145,600</u>	<u>\$ 16,317,600</u>	<u>7,603,054</u>	<u>-</u>	<u>7,603,054</u>	<u>8,714,546</u>
<b>Budgetary fund balance</b>			<u>\$ 1,132,104</u>	<u>\$ -</u>	<u>\$ 1,132,104</u>	<u>\$ 1,132,104</u>

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 153.

**CITY OF ALBANY, OREGON**  
**PUBLIC WORKS SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	Biennium		FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	Over (Under)
	Original Budget	Final Budget				
<b>Revenues:</b>						
Charges for services - Water	\$ 6,090,100	\$ 6,090,100	\$ 2,722,075	\$ -	\$ 2,722,075	\$ (3,368,025)
Charges for services - Sewer	7,155,200	7,155,200	3,213,712	-	3,213,712	(3,941,488)
Charges for services - Stormwater	2,206,000	2,206,000	1,291,956	-	1,291,956	(914,044)
Charges for services - Streets	1,698,100	1,698,100	854,012	-	854,012	(844,088)
Charges for services - Airport	14,900	14,900	5,106	-	5,106	(9,794)
Charges for services - Transit	222,700	222,700	91,399	-	91,399	(131,301)
Charges for services - Building Inspection	140,100	140,100	62,031	-	62,031	(78,069)
Charges for services - Planning	132,400	132,400	62,376	-	62,376	(70,024)
Charges for services - Electrical Permit	16,000	16,000	7,033	-	7,033	(8,967)
Charges for services - Construction in Progress	3,126,100	3,126,100	906,988	-	906,988	(2,219,112)
Miscellaneous	-	-	36,824	-	36,824	36,824
Interest	10,800	10,800	2,599	-	2,599	(8,201)
Total revenues	<u>20,812,400</u>	<u>20,812,400</u>	<u>9,256,111</u>	<u>-</u>	<u>9,256,111</u>	<u>(11,556,289)</u>
<b>Other financing source</b>						
Transfer from General Fund	-	268,000	208,748	-	208,748	(59,252)
<b>Fund balance, beginning</b>						
Unassigned	60,000	60,000	188,174	-	188,174	128,174
Prior period adjustment	-	-	(3,980)	-	(3,980)	(3,980)
Fund balance, beginning	<u>60,000</u>	<u>60,000</u>	<u>184,194</u>	<u>-</u>	<u>184,194</u>	<u>124,194</u>
Amount available for appropriation	<u>\$ 20,872,400</u>	<u>\$ 21,140,400</u>	<u>9,649,053</u>	<u>-</u>	<u>9,649,053</u>	<u>(11,491,347)</u>
Biennium						
	Original Budget	Final Budget	FY2019-20 Actual	FY2020-21 Actual	Total Actual Budget Basis	(Over) Under
<b>Expenditures</b>						
Public works administration	\$ 2,957,000	\$ 2,957,000	\$ 1,292,309	\$ -	\$ 1,292,309	\$ 1,664,691
Engineering services	7,040,900	7,040,900	3,010,018	-	3,010,018	4,030,882
Operations administration	1,293,900	1,293,900	628,278	-	628,278	665,622
Water quality control services	1,236,100	1,236,100	582,813	-	582,813	653,287
Public works customer service	3,229,000	3,229,000	1,445,546	-	1,445,546	1,783,454
Facilities and maintenance engineering	5,115,500	5,115,500	2,252,025	-	2,252,025	2,863,475
PW engineering equip rep	-	55,000	-	-	-	55,000
PW customer serv equip rep	-	40,000	-	-	-	40,000
Operations admin equip rep	-	3,000	-	-	-	3,000
Facilities & maint eng eq	-	164,000	-	-	-	164,000
Water quality ctrl equip	-	6,000	-	-	-	6,000
Total expenditures	<u>\$ 20,872,400</u>	<u>\$ 21,140,400</u>	<u>9,210,989</u>	<u>-</u>	<u>9,210,989</u>	<u>11,929,411</u>
<b>Budgetary fund balance</b>			<u>\$ 438,064</u>	<u>\$ -</u>	<u>\$ 438,064</u>	<u>\$ 438,064</u>

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 153.



**CITY OF ALBANY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2020

	Central Services	Public Works Service	Totals
<b><u>REVENUES</u></b>			
Total revenues from Schedule of Revenues and Expenditures - Budget and Actual (pages 151 and 152)	\$ 7,615,699	\$ 9,256,111	\$ 16,871,810
<b>Reconciling item:</b>			
Interest on investments	<u>(17,519)</u>	<u>(2,599)</u>	<u>(20,118)</u>
 Operating revenues from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 149)	 <u>\$ 7,598,180</u>	 <u>\$ 9,253,512</u>	 <u>\$ 16,851,692</u>
<b><u>EXPENDITURES</u></b>			
Total expenditures from Schedule of Revenues and Expenditures - Budget and Actual (pages 151 and 152)	\$ 7,411,054	\$ 9,210,989	\$ 16,622,043
<b>Reconciling item:</b>			
Depreciation	-	2,928	2,928
Expenditures capitalized	(2,991)	-	(2,991)
Change in compensated absences liability	(98,333)	(31,726)	(130,059)
Pension related expense	790,809	1,103,481	1,894,290
Other postemployment benefits expense	<u>432,373</u>	<u>(15,180)</u>	<u>417,193</u>
 Operating expenses from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 149)	 <u>\$ 8,532,912</u>	 <u>\$ 10,270,492</u>	 <u>\$ 18,803,404</u>
<b><u>FUND BALANCE</u></b>			
Fund balance from Schedule of Revenues and Expenditures - Budget and Actual (pages 151 and 152)	\$ 1,132,104	\$ 438,064	\$ 1,570,168
<b>Reconciling item:</b>			
Net other postemployment benefit asset	51,044	71,750	122,794
Deferred outflows - pension and other postemployment benefit related	2,658,795	2,855,829	5,514,624
Deferred inflows - pension and other postemployment benefit related	(638,676)	(656,449)	(1,295,125)
Capital assets, net	2,991	41,492	44,483
Compensated absences liability	(103,816)	(259,255)	(363,071)
Net pension liability	(7,062,424)	(7,764,255)	(14,826,679)
OPEB liability	<u>(438,439)</u>	<u>(616,294)</u>	<u>(1,054,733)</u>
 Net Position from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 149)	 <u>\$ (4,398,421)</u>	 <u>\$ (5,889,118)</u>	 <u>\$ (10,287,539)</u>



## **STATISTICAL SECTION**

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

### **FINANCIAL TRENDS**

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

### **REVENUE CAPACITY**

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

### **DEBT CAPACITY**

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

### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

### **OPERATING INFORMATION**

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

Schedule 1  
**CITY OF ALBANY, OREGON**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2011	2012	2013	2014	2015
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 93,826,390	\$ 96,500,517	\$ 95,848,731	\$ 90,297,428	\$ 94,819,619
Restricted	18,879,050	13,190,170	11,874,882	16,359,363	11,071,442
Unrestricted	17,145,209	19,611,140	20,901,108	25,711,251	21,176,652
Total governmental activities net position	<u>129,850,649</u>	<u>129,301,827</u>	<u>128,624,721</u>	<u>132,368,042</u>	<u>127,067,713</u>
<b>Business-type activities</b>					
Net investment in capital assets	130,139,819	134,559,041	136,828,820	140,222,126	140,997,807
Restricted	19,785,270	14,445,758	13,514,952	10,863,027	10,717,596
Unrestricted	22,808,687	26,930,801	28,978,037	29,245,746	31,180,138
Total business-type activities net position	<u>172,733,776</u>	<u>175,935,600</u>	<u>179,321,809</u>	<u>180,330,899</u>	<u>182,895,541</u>
<b>Total City of Albany</b>					
Net investment in capital assets	231,059,558	232,677,551	230,519,554	235,817,426	235,817,426
Restricted	27,635,928	25,389,834	27,222,390	21,789,038	21,789,038
Unrestricted	46,541,941	49,879,145	53,953,862	52,356,790	52,356,790
Total net position	<u>\$ 305,237,427</u>	<u>\$ 307,946,530</u>	<u>\$ 311,695,806</u>	<u>\$ 309,963,254</u>	<u>\$ 309,963,254</u>

Over the last ten years the net position of governmental activities decreased by just over 20 percent (\$25,749,000). Included in program revenues are \$1,480,471 of capital contributions in the form of systems development charges, connection fees, improvement assurance fees, and site improvements.

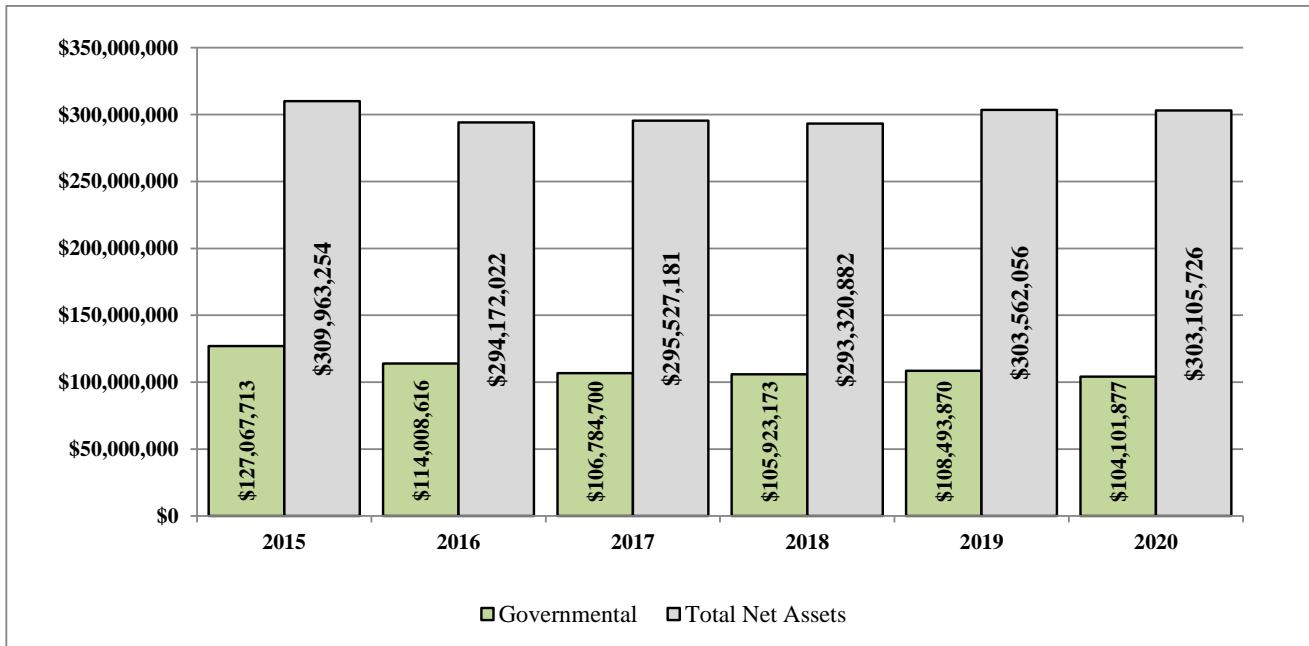
During the same time frame (ten years), the net position of the business-type activities has increased by 15 percent (\$26,270,000). The two major components of the increase have been operating income (\$73,789,000) and capital contributions (\$20,843,000), which consists of development fees (systems development charges, in-lieu-of assessment charges, and improvement assurances), and developer constructed water, sewer, and storm drain site improvements donated to the City.

Source: City of Albany 2011-2020 Comprehensive Annual Financial Reports

Schedule 1  
**CITY OF ALBANY, OREGON**  
**NET POSITION BY COMPONENT, continued**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

2016	2017	2018	2019	2020	
<b>Governmental Activities</b>					
\$ 75,708,533	\$ 94,492,224	\$ 106,976,281	\$ 100,745,228	\$ 99,528,799	Net investment in capital assets
27,479,252	11,226,820	10,934,035	20,833,823	23,456,343	Restricted
10,820,831	1,065,656	(11,987,143)	(13,085,181)	(18,883,265)	Unrestricted
114,008,616	106,784,700	105,923,173	108,493,870	104,101,877	Total governmental activities net position
<b>Business-type activities</b>					
145,243,974	146,556,723	149,918,593	154,638,792	166,458,509	Net investment in capital assets
10,115,449	9,490,275	9,209,257	9,085,389	8,269,926	Restricted
24,803,983	32,695,483	28,269,859	31,344,005	24,275,414	Unrestricted
180,163,406	188,742,481	187,397,709	195,068,186	199,003,849	Total business-type activities net position
<b>Total City of Albany</b>					
220,952,507	241,048,947	256,894,874	255,384,020	265,987,308	Net investment in capital assets
37,594,701	20,717,095	20,143,292	29,919,212	31,726,269	Restricted
35,624,814	33,761,139	16,282,716	18,258,824	5,392,149	Unrestricted
\$ 294,172,022	\$ 295,527,181	\$ 293,320,882	\$ 303,562,056	\$ 303,105,726	Total net position

**Governmental, Business-type, and Total Net Position**  
 last 6 fiscal years



Schedule 2  
**CITY OF ALBANY, OREGON**  
**CHANGE IN NET POSITION**

Last Ten Fiscal Years  
(accrual basis of accounting)

	2011	2012	2013	2014	2015
<b>Expenses</b>					
Governmental activities					
General government	\$ 5,512,747	\$ 5,282,341	\$ 6,998,687	\$ 7,493,529	\$ 7,667,638
Public safety	27,512,458	27,832,589	26,998,857	26,533,616	20,771,259
Highways and streets	7,098,212	5,964,162	7,165,295	7,015,625	6,577,224
Culture and recreation	8,035,033	9,300,151	8,548,521	9,071,696	7,939,789
Interest on long-term debt	1,074,180	972,088	880,010	728,980	710,061
Total governmental activities expenses	49,232,630	49,351,331	50,591,370	50,843,446	43,665,971
Business-type activities					
Water	11,252,016	11,239,646	10,970,041	12,281,328	11,524,422
Sewer	10,119,746	12,210,391	14,201,008	14,114,463	14,765,389
Stormwater	-	-	-	-	-
Total business-type activities expenses	21,371,762	23,450,037	25,171,049	26,395,791	26,289,811
<b>Program Revenues</b>					
Governmental activities					
Charges for services:					
General Government	2,817,789	2,699,581	3,509,363	4,081,131	3,487,011
Public Safety	3,303,862	3,174,653	2,562,519	2,693,877	3,150,776
Highways and Streets	-	110,792	-	158,753	134,615
Culture and recreation	912,904	908,153	1,181,152	893,172	995,606
Operating grants and contributions	4,354,299	5,245,587	3,245,250	5,336,946	5,591,657
Capital grants and contributions	7,433,911	2,613,592	4,357,201	4,134,157	3,459,206
Total governmental activities program revenues	18,822,765	14,752,358	14,855,485	17,298,036	16,818,871
Business-type activities					
Water	11,520,604	11,873,787	12,338,047	13,055,548	13,820,209
Sewer	13,094,616	13,687,284	13,410,334	15,524,322	29,847,180
Stormwater	-	-	-	-	-
Total business-type activities program revenues	24,615,220	25,561,071	25,748,381	28,579,870	43,667,389
Total program revenues	43,437,985	40,313,429	40,603,866	45,877,906	60,486,260
<b>General Revenues</b>					
Governmental activities					
Taxes:					
Property taxes used for general purposes	22,430,005	22,540,932	22,159,102	25,857,223	26,146,965
Property taxes used for debt service	3,849,690	3,303,218	3,430,326	1,346,036	1,305,558
Transient room taxes used for general purposes	655,879	715,865	754,585	803,805	927,172
Transient room taxes used for debt service	-	-	-	-	-
Motor fuel	2,365,624	2,746,350	2,764,402	2,913,483	2,899,968
Marijuana, cigarette and alcoholic beverage	651,683	699,755	1,213,099	1,251,981	1,300,909
Privilege	2,680,877	2,901,489	2,761,418	2,966,949	2,984,718
Contributions to permanent funds	-	-	-	-	-
Unrestricted interest earnings	360,650	232,122	401,725	273,722	200,035
Miscellaneous	196,111	490,535	548,471	186,145	901,434
Total governmental activities general revenues	33,190,519	33,630,266	34,033,128	35,599,344	36,666,759
Gain (Loss) on disposal of capital assets	-	-	-	-	-
Transfers	1,028,256	419,885	1,025,651	1,689,391	1,083,453
Total governmental activities	34,218,775	34,050,151	35,058,779	37,288,735	37,750,212

Schedule 2  
**CITY OF ALBANY, OREGON**  
**CHANGE IN NET POSITION**

Last Ten Fiscal Years  
(accrual basis of accounting)

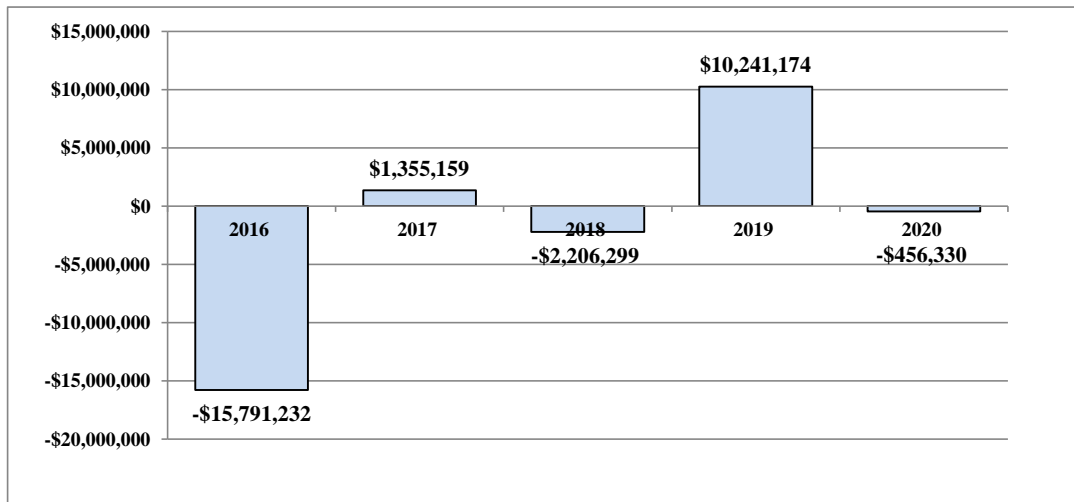
2016	2017	2018	2019	2020	
					<b>Expenses</b>
					Governmental activities:
\$ 11,956,298	\$ 11,627,250	\$ 11,905,562	\$ 14,611,772	\$ 18,940,934	General government
39,213,576	33,190,548	35,845,712	37,378,693	39,337,254	Public safety
5,926,402	6,116,216	4,468,119	7,992,085	8,590,398	Highways and streets
13,557,065	11,634,285	13,667,104	10,816,892	11,251,985	Culture and recreation
1,240,044	1,295,382	1,279,266	1,554,774	816,417	Interest on long-term debt
71,893,385	63,863,681	67,165,763	72,354,216	78,936,988	Total governmental activities expenses
					Business-type activities
14,550,636	12,640,992	12,267,390	11,410,738	13,596,398	Water
17,663,062	15,726,496	15,140,083	14,099,323	15,617,877	Sewer
-	1,095,648	1,708,963	2,158,837	2,520,663	Stormwater
32,213,698	29,463,136	29,116,436	27,668,898	31,734,938	Total business-type activities expenses
					<b>Program Revenues</b>
					Governmental activities:
					Charges for services:
3,718,959	4,173,637	4,621,225	4,607,980	4,987,451	General Government
3,291,540	3,941,179	4,246,900	5,609,787	6,807,903	Public Safety
138,139	101,502	104,238	1,267,051	115,356	Highways and Streets
1,016,928	1,099,530	1,049,007	1,120,216	750,964	Culture and recreation
5,461,409	5,671,185	11,016,549	13,380,093	13,362,737	Operating grants and contributions
3,659,772	2,700,427	2,226,433	2,753,651	1,480,471	Capital grants and contributions
17,286,747	17,687,460	23,264,352	28,738,778	27,504,882	Total governmental activities program revenues
					Business-type activities
13,594,778	16,764,392	14,268,332	14,502,634	14,667,426	Water
16,645,445	20,963,015	17,675,781	18,415,971	19,082,367	Sewer
-	974,504	2,035,666	2,199,321	2,389,125	Stormwater
30,240,223	38,701,911	33,979,779	35,117,926	36,138,918	Total business-type activities program revenues
47,526,970	56,389,371	57,244,131	63,856,704	63,643,800	Total program revenues
					<b>General Revenues</b>
					Governmental activities:
					Taxes:
27,578,824	29,075,234	31,312,153	27,950,003	30,304,403	Property taxes used for general purposes
1,036,443	1,083,756	1,158,749	4,564,044	5,071,316	Property taxes used for debt service
1,058,892	1,117,460	1,061,288	1,274,676	1,031,018	Transient room taxes used for general purposes
-	-	-	-	-	Transient room taxes used for debt service
3,046,727	3,120,603	-	-	-	Motor fuel
1,317,405	1,336,937	1,982,371	1,256,415	1,498,433	Marijuana, cigarette and alcoholic beverage
3,572,017	3,901,524	3,950,218	3,870,419	3,806,858	Privilege
-	-	-	-	-	Contributions to permanent funds
463,554	334,206	573,550	1,470,575	1,515,966	Unrestricted interest earnings
1,246,118	967,589	1,321,198	2,418,021	1,614,436	Miscellaneous
39,319,980	40,937,309	41,359,527	42,804,153	44,842,430	Total governmental activities general revenues
-	-	836,387	1,928,887	387,342	Gain (Loss) on disposal of capital assets
1,196,104	1,076,350	1,262,303	1,453,095	1,960,030	Transfers
40,516,084	42,013,659	43,458,217	46,186,135	47,189,802	Total governmental activities

continued pages 160-161

Schedule 2  
**CITY OF ALBANY, OREGON**  
**CHANGE IN NET POSITION, continued**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2011	2012	2013	2014	2015
<b>General Revenues, continued</b>					
Business-type activities					
Property taxes used for debt service	\$ (2,852)	\$ 8,655	\$ 12,205	\$ 2,298	\$ 3,588
Unrestricted investment earnings	272,181	224,922	264,875	237,294	332,210
Miscellaneous	6,858,672	2,998,110	5,785,325	168,830	62,372
Total business-type activities general revenues	7,128,001	3,231,687	6,062,405	408,422	398,170
Transfers	(1,028,256)	(419,885)	(1,025,651)	(1,689,391)	(1,083,453)
Total business-type activities	6,099,745	2,811,802	5,036,754	(1,280,969)	(685,283)
<b>Change in Net Position</b>					
Governmental activities	(548,822)	(677,106)	3,743,325	10,903,112	10,903,112
Business-type activities	4,922,836	5,614,086	903,110	3,528,333	5,597,801
Total Change in net position	4,374,014	4,936,980	4,646,435	14,431,445	16,500,913
Net position - beginning	291,510,587	302,584,425	304,234,292	307,946,526	312,698,939
Prior period adjustments	-	-	(1,003,135)	-	(19,236,598)
Net position - ending	\$295,884,601	\$ 307,521,405	\$307,877,592	\$322,377,971	\$ 309,963,254

**Change in Net Position**  
last five years



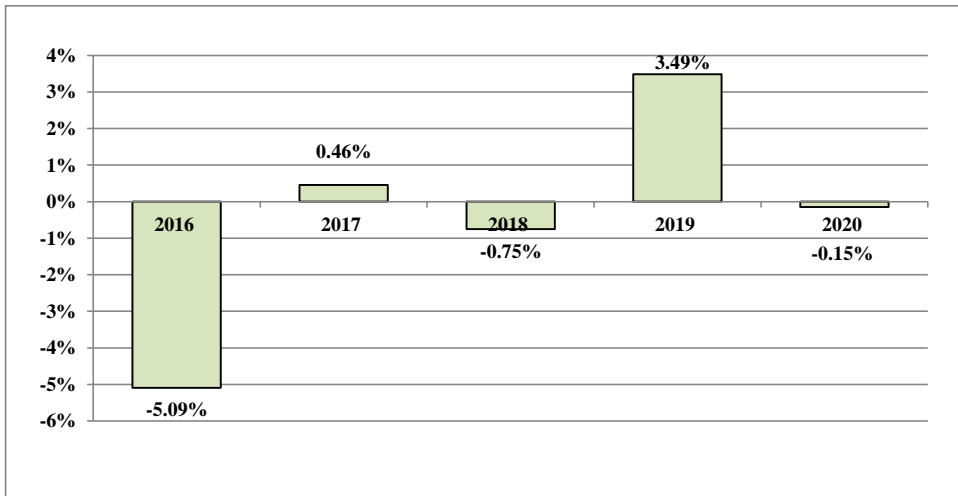
Source: City of Albany 2011-2020 Comprehensive Annual Financial Reports



Schedule 2  
**CITY OF ALBANY, OREGON**  
**CHANGE IN NET POSITION**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

2016	2017	2018	2019	2020	
					<b>General Revenues, continued</b>
					Business-type activities
\$ 263	\$ 62	\$ 184	\$ 698	\$ 3	Property taxes used for debt service
318,536	189,390	362,699	1,326,461	1,223,144	Unrestricted investment earnings
52,702	227,198	192,273	347,385	282,332	Miscellaneous
371,501	416,650	555,156	1,674,544	1,505,479	Total business-type activities general revenues
(1,196,104)	(1,076,350)	(1,262,303)	(1,453,095)	(1,960,030)	Transfers
(824,603)	(659,700)	(707,147)	221,449	(454,551)	Total business-type activities
					<b>Change in Net Position</b>
(14,090,554)	(4,162,562)	(443,194)	2,570,697	(4,242,304)	Governmental activities
(2,798,078)	8,579,075	4,156,196	7,670,477	3,949,429	Business-type activities
(16,888,632)	4,416,513	3,713,002	10,241,174	(292,875)	Total Change in net position
309,963,254	294,172,022	295,527,181	293,320,882	303,562,056	Net position - beginning
1,097,400	(3,061,354)	(5,919,301)	-	(163,455)	Prior period adjustments
\$294,172,022	\$295,527,181	\$293,320,882	\$303,562,056	\$303,105,726	Net position - ending

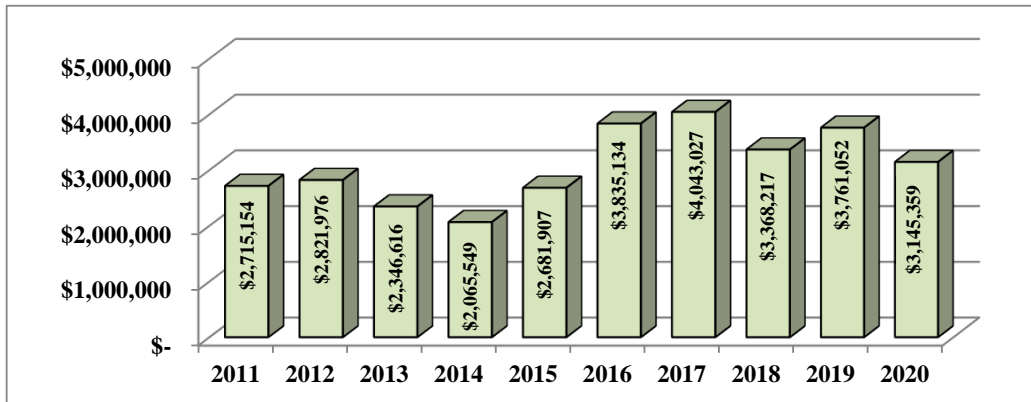
**Year to Year Percentage Change in Net Position**  
 last five years



Schedule 3  
**CITY OF ALBANY, OREGON**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years (1)  
 (modified accrual basis of accounting)

	2011	2012	2013	2014	2015
<b>General Fund</b>					
Nonspendable	65,245	62,147	101,672	9,764	9,634
Committed	185,139	165,567	176,067	279,918	-
Unassigned	2,464,770	2,594,262	2,068,877	1,775,867	2,672,273
<b>Total General Fund</b>	<b>2,715,154</b>	<b>2,821,976</b>	<b>2,346,616</b>	<b>2,065,549</b>	<b>2,681,907</b>
<b>All other governmental funds</b>					
Nonspendable	130,860	118,130	135,077	156,092	169,542
Restricted	14,739,849	10,972,119	9,537,754	13,663,170	12,565,772
Committed	23,279,884	21,519,026	21,919,612	21,652,083	20,480,214
Assigned	-	-	-	-	-
Unassigned	(2,782,392)	(298,795)	(2,778,516)	(3,589,921)	(2,566,638)
<b>Total all other governmental funds</b>	<b>35,368,201</b>	<b>32,310,480</b>	<b>28,813,927</b>	<b>31,881,424</b>	<b>30,648,890</b>
<b>Total fund balances of governmental funds</b>	<b>\$ 38,083,355</b>	<b>\$ 35,132,456</b>	<b>\$ 31,160,543</b>	<b>\$ 33,946,973</b>	<b>\$ 33,330,797</b>

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



Note (1): The City has implemented GASB 54, effective Fiscal Year 2011. Due to the conversion, the City has reclassified ending fund balances, which has made prior periods not comparable. The above information will be accumulated yearly, until 10 years are reported.

Source: City of Albany 2011-2020 Comprehensive Annual Financial Reports

Schedule 3  
**CITY OF ALBANY, OREGON**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years (1)  
 (modified accrual basis of accounting)

2016	2017	2018	2019	2020	
					<b>General Fund</b>
41,153	32,515	156	2,000	-	Nonspendable
-	-	-	-	-	Committed
3,793,981	4,010,512	3,368,061	3,759,052	3,145,359	Unassigned
<u>3,835,134</u>	<u>4,043,027</u>	<u>3,368,217</u>	<u>3,761,052</u>	<u>3,145,359</u>	Total General Fund
					<b>All other governmental funds</b>
152,185	146,093	124,744	95,275	79,500	Nonspendable
27,479,252	14,991,430	10,336,691	19,518,045	22,128,918	Restricted
21,614,668	19,747,584	19,576,312	20,237,894	18,054,205	Committed
-	-	-	15,060	27,639	Assigned
-	-	(4,214,620)	(277,283)	(122,289)	Unassigned
<u>49,246,105</u>	<u>34,885,107</u>	<u>25,823,127</u>	<u>39,588,991</u>	<u>40,167,973</u>	Total all other governmental funds
<u>\$ 53,081,239</u>	<u>\$ 38,928,134</u>	<u>\$ 29,191,344</u>	<u>\$ 43,350,043</u>	<u>\$ 43,313,332</u>	Total fund balances of governmental funds

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

Last Ten Fiscal Years

Fiscal Year	Fund Balance	% Change
2011	\$ 2,464,770	-
2012	2,594,262	5.25%
2013	2,068,877	-20.25%
2014	1,775,867	-14.16%
2015	2,672,273	50.48%
2016	3,793,981	41.98%
2017	4,010,512	5.71%
2018	3,368,061	-16.02%
2019	3,759,052	11.61%
2020	3,145,359	-16.33%

The General Fund unreserved fund balance has decreased by 27.61 percent over the last ten years. The 2019-20 unassigned fund balance of \$3,145,359 is 7.56 percent of total expenditures before transfers out, and 3.5 percent of the total General Fund 2019-21 budget.

Schedule 4  
**CITY OF ALBANY, OREGON**  
**CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2011	2012	2013	2014	2015
<b>Revenues</b>					
Taxes	\$ 26,932,006	\$ 26,567,049	\$ 26,566,424	\$ 27,416,529	\$ 28,286,016
Special assessments	42,830	47,734	28,863	17,864	817,846
Franchise fees, privilege taxes, licenses, and permits	6,169,128	5,649,180	5,831,905	6,502,757	7,217,726
Intergovernmental	9,331,327	9,389,439	9,039,634	10,517,304	9,332,104
Charges for services	5,204,052	4,967,810	5,697,879	6,082,333	5,927,810
Fines and forfeitures	769,200	731,135	3,101	3,123	3,127
Land sales	-	-	-	-	-
Interest on investments	348,336	262,531	397,315	271,182	197,437
Miscellaneous	481,375	836,338	1,180,098	1,337,583	1,159,726
Total revenues	49,278,254	48,451,216	48,745,219	52,148,675	52,941,792
<b>Expenditures</b>					
General government	5,916,136	5,444,422	7,064,448	6,686,132	7,544,431
Public safety	25,218,770	25,643,030	24,762,823	25,595,092	25,997,415
Highways and streets	3,553,451	3,483,170	3,472,264	3,128,945	2,980,799
Culture and recreation	7,078,644	8,475,037	7,608,139	8,056,710	8,368,902
Health	-	-	-	-	-
Capital outlay	5,975,749	5,800,086	6,226,543	3,952,086	7,926,087
Debt service					
Principal	3,585,926	2,017,524	3,905,432	2,237,146	1,741,794
Interest	1,075,775	958,731	870,010	755,175	714,071
Total expenditures	52,404,451	51,822,000	53,909,659	50,411,286	55,273,499
Excess (deficiency) of revenues over (under) expenditures	(3,126,197)	(3,370,784)	(5,164,440)	1,737,389	(2,331,707)
<b>Other financing sources (uses)</b>					
Debt issuance	-	-	-	-	-
Capital lease	-	-	166,876	-	86,005
Sale of capital asset	-	-	-	-	-
Transfers in	10,705,097	10,417,617	4,960,950	6,660,676	6,577,243
Transfers out	(9,676,841)	(9,997,732)	(3,935,299)	(4,995,277)	(5,493,790)
Total other financing sources (uses)	1,028,256	419,885	1,192,527	1,665,399	1,169,458
Prior period adjustments	-	-	-	-	(70,285)
Net change in fund balances	\$ (2,097,941)	\$ (2,950,899)	\$ (3,971,913)	\$ 3,402,788	\$ (1,232,534)

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

**Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures**

Total debt service expenditures	\$ 4,661,701	\$ 2,976,255	\$ 4,775,442	\$ 2,961,701	\$ 2,976,255
Total noncapital expenditures	46,428,702	46,021,914	47,683,116	46,459,200	47,347,412
Ratio of total debt service expenditures less refundings to total noncapital expenditures	<u>10.04%</u>	<u>6.47%</u>	<u>10.01%</u>	<u>6.37%</u>	<u>6.29%</u>

Source: City of Albany 2011-2020 Comprehensive Annual Financial Reports

Schedule 4  
**CITY OF ALBANY, OREGON**  
**CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

2016	2017	2018	2019	2020	
					<b>Revenues</b>
\$ 29,897,203	\$ 31,464,424	\$ 33,367,732	\$ 35,929,111	\$ 36,532,685	Taxes
526,610	281,495	2,614	205,991	-	Special assessments
					Franchise fees, privilege taxes, licenses, and permits
7,621,457	8,925,034	8,799,331	8,978,341	8,288,165	Intergovernmental
9,123,174	8,450,512	11,047,952	16,417,359	14,734,721	Charges for services
6,326,874	6,907,045	7,481,482	7,558,952	7,100,862	Fines and forfeitures
8,403	19,544	61,362	84,711	66,570	Land sales
11,496	-	-	-	-	Interest on investments
456,806	328,560	566,717	1,458,296	1,498,447	Miscellaneous
1,088,232	1,416,602	2,744,583	2,947,195	2,577,705	Total revenues
55,060,255	57,793,216	64,071,773	73,579,956	70,799,155	
					<b>Expenditures</b>
10,080,973	11,609,197	15,480,203	9,786,568	13,119,607	General government
27,404,433	28,332,212	32,391,938	34,451,423	36,241,251	Public safety
3,056,329	3,108,781	3,076,288	3,293,852	3,433,361	Highways and streets
8,779,572	9,158,782	9,530,126	9,999,871	9,677,337	Culture and recreation
125,745	130,621	151,939	586	33,976	Health
6,485,115	18,409,687	12,978,050	10,572,423	6,979,639	Capital outlay
					Debt service
1,016,605	983,483	1,052,140	1,720,315	1,738,541	Principal
1,212,756	1,315,505	1,304,598	1,378,201	1,436,176	Interest
58,161,528	73,048,268	75,965,282	71,203,239	72,659,888	Total expenditures
					Excess (deficiency) of revenues over (under) expenditures
(3,101,273)	(15,255,052)	(11,893,509)	2,376,717	(1,860,733)	
					<b>Other financing sources (uses)</b>
18,636,260	-	-	8,400,000	-	Debt issuance
242,881	-	206,481	-	-	Capital lease
1,745,013	-	836,387	1,928,887	387,342	Sale of capital asset
12,316,154	6,913,140	8,289,131	7,206,816	15,227,044	Transfers in
(11,120,050)	(5,876,890)	(7,175,028)	(5,753,721)	(13,643,096)	Transfers out
21,820,258	1,036,250	2,156,971	11,781,982	1,971,290	Total other financing sources (uses)
1,031,457	65,699	(252)	-	(147,268)	Prior period adjustments
\$ 19,750,442	\$ (14,153,103)	\$ (9,736,790)	\$ 14,158,699	\$ (36,711)	Net change in fund balances
			50,921,922		
\$ 2,229,361	\$ 2,298,988	\$ 2,356,738	\$ 3,098,516	\$ 3,174,717	Total debt service expenditures
51,676,413	44,350,115	51,002,132	51,671,259	65,682,749	Total noncapital expenditures
4.31%	5.18%	4.62%	6.00%	4.83%	Ratio of total debt service expenditures less refundings to total noncapital expenditures

Schedule 5  
**CITY OF ALBANY, OREGON**  
**ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years

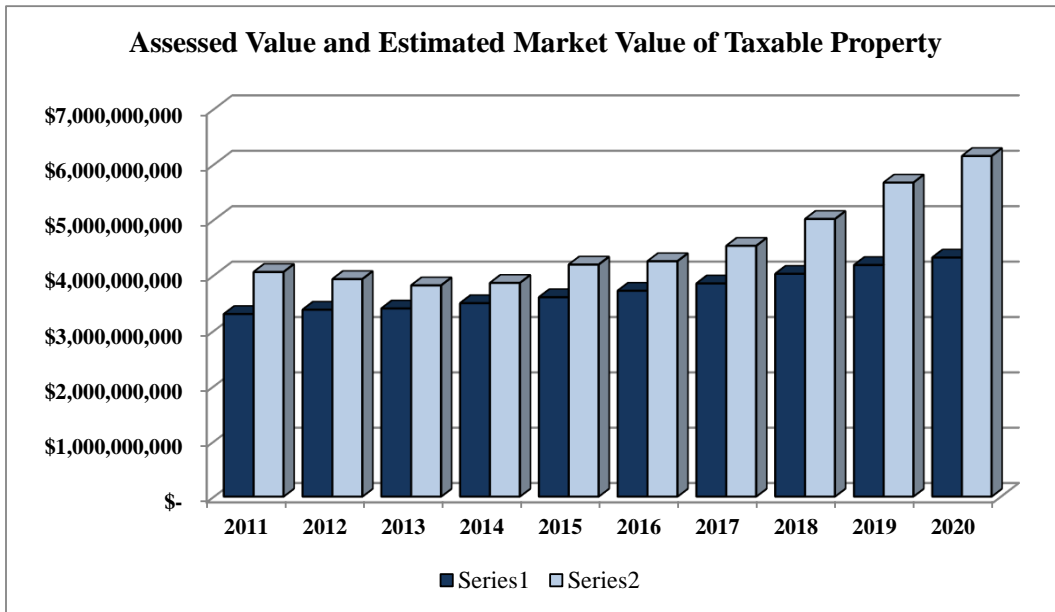
Fiscal Year Ended June 30,	County	Taxable Assessed Value (1)	Direct Tax Rate Per \$1,000 of Assessed Value	Urban Renewal District Assessed Value (2)	Total Assessed Value	Estimated Market Value	Assessed Value as a % of Market Value
2011	Linn	2,618,801,545	7.81	101,564,871	2,720,366,416	3,275,687,464	83.05%
	Benton	578,241,790	7.81	-	578,241,790	781,904,703	73.95%
	Total	3,197,043,335		101,564,871	3,298,608,206	4,057,592,167	81.29%
2012	Linn	2,648,804,108	7.52	111,196,690	2,760,000,798	3,201,432,516	86.21%
	Benton	617,297,378	7.52	-	617,297,378	728,220,462	84.77%
	Total	3,266,101,486		111,196,690	3,377,298,176	3,929,652,978	85.94%
2013	Linn	2,638,629,357	7.50	123,803,553	2,762,432,910	3,087,680,619	93.48%
	Benton	636,151,862	7.97	-	636,151,862	728,220,462	85.66%
	Total	3,274,781,219		123,803,553	3,398,584,772	3,815,901,081	89.06%
2014	Linn	2,690,866,895	7.66	135,999,495	2,826,866,390	3,117,569,985	90.68%
	Benton	668,393,866	7.92	-	668,393,866	742,624,187	90.00%
	Total	3,359,260,761		135,999,495	3,495,260,256	3,860,194,172	90.55%
2015	Linn	2,747,431,038	6.40	147,927,166	2,895,358,204	3,418,838,730	84.69%
	Benton	706,740,905	7.84	-	706,740,905	772,422,707	91.50%
	Total	3,454,171,943		147,927,166	3,602,099,109	4,191,261,437	85.94%
2016	Linn	2,843,619,873	9.11	166,529,559	3,010,149,432	3,435,409,825	87.62%
	Benton	708,740,905	7.84	-	708,740,905	816,085,814	86.85%
	Total	3,552,360,778		166,529,559	3,718,890,337	4,251,495,639	87.47%
2017	Linn	2,909,474,715	8.15	187,383,932	3,096,858,647	3,642,062,176	85.03%
	Benton	753,694,742	7.84	-	753,694,742	887,834,609	84.89%
	Total	3,663,169,457		187,383,932	3,850,553,389	4,529,896,785	85.00%
2018	Linn	3,015,678,290	8.18	213,174,791	3,228,853,081	4,005,117,742	80.62%
	Benton	795,173,155	7.84	-	795,173,155	1,009,149,143	78.80%
	Total	3,810,851,445		213,174,791	4,024,026,236	5,014,266,885	80.25%
2019	Linn	3,117,913,054	8.19	231,137,526	3,349,050,580	4,501,152,682	74.40%
	Benton	833,885,589	7.84	-	833,885,589	1,169,559,228	71.30%
	Total	3,951,798,643		231,137,526	4,182,936,169	5,670,711,910	73.76%
2020	Linn	3,216,058,644	8.20	246,939,463	3,462,998,107	4,919,399,014	70.39%
	Benton	855,444,364	7.84	-	855,444,364	1,230,941,205	69.50%
	Total	4,071,503,008		246,939,463	4,318,442,471	6,150,340,219	70.21%

(1) Does not include the assessed value of the urban renewal district.

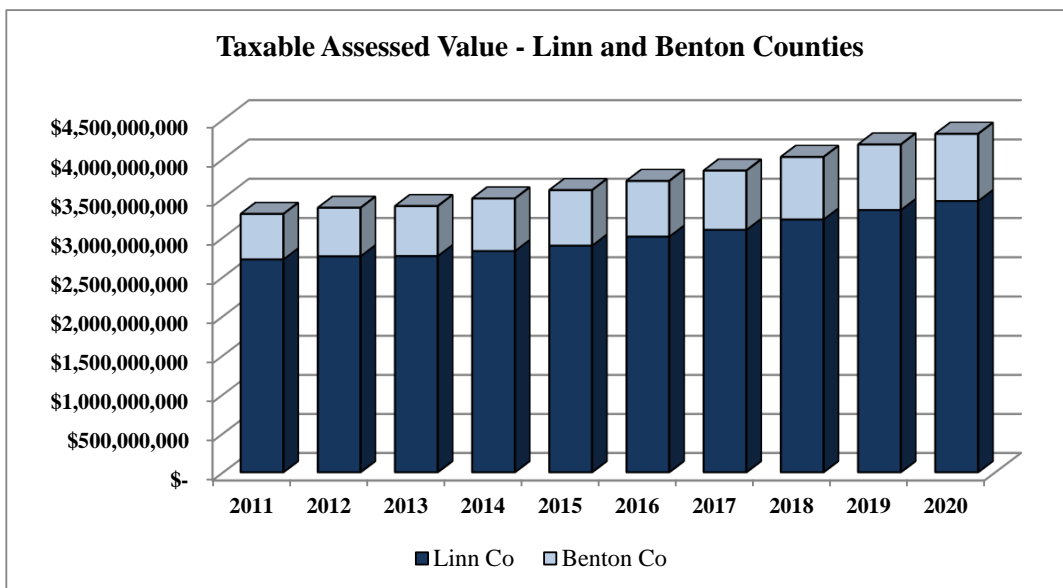
(2) Urban renewal district incremental amount.

Source: Linn and Benton Counties Tax Assessor

Schedule 5  
**CITY OF ALBANY, OREGON**  
**ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years



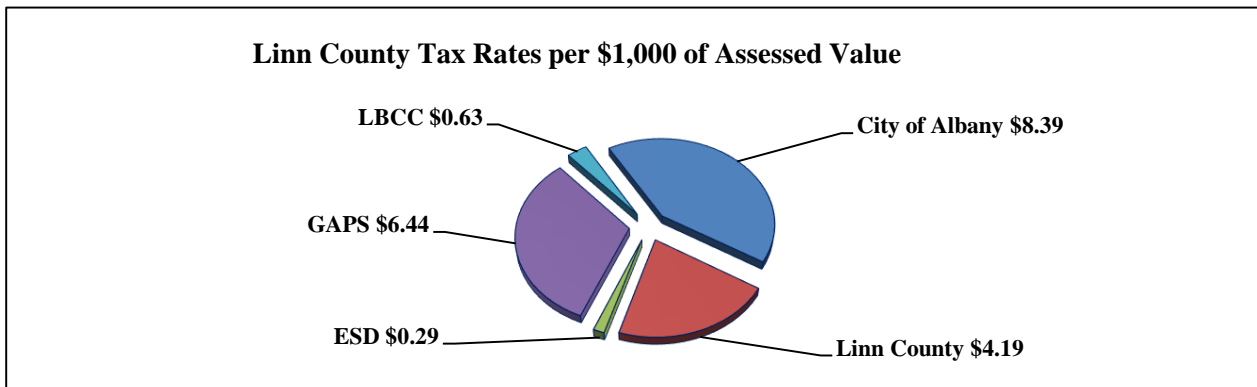
The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 70.21 percent of market value, leaving a \$1,831,897,748 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

City of Albany Direct Rates

Fiscal Year Ended June 30,	County	Basic Rate	Local Option Public Safety Levy	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	Total Direct Rate
2011	Linn	6.20	0.92	0.69	7.81	0.56	8.37
	Benton	6.20	0.92	0.69	7.81	0.44	8.25
2012	Linn	6.19	0.92	0.41	7.52	0.66	8.17
	Benton	6.19	0.92	0.41	7.52	0.49	8.01
2013	Linn	6.16	0.92	0.42	7.50	0.73	8.23
	Benton	6.16	0.92	0.42	7.50	0.55	8.04
2014	Linn	6.40	1.15	0.43	7.98	0.80	8.78
	Benton	6.40	1.15	0.43	7.98	-	7.98
2015	Linn	6.40	1.15	0.37	7.92	1.27	9.19
	Benton	6.40	1.15	0.37	7.92	-	7.92
2016	Linn	6.40	1.15	0.29	7.84	1.27	9.11
	Benton	6.40	1.15	0.29	7.84	-	7.84
2017	Linn	6.40	1.15	0.29	7.84	0.31	8.15
	Benton	6.40	1.15	0.29	7.84	-	7.84
2018	Linn	6.40	1.15	0.29	7.84	0.31	8.15
	Benton	6.40	1.15	0.29	7.84	-	7.84
2019	Linn	6.04	1.15	0.27	7.47	0.91	8.38
	Benton	6.04	1.15	0.27	7.47	0.80	8.27
2020	Linn	6.04	1.15	0.27	7.46	0.93	8.39
	Benton	6.04	1.15	0.27	7.46	0.82	8.28



(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

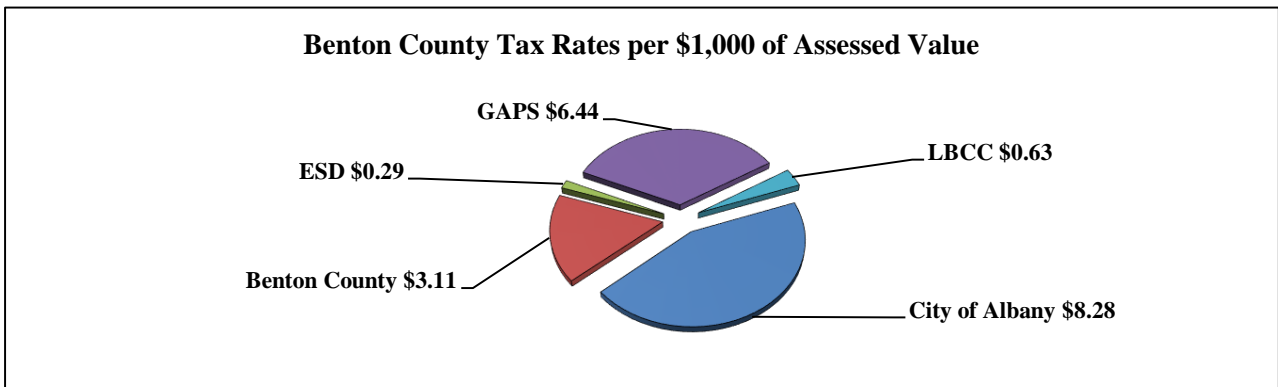
Source: Linn and Benton County Tax Assessors



Schedule 6  
**CITY OF ALBANY, OREGON**  
**DIRECT AND OVERLAPPING TAX RATES**  
 Last Ten Fiscal Years

Overlapping Rates

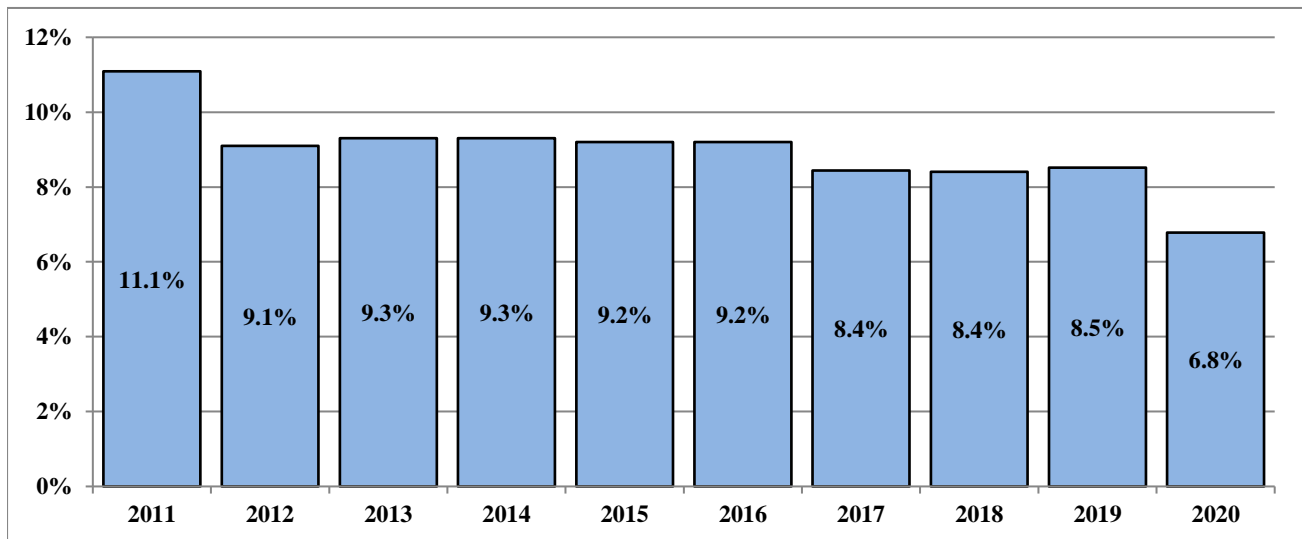
Linn County	Benton County	4H Extension District (2)	ESD(2) Linn/Benton Counties	Greater Albany Public School District	Linn-Benton Community College	Benton County Service/Ext Districts	Total Direct & Overlapping Rates
3.48	-	0.05	0.30	6.02	0.65	-	18.87
-	2.90	-	0.30	6.02	0.65	-	18.11
3.88	-	0.05	0.29	5.98	0.66	-	19.03
-	2.94	-	0.29	5.98	0.66	-	17.87
3.86	-	0.05	0.29	5.97	0.65	-	19.05
-	3.02	-	0.29	5.97	0.65	-	17.97
3.85	-	0.05	0.29	6.07	0.66	-	19.70
-	3.16	-	0.29	6.07	0.66	-	18.16
4.21	-	0.07	0.29	6.01	0.65	-	20.42
-	3.11	-	0.29	6.01	0.65	-	17.97
4.21	-	0.07	0.29	6.01	0.65	-	20.34
-	3.11	-	0.29	6.01	0.65	-	17.89
4.21	-	0.07	0.29	5.79	0.64	-	19.14
-	3.11	-	0.29	5.79	0.64	-	17.66
4.20	-	0.07	0.29	6.53	0.64	-	19.87
-	3.11	-	0.29	6.53	0.64	-	18.40
4.19	-	0.07	0.29	6.52	0.64	-	20.08
-	3.11	-	0.29	6.52	0.64	0.13	18.94
4.19	-	0.07	0.29	6.44	0.63	-	20.01
-	3.11	-	0.29	6.44	0.63	0.13	18.88



Schedule 7  
**CITY OF ALBANY, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Fiscal Years 2010-2011 and 2019-2020

Taxpayer	2019-2020		% of	2010-2011		% of
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Taxable Assessed Value	Rank	Total Taxable Assessed Value
Dayton Hudson Corporation	\$ 69,456,909	1	1.61%	\$ 76,356,580	1	2.91%
Oregon Freeze Dry Foods, Inc.	43,618,660	2	1.01%	28,967,490	3	1.05%
WR Grace & Co Conn	26,957,380	3	0.62%	-		0.00%
Oregon Metallurgical Corporation	24,979,954	4	0.58%	65,013,095	2	1.15%
Pacificorp (PP&L)	23,337,000	5	0.54%	-		2.31%
Pacific Cast Technologies	23,195,190	6	0.54%	22,048,720	6	0.00%
Mennonite Home of Albany	21,258,453	7	0.49%	14,026,125	8	0.70%
Northwest Natural Gas	20,484,000	8	0.47%	-		1.49%
Energ2 Inc	20,253,440	9	0.47%	-		0.00%
Walmart Real estate Business Trust	19,277,070	10	0.45%	-		0.00%
Metropolitan Life Insurance	-		0.00%	16,416,410	7	0.56%
Costco Wholesale Corp	-		0.00%	12,618,976	10	0.49%
Absorbent Technologies	-		0.00%	13,012,030	9	0.49%
Waverly Land Management	-		0.00%	23,156,806	5	0.80%
Steadfast Heritage, LLC	-		0.00%	23,436,298	4	0.91%
<b>Total</b>	<b>\$ 292,818,056</b>		<b>6.78%</b>	<b>\$ 295,052,530</b>		<b>12.86%</b>
Total taxable assessed value, all properties	<u>\$ 4,318,442,471</u>			<u>\$ 3,298,608,206</u>		

**Percentage of Total Assessed Value for the City of Albany Top Ten Taxpayers**  
 for the last ten fiscal years

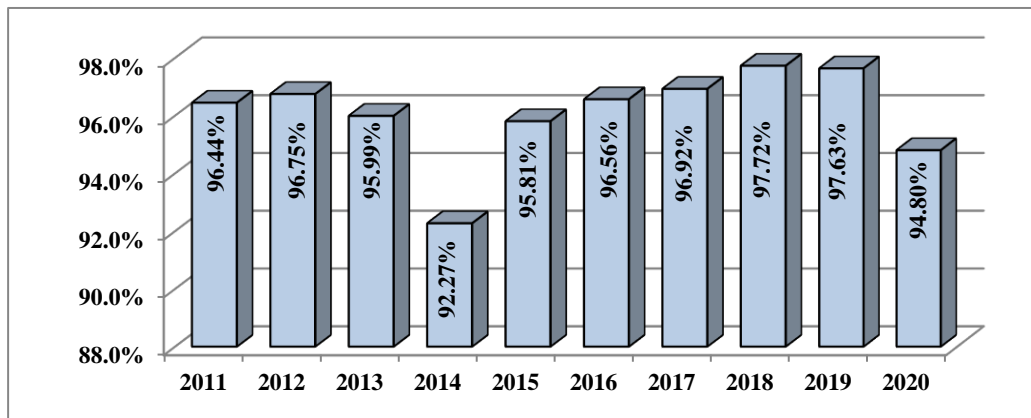


Source: Linn and Benton County Tax Assessors

(1) Wells Fargo Bank foreclosed on the Steadfast Heritage (aka Heritage Mall) LLC in the 2010-11 Fiscal Year

Schedule 8  
**CITY OF ALBANY, OREGON**  
**PROPERTY TAX 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
2011	\$ 27,273,089	\$ 26,303,489	96.44%	\$ 862,575	\$ 27,166,064	99.61%
2012	26,575,455	25,710,504	96.75%	840,964	26,551,468	99.91%
2013	26,473,672	25,411,744	95.99%	1,059,582	26,471,326	99.99%
2014	27,562,841	25,431,964	92.27%	2,121,821	27,553,785	99.97%
2015	27,836,933	26,669,274	95.81%	1,154,535	27,823,809	99.95%
2016	29,171,625	28,169,159	96.56%	999,630	29,168,789	99.99%
2017	30,457,817	29,521,130	96.92%	890,309	30,411,439	99.85%
2018	32,481,243	31,741,907	97.72%	569,417	32,311,324	99.48%
2019	33,570,277	32,775,527	97.63%	458,114	33,233,641	99.00%
2020	35,914,291	34,046,853	94.80%	-	34,046,853	94.80%



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 96.12 percent of the levy as extended by the assessors.

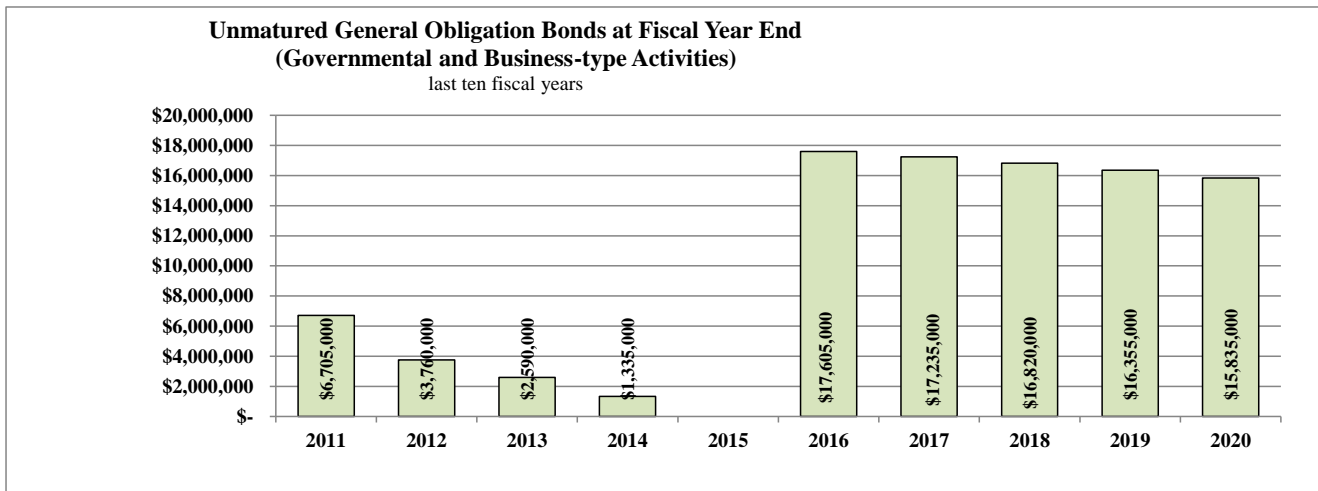
There are three ways in which property tax revenue can be adversely affected by a slowdown in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be 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 will also be a factor in the preparation of the 2021-23 budget.

Sources: Linn and Benton County Tax Assessors

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

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

Fiscal Year Ended June 30,	GOVERNMENTAL ACTIVITIES								
	General Obligation Bonds (5)	Special Assessment Debt (1)	Revenue Bonds	Limited Tax Pension Obligations	General Revenue Obligations	Urban Renewal (UR) TIF Bonds( 2)	Unamortized Premium	Notes Payable	Capital Leases
2011	\$ 6,705,000	\$ 270,179	\$ 210,000	\$ 6,463,368	\$ 2,325,000	\$ 6,053,800	\$ 57,464	\$ 187,008	\$ 389,730
2012	3,760,000	-	-	5,513,557	1,660,000	5,548,200	42,788	132,505	242,042
2013	2,590,000	-	-	5,415,689	1,305,000	3,307,000	28,112	102,341	219,278
2014	1,335,000	-	-	5,314,001	940,000	2,822,000	-	71,881	71,241
2015	-	-	-	5,208,982	800,000	2,696,000	-	36,107	63,325
2016	17,605,000	-	-	5,101,484	655,000	2,363,000	604,447	-	208,742
2017	17,235,000	-	-	4,992,002	500,000	2,014,000	572,634	-	131,334
2018	16,820,000	-	-	4,880,861	340,000	1,648,000	540,821	-	239,805
2019	16,355,000	-	-	4,769,605	175,000	1,265,000	509,007	7,803,830	164,483
2020	15,835,000	-	-	4,610,001	-	863,000	477,194	7,321,892	84,406



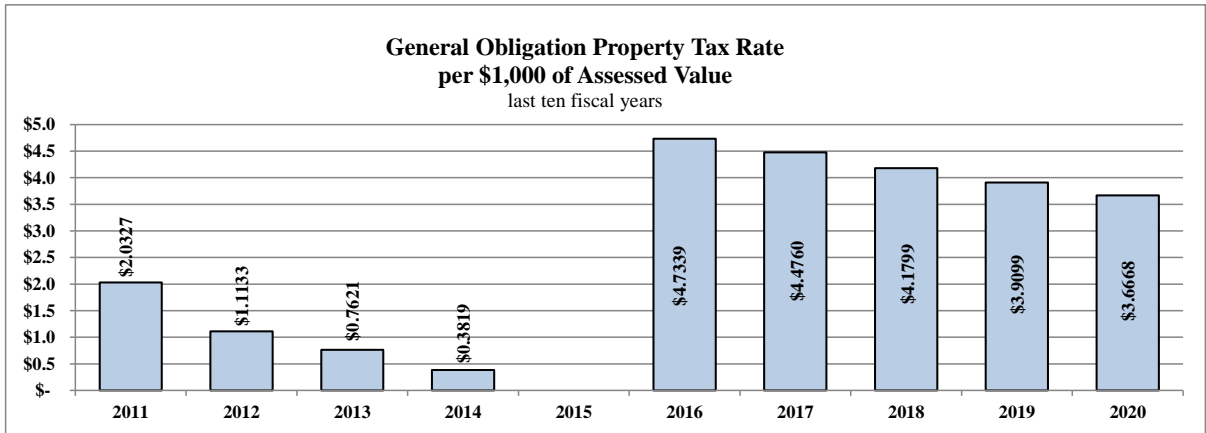
The above chart reflects the issuance of general obligation bonds in FY 2016-17

- (1) Special assessment debt with governmental 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 2011-2020 Comprehensive Annual Financial Reports

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

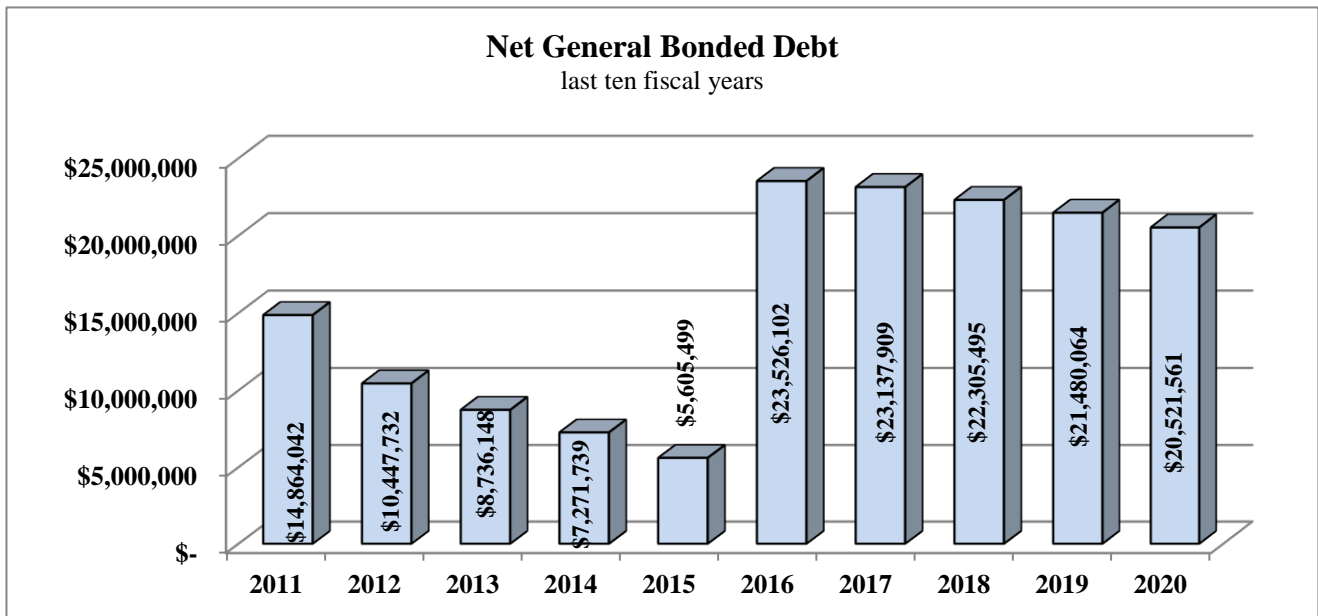
BUSINESS-TYPE ACTIVITIES								
General Obligation Bonds	Water Revenue Bonds (4)	Sewer Revenue Bonds	Unamortized Premium	Certificates of Participation	Notes Payable (3)	Total Outstanding Debt	% of Personal Income	Debt per Capita
\$ -	\$ 32,855,000	\$ -	\$ -	\$ 147,365	\$ 73,114,000	\$ 128,777,914	3.76%	\$ 2,559
-	30,840,000	-	-	-	69,012,321	116,751,413	3.21%	2,311
-	28,405,000	-	1,979,422	-	65,742,674	109,094,516	2.85%	2,151
-	27,400,000	-	1,845,694	-	62,373,072	102,172,889	2.62%	2,014
-	26,505,000	-	1,711,966	-	58,900,330	95,921,710	2.73%	1,871
-	25,570,000	-	1,578,238	-	55,321,160	109,007,071	2.96%	2,110
-	24,595,000	-	1,485,850	-	51,632,167	103,157,987	2.74%	1,963
-	23,575,000	-	1,393,462	-	47,700,361	97,138,310	2.30%	1,843
-	22,515,000	-	1,301,074	-	42,425,307	97,283,306	2.16%	1,831
-	21,415,000	-	1,208,686	-	45,455,491	97,270,670	n/a	1,797



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

Schedule 10  
**CITY OF ALBANY, OREGON**  
**RATIO OF GENERAL BONDED DEBT (1) TO ASSESSED VALUE**  
**AND NET BONDED DEBT PER CAPITA**  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Assessed Value	General Obligation Bonds	Unamortized Premium	Limited Tax Pension Obligations	Certificates of Participation	General Revenue Obligations
2011	50,325	\$ 3,298,608,206	\$ 6,705,000	\$ 57,464	\$ 6,463,368	\$ -	\$ 2,325,000
2012	50,520	3,377,298,176	3,760,000	42,788	5,513,557	-	1,660,000
2013	50,710	3,398,584,772	2,590,000	28,112	5,415,689	-	1,305,000
2014	50,720	3,495,260,256	1,335,000	-	5,314,001	-	940,000
2015	51,270	3,602,099,109	-	-	5,208,982	-	800,000
2016	51,670	3,718,890,337	17,605,000	604,447	5,101,484	-	655,000
2017	52,540	3,850,553,389	17,235,000	572,634	4,992,002	-	500,000
2018	52,710	4,024,026,236	16,820,000	540,821	4,880,861	-	340,000
2019	53,145	4,182,936,169	16,355,000	509,007	4,769,605	-	175,000
2020	54,120	4,318,442,471	15,835,000	477,194	4,610,001	-	-

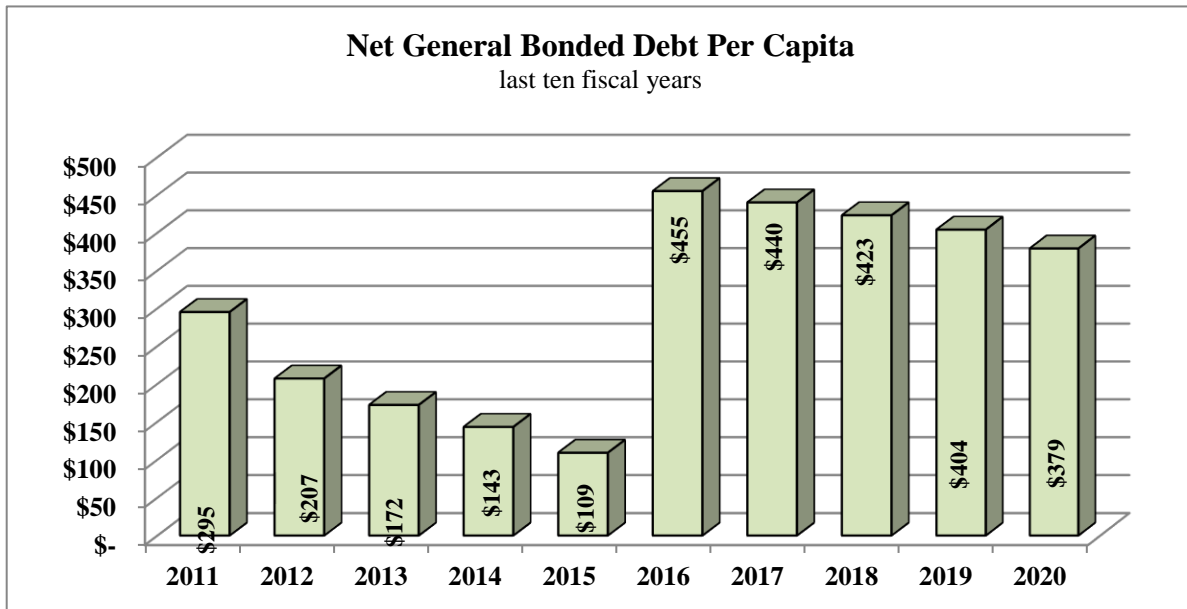


- (1) General bonded debt includes general obligation bonds and other bonded debt financed with any general governmental resources excluding special assessment bonds.
- (2) Available for the 2002 Limited Tax Pension Bonds and the 2015 Public Safety Facility Bonds.

Source: City of Albany 2011-2020 Comprehensive Annual Financial Reports

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

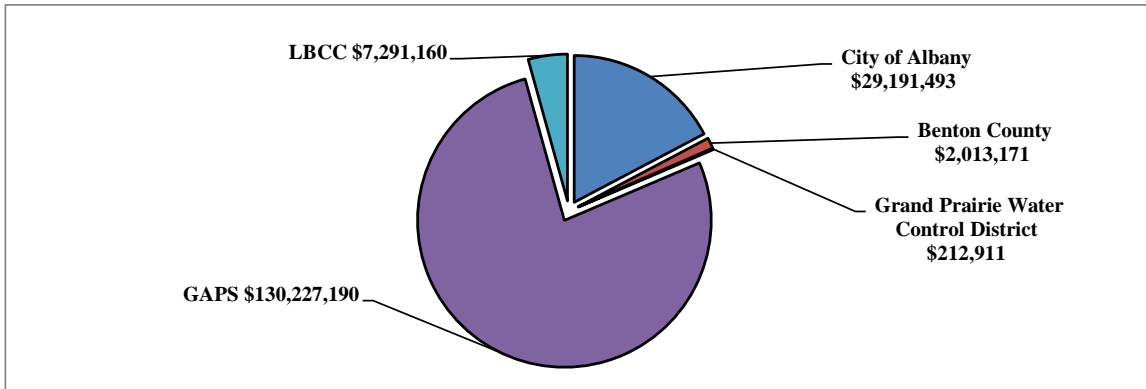
Less: Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
\$ 686,790	\$ 14,864,042	0.4506%	\$ 295.36	0.46%
528,613	\$ 10,447,732	0.3094%	206.80	0.31%
602,653	\$ 8,736,148	0.2571%	172.28	0.25%
317,262	\$ 7,271,739	0.2080%	143.37	0.20%
403,483	\$ 5,605,499	0.1556%	109.33	0.15%
439,829	\$ 23,526,102	0.6326%	455.31	0.56%
161,727	\$ 23,137,909	0.6009%	440.39	0.51%
276,187	\$ 22,305,495	0.5543%	423.17	0.47%
328,548	\$ 21,480,064	0.5135%	404.18	0.39%
400,634	\$ 20,521,561	0.4752%	379.19	0.38%



Schedule 11  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**  
As of June 30, 2019

Jurisdiction	Net Outstanding Debt	Percentage Applicable to the City of Albany (1)	Amount Applicable to the City of Albany
<b>DIRECT DEBT</b>			
City of Albany (2) (3)	\$ 29,191,493	100.0000%	\$ 29,191,493
<b>OVERLAPPING DEBT</b>			
Benton County	16,840,000	11.9547%	2,013,171
Grand Prairie Water Control District	266,374	79.9293%	212,911
Greater Albany Public School (GAPS) District 8J	177,561,790	73.3419%	130,227,190
Linn Benton Community College (LBCC)	52,357,196	13.9258%	7,291,160
<u>Total overlapping debt</u>	<u>247,025,360</u>		<u>139,744,432</u>
<u>Total direct and overlapping debt</u>	<u>\$ 276,216,853</u>		<u>\$ 168,935,925</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	\$ 15,835,000
2002 Limited Tax Pension Obligations	4,610,001
Total City of Albany net outstanding debt - bonded	20,445,001

(3) Remaining City of Albany net outstanding debt

2004 General Revenue Obligations	-
2007 CARA Series A (Taxable) & B (Tax-exempt) UR Bonds	863,000
Oregon IFA	7,321,892
2020 Capital Leases for City of Albany Police Cars	84,406
Unamortized Premium	477,194
Total Remaining City of Albany net outstanding debt	8,746,492
Grand Total of City of Albany net outstanding debt	<u>\$ 29,191,493</u>

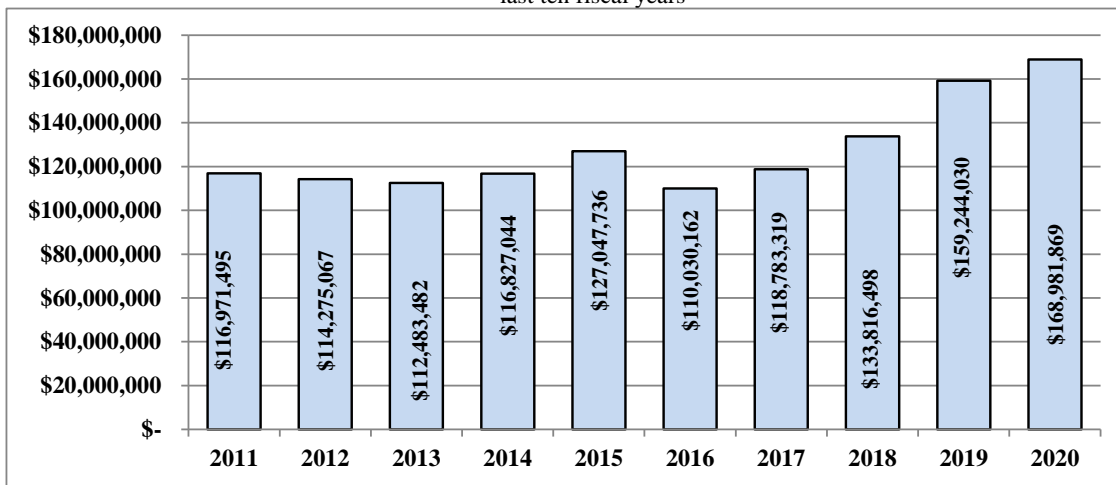




Schedule 12  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 Last Ten Fiscal Years

	2011	2012	2013	2014
Debt limitation	\$ 121,727,765	\$ 117,889,589	\$ 114,909,144	\$ 116,699,781
Total net debt applicable to limitation	4,756,270	3,614,522	2,425,662	(127,263)
Legal debt margin	\$ 116,971,495	\$ 114,275,067	\$ 112,483,482	\$ 116,827,044
Ratio of net debt applicable to the debt limitation	3.91%	3.07%	2.11%	-0.11%

**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 44.46 percent (\$52,010,374) over the last ten years. During the same period, the City's true cash value increased by 51.58 percent (\$2,092,748,052) and the City's general obligation debt increased by 131.59 percent (\$8,823,338).

Sources: Linn and Benton County Tax Assessors and Notes to the Basic Financial Statements

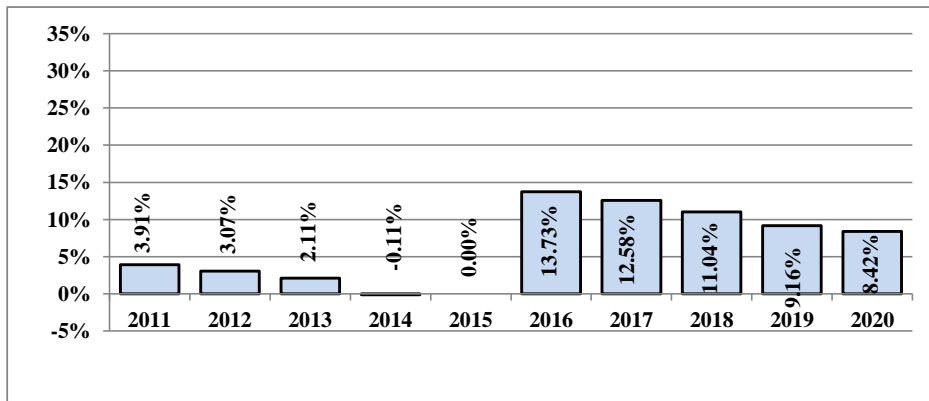
Schedule 12  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 Last Ten Fiscal Years

2015	2016	2017	2018	2019	2020	
\$ 127,047,736	\$ 127,544,869	\$ 135,869,904	\$ 150,428,007	\$ 175,292,368	\$ 184,510,207	Debt limitation
-	17,514,707	17,086,585	16,611,509	16,048,338	15,528,338	Total net debt applicable to limitation
\$ 127,047,736	\$ 110,030,162	\$ 118,783,319	\$ 133,816,498	\$ 159,244,030	\$ 168,981,869	Legal debt margin
0.00%	13.73%	12.58%	11.04%	9.16%	8.42%	Ratio of net debt applicable to the debt limitation

**Legal debt margin calculation for Fiscal Year**

True cash value	\$ 6,150,340,219
General obligation debt limit - 3% of true cash value	3%
General obligation debt limit	184,510,207
Gross general obligation bonded debt principal	
2015 Public Safety Facility Bonds	\$ 15,835,000
Less: Debt service monies available	
Debt Service Fund:	
2015 Public Safety Facility Bonds	306,662
Net debt subject to the three percent limitation	<u>15,528,338</u>
Legal debt margin	<u>\$ 168,981,869</u>

**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.

Schedule 13  
**CITY OF ALBANY, OREGON**  
**PLEGGED 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	
2011	\$ 11,277,156	\$ 9,688,766	\$ 2,431,714	\$ 4,020,104	\$ 1,126,688	\$ 1,528,345	\$ 2,655,033	151.41%
2012	11,861,912	9,383,550	2,423,215	4,901,577	1,035,678	1,491,069	2,526,747	193.99%
2013	11,990,340	11,137,936	3,287,590	4,139,994	830,000	1,455,556	2,285,556	181.14%
2014	12,324,568	10,608,695	3,121,452	4,837,325	1,005,000	962,064	1,967,064	245.92%
2015	12,815,070	10,012,529	3,035,520	5,838,061	895,000	1,033,194	1,928,194	302.77%
2016	13,206,078	12,477,995	2,971,270	3,699,353	935,000	996,594	1,931,594	191.52%
2017	13,714,532	11,404,150	3,129,376	5,439,758	975,000	958,394	1,933,394	281.36%
2018	13,754,480	11,196,226	3,265,897	5,824,151	1,020,000	918,494	1,938,494	300.45%
2019	14,026,154	10,582,717	3,382,232	6,825,669	1,060,000	876,894	1,936,894	352.40%
2020	14,091,526	12,483,804	3,578,502	5,186,224	1,100,000	833,694	1,933,694	268.20%

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	
2011	\$ 18,781,882	\$ 9,696,304	\$ 2,668,459	\$ 11,754,037	\$ 2,643,460	\$ 2,410,626	\$ 5,054,086	232.57%
2012	14,835,678	11,643,622	3,273,916	6,465,972	2,723,921	2,316,948	5,040,869	128.27%
2013	18,865,187	11,850,582	4,256,844	11,271,449	2,806,835	2,220,414	5,027,249	224.21%
2014	14,850,594	12,779,201	4,343,400	6,414,793	2,892,278	1,968,873	4,861,151	131.96%
2015	15,674,502	12,481,568	4,573,578	7,766,512	2,980,325	1,873,595	4,853,920	160.00%
2016	15,890,793	14,318,946	4,591,095	6,162,942	3,071,056	1,912,795	4,983,851	123.66%
2017	17,309,718	13,745,672	4,765,219	8,329,265	3,688,993	1,887,254	5,576,247	149.37%
2018	16,777,742	13,525,374	4,775,886	8,028,254	3,931,806	1,757,604	5,689,410	141.11%
2019	18,499,384	13,019,409	4,811,368	10,291,343	4,150,054	1,051,896	5,201,950	197.84%
2020	19,170,442	14,219,637	4,038,331	8,989,136	4,231,533	951,961	5,183,494	173.42%

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.

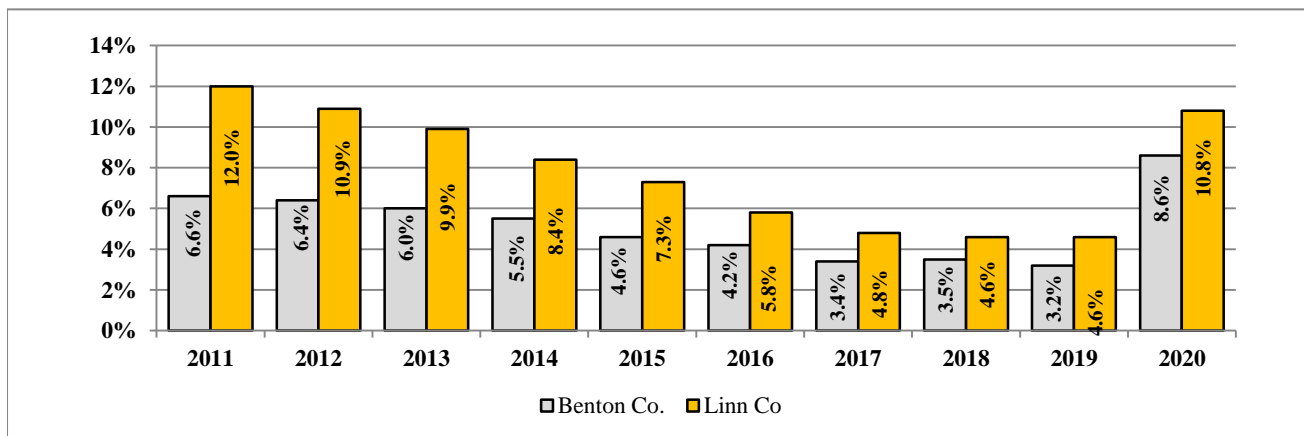
Source: City of Albany 2011-2020 Comprehensive Annual Financial Reports

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		Albany School Enrollment(3)	Unemployment Rate (4)		
		Population(1)	Personal Income(2)		Personal Income(2)	Linn Co.	Benton Co.
2011	50,325	n/a	\$3,406,472,384	\$ 29,197	9,519	12.0%	6.6%
2012	50,520	n/a	3,515,409,131	30,083	9,911	10.9%	6.4%
2013	50,710	n/a	3,676,716,360	30,984	9,941	9.9%	6.0%
2014	50,720	118,665	3,768,672,515	31,483	9,925	8.4%	5.5%
2015	51,270	118,665	4,219,670,000	34,379	9,985	7.3%	4.6%
2016	51,670	119,705	4,503,061,000	37,355	9,760	5.8%	4.2%
2017	52,540	122,315	4,713,141,000	38,365	9,530	4.8%	3.4%
2018	52,710	124,010	5,461,500,000	42,891	9,497	4.6%	3.5%
2019	53,145	125,575	5,461,463,000	43,492	9,605	4.6%	3.2%
2020	54,120	126,550	n/a	n/a	9,667	10.8%	8.6%

Over the last ten years, the City's population has increased by 7.54 percent (3,795). From 2011 to 2020 per capita personal income has risen by 48.96 percent (\$14,295) in the Albany-Lebanon metropolitan statistical area (established in 2013). Albany's city boundaries span two counties: Linn County (population 45,865) and Benton County (population 8,255). As of Fiscal Year 2018-19 (per capita data lags one year), per capita personal income was \$40,380 for Linn County, \$45,273 for Benton County, and \$45,482 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District increased by 1.55 percent (148 students).

**Unemployment Rates, Linn and Benton Counties**  
 last 10 fiscal years



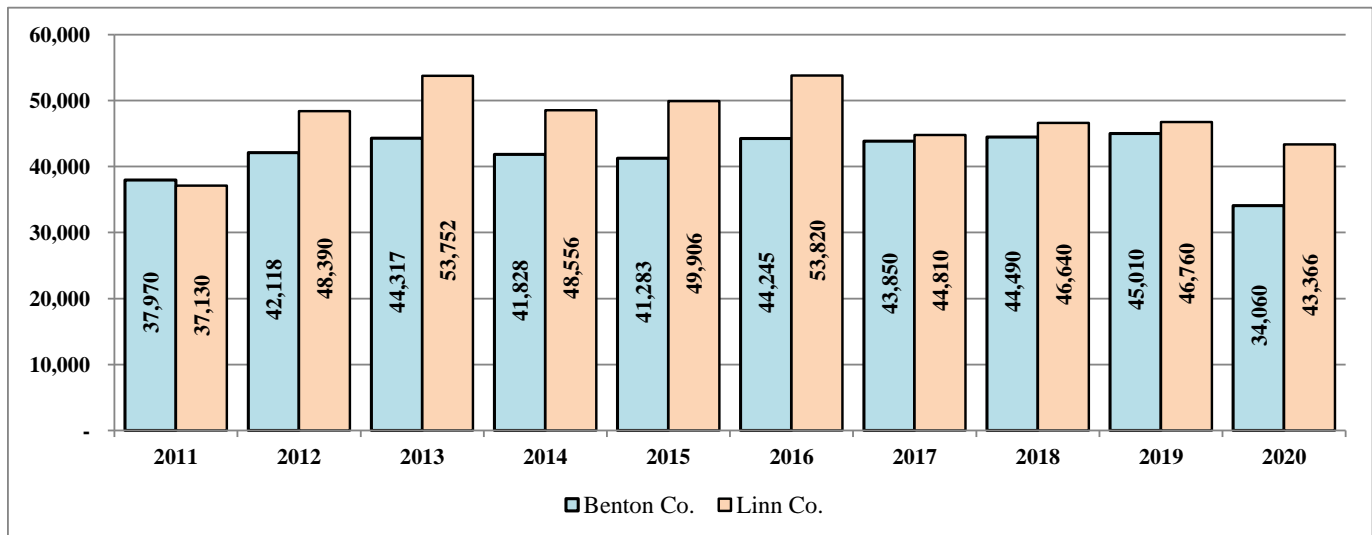
Sources:

- (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**  
for the Fiscal Years ended June 30, 2011, and June 30, 2020

Employer	June 30, 2020			June 30, 2011		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	10,400	1	13.43%	8,200	1	10.92%
Samaritan Health Services	1,500	2	1.94%	5,000	3	6.66%
ATI Wah Chang (Teledyne Wah Chang - 1997)	1,400	3	1.81%	1,000	6	1.33%
Hewlett Packard	1,250	4	1.61%	5,100	2	6.79%
Linn Benton Community College	1,100	5	1.42%	1,115	4	1.48%
Greater Albany Public School District 8J	1,050	6	1.36%	1,012	5	1.35%
Linn County	750	7	0.97%	674	7	0.90%
Dayton-Hudson Corporation (Target)	700	8	0.90%	550	8	0.73%
Selmet	480	9	0.62%	-	-	-
City of Albany	400	10	0.52%	425	10	-
Express Personnel	-	-	0.00%	535	9	-
<b>Totals</b>	<b>19,030</b>		<b>24.58%</b>	<b>23,611</b>		<b>31.44%</b>
<b>Total employment in Linn and Benton Counties</b>	<b>77,426</b>			<b>75,100</b>		

**Employment, Benton and Linn Counties**  
last ten fiscal years



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

Sources:

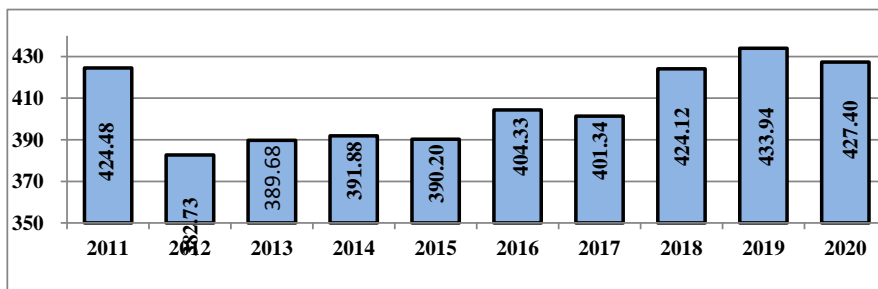
- Employer personnel offices
- Oregon Employment Department



Schedule 16  
**CITY OF ALBANY, OREGON**  
**EMPLOYEE FULL-TIME EQUIVALENTS (FTE) BY FUNCTION**  
 Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government					
Economic Development	1.00	1.00	1.00	2.00	1.00
Public Transit	10.35	10.63	10.63	11.30	11.30
Planning	9.50	7.50	8.25	6.10	6.42
Building Inspection	14.00	7.50	5.75	5.75	5.43
Electrical Permit Program	1.50	0.75	0.75	0.75	0.75
Total General Government	36.35	27.38	26.38	25.90	24.90
Public Safety					
Fire	79.60	73.60	79.20	78.40	75.60
Police	94.25	87.75	87.88	87.88	88.88
Municipal Court	5.38	4.38	4.38	4.38	4.38
Total Public Safety	179.23	165.73	171.45	170.65	168.85
Highways and Streets					
Street Fund	8.00	7.45	7.45	7.45	7.45
Airport	0.45	0.10	0.10	0.10	0.10
Total Highways and Streets	8.45	7.55	7.55	7.55	7.55
Culture and Recreation					
Parks & Recreation	35.95	26.43	26.53	26.65	26.78
Library	21.78	20.90	20.93	20.93	20.93
Total Culture and Recreation	57.73	47.33	47.45	47.58	47.70
Total Governmental Activities	281.30	247.88	252.73	251.68	249.00
<b>BUSINESS-TYPE ACTIVITIES</b>					
Enterprise					
Water	23.50	22.50	21.50	21.50	21.50
Sewer	21.50	22.50	23.50	23.50	23.50
Total Enterprise	45.00	45.00	45.00	45.00	45.00
Internal Service					
Central Services	43.80	39.85	40.95	41.20	41.20
Public Works Services	54.38	50.00	51.00	54.00	55.00
Total Internal Service	98.18	89.85	91.95	95.20	96.20
Total Business-type Activities	143.18	134.85	136.95	140.20	141.20
Grand Total - All Full-time Equivalents	424.48	382.73	389.68	391.88	390.20

**Total Full-time Equivalents**  
last ten fiscal years



Source: City of Albany Human Relations Department



Schedule 16  
**CITY OF ALBANY, OREGON**  
**EMPLOYEE FULL-TIME EQUIVALENTS (FTE) BY FUNCTION**  
 Last Ten Fiscal Years

2016	2017	2018	2019	2020	
					<b>GOVERNMENTAL ACTIVITIES</b>
					General Government
2.00	2.00	2.00	2.00	2.00	Economic Development
12.88	12.88	10.87	13.88	13.88	Public Transit
6.42	6.42	6.52	6.52	6.82	Planning
6.43	6.43	6.43	6.43	6.73	Building Inspection
0.75	0.75	0.75	0.75	0.75	Electrical Permit Program
28.48	28.48	26.57	29.58	30.18	Total General Government
					Public Safety
79.40	79.40	86.91	93.60	90.60	Fire
92.25	92.25	98.25	98.25	94.25	Police
4.38	4.38	4.38	5.38	5.38	Municipal Court
176.03	176.03	189.54	197.23	190.23	Total Public Safety
					Highways and Streets
7.45	7.45	7.45	8.45	8.10	Street Fund
0.10	0.10	0.10	0.10	0.10	Airport
7.55	7.55	7.55	8.55	8.20	Total Highways and Streets
					Culture and Recreation
28.15	31.65	34.56	33.19	32.09	Parks & Recreation
20.93	20.93	21.20	21.70	21.06	Library
49.08	52.58	55.76	54.89	53.15	Total Culture and Recreation
261.13	264.64	279.42	290.24	281.75	Total Governmental Activities
					<b>BUSINESS-TYPE ACTIVITIES</b>
					Enterprise
21.50	21.50	23.50	22.50	22.50	Water
23.50	23.50	23.50	22.50	23.85	Sewer
45.00	45.00	47.00	45.00	46.35	Total Enterprise
					Internal Service
41.20	37.70	40.70	40.70	41.60	Central Services
57.00	54.00	57.00	58.00	57.70	Public Works Services
98.20	91.70	97.70	98.70	99.30	Total Internal Service
143.20	136.70	144.70	143.70	145.65	Total Business-type Activities
404.33	401.34	424.12	433.94	427.40	Grand Total - All Full-time Equivalents

Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 2011
2011	424.48	-	-
2012	382.73	-9.84%	-9.84%
2013	389.68	1.82%	-8.20%
2014	391.88	0.56%	-7.68%
2015	390.20	-0.43%	-8.07%
2016	404.33	3.62%	-4.75%
2017	401.34	-0.74%	-5.45%
2018	424.12	5.68%	-0.08%
2019	433.94	2.32%	2.23%
2020	427.40	-1.51%	0.69%

The average annual rate of change over ten year period is 0.16%.

Schedule 17  
**CITY OF ALBANY, OREGON**  
**OPERATING INDICATORS BY FUNCTION**  
 Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>General Government</b>					
Planning and Community Development					
Number of planning applications	134	143	62	132	138
Total permits issued	1,939	1,939	2,189	2,332	2,359
New construction permits issued	11	6	418	5	154
Single-family permits issued	76	80	128	141	130
Electrical permits issued	755	751	816	905	910
Building Maintenance					
Square footage of buildings maintained	206,780	233,780	233,780	296,233	317,366
Work orders completed	2,250	2,203	2,001	1,886	1,627
Public Transit					
Total number of riders	228,663	237,424	234,186	231,224	214,865
Total annual route miles	262,990	260,222	275,977	287,257	206,720
<b>Public Safety</b>					
Municipal Court					
Number of warrants issued	1,398	1,680	1,777	2,516	3,102
Case numbers issued	4,900	3,891	3,671	5,079	6,121
Police					
Total arrests	2,731	3,453	3,609	4,777	4,964
Traffic citations issued	4,681	4,120	3,315	3,907	5,263
Animal and abandoned vehicle calls	1,496	2,266	2,320	2,288	2,513
Fire					
Total calls for emergency fire and EMS services	6,388	6,432	6,448	7,133	7,511
Full response structure fires	91	113	53	49	42
<b>Highways and Streets</b>					
Street Fund					
Customer service work order/complaint responses	541	509	492	461	382
Miles of painted paving marking	51	65	55	57	61
<b>Culture and Recreation</b>					
Parks & Recreation					
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	184,154	187,261	186,401	188,102	196,005
Annual performance series and Northwest Art and Air Festival attendance	118,700	121,104	123,200	122,206	131,209
Library					
Total number of library circulations <sup>(1)</sup>	780,163	730,222	709,004	685,781	623,143
Total number of reference questions <sup>(1)</sup>	41,043	37,344	34,435	33,338	33,193
<b>BUSINESS-TYPE ACTIVITIES</b>					
Sewer					
Dry tons of biosolids applied annually	-	-	9	25	-
Millions of gallons of wastewater treated annually	3,300	3,094	2,842	2,900	2,940
Sewer line locate requests	4,307	3,319	2,920	3,458	3,732
Water					
Millions of gallons of water treated annually	2,865	2,449	2,755	2,660	2,853
Miles of water pipe maintained annually	283	290	292	282	283
Number of fire hydrants maintained in the water system	1,877	2,025	1,914	1,740	1,970

Source: City of Albany annual budget

Schedule 17  
**CITY OF ALBANY, OREGON**  
**OPERATING INDICATORS BY FUNCTION**  
Last Ten Fiscal Years

2016	2017	2018	2019	2020	
					<b>GOVERNMENTAL ACTIVITIES</b>
					<b>General Government</b>
					Planning and Community Development
197	57	140	41	214	Number of planning applications
2,549	2,570	3,041	2,783	2,881	Total permits issued
143	180	219	188	257	New construction permits issued
98	157	207	132	201	Single-family permits issued
1,011	1,007	1,085	998	974	Electrical permits issued
					Building Maintenance
317,366	323,933	443,337	443,337	443,337	Square footage of buildings maintained
1,725	1,702	2,447	2,130	3,439	Work orders completed
					Public Transit
209,595	200,910	200,738	183,250	135,941	Total number of riders
308,451	298,076	280,481	291,738	287,998	Total annual route miles
					<b>Public Safety</b>
					Municipal Court
2,970	2,686	2,879	3,959	548	Number of warrants issued
5,746	5,314	8,412	8,665	7,296	Case numbers issued
					Police
4,884	6,854	6,185	7,093	6,644	Total arrests
4,659	5,884	5,275	5,040	3,867	Traffic citations issued
2,349	2,498	2,855	2,514	2,815	Animal and abandoned vehicle calls
					Fire
8,029	9,038	9,341	10,438	9,921	Total calls for emergency fire and EMS services
53	83	61	93	52	Full response structure fires
					<b>Highways and Streets</b>
					Street Fund
392	433	474	512	473	Customer service work order/complaint responses
62	61	59	66	66	Miles of painted paving marking
					<b>Culture and Recreation</b>
					Parks & Recreation
202,155	208,912	205,492	207,301	124,380	Number of participants in classes, Senior Center activities, sports programs, and aquatic programs
137,211	138,200	131,190	136,423	143,232	Annual performance series and Northwest Art and Air Festival attendance
					Library
619,068	604,796	580,726	646,302	412,354	Total number of library circulations <sup>(1)</sup>
33,581	30,331	29,225	26,738	15,896	Total number of reference questions <sup>(1)</sup>
					<b>BUSINESS-TYPE ACTIVITIES</b>
					Sewer
-	-	-	-	-	Dry tons of biosolids applied annually
3,241	3,866	3,031	3,200	3,097	Millions of gallons of wastewater treated annually
3,829	3,522	4,405	4,424	6,709	Sewer line locate requests
					Water
2,809	2,752	2,825	2,100	3,097	Millions of gallons of water treated annually
287	289	291	294	293	Miles of water pipe maintained annually
1,816	2,040	2,069	1,959	1,911	Number of fire hydrants maintained in the water system

Schedule 18  
**CITY OF ALBANY, OREGON**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Public Safety</b>					
Police Stations	1	1	1	1	1
Fire Stations	4	4	4	4	4
<b>Highways and Streets</b>					
Miles of improved streets	165	165	166	166	181
Miles of unimproved streets	36	36	35	35	14
Miles of gravel streets	8	8	8	n/a	n/a
<b>Culture and Recreation</b>					
<b>Parks &amp; Recreation</b>					
Number of developed park sites	33	36	36	36	36
Acres of developed park land	564	564	564	564	564
<b>Library</b>					
Number of libraries	2	2	2	2	2
*Number of physical and digital units	227,437	242,920	242,966	250,946	249,982
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Enterprise</b>					
<b>Sewer</b>					
Miles of sanitary sewer lines (6 inches or larger)	223	223	223	230	230
Miles of storm sewer lines (12 inches or larger)	151	151	104	104	105
Number of sewer hookups	15,712	15,912	17,586	16,556	16,187
<b>Water</b>					
Miles of water lines	283	290	292	276	261
Number of water hookups	17,463	17,551	18,320	18,000	17,079
Number of water treatment plants	2	2	2	2	2

Source: City of Albany departmental records

Schedule 18  
**CITY OF ALBANY, OREGON**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

2016	2017	2018	2019	2020	
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Public Safety</b>					
1	1	1	1	1	Police Stations
4	4	4	4	4	Fire Stations
<b>Highways and Streets</b>					
200	401	197	196	197	Miles of improved streets
n/a	n/a	n/a	n/a	n/a	Miles of unimproved streets
n/a	n/a	n/a	n/a	n/a	Miles of gravel streets
<b>Culture and Recreation</b>					
<b>Parks &amp; Recreation</b>					
36	36	36	36	29	Number of developed park sites
564	564	564	564	431	Acres of developed park land
<b>Library</b>					
2	2	2	2	2	Number of libraries
259,309	260,695	261,474	283,492	273,174	*Number of physical and digital units
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Enterprise</b>					
<b>Sewer</b>					
201	203	203	204	204	Miles of sanitary sewer lines (6 inches or larger)
105	107	107	138	139	Miles of storm sewer lines (12 inches or larger)
16,292	16,590	17,154	17,576	17,795	Number of sewer hookups
<b>Water</b>					
264	264	264	265	274	Miles of water lines
17,105	17,777	17,898	19,343	18,463	Number of water hookups
2	2	1	2	2	Number of water treatment plants



## **COMPLIANCE SECTION**





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Albany (the "City") as of and for the year ended June 30, 2020, and have issued our report thereon dated January 29, 2021.

**Compliance**

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 162-10-000 through 162-10-320 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, except as noted below, 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 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

Mayor and Members  
of the City Council  
City of Albany  
Independent Auditor's Report Required  
by Oregon State Regulations  
January 29, 2021  
Page Two

**Budgets legally required (ORS Chapter 294)**

Expenditures in excess of appropriations (which is prohibited by ORS 294.435) occurred as follows:

<u>Fund/ Appropriation Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Grants Fund Personnel services	\$ 967,500	\$1,181,216	\$ (213,716)

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine the 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.

**Restriction on Use**

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



January 29, 2021

By:



Bradley G. Bingenheimer,  
Member

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2021.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Mayor and Members  
of the City Council  
City of Albany  
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*  
January 29, 2021  
Page Two

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style.

January 29, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited City of Albany's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Mayor and Members  
of the City Council  
City of Albany  
Independent Auditor's Report on Compliance  
for Each Major Federal Program and Report  
on Internal Control Over Compliance in  
Accordance with the Uniform Guidance  
January 29, 2021  
Page Two

### **Report on Internal Control over Compliance**

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

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

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

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



January 29, 2021

**CITY OF ALBANY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**Section I Summary of Auditors' Results**

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***Financial Statements***

Type of auditor's report issued:	<i>Unmodified</i>
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

***Federal awards***

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major federal programs:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants
21.019	Coronavirus Relief Fund
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee:	No

**Section II - Financial Statement Findings**

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None

**Section III - Federal Award Findings and Questioned Costs**

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None

CITY OF ALBANY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><i>Department of Housing and Urban Development</i></b>			
Community Development Block Grant	14.218		\$ 395,079
<b><i>Department of Justice</i></b>			
<b>Office of Justice Programs</b>			
<i>Passed through Oregon Department of Justice</i>			
Crime Victims Assistance	16.575	VOCA-NC-FR-2019	20,726
<b>Bureau of Justice Assistance</b>			
Bulletproof Vest Partnership Program	16.607		8,658
<b>Criminal Division</b>			
Equitable Sharing Program	16.922		22,001
Total Department of Justice			51,385
<b><i>Department of Transportation</i></b>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program	20.106		6,637
<b>Federal Transit Administration</b>			
<i>Federal Transit Cluster</i>			
Formula Grants - Urbanized Area Formula	20.507		1,172,336
<i>Passed through Linn County, Oregon</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	29313	98,208
<b>National Highway Traffic Safety Administration</b>			
<i>Passed through Oregon Association of Chiefs of Police</i>			
State and Community Highway Safety	20.600		3,786
<i>Passed through Oregon Department of Transportation</i>			
State and Community Highway Safety	20.600	OP-20-45-03AAA	2,713
<i>Passed through Oregon Department of Transportation</i>			
National Priority Safety Programs	20.616	M8SE-19-35-12A	4,248
<b>Pipeline and Hazardous Materials Safety Administration</b>			
<i>Passed through Oregon State Police</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	LEPC 18-19	9,820
Total Department of Transportation			1,297,748
<b><i>Department of the Treasury</i></b>			
<i>Passed through Oregon Department of Administrative Services</i>			
Corona Relief Fund	21.019	1035	943,214
<b><i>Environmental Protection Agency</i></b>			
<i>Passed through Oregon Department of Environmental Quality</i>			
Capitalization Grants fro State Revolving Funds	66.458	R10514	4,302,463
<b><i>Department of Health and Human Services</i></b>			
<b>Health Resources and Services Administration</b>			
Provider Relief Fund	93.498		62,670
<b><i>Executive Office of the President</i></b>			
High Intensity Drug Trafficking Areas Program	95.001		133,845
<b><i>Department of Homeland Security</i></b>			
<b>Federal Emergency Management Agency</b>			
<i>Staffing for Adequate Fire and Emergency Response (SAFER)</i>			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		327,399
<i>Passed through Oregon Emergency Management</i>			
Distaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	36132	32,970
Homeland Security Grant Program	97.067	37492	3,859
Total Department of Homeland Security			364,228
Total Expenditures of Federal Awards			\$ 7,550,632

**Notes to Schedule of Expenditures of Federal Awards**

**1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Albany under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of City of Albany, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of Albany.

**2 - Summary of significant accounting policies**

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

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



**CITY OF ALBANY**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2020**

**Finding 2019-001**

Status: The City has implemented corrective action for this finding by ensuring that bank reconciliations are completed in a timely manner.