

Fiscal Year ended June 30, 2022

City of Albany Annual Financial Report





City of Albany, Oregon

Annual Comprehensive Financial Report
for the Fiscal Year Ended
June 30, 2022

* * * * *

Peter Troeddson, City Manager
Jeanna Yeager, Finance Director

Prepared by:
The Finance Department
City of Albany, Oregon



CITY OF ALBANY

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Inc. 1864

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INTRODUCTORY SECTION





INTRODUCTORY

City of Albany, Oregon

333 Broadalbin Street SW

Albany, OR 97321

www.cityofalbany.net

COUNCIL MEMBERS

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

CITY ADMINISTRATIVE STAFF

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

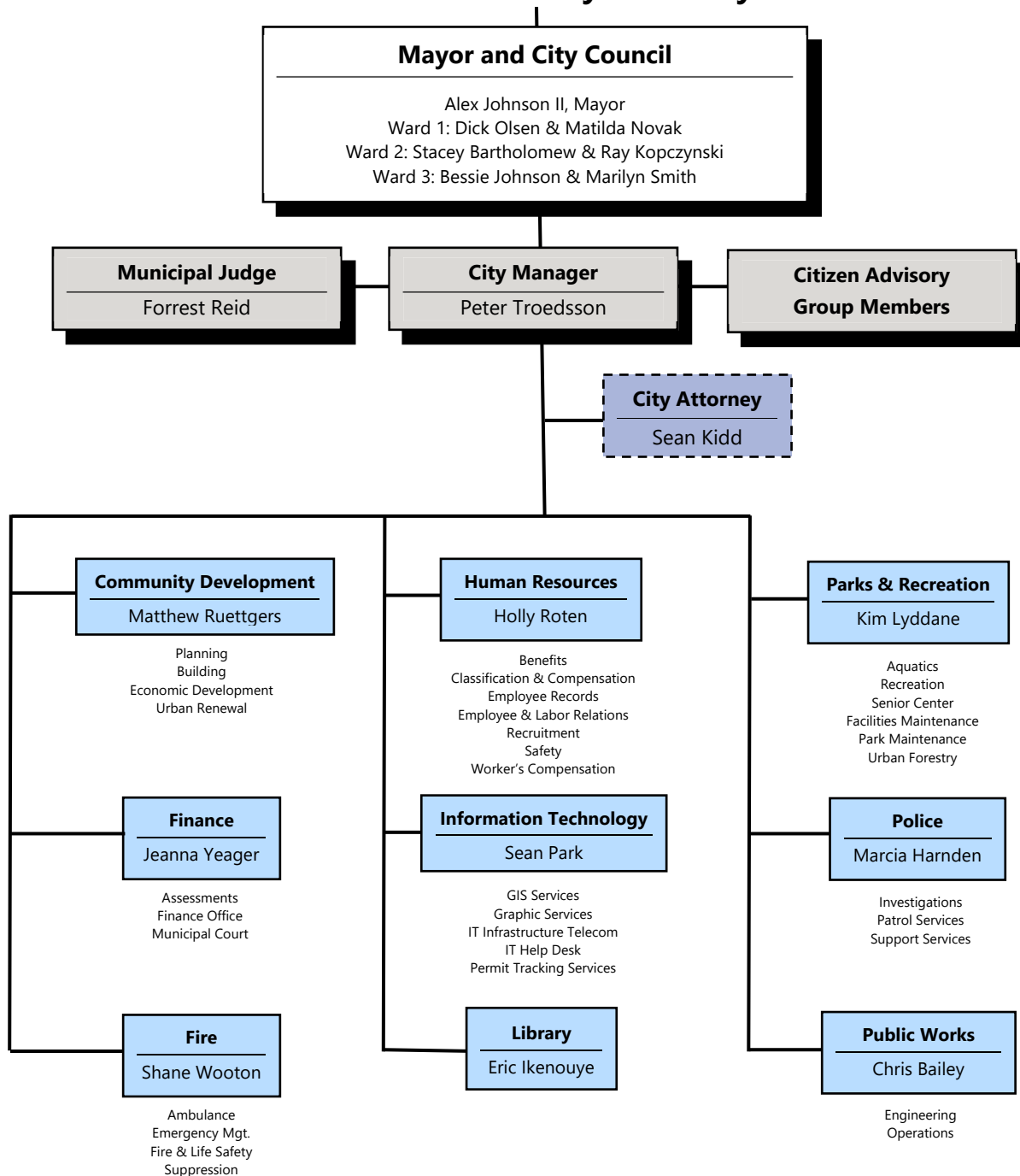
PRINCIPAL FINANCE STAFF

Finance Director..... Jeanna Yeager
 Finance Manager..... Casey Headley



CITYWIDE ORGANIZATIONAL CHART

Citizens of the City of Albany





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Albany
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



CITY OF ALBANY

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FINANCIAL SECTION



CITY OF ALBANY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Albany, Oregon (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4 to the basic financial statements, the beginning net position of the governmental and business-type activities, as well as, the beginning fund balance of the Grants Fund, Albany Revitalization Agency Fund and the Nonmajor Governmental Funds, have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Honorable Mayor and Members of City Council
City of Albany, Oregon
Independent Auditor's Report
August 21, 2024

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Honorable Mayor and Members of City Council
City of Albany, Oregon
Independent Auditor's Report
August 21, 2024

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2024 on our considerations of the City's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 21, 2024, on our considerations of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

August 21, 2024

By:



Brad Bingenheimer, Partner



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Albany, Oregon (the City) for the fiscal year ended June 30, 2022. 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 \$334.5 million (net position). As shown on Table 1, \$15.3 million is unrestricted and may be used to meet the City's ongoing obligations and pay for daily operations. This reflects an increase of \$11.9 million from fiscal year 2020-21, which includes prior period adjustments totaling \$2.7 million to correct the prior year's loan activity and American Rescue Plan Act reporting.

The City's liabilities and deferred inflows totaled \$203.5 million at fiscal year-end. This increase of \$10.7 million from the prior year is due mainly to an increase of \$15.1 million from debt issuance for the Albany Revitalization Agency.

The City's governmental funds reported combined ending fund balances of \$79.8 million, an increase of \$26.6 million from fiscal year 2020-21, which includes prior period adjustments of \$0.6 million to correct prior year's loan activity and American Rescue Plan Act reporting. Of the combined ending governmental fund balance, \$8.4 million is available for spending at the City's discretion subject to Council-approved policies (assigned and unassigned fund balances).

The unassigned fund balance for the General Fund amounted to \$8.2 million, or 19.6% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

- *General government* – includes administration and financial services, information technology, municipal court, facility management, general management, and other general functions not separately identified as a program.
- *Community development* – includes building inspections, and economic development activities
- *Public safety* – includes police, fire, and emergency medical services.
- *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 20-21 of this report.

Fund Financial Statements

Following the government-wide statements is a section containing fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements include statements for governmental funds and proprietary funds. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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

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

The City maintains 14 governmental funds. Information is presented separately on the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General, Risk Management, Streets, Grants and the Albany Revitalization Agency, 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 nonmajor governmental and business-type funds can be found starting on page 87 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 31-33 of this report.

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

Public Works Administration, Operations, Engineering Services, Water Quality Control Services, Public Works Customer Services, and Facilities and Maintenance Engineering are programs in the Public Works Services Fund. The Public Works Services Fund, which predominantly benefits business-type functions, has been included with the business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found starting on page 31.

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 34- 81 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 87.

Statistical Information

The City would like to direct the reader's attention to the Statistical Section, starting on page 114, for additional information about the City, including graphs, tables, and analysis of current and historical information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Analysis of Net Position

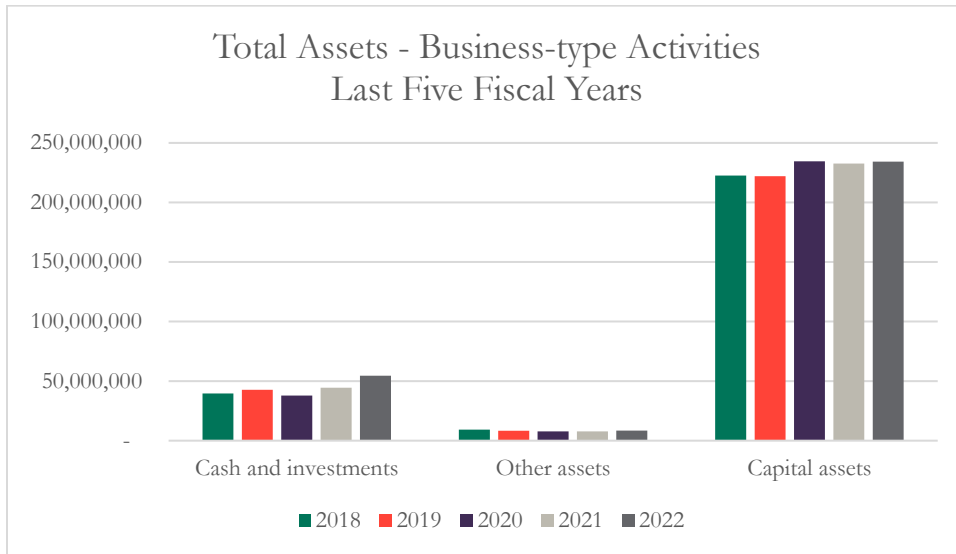
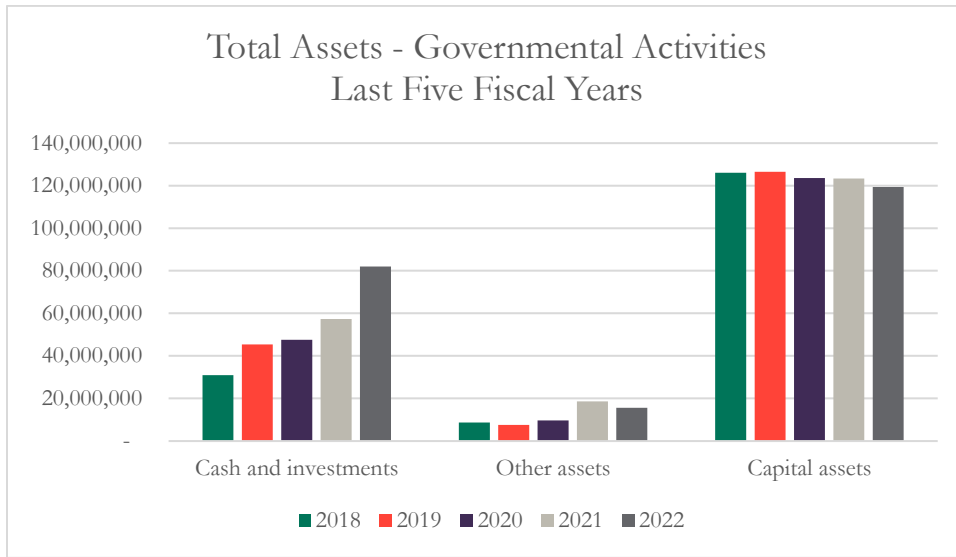
As previously mentioned, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$334.5 million at June 30, 2022, an increase of \$15.9 million from the prior year. This increase includes a prior period adjustment reducing net position by \$2.5 million. The following is 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, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Cash and investments	\$ 82,013,255	\$ 57,342,998	\$ 54,544,388	\$ 44,458,428	\$ 136,557,643	\$ 101,801,426
Other assets	15,549,137	18,593,060	8,468,804	7,825,133	24,017,941	26,418,193
Capital assets	119,336,674	123,391,126	234,227,860	232,828,457	353,564,534	356,219,583
Total assets	<u>216,899,066</u>	<u>199,327,184</u>	<u>297,241,052</u>	<u>285,112,018</u>	<u>514,140,118</u>	<u>484,439,202</u>
Deferred outflows of resources	<u>19,133,669</u>	<u>21,542,242</u>	<u>4,648,164</u>	<u>5,360,127</u>	<u>23,781,833</u>	<u>26,902,369</u>
Other liabilities	13,932,027	6,609,890	2,925,973	2,957,408	16,858,000	9,567,298
Long-term liabilities	<u>81,396,803</u>	<u>94,748,653</u>	<u>70,621,586</u>	<u>84,192,322</u>	<u>152,018,389</u>	<u>178,940,975</u>
Total liabilities	<u>95,328,830</u>	<u>101,358,543</u>	<u>73,547,559</u>	<u>87,149,730</u>	<u>168,876,389</u>	<u>188,508,273</u>
Deferred inflows of resources	<u>26,840,930</u>	<u>3,501,612</u>	<u>7,753,008</u>	<u>758,549</u>	<u>34,593,938</u>	<u>4,260,161</u>
Net position:						
Net investment in capital assets	93,302,053	100,801,064	172,050,508	165,913,777	265,352,561	266,714,841
Restricted	44,532,306	29,540,017	9,258,672	7,959,532	53,790,978	37,499,549
Unrestricted	<u>(23,971,384)</u>	<u>(14,331,810)</u>	<u>39,279,469</u>	<u>28,690,557</u>	<u>15,308,085</u>	<u>14,358,747</u>
Total net position	<u>\$ 113,862,975</u>	<u>\$ 116,009,271</u>	<u>\$ 220,588,649</u>	<u>\$ 202,563,866</u>	<u>\$ 334,451,624</u>	<u>\$ 318,573,137</u>

By far, the largest portion of the City's net position (79.11 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 (\$53.8 million or 16.08 percent) represents resources that are subject to restrictions on how they may be used.

Restricted net position increased by \$16.3 million and unrestricted net position increased by \$1.7 million.



Debt increased by \$7.5 million as discussed in further detail in the debt administration section on page 18.

Analysis of Changes in Net Position

The following is a comparison between the June 30, 2022 and 2021 Statement of Activities.

Table 2 – Statement of Activities Summary
Governmental and Business-Type Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues						
Charges for services	\$ 19,490,799	\$ 19,869,588	\$ 48,220,287	\$ 37,485,105	\$ 67,711,086	\$ 57,354,693
Grants and contributions:						
Operating	12,199,927	20,720,718	-	-	12,199,927	20,720,718
Capital	6,299,098	1,194,031	3,031,291	1,235,692	9,330,389	2,429,723
General revenues						
Taxes	46,621,021	43,304,037	-	-	46,621,021	43,304,037
Investment earnings	(1,851,202)	371,937	(1,407,982)	158,495	(3,259,184)	530,432
Other	1,578,024	803,522	12,717,865	131,566	14,295,889	935,088
Total revenues	<u>84,337,667</u>	<u>86,263,833</u>	<u>62,561,461</u>	<u>39,010,858</u>	<u>146,899,128</u>	<u>125,274,691</u>
EXPENSES						
Governmental activities:						
General government	12,702,631	15,148,759	-	-	12,702,631	15,148,759
Community development	6,384,664	-	-	-	6,384,664	-
Public safety	40,688,040	42,960,751	-	-	40,688,040	42,960,751
Highways and streets	12,222,620	6,724,748	-	-	12,222,620	6,724,748
Culture and recreation	13,119,161	10,513,623	-	-	13,119,161	10,513,623
Interest on long-term debt	1,071,883	1,025,268	-	-	1,071,883	1,025,268
Business-type activities:						
Water	-	-	15,403,393	14,105,765	15,403,393	14,105,765
Sewer	-	-	23,998,931	16,572,791	23,998,931	16,572,791
Stormwater	-	-	2,724,103	2,785,117	2,724,103	2,785,117
Total expenses	<u>86,188,999</u>	<u>76,373,149</u>	<u>42,126,427</u>	<u>33,463,673</u>	<u>128,315,426</u>	<u>109,836,822</u>
Increase (decrease) in net position before transfers	(1,851,332)	9,890,684	20,435,034	5,547,185	18,583,702	15,437,869
Transfers	2,410,251	2,013,751	(2,410,251)	(2,013,751)	-	-
Increase (decrease) in net position	558,919	11,904,435	18,024,783	3,533,434	18,583,702	15,437,869
Beginning net position	116,009,271	104,101,877	202,563,866	199,003,849	318,573,137	303,105,726
Prior period adjustments	(2,705,215)	2,959	-	26,583	(2,705,215)	29,542
Ending net position	<u>\$ 113,862,975</u>	<u>\$ 116,009,271</u>	<u>\$ 220,588,649</u>	<u>\$ 202,563,866</u>	<u>\$ 334,451,624</u>	<u>\$ 318,573,137</u>

Governmental Activities

Governmental activities decreased the City's net position by \$2.1 million for the year ended June 30, 2022, which included a prior period adjustment that decreased net position by \$2.8 million. Key elements of the decrease are as follows:

- Program revenues decreased by \$3.8 million. This is largely due to a decrease of \$8.5 million in operating grants and contributions offset by a \$5.1 million increase in capital grants and contributions.
 - The biggest drivers of the decrease in operating grants and contributions were federal grants, specifically the ARPA funding. The City recognized \$4.2 million in ARPA funding in the prior year, however this was an overstatement of revenues which is reflected in the prior period adjustment in Note 4. The City implemented a city service fee in fiscal year 2022 which increased charges for services by \$2.88 million.
 - The increase in capital grants was primarily for highways and streets.
- Taxes increased \$3.3 million. Property taxes accounted for \$2.8 million, with other taxes increasing .5 million.
- Investment income decreased \$2.3 million due to market losses in fiscal year 2022.
- Governmental expenses increased by \$9.8 million. There is a decrease of \$2.2 million in public safety due to increased costs in staffing shortages. Culture and recreation expenses increased \$2.6 million with COVID restrictions decreased and parks and libraries are opening more to the public and running at full capacity. Highways and street projects increased costs were \$5.5 million now that contractors were available and projects that were delayed were able to get completed.

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

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

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

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

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

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

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

Business-type Activities

Charges for services accounted for 77.08% of total business-type revenue in fiscal year 2021-2022 compared to 97% in fiscal year 2019-2020. These include water, sewer, and stormwater charges, as well as charges to the City of Millersburg for their share of the operating and maintenance of both water and wastewater treatment plants.

FUND ANALYSIS

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

Governmental Funds

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

As stated above, the City's governmental funds had combined ending fund balances of \$79.8 million, an increase of \$26.6 million, which includes a prior period adjustment that decreased fund balance \$0.6 million. Some nonmajor governmental fund balances decreased, but by no more than \$0.14 million. The increase is largely due to the loan funds received for the Albany Revitalization Agency not yet spent of \$15.1 million. The increase of revenue from the new City Service Fee and building permits from increased construction in 2022 and intergovernmental revenue for street projects without a large increase in expenditures contributed to the increase in fund balances. There was also a reduction in a net of transfers in the amount of \$0.9 million.

Of the combined ending fund balance of \$79.8 million, \$3.1 million was considered nonspendable for the prepaids, inventory, loans receivable, and the Library Trust permanent fund; \$44.2 million was restricted by creditors, grantors or by law; \$24.1 million was committed to specific purposes through City Council adopted resolution or ordinance; \$0.2 million was assigned by intent of the City to a specific purpose; and \$8.2 million was unassigned and available for spending by the City within the purposes specified for the City's funds.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$8.2 million, up \$3.4 million from the previous year. The unassigned fund balance represents 19.6% of total General Fund requirements.

The other major governmental funds are the Risk Management Fund, the Street Fund, the Grants Fund and the Albany Revitalization Agency Fund.

Proprietary Funds

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

The unrestricted net position of the Water Fund at the end of the year was \$15.8 million, an increase of \$1.2 million. Net investment in capital assets increased by \$0.7 million. Overall net position increased \$2.1 million to \$85.5 million.

The Sewer Fund's overall net position increased by \$13.4 million to \$138.8 million. Unrestricted net position increased by \$1.6 million largely due to operating income. Net investment in capital assets increased by \$10.6 million. The increase is largely attributed to a lawsuit settlement received of \$12 million from Jacobson.

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 26, shows the original budget, final budget, actual revenues and expenditures, and transfers in and out for the fiscal year ended June 30, 2022. During the year ended June 30, 2022, the first year of the 2021-2023 biennial budget cycle, the General Fund budget changed as follows:

- Budgeted resources increased by \$4.6 million. The City implemented a City Services Fee after adoption of the BN 2021-2023 budget, which funded a \$244,700 increase to administration contingency to maintain five to fifteen percent of operating revenues, per City policy; a \$223k increase in municipal court to support public defender and prisoner expenditures; an increase of \$2 million in Fire Emergency services for personnel costs in order to retain staff; an increase of \$1.5 million in Police to support personnel costs, including overtime; an increase in Library for \$375k to fund additional positions.

CAPITAL ASSETS

As of June 30, 2022, the City had \$353.6 million invested in capital assets as reflected in the table below. Additional information concerning capital assets can be found in the notes to the basic financial statements, starting on page 48.

Table 3 – Capital Assets at Year-end, Net of Accumulated Depreciation
Governmental and Business-Type Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land, land rights, & land improvements	\$ 15,762,102	\$ 15,762,102	\$ 6,404,149	\$ 6,404,149	\$ 22,166,251	\$ 22,166,251
Buildings and improvements	33,303,900	34,163,824	95,457,925	98,421,086	128,761,825	132,584,910
Intangible assets	408,898	448,898	-	-	408,898	448,898
Vehicles and equipment	6,769,677	6,479,355	2,906,960	2,660,602	9,676,637	9,139,957
Infrastructure	56,031,886	60,774,681	118,536,394	119,059,189	174,568,280	179,833,870
Construction in progress	<u>7,060,211</u>	<u>5,762,266</u>	<u>10,922,432</u>	<u>6,085,681</u>	<u>17,982,643</u>	<u>11,847,947</u>
Total	<u>\$ 119,336,674</u>	<u>\$ 123,391,126</u>	<u>\$ 234,227,860</u>	<u>\$ 232,630,707</u>	<u>\$ 353,564,534</u>	<u>\$ 356,021,833</u>

DEBT ADMINISTRATION

As of June 30, 2022, the City had \$102.8 million in long-term debt, an increase of \$12.9 million from the prior year. The City has an unamortized balance of premiums on long-term debt issuances of \$1.4 million that are amortized over the life of the associated debt. Debt outstanding by type at year-end is as follows:

Table 4 – Outstanding Debt at Year-end
Governmental and Business-Type Activities
For the Years Ended June 30, 2022 and 2021

	2022	2021
Governmental Activities		
General obligation	\$ 14,635,000	\$ 15,260,000
Limited tax pension	3,620,001	4,150,001
2007 CARA bonds	-	442,000
2022 CARA bonds	15,114,767	-
2021 SPWF Lochner Rd	1,167,347	1,216,352
Oregon IFA	6,320,833	6,827,664
Unamortized premium	413,568	445,381
Finance purchase	-	43,202
Total governmental activities	<u>41,271,516</u>	<u>28,384,600</u>
Business-type activities		
Water revenue	19,080,000	20,275,000
Oregon DEQ State Revolving Fund loan	30,580,099	34,363,779
Wetland Loan	-	-
ARRA Loan (2012 SRF)	950,000	1,050,000
2021 SRF - Riverfront Interceptor	9,874,190	10,109,603
Unamortized premium	<u>1,023,910</u>	<u>1,116,298</u>
Total business-type activities	<u>61,508,199</u>	<u>66,914,680</u>
Total long-term debt	<u>\$ 102,779,715</u>	<u>\$ 95,299,280</u>

The significant changes in long-term debt include issuance of \$15.1 million for the Albany Revitalization Agency.

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 2021-22 value, the City's debt limitation is \$179.9 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$33.4 million.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 53.

ECONOMIC FACTORS AND OUTLOOK FOR NEXT BIENNIUM

Oregon's unemployment rate was 3.7 percent on June 30, 2022. The unemployment rates for Linn and Benton Counties were 4.2 percent and 3.1 percent, respectively.

In preparing the City-wide biennial budget for 2021-2023, the City Finance Department assembled assumptions for the budget as follows: interest income will increase by 2.0 percent and the assessed value of property will increase by 3.0 percent. The Local Option Public Safety Levy for the budget will once again be impacted by property tax compression. The City's permanent tax rate will be \$6.3984/\$1,000 valuation.

The 2021-2023 Budget was prepared in accordance with the City's Strategic Plan (the Plan). As such, the budget becomes the implementing document for the Plan. The four themes of the Plan are Great Neighborhoods, Safe City, Healthy Economy, and Effective Government. Specific goals, objectives, and activities are determined by each department director and incorporated into their budgets to achieve each theme. The Plan is reviewed annually by the City Council.

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

REQUEST FOR INFORMATION

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

CITY OF ALBANY, OREGON
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 30,618,362	\$ 17,463,267	\$ 48,081,629
Investments	36,366,716	37,081,121	73,447,837
Restricted cash and cash equivalents	27,212	-	27,212
Restricted investments	15,000,965	-	15,000,965
Internal balances	(103,030)	103,030	-
Receivables, net			
Property taxes	1,346,563	1,017	1,347,580
Accounts	8,597,836	4,620,301	13,218,137
Assessments	512,566	-	512,566
Interest	133,997	96,319	230,316
Loans, net of allowance for uncollectible	3,433,699	2,555,617	5,989,316
Inventory	62,156	871,702	933,858
Prepaid items	832,662	1,911	834,573
Net other postemployment benefit asset	732,688	218,907	951,595
Capital assets:			
Capital assets, nondepreciable	22,822,313	17,326,581	40,148,894
Capital assets, net of accumulated depreciation	96,514,361	216,901,279	313,415,640
Total assets	<u>216,899,066</u>	<u>297,241,052</u>	<u>514,140,118</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	18,800,433	4,548,602	23,349,035
Other postemployment benefit related items	333,236	99,562	432,798
Total deferred outflows of resources	<u>19,133,669</u>	<u>4,648,164</u>	<u>23,781,833</u>
LIABILITIES			
Accounts payable and accrued liabilities	5,153,798	1,691,671	6,845,469
Accrued interest payable	182,120	533,421	715,541
Retainage payable	97,370	541,249	638,619
Deposits	198,971	159,632	358,603
Unearned revenue	8,299,768	-	8,299,768
Long-term liabilities:			
Due within one year	3,961,060	6,156,048	10,117,108
Due in more than one year	77,435,743	64,465,538	141,901,281
Total liabilities	<u>95,328,830</u>	<u>73,547,559</u>	<u>168,876,389</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	25,756,739	7,429,080	33,185,819
Other postemployment benefit related items	1,084,191	323,928	1,408,119
Total deferred inflows of resources	<u>26,840,930</u>	<u>7,753,008</u>	<u>34,593,938</u>
NET POSITION			
Net investment in capital assets	93,302,053	172,050,508	265,352,561
Restricted for:			
Capital projects	-	4,015,001	4,015,001
Debt service	678,424	5,243,671	5,922,095
Highways and streets	6,803,008	-	6,803,008
Public safety	912,608	-	912,608
Grant programs	2,165,988	-	2,165,988
Parks and recreation	2,757,149	-	2,757,149
Community development	27,313,979	-	27,313,979
Other purposes - expendable	3,821,650	-	3,821,650
Other purposes - nonexpendable	79,500	-	79,500
Unrestricted (deficit)	(23,971,384)	39,279,469	15,308,085
Total net position	<u>\$ 113,862,975</u>	<u>\$ 220,588,649</u>	<u>\$ 334,451,624</u>

See notes to financial statements.

CITY OF ALBANY, OREGON

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	
			Grants and Contributions	Grants and Contributions			
Governmental activities:							
General government	\$ 12,702,631	\$ 6,353,267	\$ 577,122	\$ 208,167	\$ (5,564,075)	\$ -	\$ (5,564,075)
Community development	6,384,664	2,128,470	712,695	-	(3,543,499)	-	(3,543,499)
Public safety	40,688,040	8,625,886	5,335,498	64,566	(26,662,090)	-	(26,662,090)
Highways and streets	12,222,620	727,941	5,302,071	5,451,613	(740,995)	-	(740,995)
Culture and recreation	13,119,161	1,655,235	272,541	574,752	(10,616,633)	-	(10,616,633)
Interest	1,071,883	-	-	-	(1,071,883)	-	(1,071,883)
Total governmental activities	86,188,999	19,490,799	12,199,927	6,299,098	(48,199,175)	-	(48,199,175)
Business-type activities:							
Water	15,403,393	18,491,226	-	593,810	-	3,681,643	3,681,643
Sewer	23,998,931	25,545,098	-	2,437,481	-	3,983,648	3,983,648
Stormwater	2,724,103	4,183,963	-	-	-	1,459,860	1,459,860
Total business-type activities	42,126,427	48,220,287	-	3,031,291	-	9,125,151	9,125,151
Total primary government	\$ 128,315,426	\$ 67,711,086	\$ 12,199,927	\$ 9,330,389	(48,199,175)	9,125,151	(39,074,024)
General revenues:							
Property taxes					38,130,905	-	38,130,905
Franchise fees and privilege taxes					5,735,810	-	5,735,810
Transient room taxes					1,257,063	-	1,257,063
Other taxes					1,497,243	-	1,497,243
Unrestricted investment earnings					(1,851,202)	(1,407,982)	(3,259,184)
Miscellaneous					1,578,024	717,865	2,295,889
Settlement proceeds					-	12,000,000	12,000,000
Transfers					2,410,251	(2,410,251)	-
Total general revenues and transfers					48,758,094	8,899,632	57,657,726
Change in net position					558,919	18,024,783	18,583,702
Net position at beginning of year					116,009,271	202,563,866	318,573,137
Prior period adjustment - Note 4					(2,705,215)	-	(2,705,215)
Net position at beginning of year, as restated					113,304,056	202,563,866	315,867,922
Net position at end of year					\$ 113,862,975	\$ 220,588,649	\$ 334,451,624

See notes to financial statements.

CITY OF ALBANY, OREGON

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

	General	Risk Management	Street	Grants	Albany Revitalization Agency	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 7,494,337	\$ 779,155	\$ 4,640,520	\$ 1,783,612	\$ 8,127,054	\$ 7,052,893	\$ 29,877,571
Investments	1,952,681	1,678,093	9,878,649	3,776,020	2,500,827	15,045,368	34,831,638
Receivables:							
Property taxes	784,613	-	-	-	148,500	413,450	1,346,563
Accounts	1,641,453	-	525,324	5,137,003	63,248	1,227,458	8,594,486
Assessments, net	499,377	-	-	-	-	13,189	512,566
Interest	17,897	3,563	25,867	3,131	36,814	43,089	130,361
Loans, net of allowance for uncollectible	-	-	-	-	1,438,810	1,994,889	3,433,699
Interfund loan receivable	-	-	-	-	-	798,897	798,897
Inventory	-	-	62,156	-	-	-	62,156
Prepaid items	831,633	-	196	-	80	503	832,412
Restricted cash and cash equivalents	-	-	-	-	-	27,212	27,212
Restricted investments	-	-	-	-	15,000,965	-	15,000,965
Total assets	\$ 13,221,991	\$ 2,460,811	\$ 15,132,712	\$ 10,699,766	\$ 27,316,298	\$ 26,616,948	\$ 95,448,526
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 3,075,695	\$ 14,340	\$ 455,482	\$ 224,021	\$ 2,319	\$ 937,530	\$ 4,709,387
Retainage payable	-	-	21,507	75,863	-	-	97,370
Deposits	56,746	-	6,550	-	-	135,675	198,971
Unearned revenue	-	-	-	8,233,894	-	65,874	8,299,768
Interfund loan payable	-	-	-	-	-	798,897	798,897
Total liabilities	3,132,441	14,340	483,539	8,533,778	2,319	1,937,976	14,104,393
Deferred inflows of resources							
Unavailable revenue	1,066,764	-	125,396	-	72,387	255,863	1,520,410
Total deferred inflows of resources	1,066,764	-	125,396	-	72,387	255,863	1,520,410
Fund balances							
Nonspendable	831,633	-	62,352	-	80	2,177,115	3,071,180
Restricted	-	-	6,803,008	2,165,988	27,241,512	8,018,988	44,229,496
Committed	-	2,446,471	7,658,417	-	-	14,042,072	24,146,960
Assigned	-	-	-	-	-	184,934	184,934
Unassigned	8,191,153	-	-	-	-	-	8,191,153
Total fund balances	9,022,786	2,446,471	14,523,777	2,165,988	27,241,592	24,423,109	79,823,723
Total liabilities, deferred inflows of resources and fund balances	\$ 13,221,991	\$ 2,460,811	\$ 15,132,712	\$ 10,699,766	\$ 27,316,298	\$ 26,616,948	\$ 95,448,526

See notes to financial statements.

CITY OF ALBANY, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2022

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

Total fund balances - total governmental funds		\$ 79,823,723
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		118,910,711
The statement of net position reports a net other postemployment benefit asset for its participation in the OPERS retirement plan.		644,163
Other long-term assets that are not available to pay for current period expenditures and therefore, are deferred or unavailable revenue in the funds.		
Unavailable revenue	1,520,410	
Deferred outflows of resources - pension	16,047,097	
Deferred outflows of resources - OPEB	292,975	
		17,860,482
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(40,857,948)	
Premium liability	(413,568)	
Net pension liability	(27,730,578)	
Total OPEB liability	(3,576,718)	
Compensated absences	(2,871,680)	
Accrued interest payable	(182,120)	
Deferred inflows of resources - pension	(22,502,921)	
Deferred inflows of resources - OPEB	(953,198)	
		(99,088,731)
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.		(4,287,373)
Net position of governmental activities		<u>\$ 113,862,975</u>

CITY OF ALBANY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General	Risk Management	Street	Grants	Albany Revitalization Agency	Total Nonmajor Funds	Total Governmental Funds
Revenues							
Taxes:							
Property	\$ 22,393,109	\$ -	\$ -	\$ -	\$ 4,526,197	\$ 11,745,491	\$ 38,664,797
Transient room	-	-	-	-	-	1,257,063	1,257,063
Construction excise	-	-	-	-	-	396,321	396,321
Franchise fees and privilege taxes	5,735,810	-	-	-	-	-	5,735,810
Licenses and permits	3,341,260	-	2,309,869	-	-	2,804,628	8,455,757
Fines, forfeitures and assessments	1,037,342	-	-	-	-	-	1,037,342
Charges for services	4,562,596	-	-	137,393	-	2,884,180	7,584,169
Intergovernmental	4,766,268	-	4,507,928	3,916,242	-	3,714,274	16,904,712
Investment earnings	34,230	(67,180)	(382,662)	(164,650)	(701,140)	(517,603)	(1,799,005)
Miscellaneous	78,231	499,509	43,563	232,119	39,390	522,434	1,415,246
Total revenues	41,948,846	432,329	6,478,698	4,121,104	3,864,447	22,806,788	79,652,212
Expenditures							
Current							
General government	1,628,013	277,674	-	18,586	-	3,173,423	5,097,696
Community development	1,192,725	-	-	529,706	2,098,800	2,524,729	6,345,960
Public safety	36,096,368	-	-	759,245	-	312,526	37,168,139
Highways and streets	-	-	3,221,201	-	-	-	3,221,201
Culture and recreation	2,971,677	-	-	550,119	-	6,071,114	9,592,910
Debt service							
Principal	-	-	-	-	948,831	1,247,207	2,196,038
Interest	-	-	-	-	226,401	843,997	1,070,398
Capital outlay	-	-	2,674,906	936,742	1,125,225	835,041	5,571,914
Total expenditures	41,888,783	277,674	5,896,107	2,794,398	4,399,257	15,008,037	70,264,256
Excess (deficiency) of revenues over expenditures	60,063	154,655	582,591	1,326,706	(534,810)	7,798,751	9,387,956
Other financing sources (uses)							
Issuance of long-term obligations	-	-	-	-	15,114,767	-	15,114,767
Sale of capital assets	-	-	18,826	-	-	231,015	249,841
Transfers in	4,662,254	373,437	2,150,418	485,434	-	1,472,565	9,144,108
Transfers out	(510,334)	-	(855,900)	(218,436)	(241,400)	(4,908,860)	(6,734,930)
Total other financing sources (uses)	4,151,920	373,437	1,313,344	266,998	14,873,367	(3,205,280)	17,773,786
Net change in fund balances	4,211,983	528,092	1,895,935	1,593,704	14,338,557	4,593,471	27,161,742
Fund balances at beginning of year	4,810,803	1,918,379	12,627,842	4,802,240	11,378,294	17,732,526	53,270,084
Prior period adjustment - Note 4	-	-	-	(4,229,956)	1,524,741	2,097,112	(608,103)
Fund balances at beginning of year, as restated	4,810,803	1,918,379	12,627,842	572,284	12,903,035	19,829,638	52,661,981
Fund balances at end of year	\$ 9,022,786	\$ 2,446,471	\$ 14,523,777	\$ 2,165,988	\$ 27,241,592	\$ 24,423,109	\$ 79,823,723

See notes to financial statements.

CITY OF ALBANY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds		\$ 27,161,742
<p>Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:</p>		
Acquisition of capital assets (excluding internal service funds)	5,505,611	
Depreciation and amortization (excluding internal service funds)	<u>(9,468,828)</u>	(3,963,217)
The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		(67,840)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(11,728,654)
The changes in net pension liability (asset) and deferred inflows and outflows are reported as pension expense on the statement of activities.		1,605,930
The changes in other postemployment benefit liability (asset) and deferred outflows are reported as other postemployment benefit expense on the statement of activities.		30,560
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Amortization of bond premiums	31,813	
Change in accrued interest payable	(33,298)	
Change in compensated absences	<u>155,055</u>	153,570
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Issuance of bonds	(15,114,767)	
Debt principal payments	<u>2,196,038</u>	(12,918,729)
The internal service funds are used by management to charge the costs of central services to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.		<u>285,557</u>
Change in Net Position of Governmental Activities		<u>\$ 558,919</u>

CITY OF ALBANY, OREGON
GENERAL FUND
BUDGETARY COMPARISON STATEMENT

For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Property	\$ 44,640,700	\$ 44,640,700	\$ 22,393,109	\$ (22,247,591)
Franchise fees and privilege taxes	12,005,400	12,005,400	5,735,810	(6,269,590)
Licenses and permits	1,162,600	4,084,200	3,341,261	(742,939)
Intergovernmental	9,020,700	9,476,700	4,766,268	(4,710,432)
Charges for services	6,792,400	7,559,900	4,562,596	(2,997,304)
Fines, forfeitures & assessments	1,739,200	1,802,100	1,037,342	(764,758)
Investment earnings	148,000	148,000	126,614	(21,386)
Miscellaneous	124,500	124,500	78,231	(46,269)
Total revenues	<u>75,633,500</u>	<u>79,841,500</u>	<u>42,041,231</u>	<u>(37,800,269)</u>
Other Financing Sources				
Transfers in	<u>9,851,900</u>	<u>10,289,700</u>	<u>4,662,254</u>	<u>(5,627,446)</u>
Fund Balance, beginning				
Fund balance, beginning	<u>2,303,600</u>	<u>2,303,600</u>	<u>4,810,803</u>	<u>2,507,203</u>
Total fund balance, beginning	<u>2,303,600</u>	<u>2,303,600</u>	<u>4,810,803</u>	<u>2,507,203</u>
Amount available for appropriation	<u>\$ 87,789,000</u>	<u>\$ 92,434,800</u>	<u>\$ 51,514,288</u>	<u>\$ (40,920,512)</u>
EXPENDITURES				
Administration	\$ 873,200	\$ 1,157,700	\$ 643,664	\$ 514,036
Municipal Court	2,111,400	2,334,400	971,305	1,363,095
Abatement	-	-	30,743	(30,743)
Planning	3,133,000	3,133,000	1,194,225	1,938,775
Police	31,090,600	32,591,500	14,638,082	17,953,418
Public Safety Levy - Police	4,818,700	4,818,700	2,311,009	2,507,691
Fire & Life Safety	1,690,100	1,690,100	774,487	915,613
Public Safety Levy - Fire	4,818,700	4,818,700	2,216,042	2,602,658
Fire Emergency Services	30,275,300	32,292,800	16,519,050	15,773,750
Library	6,145,400	6,520,600	2,974,177	3,546,423
Contingencies	2,578,600	2,823,300	-	2,823,300
Total expenditures	<u>87,535,000</u>	<u>92,180,800</u>	<u>42,272,784</u>	<u>49,908,016</u>
Appropriated financing uses				
Transfers out	<u>254,000</u>	<u>254,000</u>	<u>126,334</u>	<u>127,666</u>
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 87,789,000</u>	<u>\$ 92,434,800</u>	<u>42,399,118</u>	<u>50,035,682</u>
Budgetary fund balance, ending			<u>\$ 9,115,170</u>	<u>\$ 9,115,170</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			<u>(92,384)</u>	
Fund balance, ending - GAAP basis			<u>\$ 9,022,786</u>	

See notes to financial statements.

CITY OF ALBANY, OREGON
RISK MANAGEMENT FUND
BUDGETARY COMPARISON STATEMENT
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Investment earnings	\$ 22,800	\$ 22,800	\$ 10,952	\$ (11,848)
Miscellaneous	-	-	499,509	499,509
Total revenues	<u>22,800</u>	<u>22,800</u>	<u>510,461</u>	<u>487,661</u>
Other Financing Sources				
Transfers in	1,400,000	1,400,000	373,437	(1,026,563)
Total other financing sources	<u>1,400,000</u>	<u>1,400,000</u>	<u>373,437</u>	<u>(1,026,563)</u>
Fund Balance, beginning				
Fund balance, beginning	1,514,900	1,514,900	1,918,379	403,479
Total fund balance, beginning	<u>1,514,900</u>	<u>1,514,900</u>	<u>1,918,379</u>	<u>403,479</u>
Amount available for appropriation	<u>\$ 2,937,700</u>	<u>\$ 2,937,700</u>	<u>\$ 2,802,277</u>	<u>\$ (135,423)</u>
EXPENDITURES				
Risk Management	<u>\$ 2,937,700</u>	<u>\$ 2,937,700</u>	<u>\$ 277,674</u>	<u>\$ 2,660,026</u>
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 2,937,700</u>	<u>\$ 2,937,700</u>	<u>277,674</u>	<u>2,660,026</u>
Budgetary fund balance, ending			<u>\$ 2,524,603</u>	<u>\$ 2,524,603</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			<u>(78,132)</u>	
Fund balance, ending - GAAP basis			<u>\$ 2,446,471</u>	

See notes to financial statements.

CITY OF ALBANY, OREGON
STREET FUND
BUDGETARY COMPARISON STATEMENT

For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Licenses and permits	\$ 1,436,400	\$ 1,436,400	\$ 2,309,869	\$ 873,469
Intergovernmental	9,900,000	9,900,000	4,507,928	(5,392,072)
Charges for services	102,200	102,200	51,100	(51,100)
Investment earnings	190,900	190,900	77,291	(113,609)
Miscellaneous	2,000	92,400	43,563	(48,837)
Total revenues	<u>11,631,500</u>	<u>11,721,900</u>	<u>6,989,751</u>	<u>(4,732,149)</u>
Other Financing Sources				
Sale of capital assets	-	-	18,826	18,826
Transfers in	3,795,700	3,795,700	2,150,418	(1,645,282)
Intrafund transfers in	80,000	80,000	40,000	(40,000)
Total other financing sources	<u>3,875,700</u>	<u>3,875,700</u>	<u>2,209,244</u>	<u>(1,666,456)</u>
Fund Balance, beginning				
Fund balance, beginning	12,995,600	12,995,600	12,627,842	(367,758)
Total fund balance, beginning	<u>12,995,600</u>	<u>12,995,600</u>	<u>12,627,842</u>	<u>(367,758)</u>
Amount available for appropriation	<u>\$ 28,502,800</u>	<u>\$ 28,593,200</u>	<u>\$ 21,826,837</u>	<u>\$ (6,766,363)</u>
EXPENDITURES				
Street Administration	\$ 2,050,600	\$ 2,050,600	\$ 1,050,748	\$ 999,852
Street Maintenance	4,859,100	4,859,100	2,035,658	2,823,442
Street Cap & Restoration	12,738,500	12,738,500	2,684,575	10,053,925
Transportation SDC Improve	4,746,300	4,836,700	17,364	4,819,336
Transportation SDC Reimburse	1,586,200	1,586,200	3,527	1,582,673
ADA Capital Projects	221,400	221,400	-	221,400
Street Maint IT Equip Replace	14,000	14,000	-	14,000
Street Maint Equip Replace	914,600	914,600	217,491	697,109
Contingencies	356,200	356,200	-	356,200
Total expenditures	<u>27,486,900</u>	<u>27,577,300</u>	<u>6,009,363</u>	<u>21,567,937</u>
Appropriated financing uses				
Transfers out	935,900	935,900	855,900	80,000
Unappropriated financing uses				
Intrafund transfers out	80,000	80,000	40,000	40,000
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 28,502,800</u>	<u>\$ 28,593,200</u>	<u>6,905,263</u>	<u>21,687,937</u>
Budgetary fund balance, ending			<u>\$ 14,921,574</u>	<u>\$ 14,921,574</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(459,953)	
Inventory			62,156	
Fund balance, ending - GAAP basis			<u>\$ 14,523,777</u>	

See notes to financial statements.

CITY OF ALBANY, OREGON
GRANTS FUND
BUDGETARY COMPARISON STATEMENT
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental	\$ 11,857,000	\$ 12,857,000	\$ 3,916,242	\$ (8,940,758)
Charges for services	222,100	222,100	137,393	(84,707)
Investment earnings	3,700	3,700	11,163	7,463
Miscellaneous	76,800	76,800	232,119	155,319
Total revenues	<u>12,159,600</u>	<u>13,159,600</u>	<u>4,296,917</u>	<u>(8,862,683)</u>
Other Financing Sources				
Transfers in	479,400	479,400	485,434	6,034
Intrafund transfers in	-	-	450,000	450,000
Total other financing sources	<u>479,400</u>	<u>479,400</u>	<u>935,434</u>	<u>456,034</u>
Fund Balance, beginning				
Fund balance, beginning	5,102,500	5,102,500	4,802,240	(300,260)
Prior period adjustment	-	-	(4,229,956)	(4,229,956)
Total fund balance, beginning	<u>5,102,500</u>	<u>5,102,500</u>	<u>572,284</u>	<u>(4,530,216)</u>
Amount available for appropriation	<u>\$ 17,741,500</u>	<u>\$ 18,741,500</u>	<u>\$ 5,804,635</u>	<u>\$ (12,936,865)</u>
EXPENDITURES				
Grants: Finance	\$ 5,621,200	\$ 3,657,000	\$ 215,458	\$ 3,441,542
Grants: City Manager's Office	20,000	20,000	-	20,000
Grants: Human Resources	40,000	40,000	11,295	28,705
Grants: Community Development	1,108,600	2,108,600	568,410	1,540,190
Grants: Police	899,000	906,000	338,152	567,848
Grants: Fire	1,087,100	1,087,100	421,093	666,007
Grants: Public Works	3,275,100	3,275,100	689,871	2,585,229
Grants: Parks & Recreation	685,200	685,200	309,707	375,493
Grants: Library	520,200	520,200	240,412	279,788
Total expenditures	<u>13,256,400</u>	<u>12,299,200</u>	<u>2,794,398</u>	<u>9,504,802</u>
Appropriated financing uses				
Transfers out	4,485,100	6,442,300	218,436	6,223,864
Unappropriated financing uses				
Intrafund transfers out	-	-	450,000	(450,000)
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 17,741,500</u>	<u>\$ 18,741,500</u>	<u>3,462,834</u>	<u>15,278,666</u>
Budgetary fund balance, ending			<u>\$ 2,341,801</u>	<u>\$ 2,341,801</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(175,813)	
Fund balance, ending - GAAP basis			<u>\$ 2,165,988</u>	

See notes to financial statements.

CITY OF ALBANY, OREGON
ALBANY REVITALIZATION AGENCY FUND
BUDGETARY COMPARISON STATEMENT
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Property	\$ 7,450,000	\$ 7,450,000	\$ 4,526,197	\$ (2,923,803)
Intergovernmental	2,400	2,400	-	(2,400)
Investment earnings	50,000	50,000	113,749	63,749
Miscellaneous	143,500	143,500	125,321	(18,179)
Total revenues	<u>7,645,900</u>	<u>7,645,900</u>	<u>4,765,267</u>	<u>(2,880,633)</u>
Other Financing Sources				
Proceeds from long-term obligations	-	-	15,114,767	15,114,767
Total other financing sources	<u>-</u>	<u>-</u>	<u>15,114,767</u>	<u>15,114,767</u>
Fund Balance, beginning				
Fund balance, beginning	6,770,000	6,770,000	11,378,294	4,608,294
Total fund balance, beginning	<u>6,770,000</u>	<u>6,770,000</u>	<u>11,378,294</u>	<u>4,608,294</u>
Amount available for appropriation	<u>\$ 14,415,900</u>	<u>\$ 14,415,900</u>	<u>\$ 31,258,328</u>	<u>\$ 16,842,428</u>
EXPENDITURES				
CARA	\$ 13,920,000	\$ 13,920,000	\$ 4,399,257	\$ 9,520,743
Total expenditures	<u>13,920,000</u>	<u>13,920,000</u>	<u>4,399,257</u>	<u>9,520,743</u>
Appropriated financing uses				
Special payments	495,900	495,900	241,400	254,500
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 14,415,900</u>	<u>\$ 14,415,900</u>	<u>4,640,657</u>	<u>9,775,243</u>
Budgetary fund balance, ending			<u>\$ 26,617,671</u>	<u>\$ 26,617,671</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(814,889)	
Loan receivables			(85,931)	
Prior period adjustment - loans			1,524,741	
Fund balance, ending - GAAP basis			<u>\$ 27,241,592</u>	

CITY OF ALBANY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Nonmajor Stormwater		
ASSETS					
Current assets					
Cash and cash equivalents	\$ 6,227,898	\$ 9,904,892	\$ 837,878	\$ 16,970,668	\$ 1,233,390
Investments	13,221,778	21,039,435	1,792,560	36,053,773	2,562,426
Receivables:					
Property taxes	1,017	-	-	1,017	-
Accounts	1,670,295	2,633,111	316,870	4,620,276	3,375
Interest	33,321	56,276	4,294	93,891	6,064
Inventory	647,066	224,636	-	871,702	-
Prepaid items	531	1,139	27	1,697	464
Loans receivable, current portion	-	321,764	-	321,764	-
Total current assets	<u>21,801,906</u>	<u>34,181,253</u>	<u>2,951,629</u>	<u>58,934,788</u>	<u>3,805,719</u>
Noncurrent assets					
Capital assets:					
Capital assets, nondepreciable	1,937,331	15,357,990	-	17,295,321	31,260
Capital assets, net of accumulated depreciation	85,209,994	131,417,020	177,621	216,804,635	522,607
Total capital assets	87,147,325	146,775,010	177,621	234,099,956	553,867
Loans receivable	-	2,233,853	-	2,233,853	-
Net OPEB asset	47,273	40,018	7,039	94,330	213,102
Total noncurrent assets	<u>87,194,598</u>	<u>149,048,881</u>	<u>184,660</u>	<u>236,428,139</u>	<u>766,969</u>
Total assets	<u>108,996,504</u>	<u>183,230,134</u>	<u>3,136,289</u>	<u>295,362,927</u>	<u>4,572,688</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	824,119	516,682	198,152	1,538,953	5,762,985
Other postemployment benefit related items	21,501	18,201	3,201	42,903	96,920
Total deferred outflows of resources	<u>845,620</u>	<u>534,883</u>	<u>201,353</u>	<u>1,581,856</u>	<u>5,859,905</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	500,424	641,234	26,296	1,167,954	968,128
Accrued interest payable	294,539	238,882	-	533,421	-
Retainage payable	128,226	413,023	-	541,249	-
Deposits	158,823	809	-	159,632	-
Compensated absences, current portion	74,374	75,641	1,325	151,340	411,323
Loans payable, current portion	-	4,424,547	-	4,424,547	-
Bonds payable, current portion	2,171,522	-	-	2,171,522	-
Total current liabilities	<u>3,327,908</u>	<u>5,794,136</u>	<u>27,621</u>	<u>9,149,665</u>	<u>1,379,451</u>
Noncurrent liabilities					
Compensated absences	74,374	75,640	1,325	151,339	411,323
Loans payable	-	36,979,742	-	36,979,742	-
Bonds payable	17,932,388	-	-	17,932,388	-
Net pension liability	1,108,768	528,977	350,489	1,988,234	10,239,114
Total OPEB liability	262,486	222,203	39,084	523,773	1,183,252
Total noncurrent liabilities	<u>19,378,016</u>	<u>37,806,562</u>	<u>390,898</u>	<u>57,575,476</u>	<u>11,833,689</u>
Total liabilities	<u>22,705,924</u>	<u>43,600,698</u>	<u>418,519</u>	<u>66,725,141</u>	<u>13,213,140</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	1,571,764	1,272,750	253,572	3,098,086	7,584,812
Other postemployment benefit related items	69,953	59,217	10,416	139,586	315,335
Total deferred inflows of resources	<u>1,641,717</u>	<u>1,331,967</u>	<u>263,988</u>	<u>3,237,672</u>	<u>7,900,147</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	66,915,189	104,957,698	177,621	172,050,508	553,867
Restricted for:					
Capital construction	1,126,647	2,888,354	-	4,015,001	-
Debt service	1,616,127	3,627,544	-	5,243,671	-
Unrestricted (deficit)	15,836,520	27,358,756	2,477,514	45,672,790	(11,234,561)
Total net position (deficit)	<u>\$ 85,494,483</u>	<u>\$ 138,832,352</u>	<u>\$ 2,655,135</u>	<u>226,981,970</u>	<u>\$ (10,680,694)</u>

Reconciliation to business-type activities:

Adjustment to reflect internal service fund balances
related to business-type activities (6,393,321)

Net position of business-type activities \$ 220,588,649

CITY OF ALBANY, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities				Internal Service Funds
	Water	Sewer	Nonmajor Stormwater	Total Enterprise Funds	
Operating revenues					
Service charges and fees	\$ 15,434,628	\$ 20,392,501	\$ 3,104,422	\$ 38,931,551	\$ 17,150,420
Miscellaneous	29,403	29,912	935	60,250	23,546
Total operating revenues	<u>15,464,031</u>	<u>20,422,413</u>	<u>3,105,357</u>	<u>38,991,801</u>	<u>17,173,966</u>
Operating expenses					
Personnel services	2,760,496	2,295,541	397,155	5,453,192	11,495,223
Materials and services	5,464,297	10,561,751	1,303,467	17,329,515	4,045,712
Depreciation and amortization	3,723,196	5,450,858	12,723	9,186,777	36,757
Total operating expenses	<u>11,947,989</u>	<u>18,308,150</u>	<u>1,713,345</u>	<u>31,969,484</u>	<u>15,577,692</u>
Operating income (loss)	<u>3,516,042</u>	<u>2,114,263</u>	<u>1,392,012</u>	<u>7,022,317</u>	<u>1,596,274</u>
Nonoperating revenues (expenses)					
Investment earnings, net	(513,939)	(780,846)	(70,000)	(1,364,785)	(95,306)
Settlement proceeds	-	12,000,000	-	12,000,000	-
Gain on sale of capital assets	5,322	7,300	-	12,622	12,427
Interest expense	(618,490)	(876,835)	-	(1,495,325)	-
Total nonoperating revenues (expenses)	<u>(1,127,107)</u>	<u>10,349,619</u>	<u>(70,000)</u>	<u>9,152,512</u>	<u>(82,879)</u>
Income (loss) before capital contributions and transfers	2,388,935	12,463,882	1,322,012	16,174,829	1,513,395
Capital contributions	593,810	2,437,481	-	3,031,291	-
Transfers in	30,480	5,616	-	36,096	17,073
Transfers out	(947,258)	(1,489,155)	-	(2,436,413)	(25,934)
Change in net position	2,065,967	13,417,824	1,322,012	16,805,803	1,504,534
Net position (deficit) at beginning of year	<u>83,428,516</u>	<u>125,414,528</u>	<u>1,333,123</u>	<u>210,176,167</u>	<u>(12,185,228)</u>
Net position (deficit) at end of year	<u>\$ 85,494,483</u>	<u>\$ 138,832,352</u>	<u>\$ 2,655,135</u>	<u>\$ 226,981,970</u>	<u>\$ (10,680,694)</u>

Reconciliation to business-type activities:

Change in net position - total enterprise funds	\$ 16,805,803
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	<u>1,218,980</u>
Change in net position of the business-type activities	<u>\$ 18,024,783</u>

CITY OF ALBANY, OREGON

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2022

	Business-type Activities			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Nonmajor Stormwater		
Cash flows from operating activities					
Receipts from customers and users	\$ 15,725,914	\$ 20,053,041	\$ 3,043,320	\$ 38,822,275	\$ 17,156,388
Receipts from other funds	-	-	-	-	-
Receipts from loans	-	316,207	-	316,207	-
Payments to suppliers	(5,382,326)	(10,854,753)	(1,312,774)	(17,549,853)	(11,477,657)
Payments to employees	(2,886,367)	(2,388,409)	(412,600)	(5,687,376)	(4,614,847)
Other receipts	29,403	29,912	935	60,250	23,546
Net cash provided by (used in) operating activities	<u>7,486,624</u>	<u>7,155,998</u>	<u>1,318,881</u>	<u>15,961,503</u>	<u>1,087,429</u>
Cash flows from noncapital financing activities					
Transfers in	30,480	5,616	-	36,096	17,073
Transfers out	(947,258)	(1,489,155)	-	(2,436,413)	(25,934)
Net cash provided by (used in) noncapital financing activities	<u>(916,778)</u>	<u>(1,483,539)</u>	<u>-</u>	<u>(2,400,317)</u>	<u>(8,861)</u>
Cash flows from capital and related financing activities					
System development charges received	593,810	2,437,481	-	3,031,291	-
Settlement proceeds	-	12,000,000	-	12,000,000	-
Acquisition of capital assets	(2,185,598)	(8,080,925)	-	(10,266,523)	(432)
Proceeds from sale of capital assets	5,322	7,300	-	12,622	13,200
Principal paid on long-term obligations	(1,195,000)	(4,119,093)	-	(5,314,093)	-
Interest paid on long-term obligations	(730,795)	(984,788)	-	(1,715,583)	-
Net cash provided by (used in) capital and related financing activities	<u>(3,512,261)</u>	<u>1,259,975</u>	<u>-</u>	<u>(2,252,286)</u>	<u>12,768</u>
Cash flows from investing activities					
Interest on investments	(511,490)	(786,294)	(70,976)	(1,368,760)	(95,437)
Purchase of investments	(7,054,873)	(12,303,309)	(1,422,800)	(20,780,982)	(1,612,197)
Proceeds from sales of investments	2,502,983	3,982,925	339,345	6,825,253	485,087
Net cash provided by (used in) investing activities	<u>(5,063,380)</u>	<u>(9,106,678)</u>	<u>(1,154,431)</u>	<u>(15,324,489)</u>	<u>(1,222,547)</u>
Net increase (decrease) in cash and cash equivalents	(2,005,795)	(2,174,244)	164,450	(4,015,589)	(131,211)
Cash and cash equivalents at beginning of year	8,233,693	12,079,136	673,428	20,986,257	1,364,601
Cash and cash equivalents at end of year	<u>\$ 6,227,898</u>	<u>\$ 9,904,892</u>	<u>\$ 837,878</u>	<u>\$ 16,970,668</u>	<u>\$ 1,233,390</u>
Reconciliation of operating income (loss) to net cash provide by (used in) operating activities					
Operating income (loss)	\$ 3,516,042	\$ 2,114,263	\$ 1,392,012	\$ 7,022,317	\$ 1,596,274
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	3,723,196	5,450,858	12,723	9,186,777	36,757
(Increase) decrease in assets and deferred outflows:					
Accounts receivables, net	279,363	(339,460)	(61,102)	(121,199)	5,968
Loans receivables, net	-	316,207	-	316,207	-
Inventories	28,990	(32,370)	-	(3,380)	-
Prepaid items	(531)	(1,139)	(27)	(1,697)	(114)
Net OPEB asset	(21,733)	(19,124)	(2,940)	(43,797)	(99,533)
Deferred outflows - Pension related items	151,638	128,366	22,579	302,583	683,568
Deferred outflows - OPEB related items	2,151	1,150	596	3,897	8,257
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	46,473	(261,692)	(8,682)	(223,901)	7,237
Consumer deposits	11,923	-	-	11,923	-
Compensated absences liability	(19,028)	(13,156)	1,668	(30,516)	(123,799)
Net pension liability	(1,775,757)	(1,503,239)	(264,413)	(3,543,409)	(8,004,943)
Total OPEB liability	33,556	34,909	2,340	70,805	165,266
Deferred inflows - Pension related items	1,506,265	1,275,105	224,285	3,005,655	6,790,098
Deferred inflows - OPEB related items	4,076	5,320	(158)	9,238	22,394
Net cash provided by (used in) operating activities	<u>\$ 7,486,624</u>	<u>\$ 7,155,998</u>	<u>\$ 1,318,881</u>	<u>\$ 15,961,503</u>	<u>\$ 1,087,429</u>

See notes to financial statements

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Blended Component Unit

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

Basic Financial Statements

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

General

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

Risk Management

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

Street

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

Grants

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

Albany Revitalization Agency

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

The City reports the following major proprietary funds:

Water

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

Sewer

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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

Additionally, the City reports the following nonmajor fund types:

Special Revenue

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

Debt Service

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

Capital Projects

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

Permanent

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

Stormwater

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

Internal Service

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

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

Cash and Cash Equivalents

The City's cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition are considered to be cash and cash equivalents. This includes state authorized investment in the State Treasurer's Local Government Investment Pool.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, and repurchase agreements. Investments with a maturity greater than one year when purchased are stated at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment earnings.

Restricted Assets

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

Inventories and prepaid items

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

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

Receivables

Property taxes receivable for the governmental fund types which are collected within 60 days following the year end are considered measurable and available and, accordingly, are recognized as revenues in the respective funds. All other property taxes receivable for the governmental fund types are offset by unavailable revenues and, accordingly, have not been recorded as revenues. Uncollected property taxes, including delinquent accounts, are deemed to be substantially collectible or recoverable through foreclosure. The major sources of revenues which are subject to accrual include property taxes, user charges, property assessments, and interest.

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

Assessments receivable in the general and capital projects funds are recorded at the time the property owners are assessed for property improvements. Assessments receivable are offset by an allowance for uncollectible accounts and unavailable revenues and, accordingly, are not recorded as revenue until received. Total uncollectible amounts related to assessments amounted to \$8,831,221 at June 30, 2022.

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

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Asset Type	Useful Lives
Vehicles and equipment	3 – 25 years
Buildings and improvements	25 – 75 years
Infrastructure	20 – 50 years

Compensated Absences

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

Long-term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term liabilities are reported in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds and loans payable are reported net of the unamortized bond premium or discount. Bond issuance costs are expensed as incurred.

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the Balance Sheet reports a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows relating to delinquent property tax collections, ambulance collections, uncollected assessments and system development charges.

Equity

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

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

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

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (continued)

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

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

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

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

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (continued)

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

An election must be held to approve general obligation debt pledging the full faith and credit of the City. As a result of Ballot Measure 50 and subsequent legislation, the City's permanent tax rate has been set at \$6.3984 for Linn County and \$5.9969 for Benton County per \$1,000 of assessed value, respectively. The assessed value (not including the urban renewal district) for 2021-2022 totaled \$4,491,200,225. 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 Special Revenue Parks and Recreation Building Inspection Risk Management Economic Development Public Transit Public Safety Levy Albany Revitalization Agency (ARA) Debt Service Debt Service	Capital Project Capital Projects Capital Replacement Permanent Library Trust Internal Service Central Services Public Works Services
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A budget is appropriated by total personnel services, materials and services, capital outlay, transfers out, and contingency for the following funds:

Special Revenue Grants Street	Enterprise 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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

Fund	2021-23		Changes
	Original Budget	Final Budget	
General	\$ 87,789,000	\$ 92,434,800	\$ 4,645,800
Parks and Recreation	18,589,500	19,803,500	1,214,000
Risk Management	2,937,700	2,937,700	-
Street	28,422,800	28,513,200	90,400
Grants	17,741,500	18,741,500	1,000,000
Building Inspection	6,120,000	6,120,000	-
Economic Development	4,381,200	4,901,300	520,100
Public Transit	10,638,800	10,638,800	-
Public Safety Levy	10,137,400	10,137,400	-
Albany Revitalization Agency	14,415,900	14,415,900	-
Debt Service	1,874,300	1,874,300	-
GO Debt Service	2,677,700	2,677,700	-
Capital Projects	1,299,900	1,299,900	-
Capital Replacement	6,733,000	6,733,000	-
Library Trust	88,700	88,700	-
Water	44,311,900	44,811,900	500,000
Sewer	61,439,200	66,639,200	5,200,000
Stormwater	7,613,100	7,613,100	-
Central Services	17,328,900	17,335,200	6,300
Public Works Services	22,131,900	22,131,900	-
	<u>\$ 366,672,400</u>	<u>\$ 379,849,000</u>	<u>\$ 13,176,600</u>

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

3. DETAILED NOTES

Cash, Cash Equivalents and Investments

As of June 30, 2022, the City's cash, cash equivalents and investments are as follows:

Cash on hand	\$ 29,766
Deposits with financial institutions	3,131,855
State of Oregon Treasurer's short-term investment pool	<u>44,947,220</u>
Total cash and cash equivalents - unrestricted and restricted	<u>\$ 48,108,841</u>
Cash and investments are reflected on the Statement of Net Position as:	
Cash and cash equivalents - unrestricted and restricted	\$ 48,108,841
Investments - unrestricted and restricted	<u>88,448,802</u>
Total cash, cash equivalents and investments	<u>\$ 136,557,643</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3. DETAILED NOTES (CONTINUED)

Cash, Cash Equivalents and Investments (continued)

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 \$3,131,855 and the bank balance was \$3,454,979.

State of Oregon Treasurer's short-term investment pool

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

Equity in Pooled Cash and Investments

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

Fair Value of Investments

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

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

At June 30, 2022, the City had the following recurring fair value measurements:

Investments by fair value level	6/30/2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Government agency obligations:				
US Treasury Notes	\$ 52,057,638	\$ 52,057,638	\$ -	\$ -
Federal Farm Credit Bank	4,886,100	-	4,886,100	-
Federal Home Loan Mortgage Corporation	2,387,485	-	2,387,485	-
Federal National Mortgage Association	2,845,200	-	2,845,200	-
Federal Home Loan Banks	8,783,850	-	8,783,850	-
Corporate Bonds				
Amazon	2,381,000	-	2,381,000	-
Apple	1,879,210	-	1,879,210	-
US Banks	8,210,095	-	8,210,095	-
Municipal bonds - Oregon	0	-	-	-
Municipal bonds - California	-	-	-	-
Municipal bonds - Washington	336,854	-	336,854	-
Foreign bonds - Canadian banks	4,681,370	-	4,681,370	-
Totals	<u>\$ 88,448,802</u>	<u>\$ 52,057,638</u>	<u>\$ 36,391,164</u>	<u>\$ -</u>

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

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

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

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2022.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3. DETAILED NOTES (CONTINUED)

Cash, Cash Equivalents and Investments (continued)

As of June 30, 2022, the City had the following investments:

<u>Moody's Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (yrs)</u>	<u>Percent of Total Portfolio</u>
AAA	\$ 50,674,998	0.85	57%
N/A	1,382,640	0.04	2%
AAA	4,886,100	0.03	6%
AAA	2,387,485	0.03	3%
AAA	2,845,200	0.04	3%
AAA	8,783,850	0.08	10%
A1	2,381,000	0.08	3%
AAA	1,879,210	0.04	2%
A2	3,404,435	0.05	4%
A1	1,882,940	0.03	2%
A2	2,922,720	0.06	3%
AAA	336,854	0.00	0%
AA2	1,000,350	0.01	1%
A1	2,741,400	0.08	3%
NR	939,620	0.01	1%
	<u>\$ 88,448,802</u>		<u>100%</u>
		<u>1.45</u>	

Interest Rate Risk

The City's investment policy does not allow investments of more than five and a quarter years. At least 25 percent of the total portfolio must mature in under one year. The weighted maturity of the total portfolio shall not exceed 1.75 years. The City's weighted average maturity as of June 30, 2022, was 1.455 years.

Credit and Concentration of Credit Risk

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Diversification constraints of the City's investment policy are:

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

Custodial Risk – Investments

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

Custodial Risk – Deposits

This is the risk that in the event of a bank failure, the City's deposits might not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest-bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2022, none of the City's deposits were exposed to custodial credit risk.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
<i>Governmental activities</i>				
Capital assets not being depreciated				
Land	\$ 15,762,102	\$ -	\$ -	\$ 15,762,102
Construction in progress	5,762,266	3,721,482	2,423,537	7,060,211
Total capital Assets, not being depreciated	<u>21,524,368</u>	<u>3,721,482</u>	<u>2,423,537</u>	<u>22,822,313</u>
Capital assets being depreciated				
Buildings and improvements	43,897,713	78,529	-	43,976,242
Vehicles and equipment	24,788,496	1,633,648	208,781	26,213,363
Infrastructure	166,858,848	2,495,488	-	169,354,336
Intangible assets	800,000	-	-	800,000
Total capital assets being depreciated	<u>236,345,057</u>	<u>4,207,665</u>	<u>208,781</u>	<u>240,343,941</u>
Less accumulated depreciation for:				
Buildings and improvements	9,733,889	938,453	-	10,672,342
Vehicles and equipment	18,309,141	1,275,486	140,941	19,443,686
Infrastructure	106,084,167	7,238,283	-	113,322,450
Intangible assets	351,102	40,000	-	391,102
Total accumulated depreciation	<u>134,478,299</u>	<u>9,492,222</u>	<u>140,941</u>	<u>143,829,580</u>
Total capital assets being depreciated, net	<u>101,866,758</u>	<u>(5,284,557)</u>	<u>67,840</u>	<u>96,514,361</u>
Governmental activities capital assets, net	<u>\$ 123,391,126</u>	<u>\$ (1,563,075)</u>	<u>\$ 2,491,377</u>	<u>\$ 119,336,674</u>
<i>Business-type activities</i>				
Capital assets, not being depreciated:				
Land	\$ 6,404,149	\$ -	\$ -	\$ 6,404,149
Construction in progress	6,085,681	8,989,314	4,152,563	10,922,432
Total capital assets, not being depreciated	<u>12,489,830</u>	<u>8,989,314</u>	<u>4,152,563</u>	<u>17,326,581</u>
Capital assets being depreciated				
Land rights	19,794	-	-	19,794
Land improvements	82,335	-	-	82,335
Building and improvements	156,525,364	1,285,011	-	157,810,375
Vehicles and equipment	11,524,172	761,690	375,552	11,910,310
Infrastructure	194,734,567	3,913,834	-	198,648,401
Total capital assets being depreciated, net	<u>362,886,232</u>	<u>5,960,535</u>	<u>375,552</u>	<u>368,471,215</u>
Less accumulated depreciation for:				
Land rights	19,794	-	-	19,794
Land improvements	82,335	-	-	82,335
Building and improvements	58,104,278	4,248,172	-	62,352,450
Vehicles and equipment	8,863,570	506,714	366,934	9,003,350
Infrastructure	75,675,378	4,445,247	8,618	80,112,007
Total accumulated depreciation	<u>142,745,355</u>	<u>9,200,133</u>	<u>375,552</u>	<u>151,569,936</u>
Total capital assets being depreciated, net	<u>220,140,877</u>	<u>(3,239,598)</u>	<u>-</u>	<u>216,901,279</u>
Business-type activities capital assets, net	<u>\$ 232,630,707</u>	<u>\$ 5,749,716</u>	<u>\$ 4,152,563</u>	<u>\$ 234,227,860</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. DETAILED NOTES (CONTINUED)**Capital Assets (continued)**

Depreciation expense has been charged as follows:

Governmental activities

General government	\$	1,885,056
Public safety		1,073,560
Highway and streets		5,682,188
Culture and recreation		851,418
Total depreciation expense - governmental activities	\$	<u>9,492,222</u>

Business-type activities

Water	\$	3,723,196
Sewer		5,450,858
Stormwater		12,723
Internal service fund - public works		13,356
Total depreciation - business-type activities	\$	<u>9,200,133</u>

Assessment Liens Receivable

Assessment liens receivable represent the uncollected amounts levied against property for the cost of local improvements. Total delinquent assessments receivable at June 30, 2022, amounted to \$9,330,598, net of an allowance for uncollectible accounts totaling \$8,831,221 for a net receivable of \$499,377. 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, 2022.

	July 1, 2021		June 30, 2022	
	Balance	Increase	Decrease	Balance
Governmental Funds				
Albany Revitalization Agency (ARA) Regular loans	\$ 1,524,741	\$ -	\$ (85,931)	\$ 1,438,810
Economic Development	<u>2,097,112</u>	<u>-</u>	<u>(102,223)</u>	<u>1,994,889</u>
Total governmental funds	4,396,565	-	(188,154)	3,433,699
Enterprise Funds				
Sewer	<u>2,871,824</u>	<u>-</u>	<u>(316,207)</u>	<u>2,555,617</u>
Total loans receivable	<u>\$ 7,268,389</u>	<u>\$ -</u>	<u>\$ (504,361)</u>	<u>\$ 5,989,316</u>

Albany Revitalization Area (ARA) Fund – Regular Loans

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

In fiscal year 2016, the ARA approved a zero-interest twenty-year loan of \$175,000, to Novak's Hungarian Restaurant, for further improvements to the property located at 208 Second Avenue. This loan is secured by a promissory note and trust deed. Monthly payments of \$729 began on January 15, 2016. Due to COVID-19 the City deferred some payments for future consideration. The outstanding balance on June 30, 2022, totaled \$135,221.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

In fiscal year 2016, the ARA approved a twenty-year loan of \$500,000, to Rick Mikesell, for renovations to the 1st Avenue Century Building. This no-interest loan is secured by a promissory note and trust deed. Monthly payments of \$2,083 started in September 2016, resulting in an outstanding balance of \$354,167 on June 30, 2022.

ARA converted a \$200,000 forgivable loan to R3 Development to a repayable loan in July 2016. The twenty-year loan has zero interest and monthly payments of \$833. Payments began in August 2016, resulting in an ending balance of \$140,834 on June 30, 2022.

Signs of Victory received a five-year \$50,000 loan from the ARA on April 28, 2017, and another \$50,000 loan that was finalized July 13, 2017. This loan is secured by a promissory note and trust deed. Annual payments of \$25,000 plus interest began on December 31, 2018. A one-year forbearance was granted in December 2019, making the next payment due December 31, 2020. The outstanding balance on June 30, 2022 was \$50,000.

Natural Sprinkles Bakery received a five-year \$50,000 loan from the ARA on January 5, 2018. This loan is secured by a promissory note and all tangible and intangible assets of the business. Annual interest-only payments are due in January of each year. The full principal balance is due January 5, 2023. The outstanding balance on June 30, 2022 was \$50,000.

In fiscal year 2021 the ARA approved a 20-year loan of \$744,000 to Van Vleet Properties, LLC, with an annual interest rate of 4.0 percent. This loan is secured by a promissory note and trust deed. Monthly payments of \$4,508 began on March 15, 2021. The outstanding balance on June 30, 2022 was \$708,588.

Albany Revitalization Area (ARA) Fund - Forgivable Loans

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

Borrower	Balance at June 30, 2021	Additions	Forgiven	Balance at June 30, 2022
CADD Connection - Yamamoto	\$ 83,571	\$ -	\$ 83,571	\$ -
Edgewater Village	1,575,200	-	182,800	1,392,400
Ameri-Tool	30,000	-	5,000	25,000
Novak's Hungarian Restaurant	200,000	-	40,000	160,000
C.H.A.N.C.E	-	75,000	75,000	-
Shekinah's Gate LLC	-	211,449	-	211,449
Sable Drive LLC	-	749,000	-	749,000
Glorietta Bay LLC	-	749,000	-	749,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total forgivable loans	<u>\$ 1,888,771</u>	<u>\$ 1,784,449</u>	<u>\$ 386,371</u>	<u>\$ 3,286,849</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3. DETAILED NOTES (CONTINUED)

Loans Receivable (continued)

Economic Development Loans

In fiscal year 2020 the City approved a loan of \$745,000, to Stack HIP LLC, with an annual interest rate of 2.5 percent. This loan is secured by a promissory note and trust deed. Monthly payments of \$3,948 began on January 2, 2020. The outstanding balance at June 30, 2022 totaled \$670,915.

In fiscal year 2021 the City contracted with Community LendingWorks to administer loans to Albany small businesses. A total of 15 businesses received loans totaling \$200,000 in fiscal year 2021. At June 30, 2022, 13 businesses had an outstanding balance and the amount of principal outstanding totaled \$156,626.

In fiscal year 2021, the City's loaned \$1,216,351.97 to Sno-temp related to Lochner Rd with a variable interest rate ranging from 0.27% to 2.57%. This loan is expected to mature in December 2040. The outstanding balance at June 30, 2022 totaled \$1,167,347.

Sewer Fund - Wastewater Treatment Plant Loan - City of Millersburg

In August 2007, the City of Albany and the City of Millersburg approved an intergovernmental agreement for expansion and improvement of Albany's Davidson Street wastewater treatment plant. Costs of the project will be shared ninety percent for Albany and ten percent for Millersburg. The initial cost estimate was \$70 million. The project went online in 2010-11 and final project costs, plus adjustments totaled \$77,854,374. The loan balance was set to be paid back over a 19-year period at the same interest rate charged for the Albany loan from the Clean Water State Revolving Fund but in fiscal year 2017-18, this loan was refinanced at a lower interest rate decreasing the interest owed. As of June 30, 2022, Millersburg's loan balance was \$2,555,617.

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	\$	413,984
Albany Revitalization Agency		72,387
Nonmajor governmental		215,924
Accounts		153,492
System Development Charges		152,057
Assessments		512,566
Total unavailable revenue	\$	1,520,410

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. DETAILED NOTES (CONTINUED)

Restricted Net Position

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

Governmental activities	\$	44,532,306
Business-type activities		<u>9,258,672</u>
 Total		 <u>\$ 53,790,978</u>

Contract Commitments

The City has active contractual commitments as of June 30, 2022 as follows:

Description	Fund	Initial Commitment	Spent to Date	Remaining Commitment
<i>Consultant contracts:</i>				
Stormwater master planning	Street	\$ 127,038	\$ 61,441	\$ 65,597
Water reclamation solids handling project	Sewer	1,436,851	1,339,342	97,509
Waterfront project - economic development	ARA	<u>2,458,285</u>	<u>1,470,551</u>	<u>987,734</u>
Total consulting contracts		4,022,174	2,871,334	1,150,840
 <i>Construction contracts:</i>				
24th Avenue	Street	2,412,893	2,256,860	156,033
Davidson Street	Street	435,542	163,890	271,652
Chicago Street infill	Street	205,000	-	205,000
Periwinkle Path	Grant	337,845	-	337,845
2021 Slurry seal projects	Sewer	7,468,513	7,303,857	164,656
2021 Pipe bursting projects	Sewer	750,030	592,587	157,443
Cox Creek Interceptor	Sewer	4,748,905	-	4,748,905
Jefferson Street water line	Water	928,425	-	928,425
Eagle View Wishram water line	Water	<u>646,297</u>	<u>36,870</u>	<u>609,427</u>
Total construction contracts		<u>17,933,450</u>	<u>10,354,064</u>	<u>7,579,386</u>
 Total contract commitments		 <u>\$ 21,955,624</u>	 <u>\$ 13,225,398</u>	 <u>\$ 8,730,226</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Changes in long-term liabilities for the year ended June 30, 2022 and the amounts due within one year are presented below:

	Balance at June 30, 2021	Increase	Decrease	Balance at June 30, 2022	Due Within One Year
Governmental Activities					
Long-term debt:					
Bonds payable					
General obligation bonds,					
2015 Public Safety Facilities Bonds	\$ 15,260,000	\$ -	\$ 625,000	\$ 14,635,000	\$ 685,000
Limited tax pension obligations,					
Series 2002	4,150,001	-	530,000	3,620,001	600,000
Urban Renewal Bonds					
2007 CARA Series A Tax-exempt	442,000	-	442,000	-	-
CARA Series 2022	-	15,114,767	-	15,114,767	471,074
Unamortized premium	<u>445,381</u>	<u>-</u>	<u>31,813</u>	<u>413,568</u>	<u>31,813</u>
Total bonds payable	<u>20,297,382</u>	<u>15,114,767</u>	<u>1,628,813</u>	<u>33,783,336</u>	<u>1,787,887</u>
Direct borrowings and placements					
2021 SPWF Lochner Road	1,216,352	-	49,005	1,167,347	54,029
Oregon IFA	<u>6,827,664</u>	<u>-</u>	<u>506,831</u>	<u>6,320,833</u>	<u>519,755</u>
Total direct borrowings and placements	<u>8,044,016</u>	<u>-</u>	<u>555,836</u>	<u>7,488,180</u>	<u>573,784</u>
Finance Purchase					
Police vehicles	<u>43,202</u>	<u>-</u>	<u>43,202</u>	<u>-</u>	<u>-</u>
Total long-term debt	<u>28,384,600</u>	<u>15,114,767</u>	<u>2,227,851</u>	<u>41,271,516</u>	<u>2,361,671</u>
Net pension liability	60,380,851	-	27,522,598	32,858,253	-
Total OPEB liability	3,789,896	278,358	-	4,068,254	-
Compensated absences	<u>3,409,656</u>	<u>3,269,004</u>	<u>3,479,880</u>	<u>3,198,780</u>	<u>1,599,389</u>
Total Governmental Activities	<u>\$ 95,965,003</u>	<u>\$ 18,662,129</u>	<u>\$ 33,230,329</u>	<u>\$ 81,396,803</u>	<u>\$ 3,961,060</u>
Business-type Activities					
Long-term debt:					
Bonds payable					
2013 Water Refunding Bonds	\$ 20,275,000	\$ -	\$ 1,195,000	\$ 19,080,000	\$ 1,240,000
Unamortized premium	<u>1,116,298</u>	<u>-</u>	<u>92,388</u>	<u>1,023,910</u>	<u>92,388</u>
Total bonds payable	<u>21,391,298</u>	<u>-</u>	<u>1,287,388</u>	<u>20,103,910</u>	<u>1,332,388</u>
Direct borrowings and placements					
2018 SRF - WWTP	34,363,779	-	3,783,680	30,580,099	3,850,184
2012 SRF	1,050,000	-	100,000	950,000	100,000
2021 SRF - Riverfront Interceptor	<u>10,109,603</u>	<u>-</u>	<u>235,413</u>	<u>9,874,190</u>	<u>474,363</u>
Total direct borrowings and placements	<u>45,523,382</u>	<u>-</u>	<u>4,119,093</u>	<u>41,404,289</u>	<u>4,424,547</u>
Total long-term debt	<u>66,914,680</u>	<u>-</u>	<u>5,406,481</u>	<u>61,508,199</u>	<u>5,756,935</u>
Net pension liability	15,322,668	-	8,222,995	7,099,673	-
Total OPEB liability	1,058,255	157,234	-	1,215,489	-
Compensated absences	<u>896,719</u>	<u>732,742</u>	<u>831,236</u>	<u>798,225</u>	<u>399,113</u>
Total Business-Type Activities	<u>\$ 84,192,322</u>	<u>\$ 889,976</u>	<u>\$ 14,460,712</u>	<u>\$ 70,621,586</u>	<u>\$ 6,156,048</u>
Total primary government	<u>\$ 180,157,325</u>	<u>\$ 19,552,105</u>	<u>\$ 47,691,041</u>	<u>\$ 152,018,389</u>	<u>\$ 10,117,108</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (continued)

Compensated Absences

The City's two internal service funds, Central Services and Public Works Funds, serve primarily the governmental and business-type activities, respectfully. At yearend, long-term liabilities from the Central Service Fund for compensated absences totaling \$327,100 are included in the governmental activities and the compensated absences from the Public Works Fund totaling \$495,546 are included in the business-type activities. Compensated absences, pension liabilities and other postemployment benefit liabilities are generally liquidated by the fund in which they were incurred, including the General, Parks and Recreation, Building Inspection, Street, Economic Development, Public Transit Funds and the respective proprietary funds.

Governmental Activities

General Obligation Bonds

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

The City issued \$18,000,000 in general obligation bonds in August 2015 to finance construction of new public safety facilities. Interest rates range from three to five percent for the 20-year bonds. Final maturity is June 15, 2035. The balance outstanding at June 30, 2022, is \$14,635,000.

For the year ending June 30,	Principal	Interest	Total
2023	\$ 685,000	\$ 519,275	\$ 1,204,275
2024	745,000	491,875	1,236,875
2025	815,000	454,625	1,269,625
2026	890,000	413,875	1,303,875
2027	970,000	369,375	1,339,375
2028-2032	5,965,000	1,315,594	7,280,594
2033-2035	4,565,000	302,738	4,867,738
Totals	<u>\$ 14,635,000</u>	<u>\$ 3,867,357</u>	<u>\$ 18,502,357</u>

Limited Tax Pension Obligations

In March 2002, the City sold \$6,851,826 of Limited Tax Pension Obligations. Net proceeds in the amount of \$6,700,000 were used to finance a portion of the City's estimated unfunded liability in the Oregon Public Employees Retirement System. Debt service requirements are payable from available General Fund resources including property taxes. Interest rates range from 2 percent to 7.36 percent for the 26-year bonds. Final maturity is June 1, 2028. The City prepaid one bond in the amount of \$790,000, which led to interest being defeased in the amount of \$737,003. The balance outstanding at June 30, 2022, is \$3,620,000.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. DETAILED NOTES (CONTINUED)**Long-term Liabilities (continued)**Governmental Activities (continued)

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

For the year ending June 30,	Principal	Interest	Total
2023	\$ 600,000	\$ 247,970	\$ 847,970
2024	685,000	206,870	891,870
2025	-	159,948	159,948
2026	865,000	159,947	1,024,947
2027	970,000	100,695	1,070,695
2028	500,001	34,250	534,251
Totals	<u>\$ 3,620,001</u>	<u>\$ 909,680</u>	<u>\$ 4,529,681</u>

Albany Revitalization Agency Urban Renewal Bonds - 2007

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. There is no remaining balance at June 30, 2022.

Albany Revitalization Agency Urban Renewal Bonds - 2022

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

For the year ending June 30,	Principal	Interest	Total
2023	\$ 471,074	\$ 241,458	\$ 712,532
2024	1,278,843	395,380	1,674,223
2025	1,313,371	360,851	1,674,222
2026	1,348,832	325,390	1,674,222
2027	1,385,251	288,971	1,674,222
2028-2032	7,507,891	863,220	8,371,111
2033-2037	1,809,505	48,857	1,858,362
Totals	<u>\$ 15,114,767</u>	<u>\$ 2,524,127</u>	<u>\$ 17,638,894</u>

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3. DETAILED NOTES (CONTINUED)

Long-term Liabilities (continued)

Governmental Activities (continued)

Special Public Works Fund Loan – Lochner Road development project

In June 2021, the City entered into the first amendment to an infrastructure funding agreement for \$1,216,352 to be repaid over a 20-year period. The interest rate is 2.054 percent with a final maturity of December 1, 2040. The balance outstanding at June 30, 2022 is \$1,167,347.

For the year ending June 30,	Principal	Interest	Total
2023	\$ 54,029	\$ 20,211	\$ 74,240
2024	54,063	20,011	74,074
2025	54,111	19,725	73,836
2026	54,170	19,373	73,543
2027	54,243	18,940	73,183
2028-2032	298,019	83,584	381,603
2033-2037	317,318	57,397	374,715
2038-2042	281,394	18,310	299,704
Totals	<u>\$ 1,167,347</u>	<u>\$ 257,551</u>	<u>\$ 1,424,898</u>

Oregon Infrastructure Authority (IFA) - streetscape loan

In October 2016, Council approved through resolution a \$8,400,000 loan from the Oregon Infrastructure Authority (IFA) for the financing of projects in the Central Albany Revitalization Area. The interest rate is 2.55 percent and payment is made from the transfer of ARA incremental tax receipts. Final maturity is December 1, 2032. The balance outstanding at June 30, 2022 is \$6,320,833. In the event of default, the IFA may declare all payments immediately due and payable. Annual debt service requirements to maturity are as follows:

For the year ending June 30,	Principal	Interest	Total
2023	\$ 519,755	\$ 161,181	\$ 680,936
2024	533,009	147,927	680,936
2025	546,600	134,336	680,936
2026	560,539	120,397	680,936
2027	574,832	106,104	680,936
2028-2032	3,101,655	303,025	3,404,680
2033	484,443	12,353	496,796
Totals	<u>\$ 6,320,833</u>	<u>\$ 985,323</u>	<u>\$ 7,306,156</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. DETAILED NOTES (CONTINUED)**Long-term Liabilities (continued)**Business-Type Activities*Revenue Bonds*

In March 2013, the City issued \$28,405,000 of Water Refunding Bonds, Series 2013, to refund the 2003 Series Water Revenue and Refunding Bonds. The 2013 Series bonds are collateralized by City's pledge of its full faith and credit and taxing powers, plus are secured by a lien on the net revenues of the City's Water System. Debt service requirements are payable from pledged water system revenues, i.e. water service charges and system development charges. Interest rates range from three percent to five percent for the 20-year bonds. Final maturity is August 1, 2033. The balance outstanding of the bonds at June 30, 2022, is \$19,080,000.

For the year ending June 30,	Principal	Interest	Total
2023	\$ 1,240,000	\$ 682,094	\$ 1,922,094
2024	1,290,000	631,494	1,921,494
2025	1,345,000	572,069	1,917,069
2026	1,420,000	502,944	1,922,944
2027	1,500,000	437,444	1,937,444
2028-2032	8,465,000	1,293,484	9,758,484
2033-2037	3,820,000	120,469	3,940,469
Totals	<u>\$ 19,080,000</u>	<u>\$ 4,239,998</u>	<u>\$ 23,319,998</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, 2022, the balance outstanding is \$30,580,099. The final maturity date is October 1, 2029.

For the year ending June 30,	Principal	Interest	Total
2023	\$ 3,850,184	\$ 671,281	\$ 4,521,465
2024	3,917,856	584,357	4,502,213
2025	3,986,720	495,906	4,482,626
2026	4,056,793	405,899	4,462,692
2027	4,128,097	314,309	4,442,406
2028-2032	10,640,449	377,163	11,017,612
Totals	<u>\$ 30,580,099</u>	<u>\$ 2,848,915</u>	<u>\$ 33,429,014</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. DETAILED NOTES (CONTINUED)**Long-term Liabilities (continued)**Business-type Activities (continued)Loans Payable (continued)

The City of Albany has received a \$4,000,000 loan from the Special Public Works Revolving Fund (SPWRF) which was funded by American Recovery and Reinvestment Act (ARRA) and was used to fund a portion of the Talking Water Garden project. The City of Millersburg forwarded their \$4,000,000 loan from SPWRF to use against the same project. These two loans are forgivable; 75% for the City of Millersburg and 50% for the City of Albany. The balance outstanding as of June 30, 2022, is \$950,000. 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
2023	\$ 100,000	\$ 4,750	\$ 104,750
2024	100,000	4,250	104,250
2025	100,000	3,750	103,750
2026	100,000	3,250	103,250
2027	100,000	2,750	102,750
2028-2032	<u>450,000</u>	<u>6,250</u>	<u>456,250</u>
Totals	<u>\$ 950,000</u>	<u>\$ 25,000</u>	<u>\$ 975,000</u>

The City was approved for a loan totaling \$10,109,603 from the Clean Water State Revolving Fund (CWSRF) to assist in the payment of construction costs to build a new riverfront interceptor and lift station. Debt service requirements are payable from pledged sewer system revenues. The loan payment schedule includes a 0.5 percent loan fee on top of the 1.00 percent interest rate, effectively increasing the loan rate to 1.50 percent. In the event of default, the CWSRF may declare the outstanding loan amount plus any unpaid accrued interest immediately due and payable. As of June 30, 2022, the balance outstanding is \$9,874,190. The final maturity date is April 1, 2041.

For the year ending June 30,	Principal	Interest	Total
2023	\$ 474,363	\$ 145,747	\$ 620,110
2024	479,119	138,607	617,726
2025	483,921	131,398	615,319
2026	488,773	124,114	612,887
2027	493,673	116,758	610,431
2028-2032	2,543,601	470,842	3,014,443
2033-2037	2,673,680	275,561	2,949,241
2038-2041	<u>2,237,060</u>	<u>73,150</u>	<u>2,310,210</u>
Totals	<u>\$ 9,874,190</u>	<u>\$ 1,476,177</u>	<u>\$ 11,350,367</u>

Finance purchase

The City financed the purchase of police vehicles adding the vehicles to capital assets in previous. This purchase was paid off in in fiscal year 2022 and the vehicles became property of the City.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. DETAILED NOTES (CONTINUED)

Interfund Transfers

During the year ended June 30, 2022, interfund transfers were as follows:

Transfers out	Transfers in									
	Governmental Activities						Business-Type Activities			Total Transfers In
	General	Streets	Grants	Albany Revitalization Agency	Nonmajor Governmental Funds	Internal Service - Central Services	Water	Sewer		
<u>Governmental Activities</u>										
General	\$ -	\$ -	\$ 86,953	\$ -	\$ 4,575,301	\$ -	\$ -	\$ -	\$ 4,662,254	
Risk Management	-	-	-	-	-	-	-	373,437	373,437	
Streets	-	-	12,380	-	98,625	-	947,258	1,092,155	2,150,418	
Grants	-	475,900	-	-	9,534	-	-	-	485,434	
Nonmajor Governmental	510,334	380,000	110,331	241,400	214,500	16,000	-	-	1,472,565	
Internal Serv - Central Services	-	-	1,576	-	10,900	-	-	-	12,476	
<u>Business-Type Activities</u>										
Water	-	-	1,950	-	-	4,967	-	23,563	30,480	
Sewer	-	-	649	-	-	4,967	-	-	5,616	
Internal Serv - Public Works	-	-	4,597	-	-	-	-	-	4,597	
Total Transfers Out	\$ 510,334	\$ 855,900	\$ 218,436	\$ 241,400	\$ 4,908,860	\$ 25,934	\$ 947,258	\$ 1,489,155	\$ 9,197,277	

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

Transfers from the Public Safety Levy Police and Fire Funds to the General Fund totaled \$4,541,101 for the related programs. Also, the Sewer and Water Funds transferred \$1,092,155 and \$947,258, respectively, to the Streets Fund to assist with street costs with ILFF (in lieu of franchise fees) money.

Interfund Loans

At June 30, 2022, interfund loans were as follows:

Payable	Receivable
	Economic Development Fund
Capital Projects Fund	\$ 798,897

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 \$798,897 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, 2022

3. DETAILED NOTES (CONTINUED)

Governmental Fund Balances

As of June 30, 2022, the fund balance amounts for governmental funds have been reported in the categories listed below as of follows:

	General	Risk Management	Street	Grants	Albany Revitalization Agency	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>							
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,500	\$ 79,500
Inventory	-	-	62,156	-	-	-	62,156
Prepays	831,633	-	196	-	80	503	832,412
Loans	-	-	-	-	-	2,097,112	2,097,112
Total Nonspendable	831,633	-	62,352	-	80	2,177,115	3,071,180
<u>Restricted:</u>							
Park and Recreation SDCs	-	-	-	-	-	2,757,112	2,757,112
Senior Center Foundation	-	-	-	-	-	37	37
Building Inspection	-	-	-	-	-	3,386,499	3,386,499
Electrical Inspection	-	-	-	-	-	362,573	362,573
Public Safety Levy	-	-	-	-	-	827,865	827,865
Transportation SDC Projects	-	-	6,803,008	-	-	-	6,803,008
Albany Revitalization Agency	-	-	-	-	27,241,512	-	27,241,512
Other Grants	-	-	-	2,165,988	-	-	2,165,988
2015 Public Safety Facilities	-	-	-	-	-	678,424	678,424
Library Programs	-	-	-	-	-	6,478	6,478
Total Restricted	-	-	6,803,008	2,165,988	27,241,512	8,018,988	44,229,496
<u>Committed:</u>							
Parks and Recreation Operations	-	-	-	-	-	4,843,446	4,843,446
Risk Management Reserve	-	657,476	-	-	-	-	657,476
PERS Reserve	-	1,788,995	-	-	-	-	1,788,995
Economic Development	-	-	-	-	-	634,643	634,643
Street Operations	-	-	58,648	-	-	-	58,648
Street Capital and Recreation	-	-	6,791,514	-	-	-	6,791,514
Capital Projects	-	-	-	-	-	263,772	263,772
ADA Capital Projects	-	-	179,245	-	-	-	179,245
Economic Development Opportunity	-	-	-	-	-	2,035,846	2,035,846
Albany Municipal Airport	-	-	-	-	-	176,126	176,126
Municipal Airport Capital Projects	-	-	-	-	-	317,281	317,281
Albany Transit	-	-	-	-	-	425,196	425,196
Albany Transit Capital Projects	-	-	-	-	-	382,456	382,456
Paratransit System	-	-	-	-	-	374,490	374,490
Linn-Benton Loop	-	-	-	-	-	161,018	161,018
Equipment Replacement	-	-	616,997	-	-	3,436,470	4,053,467
IT Equipment Replacement	-	-	12,013	-	-	304,542	316,555
Public Works Facilities	-	-	-	-	-	686,786	686,786
Total Committed	-	2,446,471	7,658,417	-	-	14,042,072	24,146,960
<u>Assigned:</u>							
2002 Limited Tax Pension Bonds	-	-	-	-	-	184,934	184,934
<u>Unassigned:</u>							
General Fund	8,191,153	-	-	-	-	-	8,191,153
Total Fund Balances	\$ 9,022,786	\$ 2,446,471	\$ 14,523,777	\$ 2,165,988	\$ 27,241,592	\$ 24,423,109	\$ 79,823,723

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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

B. Description of benefit terms

Plan Benefits

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

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

Pension Benefits

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

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

B. Description of benefit terms (continued)

Plan Benefits (continued)

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

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

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

Pension Benefits

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

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

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

B. Description of benefit terms (continued)

2. Oregon Public Service Retirement Plan (continued)

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

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, 2019 actuarial valuation.

Tier One/Tier Two employer contribution rates are 29.65 percent and the OPSRP employer contribution rates are 23.37 percent for general service employees and 27.73 for police and fire employees. Employer contributions for the year ended June 31, 2022 were \$7,581,154 excluding amounts to fund employer specific liabilities.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. OTHER INFORMATION (CONTINUED)**Defined Benefit Pension Plan (continued)****D. Pension Asset or Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***Net pension liability*

At June 30, 2022, the City reported a liability of \$39,957,926 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

1. Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.
2. UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

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

At June 30, 2021, the City's proportion was 0.33391546 percent, which decreased from its proportion of 0.34689087 percent measured as of June 30, 2020.

Pension Expense

For the year ended June 30, 2022, the City of Albany recognized pension expense of \$5,366,371.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

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

Deferred outflows and inflows of resources

At June 30, 2022, 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	\$ 3,740,323	\$ -
Changes in assumptions	10,002,672	105,160
Net differences between projected and actual earnings on investments	-	29,580,543
Changes in proportion	1,447,781	2,478,744
Differences between City contributions and proportionate share of contributors	577,105	1,021,372
City contributions subsequent to the measurement date	7,581,154	-
Total	\$ 23,349,035	\$ 33,185,819

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$7,581,154 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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,		
2023	\$	(2,866,768)
2024		(3,007,160)
2025		(4,735,677)
2026		(7,578,662)
2027		770,329
Thereafter		-
	\$	(17,417,938)

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

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

The total pension liability measured as of June 30, 2021 was based on an actuarial valuation as of December 31, 2019 using the following methods and assumptions:

Actuarial Methods and Assumptions

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience study report	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.4 percent
Long-term expected rate of return	6.9 percent
Discount rate	6.9 percent
Projected salary increases	3.4 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. OTHER INFORMATION (CONTINUED)**Defined Benefit Pension Plan (continued)****E. Actuarial Methods and Assumptions Used in Developing Total Pension Liability (continued)****UAL amortization**

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.9%, a reduction from 7.2% from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	<u>2.50%</u>
Total	<u>100.00%</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. OTHER INFORMATION (CONTINUED)**Defined Benefit Pension Plan (continued)****E. 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 June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

Long-Term Expected Rate of Return¹

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

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

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

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

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

Depletion Date Projection

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

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

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

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

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2019 valuation used for determining the collective net pension liability that are expected to have a significant effect on the City's proportionate share of the collective net pension liability.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan (continued)

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

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability/(asset)	\$ 78,467,809	\$ 39,957,926	\$ 7,739,132

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Plan description

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

Pension Benefits

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

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

Death Benefits

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Defined Contribution Plan (continued)

Contributions

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

The City makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2022 were \$1,920,842.

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: www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf.

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

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

Other Postemployment Healthcare benefits

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

To be eligible, the member must:

- 1) Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
- 2) Receive both Medicare Parts A and B coverage
- 3) Enroll in a PERS-sponsored health plan

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (continued)

A. Plan description and Benefits Provided (continued)

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 periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

The City contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2022, the City made contributions in the amount of \$5,873 to the RHIA.

C. 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, 2022, the City reported a liability/(asset) of \$(951,595) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. 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, 2021, the City's proportion was 0.27710945 percent, which was an increase of 0.01166436 percent from its proportion measured as of June 30, 2020.

OPEB expense

For the year ended June 30, 2021, the City recognized OPEB expense (revenue) of \$(149,722).

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, 2021, 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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (continued)

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

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

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ 26,475
Changes of assumptions	18,724	14,156
Net difference between projected and actual earning on investments	-	226,149
Changes in proportionate share	16,066	14,626
Contributions subsequent to the measurement date	5,873	-
Total	\$ 40,663	\$ 281,406

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$5,873 will be recognized as an adjustment to the net OPEB (asset) / liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2023	\$ (72,043)
2024	(51,506)
2025	(51,630)
2026	(71,438)
Total	\$ (246,616)

D. 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.

Retiree healthcare participation

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Other Postemployment Benefits (continued)

D. Actuarial methods and assumptions used in developing total OPEB liability (continued)

Healthcare cost trend rate

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

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent the plan’s fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS (OPERS):

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

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

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

The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9 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 (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (841,547)	\$ (951,595)	\$ (1,045,604)

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2020 (the date of the last actuarial valuation), consisted of the following:

Active employees	396
Retirees, spouses or dependents	10
Total	406

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 average current medical and vision premiums due for retirees and their spouses were modeled using average monthly premiums of \$782 per retiree and \$886 per spouse. Dental premiums were modeled using average monthly premiums of \$64 per retiree and \$55 per spouse. The effective date of the premiums provided as of the date was July 1, 2020.

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, 2022, the City reported a total OPEB liability of \$5,283,743. The total OPEB liability was measured as of June 30, 2021 and determined by an actuarial valuation of July 1, 2020.

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balance at June 30, 2021	\$ 4,848,151
Changes for the year:	
Service Cost	402,652
Interest on total OPEB liability	114,884
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	23,455
Benefit payments	(105,399)
Balance as of June 30, 2022	\$ 5,283,743

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefit Plan (continued)

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$374,431. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ 500,467
Changes of assumption or inputs	280,066	626,246
Benefit payments	112,069	-
Total	\$ 392,135	\$ 1,126,713

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date in the amount of \$112,069 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2023. 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,	
2023	\$ (143,105)
2024	(143,105)
2025	(143,105)
2026	(143,105)
2027	(128,837)
Thereafter	(145,390)

E. Actuarial valuation

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

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefit Plan (continued)

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

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent overall payroll growth
Withdrawal, Retirement and Mortality Rates	December 31, 2019 Oregon PERS valuation
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Election and Lapse Rates	55% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

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

Discount rate

The discount rate used to measure the total OPEB liability was 2.16 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 2.21 percent.

Healthcare cost trend rate

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

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

Dental costs increase 4.00% in all future years.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. OTHER INFORMATION (CONTINUED)

City of Albany Other Postemployment Benefit Plan (continued)

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

The following presents the City of Albany total OPEB liability calculated using the discount rate of 2.16 percent, as well as what the City of Albany's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 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	\$ 5,778,070	\$ 5,283,743	\$ 4,822,208
	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 4,578,323	\$ 5,283,743	\$ 6,126,857

Aggregate Balances - OPEB

The balances of the City's two OPEB plans are aggregated and displayed in the financial statements as follows:

	Oregon PERS RHIA Plan	City's Implicit Rate Subsidy Plan	Total OPEB at June 30, 2022
Net OPEB asset	\$ 951,595	\$ -	\$ 951,595
Deferred outflows of resources	40,663	392,135	432,798
Total OPEB liability	-	(5,283,743)	(5,283,743)
Deferred inflows of resources	(281,406)	(1,126,713)	(1,408,119)
OPEB expense (revenue)	710,852	(6,018,321)	(5,307,469)

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.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Commitments and Contingent Liabilities

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

Joint Ventures

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

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

At June 30, 2022, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$349,874. A copy of the Linn Regional Fueling Facility audit report may be obtained from Linn County, P.O. Box 100, Albany, Oregon 97321.

Intergovernmental Agreements

Water supply system

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

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. OTHER INFORMATION (CONTINUED)

Intergovernmental Agreements (continued)

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

Wastewater treatment facility

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

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

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

Tax Abatements

Linn County has established a tax abatement program for nonprofit low-income rental housing under ORS 307.541. As a result, the property taxes that the City will receive for the 2021-22 levy year has been reduced by \$40,118.

Linn County has established an enterprise zone under ORS 285C.175 that abates property taxes on new business development within zone. As a result, the property taxes that the City will receive for the 2021-22 levy year has been reduced by \$524,245.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. OTHER INFORMATION (CONTINUED)

Prior Period Adjustments

The beginning net position of the governmental activities and the beginning fund balance of the Grants Fund have been decreased by \$4,229,956 to correct an error related to an overstatement of revenues related to the American Rescue Plan Act money received.

The beginning net position of the governmental activities and the beginning fund balance of the Albany Revitalization Agency Fund have been increased by \$1,524,741 to correct the reporting of loans receivable and remove related unavailable revenues.

The beginning fund balance of the Nonmajor Economic Development Fund has been increased by \$2,097,112 to correct the reporting of loans receivable and remove related unavailable revenues.

Newly Issued Accounting Standards

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). The Statement establishes accounting and financial reporting standards for leases by lessees and lessors. The Statement requires lessees to report a "right to use" asset and a lease liability and requires lessors to report a lease receivable and a deferred inflow, for leases with a term of more than one year. The City implemented the provisions of GASB 87 as of July 1, 2021. Implementation of this standard had no impact on the City's financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.3339155%	\$ 39,957,926	\$ 31,058,405	128.65%	87.60%
2020	0.3468909%	75,703,519	31,757,483	238.38%	75.80%
2019	0.3490157%	60,371,361	30,687,896	196.73%	80.20%
2018	0.3199761%	48,472,169	28,831,758	168.12%	82.07%
2017	0.3380274%	45,566,225	27,155,094	167.80%	83.12%
2016	0.3477371%	52,203,413	24,999,736	208.82%	80.50%
2015	0.3856173%	22,140,067	24,474,058	90.46%	91.90%
2014	0.3705457%	(8,399,214)	23,890,519	-35.16%	1.04%

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALBANY, OREGON
SCHEDULE OF PENSION CONTRIBUTIONS
For the Last Nine Fiscal Years

Year Ended June 30,	(a) Statutorily required contributions	(b) Contributions in relation to the statutorily required contributions	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 7,581,154	\$ 7,581,154	\$ -	\$ 30,634,144	24.75%
2021	7,522,736	7,522,736	-	31,058,405	24.22%
2020	6,718,166	6,718,166	-	31,757,483	21.15%
2019	5,634,997	5,634,997	-	30,687,896	18.36%
2018	5,202,374	5,202,374	-	28,831,758	18.04%
2017	3,935,362	3,935,362	-	27,155,094	14.49%
2016	3,908,587	3,908,587	-	24,999,736	15.63%
2015	3,419,315	3,419,315	-	24,474,058	13.97%
2014	3,383,501	3,383,501	-	23,890,519	14.16%

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

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 Six 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
2021	0.2382868%	\$ (951,595)	\$ 31,058,405	-3.06%	183.9%
2020	0.2654451%	(540,870)	31,757,483	-1.70%	150.1%
2019	0.2987078%	(577,211)	30,687,896	-1.88%	144.5%
2018	0.2862945%	(319,581)	28,831,758	-1.11%	124.0%
2017	0.2721579%	(113,583)	27,155,094	-0.42%	108.9%
2016	0.2721579%	79,318	24,999,736	0.32%	80.5%

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.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 5,873	\$ 5,873	-	\$ 30,634,144	0.02%
2021	7,414	7,414	-	31,058,405	0.02%
2020	18,956	18,956	-	31,757,483	0.06%
2019	148,046	148,046	-	30,687,896	0.48%
2018	138,625	138,625	-	28,831,758	0.51%
2017	137,431	137,431	-	27,155,094	0.51%

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	June 30,				
	2021	2020	2019	2018	2017
Service cost	\$ 402,652	\$ 324,275	\$ 288,133	\$ 326,398	\$ 350,006
Interest on total OPEB liability	114,884	180,995	183,120	191,033	154,972
Effect of changes to benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	-	(577,579)	-	(66,862)	-
Effect of assumptions changes or inputs	23,455	186,229	159,069	(780,896)	(342,432)
Benefit payments	<u>(105,399)</u>	<u>(223,685)</u>	<u>(229,898)</u>	<u>(241,660)</u>	<u>(239,684)</u>
Net change in total OPEB liability	435,592	(109,765)	400,424	(571,987)	(77,138)
Total OPEB liability - beginning of year	<u>4,848,151</u>	<u>4,957,916</u>	<u>4,557,492</u>	<u>5,129,479</u>	<u>5,206,617</u>
Total OPEB liability - end of year	<u>\$ 5,283,743</u>	<u>\$ 4,848,151</u>	<u>\$ 4,957,916</u>	<u>\$ 4,557,492</u>	<u>\$ 5,129,479</u>
Covered-employee payroll	\$ 31,058,405	\$ 31,757,483	\$ 30,687,896	\$ 28,831,758	\$ 27,155,094
Total OPEB liability as a percentage of covered-employee payroll	17.0%	15.3%	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 INFORMATION

This section includes:

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

CITY OF ALBANY, OREGON

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Permanent Library Trust	Total
ASSETS					
Cash and cash equivalents	\$ 5,165,285	\$ 265,210	\$ 1,622,398	\$ -	\$ 7,052,893
Investments	10,890,527	571,181	3,525,051	58,609	15,045,368
Receivables:					
Property taxes	361,830	51,620	-	-	413,450
Accounts	1,112,176	61	115,221	-	1,227,458
Assessments	-	-	13,189	-	13,189
Interest	30,646	2,971	9,315	157	43,089
Loans, net of allowance for uncollectible	1,994,889	-	-	-	1,994,889
Interfund loan receivable	798,897	-	-	-	798,897
Prepaid items	503	-	-	-	503
Restricted cash and cash equivalents	-	-	-	27,212	27,212
Total assets	\$ 20,354,753	\$ 891,043	\$ 5,285,174	\$ 85,978	\$ 26,616,948
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 931,632	\$ -	\$ 5,898	\$ -	\$ 937,530
Deposits	2,575	-	133,100	-	135,675
Unearned revenue	65,874	-	-	-	65,874
Interfund loan payable	-	-	798,897	-	798,897
Total liabilities	<u>1,000,081</u>	<u>-</u>	<u>937,895</u>	<u>-</u>	<u>1,937,976</u>
Deferred inflows of resources					
Unavailable revenue	214,989	27,685	13,189	-	255,863
Total deferred inflows of resources	<u>214,989</u>	<u>27,685</u>	<u>13,189</u>	<u>-</u>	<u>255,863</u>
Fund balances					
Nonspendable	2,097,615	-	-	79,500	2,177,115
Restricted	7,334,086	678,424	-	6,478	8,018,988
Committed	9,707,982	-	4,334,090	-	14,042,072
Assigned	-	184,934	-	-	184,934
Total fund balances	<u>19,139,683</u>	<u>863,358</u>	<u>4,334,090</u>	<u>85,978</u>	<u>24,423,109</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 20,354,753	\$ 891,043	\$ 5,285,174	\$ 85,978	\$ 26,616,948

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Permanent Library Trust	Total
Revenues					
Taxes:					
Property	\$ 10,507,771	\$ 1,237,720	\$ -	\$ -	\$ 11,745,491
Transient room	1,257,063	-	-	-	1,257,063
Construction excise	396,321	-	-	-	396,321
Licenses and permits	2,804,628	-	-	-	2,804,628
Charges for services	1,954,480	790,900	138,800	-	2,884,180
Intergovernmental	3,614,069	-	100,205	-	3,714,274
Investment earnings	(372,191)	(8,718)	(134,749)	(1,945)	(517,603)
Miscellaneous	316,736	-	205,698	-	522,434
Total revenues	<u>20,478,877</u>	<u>2,019,902</u>	<u>309,954</u>	<u>(1,945)</u>	<u>22,806,788</u>
Expenditures					
Current					
General government	3,149,661	600	23,162	-	3,173,423
Community development	2,524,729	-	-	-	2,524,729
Public safety	-	-	312,526	-	312,526
Culture and recreation	6,065,231	-	5,883	-	6,071,114
Debt service					
Principal	49,005	1,155,000	43,202	-	1,247,207
Interest	15,447	828,550	-	-	843,997
Capital outlay	238,440	-	596,601	-	835,041
Total expenditures	<u>12,042,513</u>	<u>1,984,150</u>	<u>981,374</u>	<u>-</u>	<u>15,008,037</u>
Excess (deficiency) of revenues over expenditures	<u>8,436,364</u>	<u>35,752</u>	<u>(671,420)</u>	<u>(1,945)</u>	<u>7,798,751</u>
Other financing sources (uses)					
Sale of capital assets	118,935	-	112,080	-	231,015
Transfers in	979,469	-	493,096	-	1,472,565
Transfers out	(4,908,860)	-	-	-	(4,908,860)
Total other financing sources (uses)	<u>(3,810,456)</u>	<u>-</u>	<u>605,176</u>	<u>-</u>	<u>(3,205,280)</u>
Net change in fund balances	4,625,908	35,752	(66,244)	(1,945)	4,593,471
Fund balances at beginning of year	12,416,663	827,606	4,400,334	87,923	17,732,526
Prior period adjustment - Note 4	2,097,112	-	-	-	2,097,112
Fund balances at beginning of year, as restated	<u>14,513,775</u>	<u>827,606</u>	<u>4,400,334</u>	<u>87,923</u>	<u>19,829,638</u>
Fund balances at end of year	<u>\$ 19,139,683</u>	<u>\$ 863,358</u>	<u>\$ 4,334,090</u>	<u>\$ 85,978</u>	<u>\$ 24,423,109</u>

CITY OF ALBANY, OREGON

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2022

	Parks and Recreation	Building Inspection	Economic Development	Public Transit	Public Safety Levy	Total
ASSETS						
Cash and cash equivalents	\$ 2,586,675	\$ 1,291,574	\$ 750,339	\$ 300,846	\$ 235,851	\$ 5,165,285
Investments	5,402,451	2,754,460	1,583,779	641,875	507,962	10,890,527
Receivables:						
Property taxes	196,153	-	-	-	165,677	361,830
Accounts	56,996	-	156,006	898,916	258	1,112,176
Interest	14,752	6,746	4,544	1,744	2,860	30,646
Loans, net of allowance for uncollectible	-	-	1,994,889	-	-	1,994,889
Interfund loan receivable	-	-	798,897	-	-	798,897
Prepaid items	277	36	41	149	-	503
Total assets	\$ 8,257,304	\$ 4,052,816	\$ 5,288,495	\$ 1,843,530	\$ 912,608	\$ 20,354,753
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 460,400	\$ 237,644	\$ 25,156	\$ 208,432	\$ -	\$ 931,632
Deposits	-	-	2,000	575	-	2,575
Unearned revenue	65,874	-	-	-	-	65,874
Total liabilities	526,274	237,644	27,156	209,007	-	1,000,081
Deferred inflows of resources						
Unavailable revenue	130,158	-	88	-	84,743	214,989
Total deferred inflows of resources	130,158	-	88	-	84,743	214,989
Fund balances						
Nonspendable	277	36	2,097,153	149	-	2,097,615
Restricted	2,757,149	3,749,072	-	-	827,865	7,334,086
Committed	4,843,446	66,064	3,164,098	1,634,374	-	9,707,982
Total fund balances	7,600,872	3,815,172	5,261,251	1,634,523	827,865	19,139,683
Total liabilities, deferred inflows of resources and fund balances	\$ 8,257,304	\$ 4,052,816	\$ 5,288,495	\$ 1,843,530	\$ 912,608	\$ 20,354,753

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2022

	Parks and Recreation	Building Inspection	Economic Development	Public Transit	Public Safety Levy	Total
Revenues						
Taxes:						
Property	\$ 5,646,111	\$ -	\$ -	\$ -	\$ 4,861,660	\$ 10,507,771
Transient room	-	-	1,257,063	-	-	1,257,063
Construction excise	-	396,321	-	-	-	396,321
Licenses and permits	676,158	2,128,470	-	-	-	2,804,628
Charges for services	1,385,158	-	117,391	451,931	-	1,954,480
Intergovernmental	3,203	-	32,000	3,578,866	-	3,614,069
Investment earnings	(187,376)	(107,727)	(58,866)	(25,435)	7,213	(372,191)
Miscellaneous	275,812	640	39,557	727	-	316,736
Total revenues	<u>7,799,066</u>	<u>2,417,704</u>	<u>1,387,145</u>	<u>4,006,089</u>	<u>4,868,873</u>	<u>20,478,877</u>
Expenditures						
Current						
General government	-	-	-	3,149,661	-	3,149,661
Community development	-	1,630,737	893,992	-	-	2,524,729
Culture and recreation	6,065,231	-	-	-	-	6,065,231
Debt service						
Principal	-	-	49,005	-	-	49,005
Interest	-	-	15,447	-	-	15,447
Capital outlay	86,269	-	5,406	146,765	-	238,440
Total expenditures	<u>6,151,500</u>	<u>1,630,737</u>	<u>963,850</u>	<u>3,296,426</u>	<u>-</u>	<u>12,042,513</u>
Excess (deficiency) of revenues over expenditures	<u>1,647,566</u>	<u>786,967</u>	<u>423,295</u>	<u>709,663</u>	<u>4,868,873</u>	<u>8,436,364</u>
Other financing sources (uses)						
Sale of capital assets	118,935	-	-	-	-	118,935
Transfers in	438,069	-	241,400	300,000	-	979,469
Transfers out	(76,000)	-	(291,759)	-	(4,541,101)	(4,908,860)
Total other financing sources (uses)	<u>481,004</u>	<u>-</u>	<u>(50,359)</u>	<u>300,000</u>	<u>(4,541,101)</u>	<u>(3,810,456)</u>
Net change in fund balances	2,128,570	786,967	372,936	1,009,663	327,772	4,625,908
Fund balances at beginning of year	5,472,302	3,028,205	2,791,203	624,860	500,093	12,416,663
Prior period adjustment - Note 4	-	-	2,097,112	-	-	2,097,112
Fund balances at beginning of year, as restated	<u>5,472,302</u>	<u>3,028,205</u>	<u>4,888,315</u>	<u>624,860</u>	<u>500,093</u>	<u>14,513,775</u>
Fund balances at end of year	<u>\$ 7,600,872</u>	<u>\$ 3,815,172</u>	<u>\$ 5,261,251</u>	<u>\$ 1,634,523</u>	<u>\$ 827,865</u>	<u>\$ 19,139,683</u>

CITY OF ALBANY, OREGON
PARKS & RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Property	\$ 11,159,800	\$ 11,159,800	\$ 5,646,111	\$ (5,513,689)
Licenses and permits	413,000	1,489,700	1,213,195	(276,505)
Intergovernmental	15,600	15,600	-	(15,600)
Charges for services	1,099,600	1,229,600	867,440	(362,160)
Investment earnings	65,000	65,000	64,160	(840)
Miscellaneous	456,000	456,000	259,696	(196,304)
Total revenues	<u>13,209,000</u>	<u>14,415,700</u>	<u>8,050,602</u>	<u>(6,365,098)</u>
Other Financing Sources				
Sale of capital assets	-	-	118,935	118,935
Transfers in	826,100	833,400	438,069	(490,331)
Intrafund transfers in	1,235,000	1,235,000	70,883	(1,235,017)
Total other financing sources	<u>2,061,100</u>	<u>2,068,400</u>	<u>627,887</u>	<u>(1,606,413)</u>
Fund Balance, beginning				
Fund balance, beginning	4,554,400	4,554,400	5,472,301	847,001
Total fund balance, beginning	<u>4,554,400</u>	<u>4,554,400</u>	<u>5,472,301</u>	<u>847,001</u>
Amount available for appropriation	<u>\$ 19,824,500</u>	<u>\$ 21,038,500</u>	<u>\$ 14,150,790</u>	<u>\$ (7,124,510)</u>
EXPENDITURES				
Park & Recreation Admin	\$ 4,681,300	\$ 4,767,700	\$ 1,589,397	\$ 3,177,303
Resource Dev Marketing Svcs	531,900	531,900	200,810	331,090
Performance & Cultural Arts	1,433,100	1,535,100	421,669	1,188,431
Family Recreation	526,100	656,100	318,212	337,888
Adult Recreation Services	1,280,200	1,280,200	382,221	897,979
Aquatic Services	1,878,700	1,878,700	883,509	995,191
Park Maintenance Services	5,041,400	5,937,000	2,146,178	3,810,822
Park SDC Projectects	1,631,800	1,631,800	199,230	1,432,570
Parks Capital Improvement Prog	1,410,000	1,410,000	86,269	1,394,631
Total expenditures	<u>18,414,500</u>	<u>19,628,500</u>	<u>6,227,495</u>	<u>13,565,905</u>
Appropriated financing uses				
Transfers out	175,000	175,000	-	175,000
Unappropriated financing uses				
Intrafund transfers out	1,235,000	1,235,000	70,883	1,235,017
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 19,824,500</u>	<u>\$ 21,038,500</u>	<u>6,298,378</u>	<u>14,975,922</u>
Budgetary fund balance, ending			<u>\$ 7,852,412</u>	<u>\$ 7,851,412</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(251,540)	
Fund balance, ending - GAAP basis			<u>\$ 7,600,872</u>	

CITY OF ALBANY, OREGON
BUILDING INSPECTION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Construction excise taxes	\$ 630,000	\$ 630,000	\$ 396,321	\$ (233,679)
Franchise fees, privilege taxes, licenses, and permits	2,474,600	2,474,600	2,128,471	(346,129)
Charges for services	15,400	15,400	7,800	(7,600)
Investment earnings	31,900	31,900	20,521	(11,379)
Miscellaneous	-	-	640	640
Total revenues	<u>3,151,900</u>	<u>3,151,900</u>	<u>2,553,753</u>	<u>(598,147)</u>
Fund Balance, beginning				
Fund balance, beginning	2,968,100	2,968,100	3,028,205	60,105
Total fund balance, beginning	<u>2,968,100</u>	<u>2,968,100</u>	<u>3,028,205</u>	<u>60,105</u>
Amount available for appropriation	<u>\$ 6,120,000</u>	<u>\$ 6,120,000</u>	<u>\$ 5,581,958</u>	<u>\$ (538,042)</u>
EXPENDITURES				
Building Inspection	\$ 3,826,100	\$ 3,826,100	\$ 1,526,149	\$ 2,299,951
Electrical Permit Program	346,300	346,300	112,389	233,911
Building Inspection IT Equip	36,400	36,400	-	36,400
Electrical Permit IT Equip	3,500	3,500	-	3,500
Building Inspection Equip	44,600	44,600	-	44,600
Total expenditures	<u>4,256,900</u>	<u>4,256,900</u>	<u>1,638,538</u>	<u>2,618,362</u>
Unappropriated financing uses				
Unappropriated	<u>1,863,100</u>	<u>1,863,100</u>	<u>-</u>	<u>1,863,100</u>
Total expenditures and unappropriated financing uses	<u>\$ 6,120,000</u>	<u>\$ 6,120,000</u>	<u>1,638,538</u>	<u>4,481,462</u>
Budgetary fund balance, ending			<u>\$ 3,943,420</u>	<u>\$ 3,943,420</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(128,248)	
Fund balance, ending - GAAP basis			<u>\$ 3,815,172</u>	

CITY OF ALBANY, OREGON
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Transient Room	\$ 1,523,300	\$ 1,523,300	\$ 1,257,063	\$ (266,237)
Intergovernmental	-	-	32,000	32,000
Charges for services	226,800	226,800	118,891	(107,909)
Investment earnings	24,800	24,800	14,875	(9,925)
Miscellaneous	369,600	369,600	141,780	(227,820)
Total revenues	<u>2,144,500</u>	<u>2,144,500</u>	<u>1,564,609</u>	<u>(579,891)</u>
Other Financing Sources				
Transfers in	716,100	790,400	318,200	(472,200)
Intrafund transfers in	134,000	257,600	298,500	40,900
Total other financing sources	<u>850,100</u>	<u>1,048,000</u>	<u>616,700</u>	<u>(431,300)</u>
Fund Balance, beginning				
Fund balance, beginning	1,520,600	1,966,400	2,868,003	901,603
Prior period adjustment	-	-	213,059	213,059
Total fund balance, beginning	<u>1,520,600</u>	<u>1,966,400</u>	<u>3,081,062</u>	<u>1,114,662</u>
Amount available for appropriation	<u>\$ 4,515,200</u>	<u>\$ 5,158,900</u>	<u>\$ 5,262,371</u>	<u>\$ 103,471</u>
EXPENDITURES				
Economic Development Activities	1,534,100	1,714,100	731,837	982,263
Lochner Road Improvements	140,600	144,100	69,858	74,242
Economic Development Opportunity	1,692,200	1,801,200	16,217	1,784,983
Economic Development IT Equip	3,100	3,100	-	3,100
Albany Municipal Airport	380,100	380,100	131,438	248,662
Airport Capital Projects	274,500	398,100	16,000	382,100
Total expenditures	<u>4,024,600</u>	<u>4,440,700</u>	<u>965,350</u>	<u>3,475,350</u>
Appropriated financing uses				
Transfers out	356,600	460,600	291,759	168,841
Unappropriated financing uses				
Intrafund transfers out	134,000	257,600	298,500	(40,900)
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 4,515,200</u>	<u>\$ 5,158,900</u>	<u>1,555,609</u>	<u>3,603,291</u>
Budgetary fund balance, ending			<u>\$ 3,706,762</u>	<u>\$ 3,706,762</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(73,741)	
Interfund loan from Capital Projects			(153,600)	
Loan receivables			(102,223)	
Prior period adjustment - loans			1,884,053	
Fund balance, ending - GAAP basis			<u>\$ 5,261,251</u>	

CITY OF ALBANY, OREGON
PUBLIC TRANSIT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental	\$ 7,304,700	\$ 7,304,700	\$ 3,578,866	\$ (3,725,834)
Charges for services	2,639,000	2,639,000	524,731	(2,114,269)
Investment earnings	5,100	5,100	4,451	(649)
Miscellaneous	400	400	727	327
Total revenues	9,949,200	9,949,200	4,108,775	(5,840,425)
Other Financing Sources				
Transfers in	300,000	300,000	300,000	-
Intrafund transfers in	369,800	369,800	137,400	(232,400)
Total other financing sources	669,800	669,800	437,400	(232,400)
Fund Balance, beginning				
Fund balance, beginning	389,600	389,600	624,860	235,260
Total fund balance, beginning	389,600	389,600	624,860	235,260
Amount available for appropriation	\$ 11,008,600	\$ 11,008,600	\$ 5,171,035	\$ (5,837,565)
EXPENDITURES				
Albany Transit System	\$ 3,628,500	\$ 3,628,500	\$ 1,038,065	\$ 2,590,435
Linn-Benton Loop	3,485,400	3,485,400	1,479,240	2,006,160
Paratransit System	1,867,000	1,867,000	824,292	1,042,708
Albany Transit Capital	1,252,900	1,252,900	55,139	1,197,761
Albany Transit IT Equip	4,500	4,500	-	4,500
Linn-Benton Loop IT Equip	3,000	3,000	-	3,000
Paratransit Sys IT Equip	7,900	7,900	-	7,900
Albany Transit Sys Equip	188,400	188,400	-	188,400
Linn-Benton Loop Equip Rep	125,400	125,400	-	125,400
Paratransit System Equip	75,800	75,800	-	75,800
Total expenditures	10,638,800	10,638,800	3,396,736	7,242,064
Unappropriated financing uses				
Intrafund transfers out	369,800	369,800	137,400	232,400
Total expenditures, appropriated, and unappropriated financing uses	\$ 11,008,600	\$ 11,008,600	3,506,626	7,501,974
Budgetary fund balance, ending			\$ 1,664,409	\$ 1,664,409
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(29,886)	
Fund balance, ending - GAAP basis			\$ 1,634,523	

CITY OF ALBANY, OREGON
PUBLIC SAFETY LEVY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Property	\$ 9,617,400	\$ 9,617,400	\$ 4,861,660	\$ (4,755,740)
Investment earnings	20,000	20,000	30,864	10,864
Total revenues	<u>9,637,400</u>	<u>9,637,400</u>	<u>4,892,524</u>	<u>(4,744,876)</u>
Fund Balance, beginning				
Fund balance, beginning	500,000	500,000	500,093	93
Total fund balance, beginning	<u>500,000</u>	<u>500,000</u>	<u>500,093</u>	<u>93</u>
Amount available for appropriation	<u>\$ 10,137,400</u>	<u>\$ 10,137,400</u>	<u>\$ 5,392,617</u>	<u>\$ (4,744,783)</u>
Contingencies	\$ -	\$ 500,000	\$ -	\$ 500,000
Total expenditures	-	500,000	-	500,000
Appropriated financing uses				
Transfers out	10,137,400	9,637,400	4,541,101	5,096,299
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 10,137,400</u>	<u>\$ 10,137,400</u>	4,541,101	5,596,299
Budgetary fund balance, ending			<u>\$ 851,516</u>	<u>\$ 851,516</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(23,651)	
Fund balance, ending - GAAP basis			<u>\$ 827,865</u>	

CITY OF ALBANY, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2022

	Debt Service	GO Debt Service	Total
ASSETS			
Cash and cash equivalents	\$ 58,433	\$ 206,777	\$ 265,210
Investments	125,839	445,342	571,181
Receivables:			
Property taxes	-	51,620	51,620
Accounts	-	61	61
Interest	662	2,309	2,971
Total assets	<u>\$ 184,934</u>	<u>\$ 706,109</u>	<u>\$ 891,043</u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Deferred inflows of resources			
Unavailable revenue	-	27,685	27,685
Total deferred inflows of resources	-	27,685	27,685
Fund Balances			
Restricted	-	678,424	678,424
Committed	-	-	-
Assigned	184,934	-	184,934
Total fund balances	184,934	678,424	863,358
Total deferred inflows of resources and fund balances	<u>\$ 184,934</u>	<u>\$ 706,109</u>	<u>\$ 891,043</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2022

	Debt Service	GO Debt Service	Total
Revenues			
Taxes:			
Property	\$ -	\$ 1,237,720	\$ 1,237,720
Charges for services	790,900	-	790,900
Investment earnings	(2,249)	(6,469)	(8,718)
Total revenues	<u>788,651</u>	<u>1,231,251</u>	<u>2,019,902</u>
Expenditures			
Current			
General government	-	600	600
Debt service			
Principal	530,000	625,000	1,155,000
Interest	284,275	544,275	828,550
Total expenditures	<u>814,275</u>	<u>1,169,875</u>	<u>1,984,150</u>
Net change in fund balances	(25,624)	61,376	35,752
Fund balances at beginning of year	<u>210,558</u>	<u>617,048</u>	<u>827,606</u>
Fund balances at end of year	<u>\$ 184,934</u>	<u>\$ 678,424</u>	<u>\$ 863,358</u>

CITY OF ALBANY, OREGON
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Charges for services	\$ 1,640,300	\$ 1,640,300	\$ 790,900	\$ (849,400)
Investment earnings	14,000	14,000	3,610	(10,390)
Total revenues	<u>1,654,300</u>	<u>1,654,300</u>	<u>794,510</u>	<u>(859,790)</u>
Fund Balance, beginning				
Fund balance, beginning	220,000	220,000	210,558	(9,442)
Total fund balance, beginning	220,000	220,000	210,558	(9,442)
Amount available for appropriation	<u>\$ 1,874,300</u>	<u>\$ 1,874,300</u>	<u>\$ 1,005,068</u>	<u>\$ (869,232)</u>
EXPENDITURES				
2002 LTD Tax Pension Bonds	\$ 1,874,300	\$ 1,874,300	\$ 814,275	\$ 1,060,025
Total expenditures	<u>1,874,300</u>	<u>1,874,300</u>	<u>814,275</u>	<u>1,060,025</u>
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 1,874,300</u>	<u>\$ 1,874,300</u>	<u>814,275</u>	<u>1,060,025</u>
Budgetary fund balance, ending			<u>\$ 190,793</u>	<u>\$ 190,793</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(5,859)	
Fund balance, ending - GAAP basis			<u>\$ 184,934</u>	

CITY OF ALBANY, OREGON
GENERAL OBLIGATION DEBT SERV FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Property	\$ 2,068,600	\$ 2,068,600	\$ 1,237,720	\$ (830,880)
Investment earnings	10,000	10,000	14,266	4,266
Total revenues	<u>2,078,600</u>	<u>2,078,600</u>	<u>1,251,986</u>	<u>(826,614)</u>
Fund Balance, beginning				
Fund balance, beginning	599,100	599,100	617,048	17,948
Total fund balance, beginning	<u>599,100</u>	<u>599,100</u>	<u>617,048</u>	<u>17,948</u>
Amount available for appropriation	<u>\$ 2,677,700</u>	<u>\$ 2,677,700</u>	<u>\$ 1,869,034</u>	<u>\$ (808,666)</u>
EXPENDITURES				
Public Safety Facilities Bonds	<u>\$ 2,677,700</u>	<u>\$ 2,677,700</u>	<u>\$ 1,169,875</u>	<u>\$ 1,507,825</u>
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 2,677,700</u>	<u>\$ 2,677,700</u>	1,169,875	1,507,825
Budgetary fund balance, ending			<u>\$ 699,159</u>	<u>\$ 699,159</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			<u>(20,735)</u>	
Fund balance, ending - GAAP basis			<u>\$ 678,424</u>	

CITY OF ALBANY, OREGON

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

June 30, 2022

	<u>Capital Projects</u>	<u>Capital Replacement</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 368,973	\$ 1,253,425	\$ 1,622,398
Investments	824,907	2,700,144	3,525,051
Receivables:			
Accounts	-	115,221	115,221
Assessments	13,189	-	13,189
Interest	1,889	7,426	9,315
Total assets	<u>\$ 1,208,958</u>	<u>\$ 4,076,216</u>	<u>\$ 5,285,174</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 5,898	\$ 5,898
Deposits	133,100	-	133,100
Interfund loan payable	798,897	-	798,897
Total liabilities	<u>931,997</u>	<u>5,898</u>	<u>937,895</u>
Deferred inflows of resources			
Unavailable revenue	13,189	-	13,189
Total deferred inflows of resources	<u>13,189</u>	<u>-</u>	<u>13,189</u>
Fund Balances			
Committed	263,772	4,070,318	4,334,090
Total fund balances	<u>263,772</u>	<u>4,070,318</u>	<u>4,334,090</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,208,958</u>	<u>\$ 4,076,216</u>	<u>\$ 5,285,174</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended June 30, 2022

	Capital Projects	Capital Replacement	Total
Revenues			
Charges for services	33,300	105,500	138,800
Intergovernmental	-	100,205	100,205
Investment earnings	(32,621)	(102,128)	(134,749)
Miscellaneous	177	205,521	205,698
Total revenues	<u>856</u>	<u>309,098</u>	<u>309,954</u>
Expenditures			
Current			
General government	-	23,162	23,162
Public safety	-	312,526	312,526
Culture and recreation	-	5,883	5,883
Debt service			
Principal	-	43,202	43,202
Capital outlay	5,355	591,246	596,601
Total expenditures	<u>5,355</u>	<u>976,019</u>	<u>981,374</u>
Excess (deficiency) of revenues over expenditures	<u>(4,499)</u>	<u>(666,921)</u>	<u>(671,420)</u>
Other financing sources (uses)			
Sale of capital assets	76,800	35,280	112,080
Transfers in	-	493,096	493,096
Total other financing sources (uses)	<u>76,800</u>	<u>528,376</u>	<u>605,176</u>
Net change in fund balances	72,301	(138,545)	(66,244)
Fund balances at beginning of year	<u>191,471</u>	<u>4,208,863</u>	<u>4,400,334</u>
Fund balances at end of year	<u>\$ 263,772</u>	<u>\$ 4,070,318</u>	<u>\$ 4,334,090</u>

CITY OF ALBANY, OREGON
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ 5,787	\$ (4,213)
Miscellaneous	66,600	66,600	177	(66,423)
Total revenues	<u>76,600</u>	<u>76,600</u>	<u>5,964</u>	<u>(70,636)</u>
Other Financing Sources				
Sale of property	153,600	153,600	76,800	(76,800)
Transfers in	-	-	33,300	33,300
Total other financing sources	<u>153,600</u>	<u>153,600</u>	<u>110,100</u>	<u>(43,500)</u>
Fund Balance, beginning				
Fund balance, beginning	1,069,700	1,069,700	114,671	(955,029)
Total fund balance, beginning	<u>1,069,700</u>	<u>1,069,700</u>	<u>114,671</u>	<u>(955,029)</u>
Amount available for appropriation	<u>\$ 1,299,900</u>	<u>\$ 1,299,900</u>	<u>\$ 230,735</u>	<u>\$ (1,069,165)</u>
EXPENDITURES				
Albany Data Integration Project	\$ 124,500	\$ 124,500	\$ 5,355	\$ 119,145
LID Construction Projects	955,200	955,200	-	955,200
Total expenditures	<u>1,079,700</u>	<u>1,079,700</u>	<u>5,355</u>	<u>1,074,345</u>
Appropriated financing uses				
Transfers out	<u>220,200</u>	<u>220,200</u>	<u>76,800</u>	<u>143,400</u>
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 1,299,900</u>	<u>\$ 1,299,900</u>	<u>82,155</u>	<u>1,217,745</u>
Budgetary fund balance, ending			<u>\$ 148,580</u>	<u>\$ 148,580</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(38,408)	
Interfund loan to Economic Development			153,600	
Fund balance, ending - GAAP basis			<u>\$ 263,772</u>	

CITY OF ALBANY, OREGON
CAPITAL REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 100,205	\$ 100,205
Charges for services	1,122,200	1,122,200	581,500	(540,700)
Investment earnings	39,800	39,800	23,591	(16,209)
Miscellaneous	31,000	31,000	205,521	174,521
Total revenues	<u>1,193,000</u>	<u>1,193,000</u>	<u>910,817</u>	<u>(282,183)</u>
Other Financing Sources				
Sale of capital assets	-	-	35,280	35,280
Transfers in	630,300	630,300	17,096	(613,204)
Total other financing sources	<u>630,300</u>	<u>630,300</u>	<u>52,376</u>	<u>(577,924)</u>
Fund Balance, beginning				
Fund balance, beginning	4,909,700	4,909,700	4,208,863	(700,837)
Total fund balance, beginning	<u>4,909,700</u>	<u>4,909,700</u>	<u>4,208,863</u>	<u>(700,837)</u>
Amount available for appropriation	<u>\$ 6,733,000</u>	<u>\$ 6,733,000</u>	<u>\$ 5,172,056</u>	<u>\$ (1,560,944)</u>
EXPENDITURES				
Municipal Court IT Equip	\$ 72,500	\$ 72,500	\$ 398	\$ 72,102
Finance Equip Replace	1,083,900	1,083,900	-	1,083,900
Employee City Parking Rent	228,200	228,200	-	228,200
IT Phone Equip Replace	336,500	336,500	20,810	315,690
Planning IT Equip Replace	24,900	24,900	1,954	22,946
Police IT Equip Replace	417,000	417,000	226,410	190,590
Police Bodycam System	60,000	60,000	-	60,000
Police Equip Replace	1,155,200	1,155,200	445,039	710,161
Fire & Life Safety IT Equip	8,100	8,100	-	8,100
Fire Emergency Svc IT Equip	86,500	86,500	8,931	77,569
Fire Emergency Svc Equip	1,543,300	1,543,300	241,028	1,302,272
Fire Build Maint Equip Rep	50,000	50,000	9,020	40,980
PW Facilities Replacement	795,200	795,200	-	795,200
Parks & Rec Admin IT Equip	58,000	58,000	-	58,000
Parks & Rec Admin Equip	34,800	34,800	-	34,800
Adult Rec Equip Replace	43,300	43,300	-	43,300
Aquatic Services Equip	114,900	114,900	2,469	112,431
Park Maint Equip Replace	391,300	391,300	19,960	371,340
Facilities Maint Equip Replace	125,500	125,500	-	125,500
Library IT Equip Replace	87,600	87,600	-	87,600
Library Equip Replace	16,300	16,300	-	16,300
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 6,733,000</u>	<u>\$ 6,733,000</u>	<u>976,019</u>	<u>5,756,981</u>
Budgetary fund balance, ending			<u>\$ 4,196,037</u>	<u>\$ 4,196,037</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(125,719)	
Fund balance, ending - GAAP basis			<u>\$ 4,070,318</u>	

CITY OF ALBANY, OREGON
LIBRARY TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Investment earnings	\$ 1,200	\$ 1,200	\$ 784	\$ (416)
Total revenues	1,200	1,200	784	(416)
Fund Balance, beginning				
Fund balance, beginning	87,500	87,500	87,923	423
Total fund balance, beginning	87,500	87,500	87,923	423
Amount available for appropriation	\$ 88,700	\$ 88,700	\$ 88,707	\$ 7
EXPENDITURES				
V.O. Torney Trust	\$ 4,600	\$ 4,600	-	\$ 4,600
Manela Trust	4,600	4,600	-	4,600
Total expenditures	9,200	9,200	-	9,200
Unappropriated financing uses				
Unappropriated	79,500	79,500	-	79,500
Total expenditures, appropriated, and unappropriated financing uses	\$ 88,700	\$ 88,700	-	88,700
Budgetary fund balance, ending			\$ 88,707	\$ 88,707
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(2,729)	
Fund balance, ending - GAAP basis			\$ 85,978	

CITY OF ALBANY, OREGON
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Licenses and permits	\$ 1,093,600	\$ 1,093,600	\$ 906,933	\$ (186,667)
Intergovernmental	41,800	41,800	60,168	18,368
Charges for services	30,158,500	30,658,500	17,081,894	(13,576,606)
Investment earnings	152,900	152,900	101,671	(51,229)
Miscellaneous	15,000	15,000	29,403	14,403
Total revenues	<u>31,461,800</u>	<u>31,961,800</u>	<u>18,180,069</u>	<u>(13,781,731)</u>
Other Financing Sources				
Sale of capital assets	-	-	5,322	5,322
Transfers in	5,700	5,700	6,917	1,217
Intrafund transfers in	1,047,100	1,047,100	513,900	(533,200)
Total other financing sources	<u>1,052,800</u>	<u>1,052,800</u>	<u>526,139</u>	<u>(526,661)</u>
Fund Balance, beginning				
Fund balance, beginning	12,844,400	12,844,400	16,351,695	3,507,295
Total fund balance, beginning	<u>12,844,400</u>	<u>12,844,400</u>	<u>16,351,695</u>	<u>3,507,295</u>
Amount available for appropriation	<u>\$ 45,359,000</u>	<u>\$ 45,859,000</u>	<u>\$ 35,057,903</u>	<u>\$ (10,801,097)</u>
EXPENDITURES				
Water Administration	\$ 6,762,000	\$ 6,762,000	\$ 3,089,908	\$ 3,672,092
Albany-Millersburg WTP	3,149,700	3,149,700	1,503,136	1,646,564
Vine St Water Treat Plant	2,430,600	2,430,600	994,723	1,435,877
Water Distribution	4,618,000	4,618,000	1,950,853	2,667,147
Water Canal Maintenance	2,039,200	2,039,200	996,959	1,042,241
Water System Capital Project	12,459,400	12,959,400	1,819,948	11,139,452
Water SDC Improvement Fee	266,100	266,100	4,641	261,459
Water SDC Reimburse Fee	714,300	714,300	2,122	712,178
Water Economic Development	510,000	510,000	-	510,000
North Albany Water Capital	1,436,200	1,436,200	90,588	1,345,612
Water Debt Service	5,453,700	5,453,700	1,925,794	3,527,906
Water Admin IT Equip Replace	3,000	3,000	-	3,000
Alb-Millersburg WTP It Equip	316,500	316,500	24,798	291,702
Vine St WTP IT Equip Replace	303,500	303,500	47,940	255,560
Water Distrib IT Equip	5,400	5,400	-	5,400
Canal Maint IT Equip Replace	3,000	3,000	-	3,000
Water Admin Equip Replace	25,300	25,300	23,563	1,737
Alb-Millersburg WTP Equip	91,700	91,700	-	91,700
Vine St WTP Equip Replace	17,700	17,700	-	17,700
Water Distribution Equip	627,400	627,400	108,198	519,202
Water Canal Maint Equip	186,100	186,100	30,597	155,503
Contingencies	1,062,600	1,062,600	-	1,062,600
Total expenditures	<u>42,481,400</u>	<u>42,981,400</u>	<u>12,613,768</u>	<u>30,367,632</u>
Appropriated financing uses				
Transfers out	1,830,500	1,830,500	947,258	883,242
Unappropriated financing uses				
Intrafund transfers out	1,047,100	1,047,100	513,900	533,200
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 45,359,000</u>	<u>\$ 45,859,000</u>	<u>14,074,926</u>	<u>31,784,074</u>
Budgetary fund balance, ending			<u>\$ 20,982,977</u>	<u>\$ 20,982,977</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(615,610)	
Capital assets, net			87,147,325	
Inventory			647,066	
Net OPEB asset			47,273	
Deferred outflows - pension related			824,119	
Deferred outflows - OPEB related			21,501	
Accrued interest payable			(294,539)	
Compensated absences			(148,748)	
Loans and bonds payable			(19,080,000)	
Unamortized premium liability			(1,023,910)	
Net pension liability			(1,108,768)	
Total OPEB liability			(262,486)	
Deferred inflows - pension related			(1,571,764)	
Deferred inflows - OPEB related			(69,953)	
Net position, ending - GAAP basis			<u>\$ 85,494,483</u>	

CITY OF ALBANY, OREGON
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Licenses and permits	\$ 1,479,400	\$ 1,479,400	\$ 2,557,972	\$ 1,078,572
Intergovernmental	1,322,200	1,322,200	894,612	(427,588)
Charges for services	37,265,500	42,465,500	21,963,993	(20,501,507)
Investment earnings	293,800	293,800	198,755	(95,045)
Miscellaneous	50,000	50,000	29,907	(20,093)
Total revenues	<u>40,410,900</u>	<u>45,610,900</u>	<u>25,645,239</u>	<u>(19,965,661)</u>
Other Financing Sources				
Sale of capital assets	-	-	7,300	7,300
Settlement proceeds	-	-	12,000,000	12,000,000
Transfers in	5,700	5,700	5,616	(84)
Intrafund transfers in	1,850,000	1,850,000	1,000,000	(850,000)
Total other financing sources	<u>1,855,700</u>	<u>1,855,700</u>	<u>13,012,916</u>	<u>11,157,216</u>
Fund Balance, beginning				
Fund balance, beginning	21,022,600	21,022,600	24,063,034	3,040,434
Prior period adjustment	-	-	(23,802)	(23,802)
Total fund balance, beginning	<u>21,022,600</u>	<u>21,022,600</u>	<u>24,039,232</u>	<u>3,016,632</u>
Amount available for appropriation	<u>\$ 63,289,200</u>	<u>\$ 68,489,200</u>	<u>\$ 62,697,387</u>	<u>\$ (5,791,813)</u>
EXPENDITURES				
Wastewater Administration	\$ 8,192,200	\$ 8,192,200	\$ 4,309,463	\$ 3,882,737
Wastewater Treatment Plant	6,082,000	6,082,000	2,928,061	3,153,939
TWG Wetlands	584,100	584,100	273,681	310,420
Water Reuse And Biosolids	704,500	704,500	146,295	558,205
Wastewater Collections	3,710,800	3,710,800	1,659,392	2,051,408
Industrial Pretreatment	1,172,900	1,172,900	473,890	699,010
Sewer System Capital Projects	19,296,000	24,496,000	11,367,636	13,128,364
Sewer SDC Improvement Fee	747,000	747,000	32,770	714,230
Sewer SDC Reimbursement	330,400	330,400	3,585	326,815
Sewer Economic Development	510,000	510,000	-	510,000
Sewer Debt Service	14,054,300	14,054,300	5,140,717	8,913,583
Wastewater Admin IT Equip	4,600	4,600	-	4,600
Waste Treatment IT Equip	335,900	335,900	37,959	297,941
Twg Wetlands IT Equip Replace	3,000	3,000	-	3,000
Water Reuse & Bio IT Equip	9,100	9,100	-	9,100
Wastewater Coll IT Equip	12,800	12,800	860	11,940
Industrial Pret IT Equip	5,000	5,000	-	5,000
Wastewater Admin Equip Replace	107,800	107,800	69,672	38,128
Wastewater Tp Equip Replace	106,600	106,600	-	106,600
Twg Wetlands Equip Replace	56,400	56,400	-	56,400
Water Reuse & Bio Equip	334,000	334,000	211,324	122,676
Wastewater Collect Equip	543,400	543,400	119,371	424,029
Industrial Pretreat Equip	60,800	60,800	-	60,800
Contingencies	1,124,300	1,124,300	-	1,124,300
Total expenditures	<u>58,087,900</u>	<u>63,287,900</u>	<u>26,774,676</u>	<u>36,513,224</u>
Appropriated financing uses				
Transfers out	3,351,300	3,351,300	1,465,592	1,885,708
Unappropriated financing uses				
Intrafund transfers out	1,850,000	1,850,000	1,000,000	850,000
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 63,289,200</u>	<u>\$ 68,489,200</u>	<u>29,240,268</u>	<u>39,248,932</u>
Budgetary fund balance, ending			<u>\$ 33,457,119</u>	<u>\$ 33,457,119</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(979,601)	
Capital assets, net			146,775,010	
Inventory			224,636	
Loans receivable			2,555,617	
Net OPEB asset			40,018	
Deferred outflows - pension related			516,682	
Deferred outflows - OPEB related			18,201	
Accrued interest payable			(238,882)	
Compensated absences			(151,281)	
Loans and bonds payable			(41,404,289)	
Net pension liability			(528,977)	
Total OPEB liability			(222,203)	
Unavailable revenues			102,269	
Deferred inflows - pension related			(1,272,750)	
Deferred inflows - OPEB related			(59,217)	
Net position, ending - GAAP basis			<u>\$ 138,832,352</u>	

CITY OF ALBANY, OREGON
STORMWATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Licenses and permits	\$ 180,000	\$ 180,000	\$ 190,069	\$ 10,069
Charges for services	6,315,700	6,315,700	3,230,422	(3,085,278)
Investment earnings	11,200	11,200	13,462	2,262
Miscellaneous	-	-	935	935
Total revenues	6,506,900	6,506,900	3,434,888	(3,072,012)
Fund Balance, beginning				
Fund balance, beginning	1,106,200	1,106,200	1,350,873	244,673
Total fund balance, beginning	1,106,200	1,106,200	1,350,873	244,673
Amount available for appropriation	\$ 7,613,100	\$ 7,613,100	\$ 4,785,761	\$ (2,827,339)
EXPENDITURES				
Stormwater Administration	\$ 3,356,900	\$ 3,356,900	\$ 1,095,508	\$ 2,261,392
Stormwater Operations	1,576,000	2,676,000	675,298	2,000,702
Stormwater Capital Project	2,225,200	1,125,200	6,160	1,119,040
Stormwater Admin IT Equip	700	700	-	700
Stormwater Op Equip Replace	304,700	304,700	-	304,700
Contingencies	149,600	149,600	-	149,600
Total expenditures	7,613,100	7,613,100	1,776,966	5,836,134
Total expenditures, appropriated, and unappropriated financing uses	\$ 7,613,100	\$ 7,613,100	1,776,966	5,836,134
Budgetary fund balance, ending			\$ 3,008,795	\$ 3,008,795
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(83,462)	
Capital assets, net			177,621	
Net OPEB asset			7,039	
Deferred outflows - pension related			198,152	
Deferred outflows - OPEB related			3,201	
Compensated absences			(2,650)	
Net pension liability			(350,489)	
Total OPEB liability			(39,084)	
Deferred inflows - pension related			(253,572)	
Deferred inflows - OPEB related			(10,416)	
Net position, ending - GAAP basis			\$ 2,655,135	

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Central Services	Public Works Services	Total Internal Service Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 740,791	\$ 492,599	\$ 1,233,390
Investments	1,535,078	1,027,348	2,562,426
Receivables:			
Accounts	3,350	25	3,375
Interest	3,636	2,428	6,064
Prepaid items	250	214	464
Total current assets	2,283,105	1,522,614	3,805,719
Noncurrent assets:			
Capital assets:			
Capital assets, nondepreciable	-	31,260	31,260
Capital assets, net of accumulated depreciation	425,963	96,644	522,607
Total capital assets	425,963	127,904	553,867
Net OPEB asset	88,525	124,577	213,102
Total noncurrent assets	514,488	252,481	766,969
Total assets	2,797,593	1,775,095	4,572,688
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	2,753,336	3,009,649	5,762,985
Other postemployment benefit related items	40,261	56,659	96,920
Total deferred outflows of resources	2,793,597	3,066,308	5,859,905
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	444,411	523,717	968,128
Compensated absences, current portion	163,550	247,773	411,323
Total current liabilities	607,961	771,490	1,379,451
Noncurrent liabilities			
Compensated absences	163,550	247,773	411,323
Net pension liability	5,127,675	5,111,439	10,239,114
Total OPEB liability	491,536	691,716	1,183,252
Total noncurrent liabilities	5,782,761	6,050,928	11,833,689
Total liabilities	6,390,722	6,822,418	13,213,140
DEFERRED INFLOWS OF RESOURCES			
Pension related items	3,253,818	4,330,994	7,584,812
Other postemployment benefit related items	130,993	184,342	315,335
Total deferred inflows of resources	3,384,811	4,515,336	7,900,147
NET POSITION (DEFICIT)			
Net investment in capital assets	425,963	127,904	553,867
Unrestricted (deficit)	(4,610,306)	(6,624,255)	(11,234,561)
Total net position (deficit)	\$ (4,184,343)	\$ (6,496,351)	\$ (10,680,694)

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	<u>Central Services</u>	<u>Public Works Services</u>	<u>Total Internal Service Fund</u>
Operating revenues			
Service charges and fees	\$ 7,858,011	\$ 9,292,409	\$ 17,150,420
Miscellaneous	18,258	5,288	23,546
Total operating revenues	<u>7,876,269</u>	<u>9,297,697</u>	<u>17,173,966</u>
Operating expenses			
Personnel services	4,767,976	6,727,247	11,495,223
Materials and services	2,001,667	2,044,045	4,045,712
Depreciation and amortization	23,401	13,356	36,757
Total operating expenses	<u>6,793,044</u>	<u>8,784,648</u>	<u>15,577,692</u>
Operating income (loss)	<u>1,083,225</u>	<u>513,049</u>	<u>1,596,274</u>
Nonoperating revenues (expenses)			
Investment earnings, net	(56,447)	(38,859)	(95,306)
Gain on sale of capital assets	-	12,427	12,427
Total nonoperating revenues (expenses)	<u>(56,447)</u>	<u>(26,432)</u>	<u>(82,879)</u>
Income (loss) before transfers	1,026,778	486,617	1,513,395
Transfers in	12,476	4,597	17,073
Transfers out	<u>(25,934)</u>	<u>-</u>	<u>(25,934)</u>
Change in net position	1,013,320	491,214	1,504,534
Net position (deficit) at beginning of year	<u>(5,197,663)</u>	<u>(6,987,565)</u>	<u>(12,185,228)</u>
Net position (deficit) at end of year	<u>\$ (4,184,343)</u>	<u>\$ (6,496,351)</u>	<u>\$ (10,680,694)</u>

CITY OF ALBANY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Central Services	Public Works Services	Total Internal Service Fund
Cash flows from operating activities			
Receipts from customers and users	\$ 7,863,979	\$ 9,292,409	\$ 17,156,388
Payments to suppliers	(4,735,306)	(6,742,351)	(11,477,657)
Payments to employees	(2,227,183)	(2,387,664)	(4,614,847)
Other receipts	18,258	5,288	23,546
Net cash provided by (used in) operating activities	<u>919,747</u>	<u>167,682</u>	<u>1,087,429</u>
Cash flows from noncapital financing activities			
Transfers in	12,476	4,597	17,073
Transfers out	(25,934)	-	(25,934)
Net cash provided by (used in) noncapital financing activities	<u>(13,458)</u>	<u>4,597</u>	<u>(8,861)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(432)	-	(432)
Proceeds from sale of capital assets	-	13,200	13,200
Net cash provided by (used in) capital and related financing activities	<u>(432)</u>	<u>13,200</u>	<u>12,768</u>
Cash flows from investing activities			
Interest on investments	(55,776)	(39,661)	(95,437)
Purchase of investments	(1,094,389)	(517,808)	(1,612,197)
Proceeds from sales of investments	290,602	194,485	485,087
Net cash provided by (used in) investing activities	<u>(859,563)</u>	<u>(362,984)</u>	<u>(1,222,547)</u>
Net increase (decrease) in cash and cash equivalents	46,294	(177,505)	(131,211)
Cash and cash equivalents at beginning of year	694,497	670,104	1,364,601
Cash and cash equivalents at end of year	<u>\$ 740,791</u>	<u>\$ 492,599</u>	<u>\$ 1,233,390</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 1,083,225	\$ 513,049	\$ 1,596,274
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	23,401	13,356	36,757
(Increase) decrease in assets and deferred outflows:			
Accounts receivables, net	5,968	-	5,968
Prepaid items	100	(214)	(114)
Net OPEB asset	(42,483)	(57,050)	(99,533)
Deferred outflows - Pension related items	283,963	399,605	683,568
Deferred outflows - OPEB related items	2,379	5,878	8,257
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued liabilities	32,610	(25,373)	7,237
Compensated absences liability	(55,821)	(67,978)	(123,799)
Net pension liability	(3,325,357)	(4,679,586)	(8,004,943)
Total OPEB liability	78,837	86,429	165,266
Deferred inflows - Pension related items	2,820,694	3,969,404	6,790,098
Deferred inflows - OPEB related items	12,232	10,162	22,394
Net cash provided by (used in) operating activities	<u>\$ 919,747</u>	<u>\$ 167,682</u>	<u>\$ 1,087,429</u>

**CITY OF ALBANY, OREGON
CENTRAL SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022**

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Licenses and permits	\$ -	-	\$ 5,049	\$ 5,049
Intergovernmental	32,000	32,000	16,074	(15,926)
Charges for services	16,219,300	16,219,300	7,984,862	(8,234,438)
Fines, forfeitures & assessments	59,400	59,400	-	(59,400)
Investment earnings	22,800	22,800	15,023	(7,777)
Miscellaneous	-	-	15,684	15,684
Total revenues	<u>16,333,500</u>	<u>16,333,500</u>	<u>8,036,692</u>	<u>(8,296,808)</u>
Other Financing Sources				
Transfers in	9,400	9,400	12,476	3,076
Total other financing sources	<u>9,400</u>	<u>9,400</u>	<u>12,476</u>	<u>3,076</u>
Fund Balance, beginning				
Fund balance, beginning	986,000	986,000	1,027,961	41,961
Total fund balance, beginning	<u>986,000</u>	<u>986,000</u>	<u>1,027,961</u>	<u>41,961</u>
Amount available for appropriation	<u>\$ 17,328,900</u>	<u>\$ 17,328,900</u>	<u>\$ 9,077,129</u>	<u>\$ (8,251,771)</u>
EXPENDITURES				
CS Administration	\$ 924,200	\$ 924,200	397,085	\$ 527,115
Finance	2,894,700	2,894,700	1,402,361	1,492,339
Finance IT Equip Replace	47,900.00	47,900	2,953.00	44,947
Mayor & Council	319,900	319,900	153,233	166,667
City Manager's Office	2,799,600	2,799,600	1,234,800	1,564,800
Code Enforcement	343,000	343,000	169,416	173,584
Abatement	89,400	89,400	-	89,400
Emergency Mgmt/Safety	386,600	386,600	173,996	212,604
Mayor & Council IT Equip	47,200.00	47,200	4,795.00	42,405
City Manager'S IT Equip	27,900.00	27,900	1,952.00	25,948
Code Enforcement IT Equip	1,600.00	1,600	-	1,600
Emergency IT Equip	2,000.00	2,000	-	2,000
Code Enforcement Equip	13,600.00	13,600	-	13,600
Emergency M/S Equip Replace	2,000.00	2,000	-	2,000
Information Technology	3,121,100	3,121,100	1,498,769	1,622,331
GIS Services	763,600	763,600	280,243	483,357
Permit Tracking	252,000	252,000	156,653	95,347
Inormation Tech IT Equip	284,900	284,900	12,559	272,341
GIS Service IT Equip Repl	191,300	191,300	-	191,300
Permit Tracking IT Equip	59,900	59,900	-	59,900
IT Equipment Replacement	15,400	15,400	-	15,400
Human Resources	1,824,500	1,824,500	799,045	1,025,455
Labor Relations	150,000	150,000	103,953	46,047
Human Resources IT Equip	19,000	19,000	1,355	17,645
Facilities Maintenance	1,695,400	1,695,400	640,511	1,054,889
GF Facilities Maintenance Project	563,500	563,500	123,348	440,152
Facilities Maint IT Equip	16,300	16,300	-	16,300
Contingencies	461,000	461,000	-	461,000
Total expenditures	<u>17,317,500</u>	<u>17,317,500</u>	<u>7,157,027</u>	<u>10,160,473</u>
Appropriated financing uses				
Transfers out	11,400	11,400	9,934	1,466
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 17,328,900</u>	<u>\$ 17,328,900</u>	<u>7,166,961</u>	<u>10,161,939</u>
Budgetary fund balance, ending			<u>\$ 1,910,168</u>	<u>\$ 1,910,168</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(71,474)	
Capital assets, net			425,963	
Net OPEB asset			88,525	
Deferred outflows - pension related			2,753,336	
Deferred outflows - OPEB related			40,261	
Compensated absences			(327,100)	
Net pension liability			(5,127,675)	
Total OPEB liability			(491,536)	
Deferred inflows - pension related			(3,253,818)	
Deferred inlows - OPEB related			(130,993)	
Net position, ending - GAAP basis			<u>\$ (4,184,343)</u>	

CITY OF ALBANY, OREGON
PUBLIC WORKS SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Biennium		FY 2021-22 Actual	Over (Under)
	Original Budget	Final Budget		
REVENUES				
Charges for services	\$ 21,283,700	\$ 21,283,700	\$ 9,352,609	\$ (11,931,091)
Investment earnings	6,300	6,300	8,978	2,678
Miscellaneous	-	-	5,288	5,288
Total revenues	<u>21,290,000</u>	<u>21,290,000</u>	<u>9,366,875</u>	<u>(11,923,125)</u>
Other Financing Sources				
Sale of capital assets	-	-	13,200	13,200
Transfers in	-	-	4,597	4,597
Total other financing sources	<u>-</u>	<u>-</u>	<u>17,797</u>	<u>4,597</u>
Fund Balance, beginning				
Fund balance, beginning	841,900	841,900	826,689	(15,211)
Total fund balance, beginning	<u>841,900</u>	<u>841,900</u>	<u>826,689</u>	<u>(15,211)</u>
Amount available for appropriation	<u>\$ 22,131,900</u>	<u>\$ 22,131,900</u>	<u>\$ 10,211,361</u>	<u>\$ (11,933,739)</u>
EXPENDITURES				
PW Administration	\$ 2,701,300	\$ 2,701,300	\$ 1,290,110	\$ 1,411,190
PW Engineering Services	7,288,600	7,288,600	2,960,868	4,327,732
PW Customer Services	3,376,000	3,376,000	1,606,229	1,769,771
Operations Administration	1,251,700	1,251,700	486,984	764,716
Facilities & Maint Engineering	5,206,800	5,206,800	2,271,224	2,935,576
Water Quality Control Service	1,421,500	1,421,500	533,396	888,104
PW Admin IT Equip Replace	19,200	19,200	-	19,200
PW Engineering IT Equip	30,300	30,300	-	30,300
PW Customer Service IT Equip	428,200	428,200	14,728	413,472
Operations Admin IT Equip	17,200	17,200	-	17,200
Facilities & Mnt Eng IT Equip	33,500	33,500	1,091	32,409
Water Quality Ctrl IT Equip	7,800	7,800	-	7,800
PW Engineering Equip Replace	66,500	66,500	-	66,500
PW Customer Serv Equip Replace	50,300	50,300	-	50,300
Operations Admin Equip Replace	13,200	13,200	-	13,200
Facilities & Maint Eng Equip	201,400	201,400	-	201,400
Water Quality Ctrl Equip	18,400	18,400	-	18,400
Total expenditures, appropriated, and unappropriated financing uses	<u>\$ 22,131,900</u>	<u>\$ 22,131,900</u>	<u>9,164,630</u>	<u>12,967,270</u>
Budgetary fund balance, ending			<u>\$ 1,046,731</u>	<u>\$ 1,033,531</u>
Reconciliation to generally accepted accounting principles basis:				
Fair value investments			(47,834)	
Capital assets, net			127,904	
Net OPEB asset			124,577	
Deferred outflows - pension related			3,009,649	
Deferred outflows - OPEB related			56,659	
Compensated absences			(495,546)	
Net pension liability			(5,111,439)	
Total OPEB liability			(691,716)	
Deferred inflows - pension related			(4,330,994)	
Deferred inlows - OPEB related			(184,342)	
Net position, ending - GAAP basis			<u>\$ (6,496,351)</u>	



CITY OF ALBANY

★ OREGON ★

Inc. 1864



STATISTICAL SECTION



STATISTICAL SECTION

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

OPERATING INFORMATION

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

SCHEDULE 1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 95,848,731	\$ 90,297,428	\$ 94,819,619	\$ 75,708,533	\$ 94,492,224	\$ 106,976,281	\$ 100,745,228	\$ 99,528,799	\$ 100,801,064	\$ 93,302,053
Restricted	11,874,882	16,359,363	11,071,442	27,479,252	18,450,736	11,795,562	20,833,823	23,456,343	29,540,017	44,532,306
Unrestricted	20,901,108	25,711,251	21,176,652	10,820,831	1,065,656	(11,987,143)	(13,085,181)	(18,883,265)	(14,331,810)	(23,971,384)
Total governmental activities net position	<u>128,624,721</u>	<u>132,368,042</u>	<u>127,067,713</u>	<u>114,008,616</u>	<u>114,008,616</u>	<u>106,784,700</u>	<u>108,493,870</u>	<u>104,101,877</u>	<u>116,009,271</u>	<u>113,862,975</u>
Business-type activities										
Net investment in capital assets	136,828,820	140,222,126	140,997,807	145,243,974	146,556,723	149,918,593	154,638,792	166,458,509	165,913,777	172,050,508
Restricted	13,514,952	10,863,027	10,717,596	10,115,449	9,490,275	9,209,257	9,085,389	8,269,926	7,959,532	9,258,672
Unrestricted	28,978,037	29,245,746	31,180,138	24,803,983	32,695,483	28,269,859	31,344,005	24,275,414	28,690,557	39,279,469
Total business-type activities net position	<u>179,321,809</u>	<u>180,330,899</u>	<u>182,895,541</u>	<u>180,163,406</u>	<u>188,742,481</u>	<u>187,397,709</u>	<u>195,068,186</u>	<u>199,003,849</u>	<u>202,563,866</u>	<u>220,588,649</u>
Total City of Albany										
Net investment in capital assets	232,677,551	230,519,554	235,817,426	220,952,507	241,048,947	256,894,874	255,384,020	265,987,308	266,714,841	265,352,561
Restricted	25,389,834	27,222,390	21,789,038	37,594,701	27,941,011	21,004,819	29,919,212	31,726,269	37,499,549	53,790,978
Unrestricted	49,879,145	54,956,997	52,356,790	35,624,814	33,761,139	16,282,716	18,258,824	5,392,149	14,358,747	15,308,085
Total net position	<u>\$ 307,946,530</u>	<u>\$ 312,698,941</u>	<u>\$ 309,963,254</u>	<u>\$ 294,172,022</u>	<u>\$ 302,751,097</u>	<u>\$ 294,182,409</u>	<u>\$ 303,562,056</u>	<u>\$ 303,105,726</u>	<u>\$ 318,573,137</u>	<u>\$ 334,451,624</u>

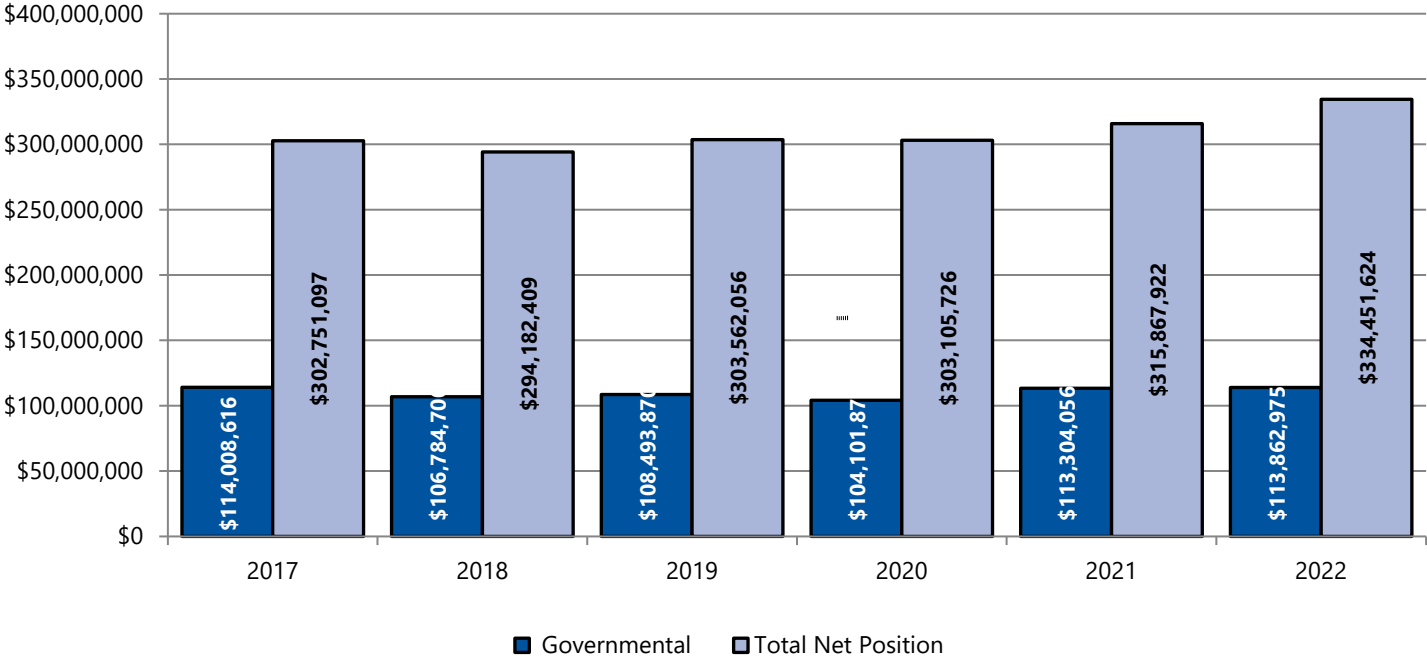
Over the last ten years the net position of governmental activities decreased by just over 11 percent (\$14,762,000). Included in program revenues are \$2,847,006 of capital contributions in the form of systems development charges, connection fees, improvement assurance fees, and site improvements.

During the same time frame (ten years), the net position of the business-type activities has increased by 23 percent (\$41,267,000). The two major components of the increase have been operating income (\$66,970,000) and capital contributions (\$20,344,000), which consists of development fees (systems development charges, in-lieu-of assessment charges, and improvement assurances), and developer constructed water, sewer, and storm drain site improvements donated to the City.

Continued on next page

SCHEDULE 1

Governmental and Total Net Position
Last 6 Fiscal Years



Source: City of Albany 2013-2022 Annual Comprehensive Financial Reports

SCHEDULE 2

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$ 6,998,687	\$ 7,493,529	\$ 7,667,638	\$ 11,956,298	\$ 11,627,250	\$ 11,905,562	\$ 14,611,772	\$ 18,940,934	\$ 15,148,759	\$ 12,702,631
Community development	-	-	-	-	-	-	-	-	-	6,384,664
Public safety	26,998,857	26,533,616	20,771,259	39,213,576	33,190,548	35,845,712	37,378,693	39,337,254	42,960,751	40,688,040
Highways and streets	7,165,295	7,015,625	6,577,224	5,926,402	6,116,216	4,468,119	7,992,085	8,590,398	6,724,748	12,222,620
Culture and recreation	8,548,521	9,071,696	7,939,789	13,557,065	11,634,285	13,667,104	10,816,892	11,251,985	10,513,623	13,119,161
Interest on long-term debt	880,010	728,980	710,061	1,240,044	1,295,382	1,279,266	1,554,774	816,417	1,025,268	1,071,883
Total governmental activities expenses	50,591,370	50,843,446	43,665,971	71,893,385	63,863,681	67,165,763	72,354,216	78,936,988	76,373,149	86,188,999
Business-type activities										
Water	10,970,041	12,281,328	11,524,422	14,550,636	12,640,992	12,267,390	11,410,738	13,596,398	14,105,765	15,403,393
Sewer	14,201,008	14,114,463	14,765,389	17,663,062	15,726,496	15,140,083	14,099,323	15,617,877	16,572,791	23,998,931
Stormwater	-	-	-	-	1,095,648	1,708,963	2,158,837	2,520,663	2,785,117	2,724,103
Total business-type activities expenses	25,171,049	26,395,791	26,289,811	32,213,698	29,463,136	29,116,436	27,668,898	31,734,938	33,463,673	42,126,427
Program Revenues										
Governmental activities										
Charges for services:										
General government	3,509,363	4,081,131	3,487,011	3,718,959	4,173,637	4,621,225	4,607,980	4,987,451	3,904,240	6,353,267
Community development	-	-	-	-	-	-	-	-	-	2,128,470
Public safety	2,562,519	2,693,877	3,150,776	3,291,540	3,941,179	4,246,900	5,609,787	6,807,903	15,067,008	8,625,886
Highways and streets	-	158,753	134,615	138,139	101,502	104,238	1,267,051	115,356	295,271	727,941
Culture and recreation	1,181,152	893,172	995,606	1,016,928	1,099,530	1,049,007	1,120,216	750,964	603,069	1,655,235
Operating grants and contributions	3,245,250	5,336,946	5,591,657	5,461,409	5,671,185	11,016,549	13,380,093	13,362,737	20,720,718	12,199,927
Capital grants and contributions	4,357,201	4,134,157	3,459,206	3,659,772	2,700,427	2,226,433	2,753,651	1,480,471	1,194,031	6,299,098
Total governmental activities program revenues	14,855,485	17,298,036	16,818,871	17,286,747	17,687,460	23,264,352	28,738,778	27,504,882	41,784,337	37,989,824
Business-type activities										
Water	12,338,047	13,055,548	13,820,209	13,594,778	16,764,392	14,268,332	14,502,634	14,667,426	16,040,040	19,085,036
Sewer	13,410,334	15,524,322	29,847,180	16,645,445	20,963,015	17,675,781	18,415,971	19,082,367	19,893,693	27,982,579
Stormwater	-	-	-	-	974,504	2,035,666	2,199,321	2,389,125	2,787,064	4,183,963
Total business-type activities program revenues	25,748,381	28,579,870	43,667,389	30,240,223	38,701,911	33,979,779	35,117,926	36,138,918	38,720,797	51,251,578
Total program revenues	40,603,866	45,877,906	60,486,260	47,526,970	56,389,371	57,244,131	63,856,704	63,643,800	80,505,134	89,241,402

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SCHEDULE 2

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

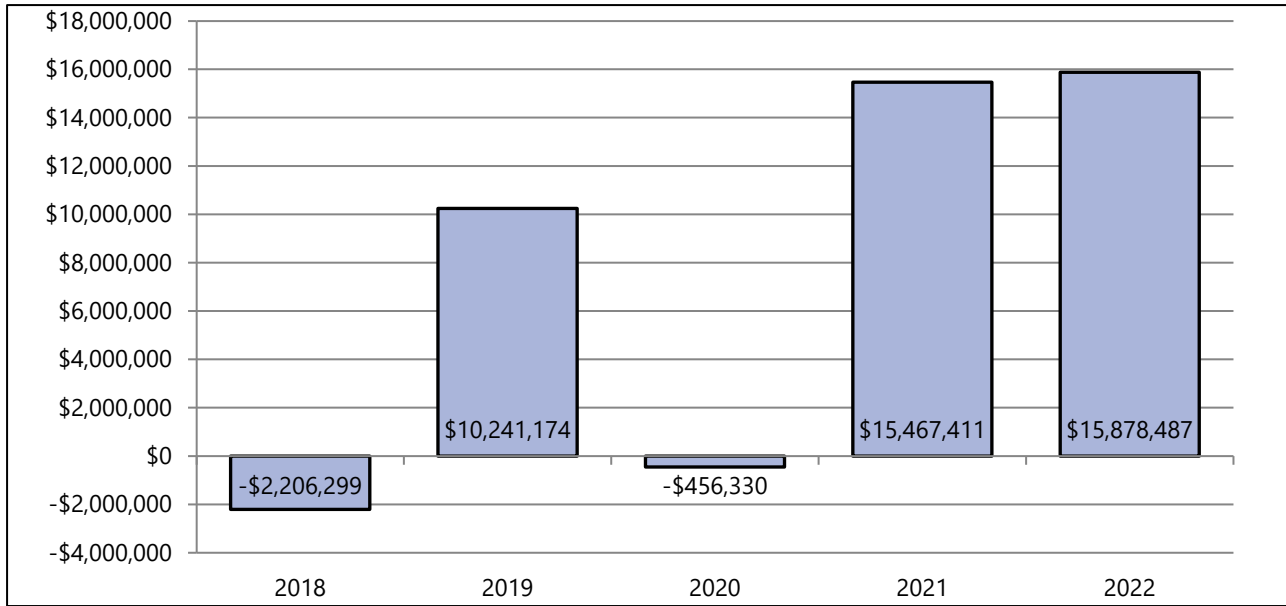
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Transfers										
Governmental activities										
Taxes:										
Property taxes used for general purposes	\$ 22,159,102	\$ 25,857,223	\$ 26,146,965	\$ 27,578,824	\$ 29,075,234	\$ 31,312,153	\$ 27,950,003	\$ 30,304,403	\$ 35,293,292	\$ 36,908,432
Property taxes used for debt service	3,430,326	1,346,036	1,305,558	1,036,443	1,083,756	1,158,749	4,564,044	5,071,316	1,235,930	1,222,473
Transient room taxes used for general purposes	754,585	803,805	927,172	1,058,892	1,117,460	1,061,288	1,274,676	1,031,018	1,060,584	1,257,063
Motor fuel	2,764,402	2,913,483	2,899,968	3,046,727	3,120,603	-	-	-	-	-
Marijuana, cigarette and alcoholic beverage	1,213,099	1,251,981	1,300,909	1,317,405	1,336,937	1,982,371	1,256,415	1,498,433	1,722,632	1,639,863
Privilege	2,761,418	2,966,949	2,984,718	3,572,017	3,901,524	3,950,218	3,870,419	3,806,858	3,991,599	4,034,933
Unrestricted interest earnings	401,725	273,722	200,035	463,554	334,206	573,550	1,470,575	1,515,966	371,937	(1,851,202)
Miscellaneous	548,471	186,145	901,434	1,246,118	967,589	1,321,198	2,418,021	1,614,436	803,522	1,578,024
Total governmental activities general revenues	34,033,128	35,599,344	36,666,759	39,319,980	40,937,309	41,359,527	42,804,153	44,842,430	44,479,496	44,789,586
Gain (Loss) on disposal of capital assets	-	-	-	-	-	836,387	1,928,887	387,342	-	-
Transfers	1,025,651	1,689,391	1,083,453	1,196,104	1,076,350	1,262,303	1,453,095	1,960,030	2,013,751	2,410,251
Total governmental activities	35,058,779	37,288,735	37,750,212	40,516,084	42,013,659	43,458,217	46,186,135	47,189,802	46,493,247	47,199,837
Business-type activities										
Property taxes used for debt service	12,205	2,298	3,588	263	62	184	698	3	-	-
Unrestricted investment earnings	264,875	237,294	332,210	318,536	189,390	362,699	1,326,461	1,223,144	158,495	(1,407,982)
Miscellaneous	5,785,325	168,830	62,372	52,702	227,198	192,273	347,385	282,332	131,566	12,717,865
Total business-type activities general revenues	6,062,405	408,422	398,170	371,501	416,650	555,156	1,674,544	1,505,479	290,061	11,309,883
Transfers	(1,025,651)	(1,689,391)	(1,083,453)	(1,196,104)	(1,076,350)	(1,262,303)	(1,453,095)	(1,960,030)	(2,013,751)	(2,410,251)
Total business-type activities	5,036,754	(1,280,969)	(685,283)	(824,603)	(659,700)	(707,147)	221,449	(454,551)	(1,723,690)	8,899,632
Total general revenues and transfers	40,095,533	36,007,766	37,064,929	39,691,481	41,353,959	42,751,070	46,407,584	46,735,251	44,769,557	56,099,469
Change in Net Position										
Governmental activities	3,743,325	10,903,112	10,903,112	(14,090,554)	(4,162,562)	(443,194)	2,570,697	(4,242,304)	11,904,435	558,919
Business-type activities	903,110	3,528,333	5,597,801	(2,798,078)	8,579,075	4,156,196	7,670,477	3,949,429	3,533,434	18,024,783
Total Change in net position	4,646,435	14,431,445	16,500,913	(16,888,632)	4,416,513	3,713,002	10,241,174	(292,875)	15,437,869	18,583,702
Net position - beginning	304,234,292	307,946,526	312,698,939	309,963,254	294,172,022	295,527,181	293,320,882	303,562,056	303,105,726	318,573,137
Prior period adjustments	(1,003,135)	-	(19,236,598)	1,097,400	(3,061,354)	(5,919,301)	-	(163,455)	29,542	(2,705,215)
Net position - ending	\$ 307,877,592	\$ 322,377,971	\$ 309,963,254	\$ 294,172,022	\$ 295,527,181	\$ 293,320,882	\$ 303,562,056	\$ 303,105,726	\$ 318,573,137	\$ 334,451,624

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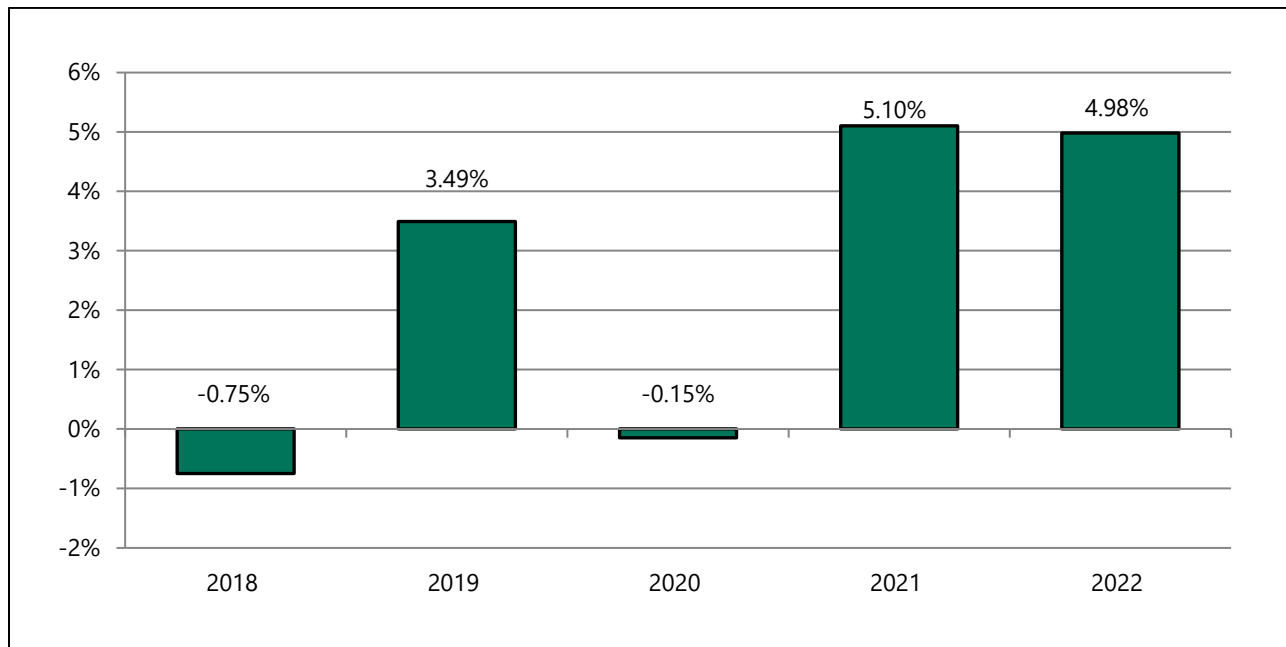
SCHEDULE 2

CITY OF ALBANY, OREGON

Change in Net Position
Last Five Years



Year to Year Percentage Change in Net Position
Last Five Years



Source: City of Albany 2013-2022 Annual Comprehensive Financial Reports

SCHEDULE 3

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

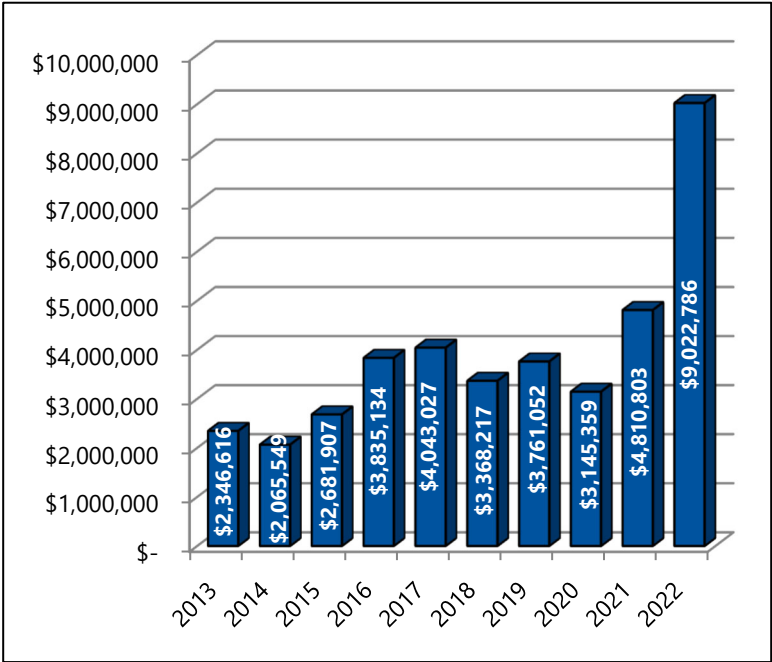
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 101,672	\$ 9,764	\$ 9,634	\$ 41,153	\$ 32,515	\$ 156	\$ 2,000	\$ -	\$ -	\$ 831,633
Committed	176,067	279,918	-	-	-	-	-	-	-	-
Unassigned	<u>2,068,877</u>	<u>1,775,867</u>	<u>2,672,273</u>	<u>3,793,981</u>	<u>4,010,512</u>	<u>3,368,061</u>	<u>3,759,052</u>	<u>3,145,359</u>	<u>4,810,803</u>	<u>8,191,153</u>
Total General Fund	<u>2,346,616</u>	<u>2,065,549</u>	<u>2,681,907</u>	<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>	<u>4,810,803</u>	<u>9,022,786</u>
All other governmental funds										
Nonspendable	135,077	156,092	169,542	152,185	146,093	124,744	95,275	79,500	2,176,612	2,239,547
Restricted	9,537,754	13,663,170	12,565,772	27,479,252	14,991,430	10,336,691	19,518,045	22,128,918	24,884,177	44,229,496
Committed	21,919,612	21,652,083	20,480,214	21,614,668	19,747,584	19,576,312	20,237,894	18,054,205	20,580,077	24,146,960
Assigned	-	-	-	-	-	-	15,060	27,639	210,558	184,934
Unassigned	<u>(2,778,516)</u>	<u>(3,589,921)</u>	<u>(2,566,638)</u>	-	-	<u>(4,214,620)</u>	<u>(277,283)</u>	<u>(122,289)</u>	<u>(246)</u>	-
Total all other governmental funds	<u>28,813,927</u>	<u>31,881,424</u>	<u>30,648,890</u>	<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>	<u>47,851,178</u>	<u>70,800,937</u>
Total fund balances of governmental funds	<u>\$ 31,160,543</u>	<u>\$ 33,946,973</u>	<u>\$ 33,330,797</u>	<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>	<u>\$ 52,661,981</u>	<u>\$ 79,823,723</u>

Continued on next page

SCHEDULE 3

CITY OF ALBANY, OREGON

General Fund Unreserved Fund Balance
Last Ten Fiscal Years



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

Fiscal Year	Fund Balance	% Change
2013	\$ 2,068,877	-
2014	1,775,867	-14.16%
2015	2,672,273	50.48%
2016	3,793,981	41.98%
2017	4,010,512	5.71%
2018	3,368,061	-16.02%
2019	3,759,052	11.61%
2020	3,145,359	-16.33%
2021	4,810,803	52.95%
2022	8,191,153	70.27%

The General Fund unreserved fund balance has increased by 295.92 percent over the last ten years. The 2021-22 unassigned fund balance of \$8,191,153 is 19.55 percent of total expenditures before transfers out, and 8.85 percent of the total General Fund 2021-23 budget.

Source: City of Albany 2013-2022 Annual Comprehensive Financial Reports

SCHEDULE 4

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 26,566,424	\$ 27,416,529	\$ 28,286,016	\$ 29,897,203	\$ 31,464,424	\$ 33,367,732	\$ 35,929,111	\$ 36,532,685	\$ 37,927,297	\$ 40,318,181
Special assessments	28,863	17,864	817,846	526,610	281,495	2,614	205,991	-	-	-
Franchise fees and privilege taxes	-	-	-	-	-	-	-	-	5,518,142	5,735,810
Licenses and permits	5,831,905	6,502,757	7,217,726	7,621,457	8,925,034	8,799,331	8,978,341	8,288,165	3,398,672	8,455,757
Intergovernmental	9,039,634	10,517,304	9,332,104	9,123,174	8,450,512	11,047,952	16,417,359	14,734,721	20,265,679	16,904,712
Charges for services	5,697,879	6,082,333	5,927,810	6,326,874	6,907,045	7,481,482	7,558,952	7,100,862	6,852,413	7,584,169
Fines, forfeitures and assessments	3,101	3,123	3,127	8,403	19,544	61,362	84,711	66,570	950,970	1,037,342
Interest on investments	397,315	271,182	197,437	456,806	328,560	566,717	1,458,296	1,498,447	345,697	(1,799,005)
Miscellaneous	1,180,098	1,337,583	1,159,726	1,088,232	1,416,602	2,744,583	2,947,195	2,577,705	2,258,979	1,415,246
Total revenues	48,745,219	52,148,675	52,941,792	55,060,255	57,793,216	64,071,773	73,579,956	70,799,155	77,517,849	79,652,212
Expenditures										
General government	7,064,448	6,686,132	7,544,431	10,080,973	11,609,197	15,480,203	9,786,568	13,119,607	9,688,802	5,097,696
Community development	-	-	-	-	-	-	-	-	-	6,345,960
Public safety	24,762,823	25,595,092	25,997,415	27,404,433	28,332,212	32,391,938	34,451,423	36,241,251	37,587,519	37,168,139
Highways and streets	3,472,264	3,128,945	2,980,799	3,056,329	3,108,781	3,076,288	3,293,852	3,433,361	3,059,934	3,221,201
Culture and recreation	7,608,139	8,056,710	8,368,902	8,779,572	9,158,782	9,530,126	9,999,871	9,677,337	8,293,916	9,592,910
Health	-	-	-	125,745	130,621	151,939	586	33,976	-	-
Capital outlay	6,226,543	3,952,086	7,926,087	6,485,115	18,409,687	12,978,050	10,572,423	6,979,639	7,801,917	5,571,914
Debt service										
Principal	3,905,432	2,237,146	1,741,794	1,016,605	983,483	1,052,140	1,720,315	1,738,541	2,694,363	2,196,038
Interest	870,010	755,175	714,071	1,212,756	1,315,505	1,304,598	1,378,201	1,436,176	1,111,628	1,070,398
Total expenditures	53,909,659	50,411,286	55,273,499	58,161,528	73,048,268	75,965,282	71,203,239	72,659,888	70,238,079	70,264,256
Excess (deficiency) of revenues over (under) expenditures	(5,164,440)	1,737,389	(2,331,707)	(3,101,273)	(15,255,052)	(11,893,509)	2,376,717	(1,860,733)	7,279,770	9,387,956
Other financing sources (uses)										
Debt issuance	-	-	-	18,636,260	-	-	8,400,000	-	1,003,293	15,114,767
Capital lease	166,876	-	86,005	242,881	-	206,481	-	-	-	-
Sale of capital asset	-	-	-	1,745,013	-	836,387	1,928,887	387,342	184,343	249,841
Transfers in	4,960,950	6,660,676	6,577,243	12,316,154	6,913,140	8,289,131	7,206,816	15,227,044	10,228,846	9,144,108
Transfers out	(3,935,299)	(4,995,277)	(5,493,790)	(11,120,050)	(5,876,890)	(7,175,028)	(5,753,721)	(13,643,096)	(8,742,387)	(6,734,930)
Total other financing sources (uses)	1,192,527	1,665,399	1,169,458	21,820,258	1,036,250	2,156,971	11,781,982	1,971,290	2,674,095	17,773,786
Prior period adjustments	-	-	(70,285)	1,031,457	65,699	(252)	-	(147,268)	2,887	(608,103)
Net change in fund balances	\$ (3,971,913)	\$ 3,402,788	\$ (1,232,534)	\$ 19,750,442	\$ (14,153,103)	\$ (9,736,790)	\$ 14,158,699	\$ (36,711)	\$ 9,956,752	\$ 26,553,639

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SCHEDULE 4

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

**Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total debt service expenditures	\$ 4,775,442	\$ 2,992,321	\$ 2,961,701	\$ 2,976,255	\$ 2,298,988	\$ 2,356,738	\$ 3,098,516	\$ 3,174,717	\$ 3,805,991	\$ 3,266,436
Total noncapital expenditures	<u>47,683,116</u>	<u>46,459,200</u>	<u>47,347,412</u>	<u>51,676,413</u>	<u>44,350,115</u>	<u>51,002,132</u>	<u>51,671,259</u>	<u>65,682,749</u>	<u>63,180,153</u>	<u>64,758,645</u>
Ratio of total debt service expenditures less refundings to total noncapital expenditures	10.01%	6.44%	6.26%	5.76%	5.18%	4.62%	6.00%	4.83%	6.02%	5.04%

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
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	9.19	-	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	8.15	-	855,444,364	1,230,941,205	69.50%
	Total	4,071,503,008		246,939,463	4,318,442,471	6,150,340,219	70.21%
2021	Linn	3,379,438,953	8.22	276,449,354	3,655,888,307	5,381,597,775	67.93%
	Benton	925,945,042	8.38	-	925,945,042	1,387,336,547	66.74%
	Total	4,305,383,995		276,449,354	4,581,833,349	6,768,934,322	67.69%
2022	Linn	3,524,374,499	8.19	300,729,535	3,825,104,034	5,998,111,668	63.77%
	Benton	925,945,042	8.28	-	925,945,042	1,458,627,895	63.48%
	Total	4,450,319,541		300,729,535	4,751,049,076	7,456,739,563	63.71%

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

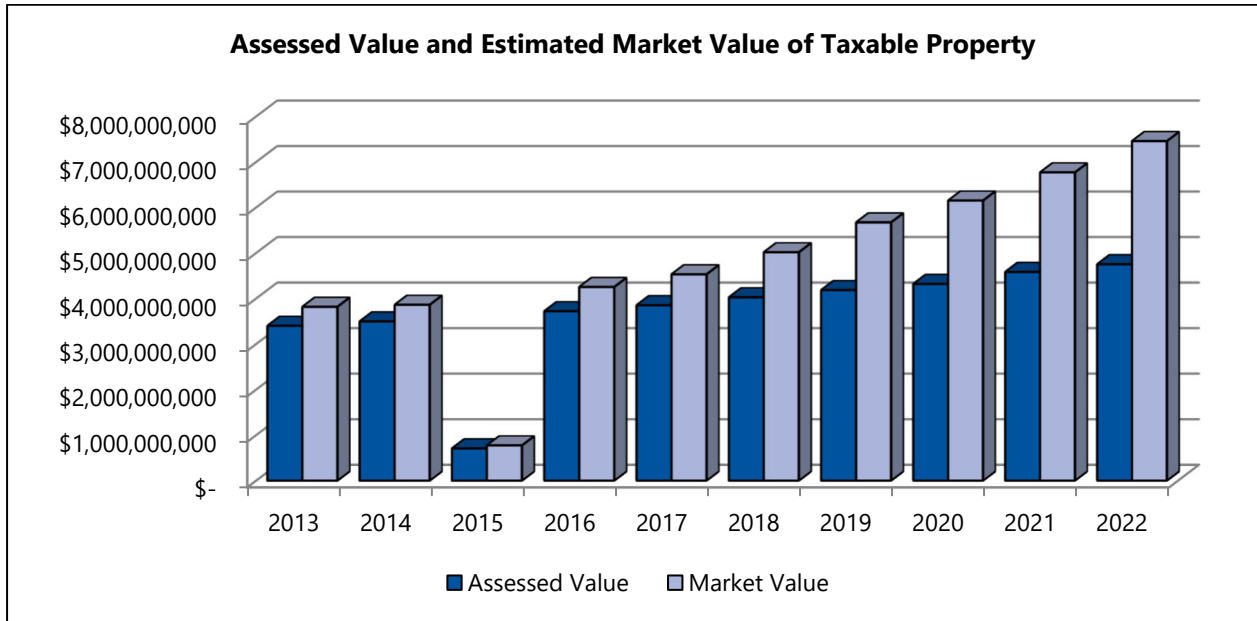
(2) Urban renewal district incremental amount

Source: Linn and Benton Counties Tax Assessors

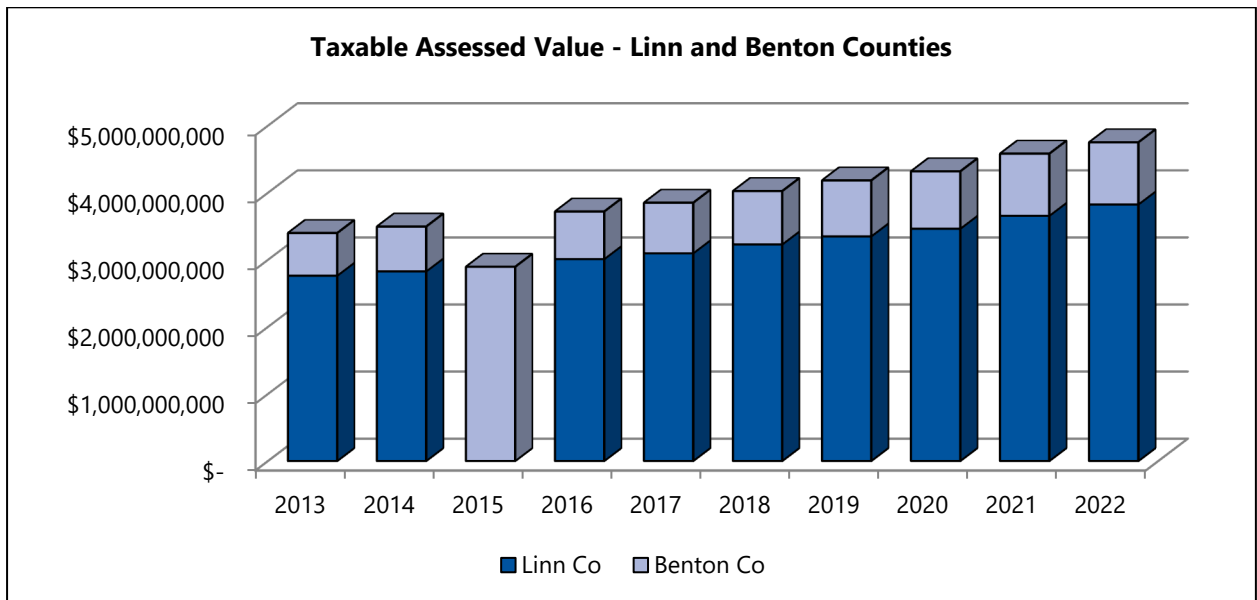
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SCHEDULE 5

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



The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 63.71 percent of market value, leaving a \$2,705,690,487 gap. Current economic conditions will have an effect on the market value of properties, but the extent of the effect is not known at this time.



SCHEDULE 6

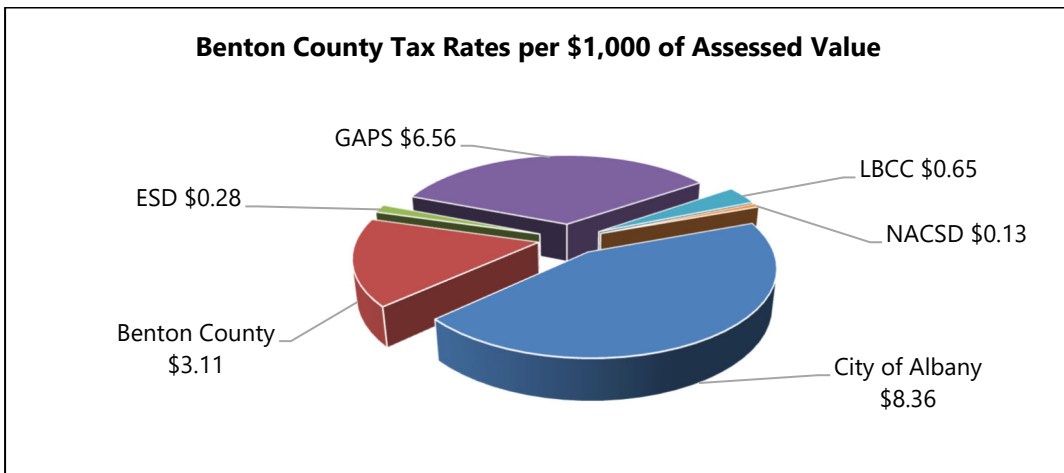
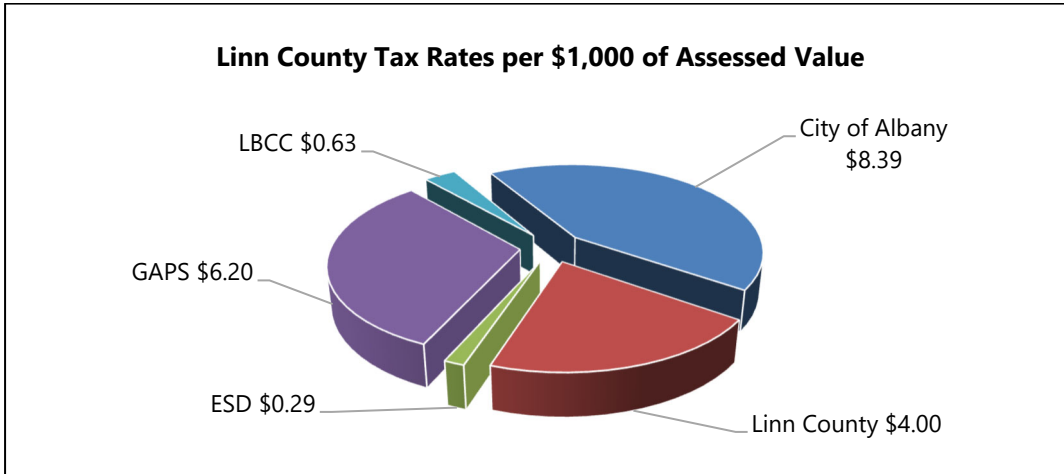
**CITY OF ALBANY, OREGON
DIRECT AND OVERLAPPING TAX RATES (1)
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	County	City of Albany Direct Rates					Overlapping Rates								
		Basic Rate	Local Option Public Safety Levy	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	Total Direct Rate	Linn County	Benton County	4H Extension District (2)	ESD(2) Linn/Benton Counties	Greater Albany Public School District	Linn-Benton Community College	Benton County Service/Ext Districts	Total Direct & Overlapping Rates
2013	Linn	6.16	0.92	0.42	7.50	0.73	8.23	3.86	-	0.05	0.29	5.97	0.65	-	19.05
	Benton	6.16	0.92	0.42	7.50	0.55	8.04	-	3.02	-	0.29	5.97	0.65	-	17.97
2014	Linn	6.40	1.15	0.43	7.98	0.80	8.78	3.85	-	0.05	0.29	6.07	0.66	-	19.70
	Benton	6.40	1.15	0.43	7.98	-	7.98	-	3.16	-	0.29	6.07	0.66	-	18.16
2015	Linn	6.40	1.15	0.37	7.92	1.27	9.19	4.21	-	0.07	0.29	6.01	0.65	-	20.42
	Benton	6.40	1.15	0.37	7.92	-	7.92	-	3.11	-	0.29	6.01	0.65	-	17.97
2016	Linn	6.40	1.15	0.29	7.84	1.27	9.11	4.21	-	0.07	0.29	6.01	0.65	-	20.34
	Benton	6.40	1.15	0.29	7.84	-	7.84	-	3.11	-	0.29	6.01	0.65	-	17.89
2017	Linn	6.40	1.15	0.29	7.84	0.31	8.15	4.21	-	0.07	0.29	5.79	0.64	-	19.14
	Benton	6.40	1.15	0.29	7.84	-	7.84	-	3.11	-	0.29	5.79	0.64	-	17.66
2018	Linn	6.40	1.15	0.29	7.84	0.31	8.15	4.20	-	0.07	0.29	6.53	0.64	-	19.87
	Benton	6.40	1.15	0.29	7.84	-	7.84	-	3.11	-	0.29	6.53	0.64	-	18.40
2019	Linn	6.04	1.15	0.27	7.47	0.91	8.38	4.19	-	0.07	0.29	6.52	0.64	-	20.08
	Benton	6.04	1.15	0.27	7.47	0.80	8.27	-	3.11	-	0.29	6.52	0.64	0.13	18.94
2020	Linn	6.04	1.15	0.27	7.46	0.93	8.39	4.19	-	0.07	0.29	6.44	0.63	-	20.01
	Benton	6.04	1.15	0.27	7.46	0.82	8.28	-	3.11	-	0.29	6.44	0.63	0.13	18.88
2021	Linn	6.01	1.15	0.27	7.43	0.98	8.41	4.11	-	0.06	0.29	6.39	0.63	-	19.89
	Benton	6.01	1.15	0.27	7.43	0.88	8.31	-	3.11	-	0.29	6.38	0.63	0.10	18.81
2022	Linn	5.97	1.15	0.27	7.39	1.00	8.39	4.00	-	0.06	0.29	6.20	0.63	-	19.57
	Benton	5.98	1.15	0.27	7.39	0.97	8.36	-	3.11	-	0.28	6.56	0.65	0.13	19.10

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SCHEDULE 6

CITY OF ALBANY, OREGON



(1) Rate per \$1,000 of assessed value
 ESD – Educational Service District
 GAPS – Greater Albany Public School District

LBCC – Linn-Benton Community College
 NACSD – North Albany County Service District

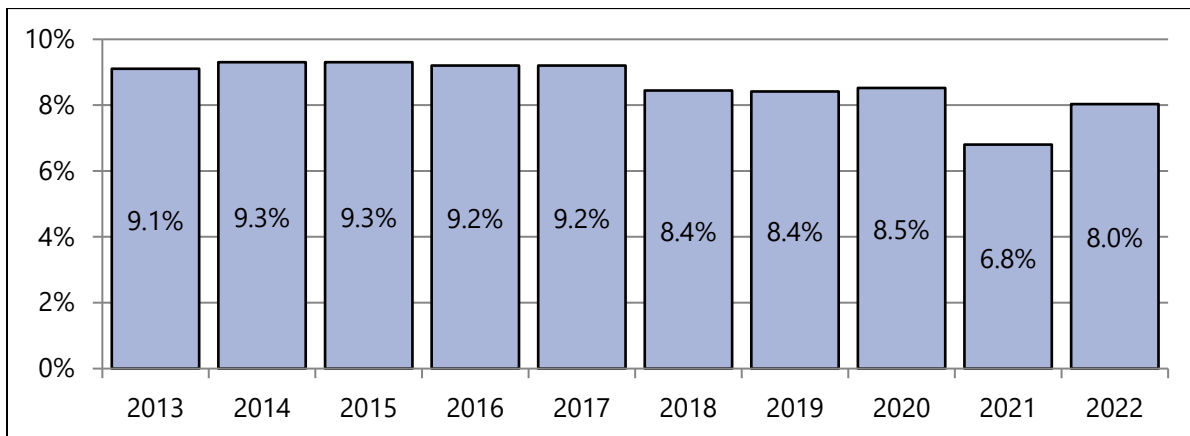
Source: Linn and Benton Counties Tax Assessors

SCHEDULE 7

**CITY OF ALBANY, OREGON
PRINCIPAL PROPERTY TAXPAYERS**
Fiscal Years 2012-2013 and 2021-2022

Taxpayer	2021-2022		% of Total		2012-2013		% of Total	
	Taxable Assessed Value	Rank	Taxable Assessed Value		Taxable Assessed Value	Rank	Taxable Assessed Value	
Target Corporation	\$ 82,078,280	1	1.73%		\$ 74,484,570	1	2.91%	
Oregon Freeze Dry Foods, Inc.	65,898,900	2	1.39%		34,900,480	3	1.05%	
Pacific Cast Technologies	66,185,870	3	1.39%		26,901,050	5	0.00%	
WR Grace & Co Conn	56,931,640	4	1.20%				0.00%	
Pacificorp (PP&L)	44,756,000	5	0.94%		17,829,000	8	2.31%	
Eugene Freezing & Storage Co	34,994,500	6	0.74%				0.00%	
Mennonite Home of Albany	85,945,680	7	1.81%				0.70%	
Northwest Natural Gas	29,146,070	8	0.61%		18,275,000	7	1.49%	
Glorietta Bay LLC	36,417,370	9	0.77%				0.00%	
Walmart Real estate Business Trust	23,370,630	10	0.49%		16,628,610	10	0.00%	
Oregon Metallurgical Corporation			0.00%		52,994,720	2	1.15%	
Comcast Corporation	-		0.00%		28,856,100	4	0.56%	
Waverly Land Management	-		0.00%		24,117,140	6	0.49%	
Metropolitan Life Insurance	-		0.00%		17,938,630	9	0.49%	
Total	\$ 525,724,940		11.07%		\$ 312,925,300		11.15%	
Total taxable assessed value, all properties	\$ 4,751,049,076				\$ 3,398,584,772			

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

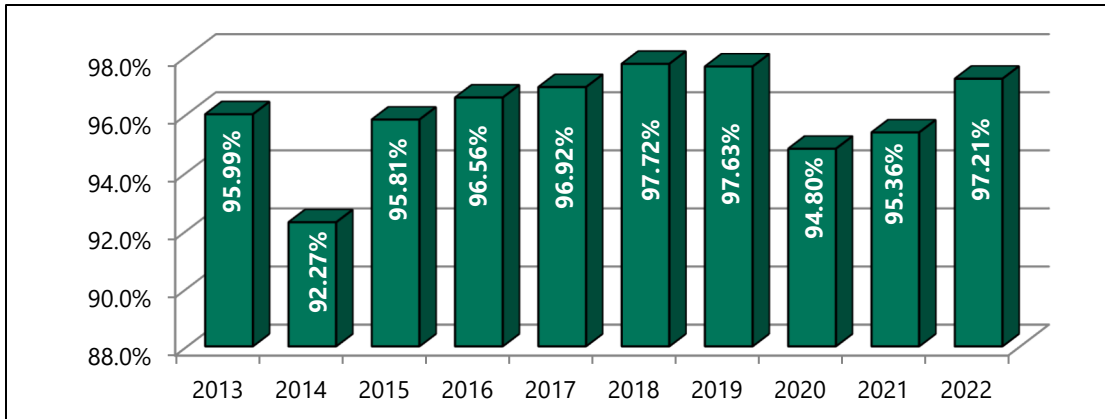


Source: Linn and Benton Counties Tax Assessors

SCHEDULE 8

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

Fiscal Year Ended June 30,	Tax Levy as Extended by the Assessor (1)	Collected within the Fiscal Year of the Levy	Percentage Collected	Collections In Subsequent Years	Total Collections to Date	Percentage of Levy as Extended
2013	\$ 26,473,672	\$ 25,411,744	95.99%	\$ 840,964	\$ 26,252,708	99.17%
2014	27,562,841	25,431,964	92.27%	1,059,582	26,491,546	96.11%
2015	27,836,933	26,669,274	95.81%	2,130,558	28,799,832	103.46%
2016	29,171,625	28,169,159	96.56%	1,159,592	29,328,751	100.54%
2017	30,457,817	29,521,130	96.92%	1,011,400	30,532,530	100.25%
2018	32,481,243	31,741,907	97.72%	958,526	32,700,433	100.67%
2019	33,570,277	32,775,527	97.63%	707,966	33,483,493	99.74%
2020	35,914,291	34,046,853	94.80%	649,982	34,696,835	96.61%
2021	37,656,830	35,910,456	95.36%	488,470	36,398,926	96.66%
2022	39,744,828	38,636,774	97.21%	648,019	39,284,793	98.84%



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 96.09 percent of the levy as extended by the assessors.

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

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

Source: Linn and Benton Counties Tax Assessor

SCHEDULE 9

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

Fiscal Year Ended June 30,	GOVERNMENTAL ACTIVITIES								BUSINESS-TYPE ACTIVITIES			Total Outstanding Debt	% of Personal Income	Debt per Capita
	General Obligation Bonds (5)	Limited Tax Pension Obligations	General Revenue Obligations	Urban Renewal (UR) TIF Bonds (2)	Urban Renewal (UR) Loan	Unamortized Premium	Notes Payable	Finance Purchase	Water Revenue Bonds (4)	Unamortized Premium	Notes Payable (3)			
2013	\$ 2,590,000	\$ 5,415,689	\$ 1,305,000	\$ 3,307,000	\$ -	\$ 28,112	\$ 102,341	\$ 219,278	\$ 28,405,000	\$ 1,979,422	\$ 65,742,674	\$ 109,094,516	2.85%	\$ 2,151
2014	1,335,000	5,314,001	940,000	2,822,000	-	-	71,881	71,241	27,400,000	1,845,694	62,373,072	102,172,889	2.62%	2,014
2015	-	5,208,982	800,000	2,696,000	-	-	36,107	63,325	26,505,000	1,711,966	58,900,330	95,921,710	2.73%	1,871
2016	17,605,000	5,101,484	655,000	2,363,000	-	604,447	-	208,742	25,570,000	1,578,238	55,321,160	109,007,071	2.94%	2,110
2017	17,235,000	4,992,002	500,000	2,014,000	-	572,634	-	131,334	24,595,000	1,485,850	51,632,167	103,157,987	2.71%	1,963
2018	16,820,000	4,880,861	340,000	1,648,000	-	540,821	-	239,805	23,575,000	1,393,462	47,700,361	97,138,310	2.46%	1,843
2019	16,355,000	4,769,605	175,000	1,265,000	-	509,007	7,803,830	164,483	22,515,000	1,301,074	42,425,307	97,283,306	2.12%	1,831
2020	15,835,000	4,610,001	-	863,000	-	477,194	7,321,892	84,406	21,415,000	1,208,686	45,455,491	97,270,670	2.02%	1,797
2021	15,260,000	4,150,001	-	442,000	-	445,381	8,044,016	43,204	20,275,000	1,116,298	45,523,382	95,299,282	1.23%	1,735
2022	14,635,000	3,620,001	-	-	15,114,767	413,568	7,488,180	-	19,080,000	1,023,910	41,404,289	102,779,715	n/a	1,797

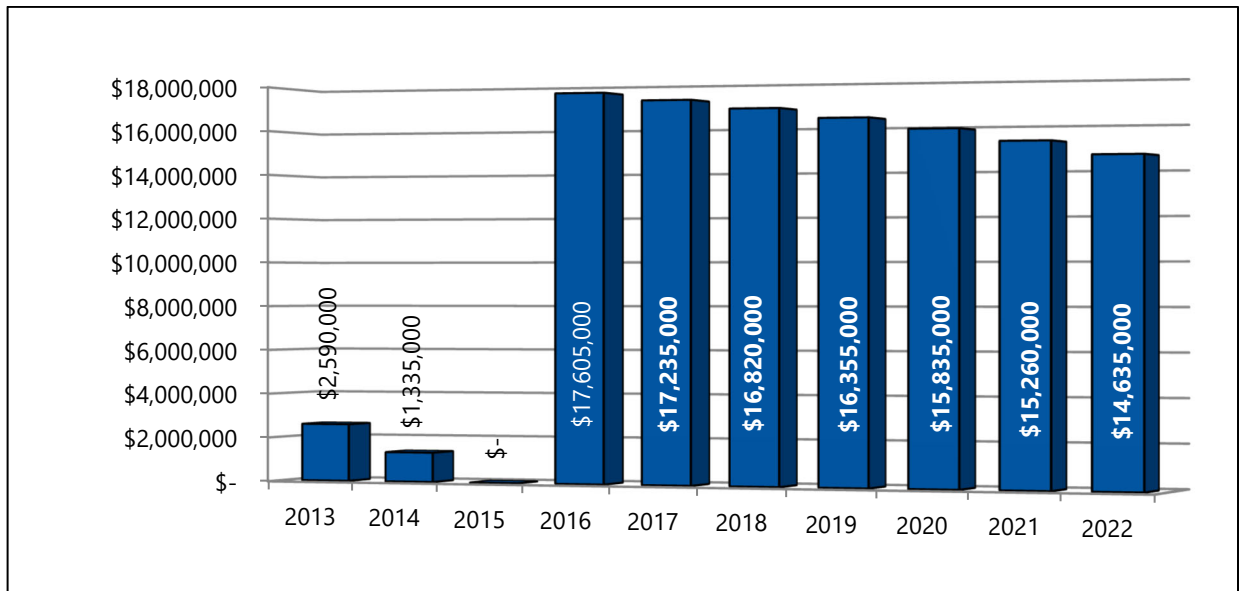
Source: City of Albany 2013-2022 Annual Comprehensive Financial Reports

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SCHEDULE 9

CITY OF ALBANY, OREGON

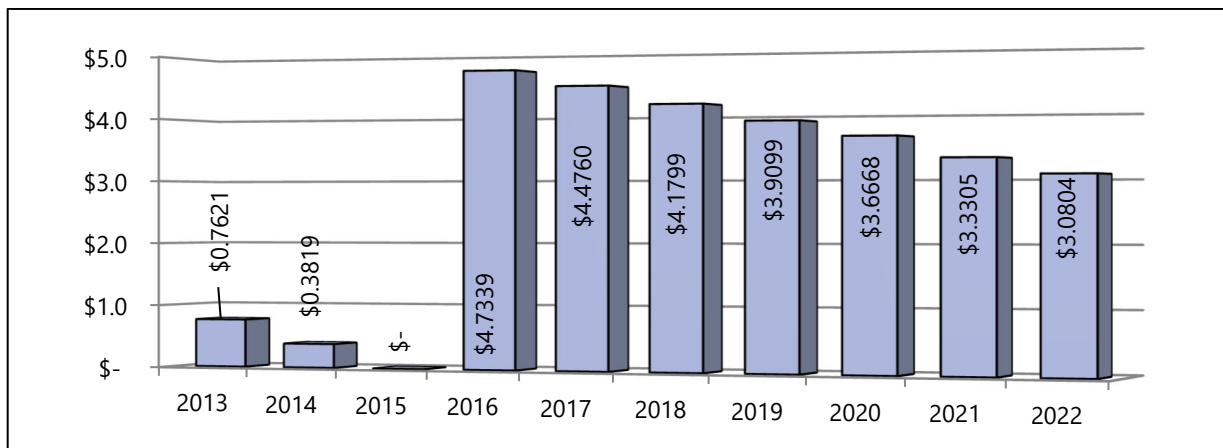
**Unmatured General Obligation Bonds at Fiscal Year End
(Governmental and Business-type Activities)
Last Ten Fiscal Years**



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

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

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



The average annual increase in assessed value of the ten-year period is just over three percent, with a high of 4.73 percent in 2016 and a low of 0.38 percent in 2014.

SCHEDULE 10

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

Fiscal Year Ended June 30,	Population	Assessed Value	General Obligation Bonds	Unamortized Premium	Limited Tax Pension Obligations	General Revenue Obligations	Less: Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
2013	50,710	\$ 3,398,584,772	\$ 2,590,000	\$ 42,788	\$ 5,415,689	\$ 1,305,000	\$ 403,483	\$ 8,949,994	0.2633%	\$ 176.49	0.24%
2014	50,720	3,495,260,256	1,335,000	28,112	5,314,001	940,000	439,829	\$ 7,177,284	0.2053%	141.51	0.19%
2015	51,270	3,602,099,109	-	-	5,208,982	800,000	161,727	\$ 5,847,255	0.1623%	114.05	0.14%
2016	51,670	3,718,890,337	17,605,000	-	5,101,484	655,000	276,187	\$ 23,085,297	0.6208%	446.78	0.51%
2017	52,540	3,850,553,389	17,235,000	604,447	4,992,002	500,000	328,548	\$ 23,002,901	0.5974%	437.82	0.49%
2018	52,710	4,024,026,236	16,820,000	572,634	4,880,861	340,000	400,634	\$ 22,212,861	0.5520%	421.42	0.41%
2019	53,145	4,182,936,169	16,355,000	540,821	4,769,605	175,000	330,065	\$ 21,510,361	0.5142%	404.75	0.39%
2020	54,120	4,318,442,471	15,835,000	509,007	4,610,001	-	498,688	\$ 20,455,320	0.4737%	377.96	0.35%
2021	54,935	4,581,833,349	15,260,000	477,194	4,150,001	-	827,606	\$ 19,059,589	0.4160%	346.95	0.28%
2022	57,199	4,751,049,076	14,635,000	413,568	3,620,001	-	863,358	\$ 17,805,211	0.3748%	311.29	0.26%

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

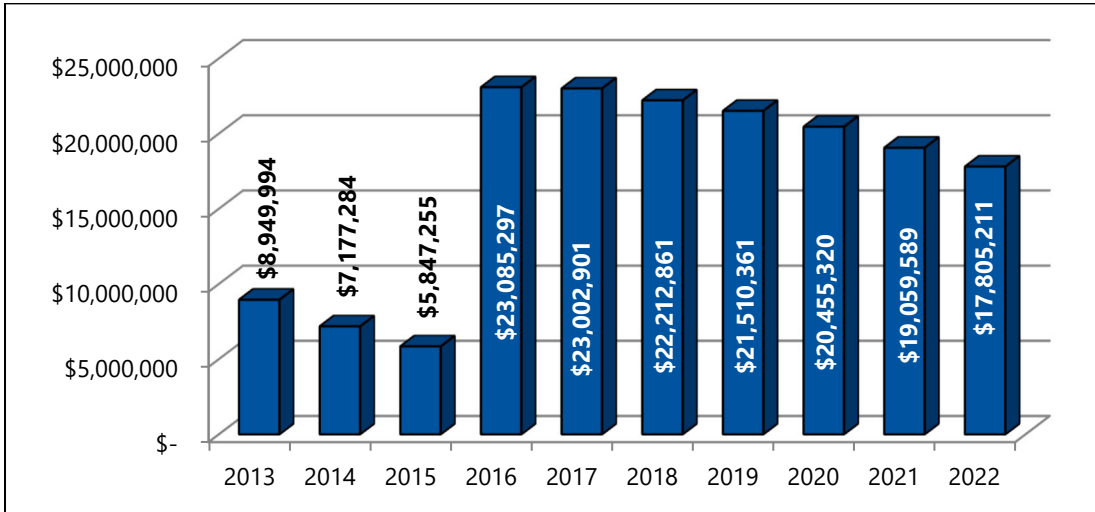
(2) Available for the 2002 Limited Tax Pension Bonds and the 2015 Public Safety Facility Bonds.

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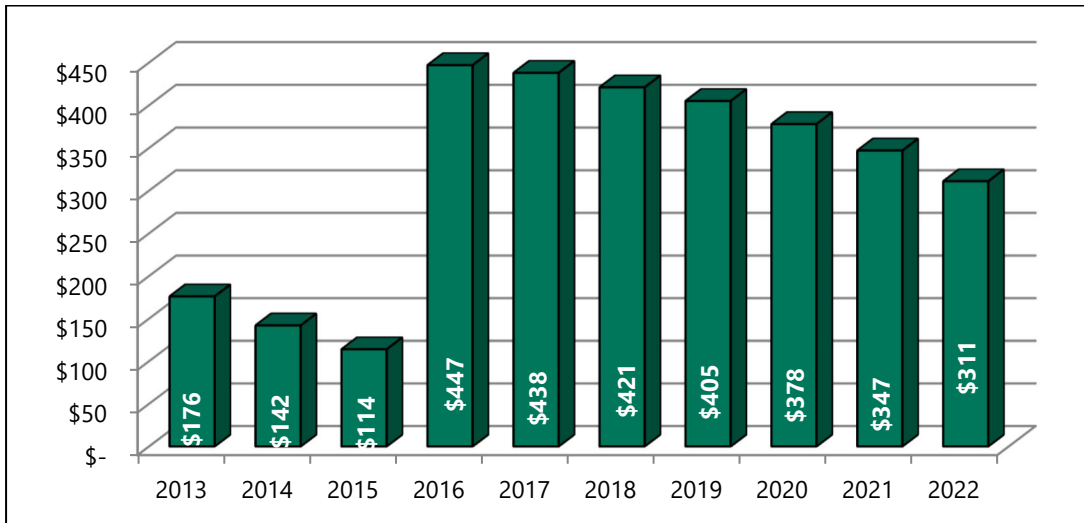
SCHEDULE 10

CITY OF ALBANY, OREGON

Net General Bonded Debt
Last Ten Fiscal Years



Net General Bonded Debt Per Capita
Last Ten Fiscal Years



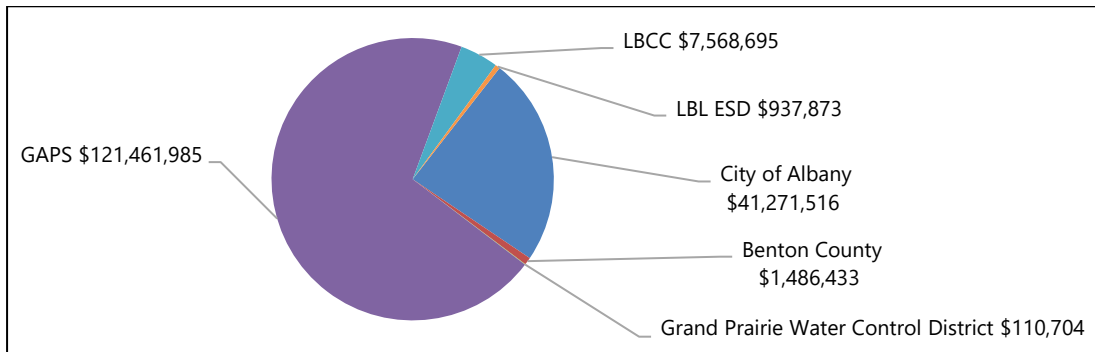
Source: City of Albany 2013-2022 Annual Comprehensive Financial Reports

SCHEDULE 11

**CITY OF ALBANY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
As of June 30, 2022**

Jurisdiction	Net Outstanding Debt	Percentage Applicable to the City of Albany (1)	Amount Applicable to the City of Albany
DIRECT DEBT			
City of Albany (2) (3)	\$ 40,873,374	100.0000%	\$ 40,873,374
OVERLAPPING DEBT			
Benton County	25,890,000	5.7413%	1,486,433
Grand Prairie Water Control District	138,239	80.0816%	110,704
Greater Albany Public School (GAPS) District 8J	168,789,098	71.9608%	121,461,985
Linn Benton Community College (LBCC)	50,655,487	14.9415%	7,568,695
Linn-Benton-Lincoln (LBL) ESD	<u>6,040,000</u>	15.5277%	<u>937,873</u>
Total overlapping debt	<u>251,512,824</u>		<u>131,565,690</u>
Total direct and overlapping debt	<u>\$ 292,386,198</u>		<u>\$ 172,439,064</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	\$ 14,635,000
2002 Limited Tax Pension Obligations	3,620,001
Total City of Albany net outstanding debt - bonded	<u>18,255,001</u>
(3) Remaining City of Albany net outstanding debt	
CARA Banner Bank Loan	15,114,767
Oregon IFA	6,320,833
2021 Lochner Rd	1,167,347
Unamortized Premium	413,568
Total Remaining City of Albany net outstanding debt	<u>23,016,515</u>
Grand Total of City of Albany net outstanding debt	<u>\$ 41,271,516</u>

SCHEDULE 12

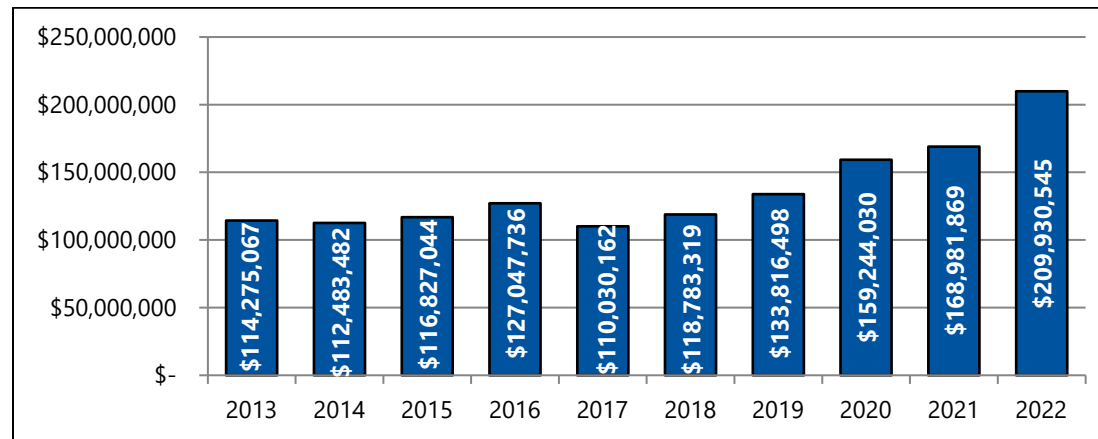
**CITY OF ALBANY, OREGON
PROPERTY LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limitation	\$ 117,889,589	\$ 114,909,144	\$ 116,699,781	\$ 127,047,736	\$ 127,544,869	\$ 135,869,904	\$ 150,428,007	\$ 175,292,368	\$ 184,510,207	\$ 223,702,187
Total net debt applicable to limitation	<u>3,614,522</u>	<u>2,425,662</u>	<u>(127,263)</u>	<u>-</u>	<u>17,514,707</u>	<u>17,086,585</u>	<u>16,611,509</u>	<u>16,048,338</u>	<u>15,528,338</u>	<u>13,771,642</u>
Legal debt margin	<u>\$ 114,275,067</u>	<u>\$ 112,483,482</u>	<u>\$ 116,827,044</u>	<u>\$ 127,047,736</u>	<u>\$ 110,030,162</u>	<u>\$ 118,783,319</u>	<u>\$ 133,816,498</u>	<u>\$ 159,244,030</u>	<u>\$ 168,981,869</u>	<u>\$ 209,930,545</u>
Ratio of net debt applicable to the debt limitation	3.07%	2.11%	-0.11%	0.00%	13.73%	12.58%	11.04%	9.16%	8.42%	6.16%

Legal Debt Margin

Last Ten Fiscal Years



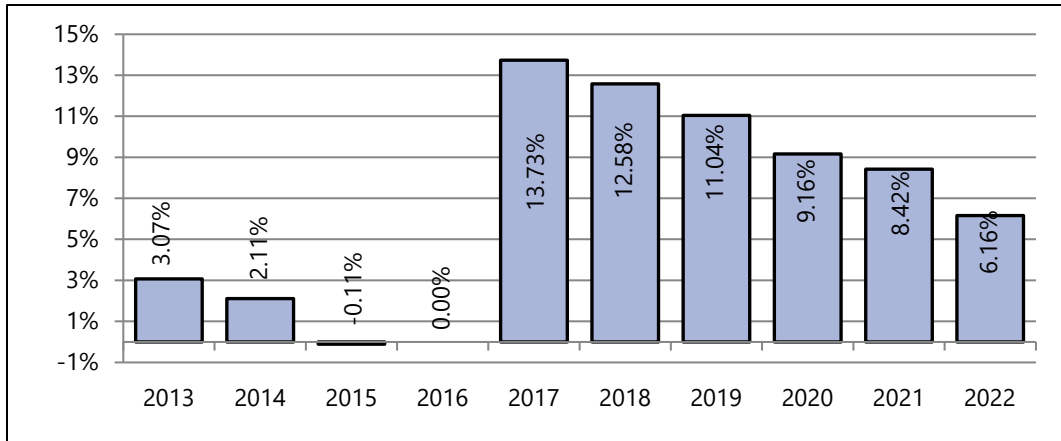
The state-mandated legal debt margin for general obligation debt is three percent of true cash value (market value). The legal debt margin is a direct function of the true cash value of properties in the City and the City's net general obligation debt. The City's legal debt margin has increased by 83.71 percent (\$95,655,478) over the last ten years. During the same period, the City's true cash value increased by 95.41 percent (\$3,640,838,482) and the City's general obligation debt increased by 431.72 percent (\$11,181,642).

Continued on next page

SCHEDULE 12

CITY OF ALBANY, OREGON

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



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

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

SCHEDULE 13

**CITY OF ALBANY, OREGON
PLEGDED REVENUE COVERAGE
Last Ten Fiscal Years**

Water Revenue Debt (Coverage requirement equals 125%)

Fiscal Year Ended June 30,	Operating Revenues	Less:		Net Available Resources	Debt Service			Coverage Percentage
		Operating Expenses	Depreciation		Principal	Interest	Total	
2013	\$ 11,990,340	\$ 11,137,936	\$ 3,287,590	\$ 4,139,994	\$ 830,000	\$ 1,455,556	\$ 2,285,556	181.14%
2014	12,324,568	10,608,695	3,121,452	4,837,325	1,005,000	962,064	1,967,064	245.92%
2015	12,815,070	10,012,529	3,035,520	5,838,061	895,000	1,033,194	1,928,194	302.77%
2016	13,206,078	12,477,995	2,971,270	3,699,353	935,000	996,594	1,931,594	191.52%
2017	13,714,532	11,404,150	3,129,376	5,439,758	975,000	958,394	1,933,394	281.36%
2018	13,754,480	11,196,226	3,265,897	5,824,151	1,020,000	918,494	1,938,494	300.45%
2019	14,026,154	10,582,717	3,382,232	6,825,669	1,060,000	876,894	1,936,894	352.40%
2020	14,091,526	12,483,804	3,578,502	5,186,224	1,100,000	833,694	1,933,694	268.20%
2021	15,551,568	12,739,373	3,475,526	6,287,721	1,140,000	783,194	1,923,194	326.94%
2022	15,464,031	11,947,989	3,723,196	7,239,238	1,195,000	730,794	1,925,794	375.91%

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	
2013	\$ 18,865,187	\$ 11,850,582	\$ 4,256,844	\$ 11,271,449	\$ 2,806,835	\$ 2,220,414	\$ 5,027,249	224.21%
2014	14,850,594	12,779,201	4,343,400	6,414,793	2,892,278	1,968,873	4,861,151	131.96%
2015	15,674,502	12,481,568	4,573,578	7,766,512	2,980,325	1,873,595	4,853,920	160.00%
2016	15,890,793	14,318,946	4,591,095	6,162,942	3,071,056	1,912,795	4,983,851	123.66%
2017	17,309,718	13,745,672	4,765,219	8,329,265	3,688,993	1,887,254	5,576,247	149.37%
2018	16,777,742	13,525,374	4,775,886	8,028,254	3,931,806	1,757,604	5,689,410	141.11%
2019	18,499,384	13,019,409	4,811,368	10,291,343	4,150,054	1,051,896	5,201,950	197.84%
2020	19,170,442	14,219,637	4,038,331	8,989,136	4,231,533	951,961	5,183,494	173.42%
2021	19,974,278	14,819,720	5,025,654	10,180,212	3,904,995	846,401	4,751,396	214.26%
2022	20,422,413	18,308,150	5,450,858	7,565,121	4,119,093	979,536	5,098,629	148.38%

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

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

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

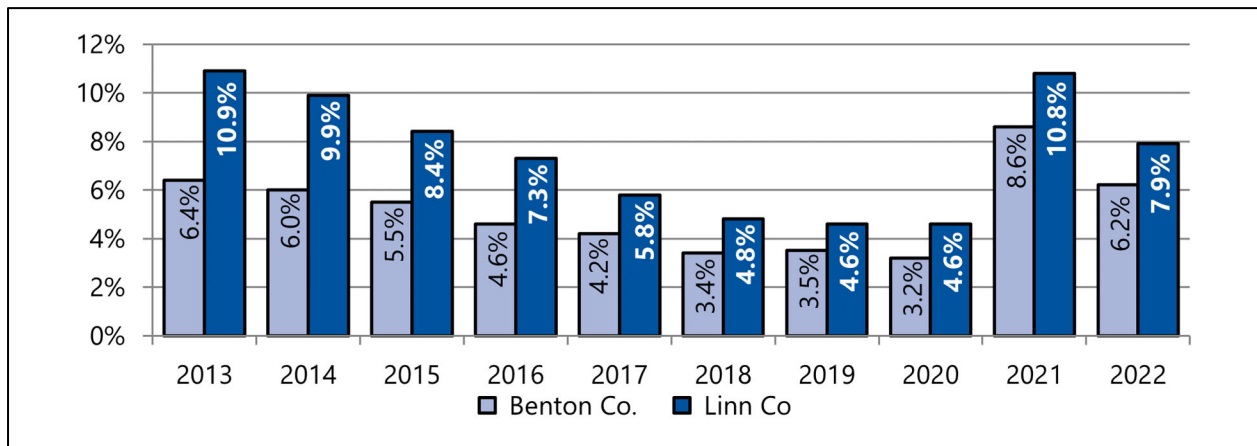
SCHEDULE 14

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

Fiscal Year Ended June 30,	City of Albany Population(1)	Albany-Lebanon Metropolitan Statistical Area				Albany School Enrollment(3)	Unemployment Rate (4)	
		Population(1)	Personal Income(2)	Per Capita Personal Income(2)	Unemployment Rate (4)			
					Linn Co.		Benton Co.	
2013	50,710	n/a	\$ 3,676,716,360	\$ 30,984	9,941	9.9%	6.0%	
2014	50,720	118,665	3,768,672,515	31,483	9,925	8.4%	5.5%	
2015	51,270	118,665	4,219,670,000	34,379	9,985	7.3%	4.6%	
2016	51,670	119,705	4,503,061,000	37,355	9,760	5.8%	4.2%	
2017	52,540	122,315	4,713,141,000	38,365	9,530	4.8%	3.4%	
2018	52,710	124,010	5,461,500,000	42,891	9,497	4.6%	3.5%	
2019	53,145	125,575	5,461,463,000	43,157	9,605	4.6%	3.2%	
2020	54,120	126,550	5,816,653,000	44,830	9,667	10.8%	8.6%	
2021	54,935	129,948	6,757,131,000	51,999	8,946	6.3%	4.4%	
2022	57,199	130,467	6,845,480,000	52,469	8,910	4.2%	3.1%	

Over the last ten years, the City's population has increased by 12.8 percent (6,489). From 2013 to 2022 per capita personal income has risen by 69.34 percent (\$21,485) in the Albany-Lebanon metropolitan statistical area (established in 2013). Albany's city boundaries span two counties: Linn County (population 47,877) and Benton County (population 9,322). As of fiscal year 2019-20, (per capita data lags one year), per capita personal income was \$44,830 for Linn County, \$49,354 for Benton County, and \$49,260 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District decreased by 1037 percent (-1031 students).

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



Sources:

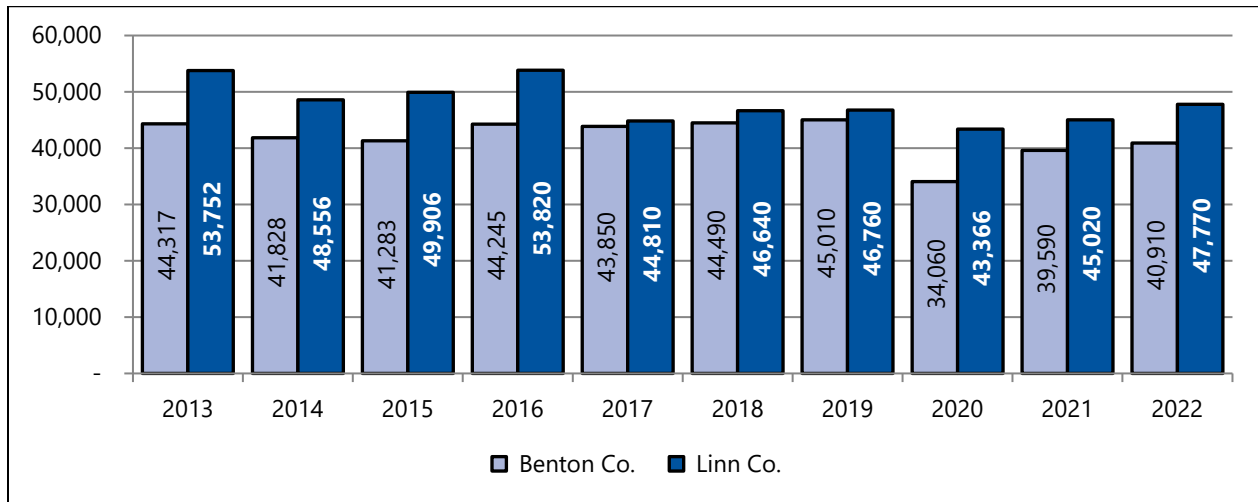
- (1) Portland State University, Population Research and Census Center (using most recent certified data)
- (2) U. S. Department of Commerce, Bureau of Economic Analysis (2014 is the most current data available)
- (3) Greater Albany Public School District 8J
- (4) State of Oregon, Employment Department

SCHEDULE 15

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

Employer	June 30, 2022			June 30, 2013		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	10,844	1	11.06%	10,242	1	10.44%
Samaritan Health Services	3,372	2	3.44%	3,318	2	3.38%
ATI Wah Chang (Teledyne Wah Chang - 1997)	1,300	3	1.33%	1,300	3	1.33%
Greater Albany Public School District 8J	1,035	4	1.06%			
Linn Benton Community College	974	5	0.99%	1,200	4	1.22%
Linn County	690	6	0.70%	974	6	0.99%
Dayton-Hudson Corporation (Target)	425	7	0.43%	1,035	5	1.06%
Selmet	420	8	0.43%	690	7	0.70%
Mennonite Village	417	9	0.43%	425	8	0.43%
Oregon Freeze Drive	400		0.41%	420	9	0.43%
City of Albany	404	10	0.41%	384	10	0.39%
Totals	20,281		20.68%	19,988		20.38%
Total employment in Linn and Benton Counties	88,680			98,069		

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



Total employment in Benton and Linn Counties has decreased by 9.57 percent (9,389 jobs) over the last ten years. For the ten-year period, the low point was 77,426 jobs in June 2020, and the high point was 98,069 jobs in June 2013. National and international economic instability will likely have an adverse effect in the coming years, although at this time the extent is unknown.

Sources:

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

SCHEDULE 16

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

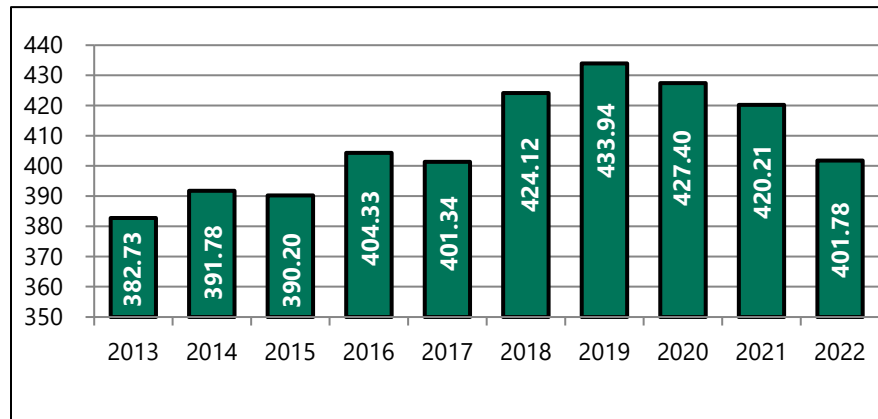
Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
General Government										
Economic Development	1.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Transit	10.63	11.30	11.30	12.88	12.88	10.87	13.88	13.88	13.93	18.00
Planning	7.50	6.10	6.42	6.42	6.42	6.52	6.52	6.82	6.82	6.80
Building Inspection	7.50	5.75	5.43	6.43	6.43	6.43	6.43	6.73	6.73	9.00
Electrical Permit Program	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	-
Total General Government	27.38	25.90	24.90	28.48	28.48	26.57	29.58	30.18	30.23	35.80
Public Safety										
Fire	73.60	78.40	75.60	79.40	79.40	86.91	93.60	90.60	89.60	78.60
Police	87.75	87.88	88.88	92.25	92.25	98.25	98.25	94.25	91.25	91.25
Municipal Court	4.38	4.38	4.38	4.38	4.38	4.38	5.38	5.38	4.98	4.38
Total Public Safety	165.73	170.65	168.85	176.03	176.03	189.54	197.23	190.23	185.83	174.23
Highways and Streets										
Street Fund	7.45	7.45	7.45	7.45	7.45	7.45	8.45	8.10	8.65	9.00
Airport	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.50	-
Total Highways and Streets	7.55	7.55	7.55	7.55	7.55	7.55	8.55	8.20	9.15	9.00
Culture and Recreation										
Parks & Recreation	26.43	26.65	26.78	28.15	31.65	34.56	33.19	32.09	25.40	28.24
Library	20.90	20.93	20.93	20.93	20.93	21.20	21.70	21.06	21.06	19.31
Total Culture and Recreation	47.33	47.58	47.70	49.08	52.58	55.76	54.89	53.15	46.46	47.55
Total Governmental Activities	247.88	251.58	249.00	261.13	264.64	279.42	290.24	281.75	271.66	266.58
Proprietary Funds										
Enterprise										
Water	22.50	21.50	21.50	21.50	21.50	23.50	22.50	22.50	22.50	22.50
Sewer	22.50	23.50	23.50	23.50	23.50	23.50	22.50	23.85	19.85	19.50
Stormwater	-	-	-	-	-	-	-	-	4.00	1.00
Total Enterprise Funds	45.00	45.00	45.00	45.00	45.00	47.00	45.00	46.35	46.35	43.00
Internal Service										
Central Services	39.85	41.20	41.20	41.20	37.70	40.70	40.70	41.60	44.50	33.20
Public Works Services	50.00	54.00	55.00	57.00	54.00	57.00	58.00	57.70	57.70	61.00
Total Internal Service Funds	89.85	95.20	96.20	98.20	91.70	97.70	98.70	99.30	102.20	94.20
Total Proprietary Funds	134.85	140.20	141.20	143.20	136.70	144.70	143.70	145.65	148.55	137.20
Grand Total - All Full-time Equivalents	382.73	391.78	390.20	404.33	401.34	424.12	433.94	427.40	420.21	403.78

Continued on next page

SCHEDULE 16

CITY OF ALBANY, OREGON

Total Full-time Equivalents
Last Ten Fiscal Years



Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 2013
2013	382.73	-	-
2014	391.78	2.36%	2.36%
2015	390.20	-0.40%	1.95%
2016	404.33	3.62%	5.64%
2017	401.34	-0.74%	4.86%
2018	424.12	5.68%	10.81%
2019	433.94	2.32%	13.38%
2020	427.40	-1.51%	11.67%
2021	420.21	-1.68%	9.79%
2022	401.78	-4.39%	4.98%

The average annual rate of change over the ten-year period is 0.58%.

Source: City of Albany Human Relations Department

SCHEDULE 17

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
General Government										
Planning and Community Development										
Number of planning applications	143	62	132	138	197	57	140	41	214	122
Total permits issued	1,939	2,189	2,332	2,359	2,549	2,570	3,041	2,783	2,881	2,925
New construction permits issued	6	418	5	154	143	180	219	188	257	187
Single-family permits issued	80	128	141	130	98	157	207	132	201	1,429
Electrical permits issued	751	816	905	910	1,011	1,007	1,085	998	974	715
Building Maintenance										
Square footage of buildings maintained	233,780	233,780	296,233	317,366	317,366	323,933	443,337	443,337	443,337	453,337
Work orders completed	2,203	2,001	1,886	1,627	1,725	1,702	2,447	2,130	3,439	3,175
Public Transit										
Total number of riders	237,424	234,186	231,224	214,865	209,595	200,910	200,738	183,250	135,941	71,842
Total annual route miles	260,222	275,977	287,257	206,720	308,451	298,076	280,481	291,738	287,998	268,109
Public Safety										
Municipal Court										
Number of warrants issued	1,680	1,777	2,516	3,102	2,970	2,686	2,879	3,959	548	3,490
Case numbers issued	3,891	3,671	5,079	6,121	5,746	5,314	8,412	8,665	7,296	4,382
Police										
Total arrests	3,453	3,609	4,777	4,964	4,884	6,854	6,185	7,093	6,644	4,778
Traffic citations issued	4,120	3,315	3,907	5,263	4,659	5,884	5,275	5,040	3,867	2,325
Animal and abandoned vehicle calls	2,266	2,320	2,288	2,513	2,349	2,498	2,855	2,514	2,815	2,417
Fire										
Total calls for emergency fire and EMS services	6,432	6,448	7,133	7,511	8,029	9,038	9,341	10,438	9,921	11,283
Full response structure fires	113	53	49	42	53	83	61	93	52	87

Continued on next page

SCHEDULE 17

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Highways and Streets										
Street Fund										
Customer service work order/complaint responses	509	492	461	382	392	433	474	512	473	443
Miles of painted paving marking	65	55	57	61	62	61	59	66	66	66
Culture and Recreation										
Parks & Recreation										
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	187,261	186,401	188,102	196,005	202,155	208,912	205,492	207,301	124,380	125,464
Annual performance series and Northwest Art and Air Festival attendance	121,104	123,200	122,206	131,209	137,211	138,200	131,190	136,423	143,232	118,331
Library										
Total number of library circulations ⁽¹⁾	730,222	709,004	685,781	623,143	619,068	604,796	580,726	646,302	412,354	413,821
Total number of reference questions ⁽¹⁾	37,344	34,435	33,338	33,193	33,581	30,331	29,225	26,738	15,896	8,899
BUSINESS-TYPE ACTIVITIES										
Sewer										
Dry tons of biosolids applied annually	-	9	25	-	-	-	-	-	-	-
Millions of gallons of wastewater treated annually	3,094	2,842	2,900	2,940	3,241	3,866	3,031	3,200	3,097	3,082
Sewer line locate requests	3,319	2,920	3,458	3,732	3,829	3,522	4,405	4,424	6,709	8,144
Water										
Millions of gallons of water treated annually	2,449	2,755	2,660	2,853	2,809	2,752	2,825	2,100	3,097	2,824
Miles of water pipe maintained annually	290	292	282	283	287	289	291	294	293	299
Number of fire hydrants maintained in the water system	2,025	1,914	1,740	1,970	1,816	2,040	2,069	1,959	1,911	1,930

Source: City of Albany annual budget

SCHEDULE 18

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Highways and Streets										
Miles of improved streets	166	166	181	200	401	197	196	197	200	201
Miles of unimproved streets	35	35	14	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Miles of gravel streets	8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Culture and Recreation										
Parks & Recreation										
Number of developed park sites	36	36	36	36	36	36	36	29	29	28
Acres of developed park land	564	564	564	564	564	564	564	431	431	428
Library										
Number of libraries	2	2	2	2	2	2	2	2	2	2
*Number of physical and digital units	242,966	250,946	249,982	259,309	260,695	261,474	283,492	273,174	267,508	254,057
BUSINESS-TYPE ACTIVITIES										
Enterprise										
Sewer										
Miles of sanitary sewer lines (6 inches or larger)	223	230	230	201	203	203	204	204	204	206
Miles of storm sewer lines (12 inches or larger)	104	104	105	105	107	107	138	139	139	142
Number of sewer hookups	17,586	16,556	16,187	16,292	16,590	17,154	17,576	17,795	17,545	18,819
Water										
Miles of water lines	292	276	261	264	264	264	265	274	299	299
Number of water hookups	18,320	18,000	17,079	17,105	17,777	17,898	19,343	18,463	19,087	17,684
Number of water treatment plants	2	2	2	2	2	1	2	2	2	2

Source: City of Albany departmental records



COMPLIANCE SECTION



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

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

We have audited the basic financial statements of the City of Albany, Oregon (the "City") as of and for the year ended June 30, 2022 and have issued our report thereon dated August 21, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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

OAR 162-010-0230 Internal Control

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

Restriction of Use

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

Singer Lewak LLP

August 21, 2024

By:



Brad Bingenheimer, Partner

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Albany, Oregon (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 21, 2024.

Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2022-001, 2022-002 and 2022-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2022-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

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

Purpose of this Report

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

The signature is written in a cursive, handwritten style. It reads "Singer Lewak LLP". The letters are fluid and connected, with a distinct loop for the 'S' and 'L'.

August 21, 2024

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

MATERIAL WEAKNESSES

2022-001 Financial Reporting and Yearend GAAP Adjustments

Criteria: Financial statements are required to be presented in accordance with generally accepted accounting principles (GAAP) and provided to the State of Oregon by December 31st subsequent to the City's yearend. Also, account balances should be reconciled, and all appropriate adjustments recorded prior to the audit including any budget to GAAP adjustments necessary for the preparation of the modified and full accrual financial statements.

Condition: Account balances were not properly reconciled, and financial statements could not be prepared in a timely manner, subsequent to yearend. In addition, several adjustments were required during the audit process.

Cause: Lack of timely issuance of financial statements due to staffing turnover and accounting system changes.

Effect or potential effect: Account balances were not reconciled timely preventing the preparation of the financial statements for the audit. This created multiple yearend adjustments to correct the trial balance during the audit process.

Recommendation: We recommend that the City continue to monitor and evaluate their financial reporting process and ensure sufficient staffing is in place. All accounts should be reconciled, adjusted as necessary and reviewed by supervisory personnel prior to the audit.

Views of responsible officials:

All workpapers are securely stored in the audit folder for each applicable fiscal year, ensuring continuity and accessibility. Additionally, the City is committed to being proactive in securing qualified staff or engaging external agencies to complete audit documentation in a timely manner should any vacancies arise.

2022-002 American Recovery Plan Act (ARPA) Grant Funding

Criteria: ARPA funding received should be recognized as revenue by the City when the related expenditures are incurred. Until the spending occurs, any money received should be recognized as unearned revenue.

Condition: The City recognized ARPA funding as revenue, instead of unearned revenue, in the prior fiscal year before the funding was spent.

Cause: Lack of reporting guidance when ARPA funding was initially issued specifically related to this type of grant funding.

Effect or potential effect: ARPA revenues could be overstated thereby overstating fund balance at yearend.

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

Recommendation: We recommend that the City prepare a reconciliation at yearend of the ARPA revenues to expenditures to ensure all appropriate revenues are recognized in the proper period. This reconciliation should then be reviewed and approved by supervisory personnel.

Views of responsible officials:

To prevent similar issues in the future, the City is committed to providing staff with comprehensive training on reporting requirements and compliance standards. This will ensure accurate financial reporting and adherence to proper revenue recognition practices moving forward.

2022-003 Loan Receivables, Payables and Related Activities

Criteria: Loan receivables and payables should be recorded when they are incurred and reduced as repayments are received/paid.

Condition: The City missed recording loan receivable and payable activity and improperly reported deferred inflows, associated with loan receivables, requiring prior period adjustments to be recorded in the current fiscal year.

Cause: Lack of knowledge related to recognition of loan receivables and payables in accordance with GAAP.

Effect or potential effect: Loan receivables and payables were understated from prior year. Also, deferred inflows were overstated and reported to offset loan receivables. Overall, this caused fund balances to be understated in the Albany Revitalization Agency Fund and the Nonmajor Economic Development Fund.

Recommendation: We recommend that the City reconcile all loan receivables and payables throughout the year to ensure they are being repaid timely and recorded in accordance with GAAP.

Views of responsible officials:

To address this, the City will collaborate closely with all relevant departments to thoroughly review and verify all final documentation related to loan receivables. This process will ensure accurate recording, proper recognition, and compliance with accounting standards moving forward.

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

SIGNIFICANT DEFICIENCY

2022-004 Inventory Valuation

Criteria: Inventory for the Water Fund should be recorded based on historical cost as the inventory consists of materials and supplies used by that fund.

Condition: The City mistakenly adjusted yearend inventory based on replacement cost instead of historical cost thereby overstating its value by an estimated \$286,755.

Cause: Staff turnover and lack of knowledge related to the valuation of inventory in accordance with GAAP.

Effect or potential effect: Yearend inventory balance was overstated by an estimated \$286,755.

Recommendation: We recommend that the City establish procedures to ensure inventory is maintained based on historical cost and properly valued in accordance with GAAP.

Views of responsible officials:

The City has taken immediate steps to rectify this issue by collaborating with the Public Works Department and clearly communicating the compliance standards for future inventory valuations. Additionally, the Finance Department will conduct a thorough review and recalculation of inventory at year-end to ensure accurate recording and adherence to proper accounting standards moving forward.