



City of Albany, Oregon

# Comprehensive Annual Financial Report

FY 2018-2019



**City of Albany, Oregon**

**Comprehensive Annual Financial Report**

**for the Fiscal Year Ended**

**June 30, 2019**

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

**Peter Troeddson, City Manager**

**Jeanna Yeager, Finance Director**

**Prepared by:**

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





CITY OF ALBANY

★ OREGON ★

*Inc. 1864*



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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**  
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## Introductory Section

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## City of Albany, Oregon

333 Broadalbin Street SW

Albany, Oregon 97321

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

Council Members, Administrative Staff and Principal Finance Staff

June 30, 2019

### Council Members

Ward	Council	Years of Service	Term Expires
	Sharon Konopa, Mayor	23	December 31, 2020
I	Dick Olsen	21	December 31, 2022
I	Mike Sykes	3	December 31, 2020
II	Bill Coburn	11	December 31, 2020
II	Alex Johnson II	1	December 31, 2022
III	Bessie Johnson	17	December 31, 2022
III	Rich Kellum	6	December 31, 2020

### Administrative Staff

City Manager	Peter Troeddson
Finance Director	Jeanna Yeager
Public Works Director (Ops)	Chris Bailey
Public Works Director (Eng/CD)	Jeff Blaine
Parks and Recreation Director	Kim Lyddane
Library Director	Ed Gallagher
Police Chief	Mario Lattanzio
Fire Chief	John Bradner
Deputy City Manager/Chief Information Officer	Jorge Salinas
Human Resources Director	Danette Jamison
Public Information Officer	Marilyn Smith

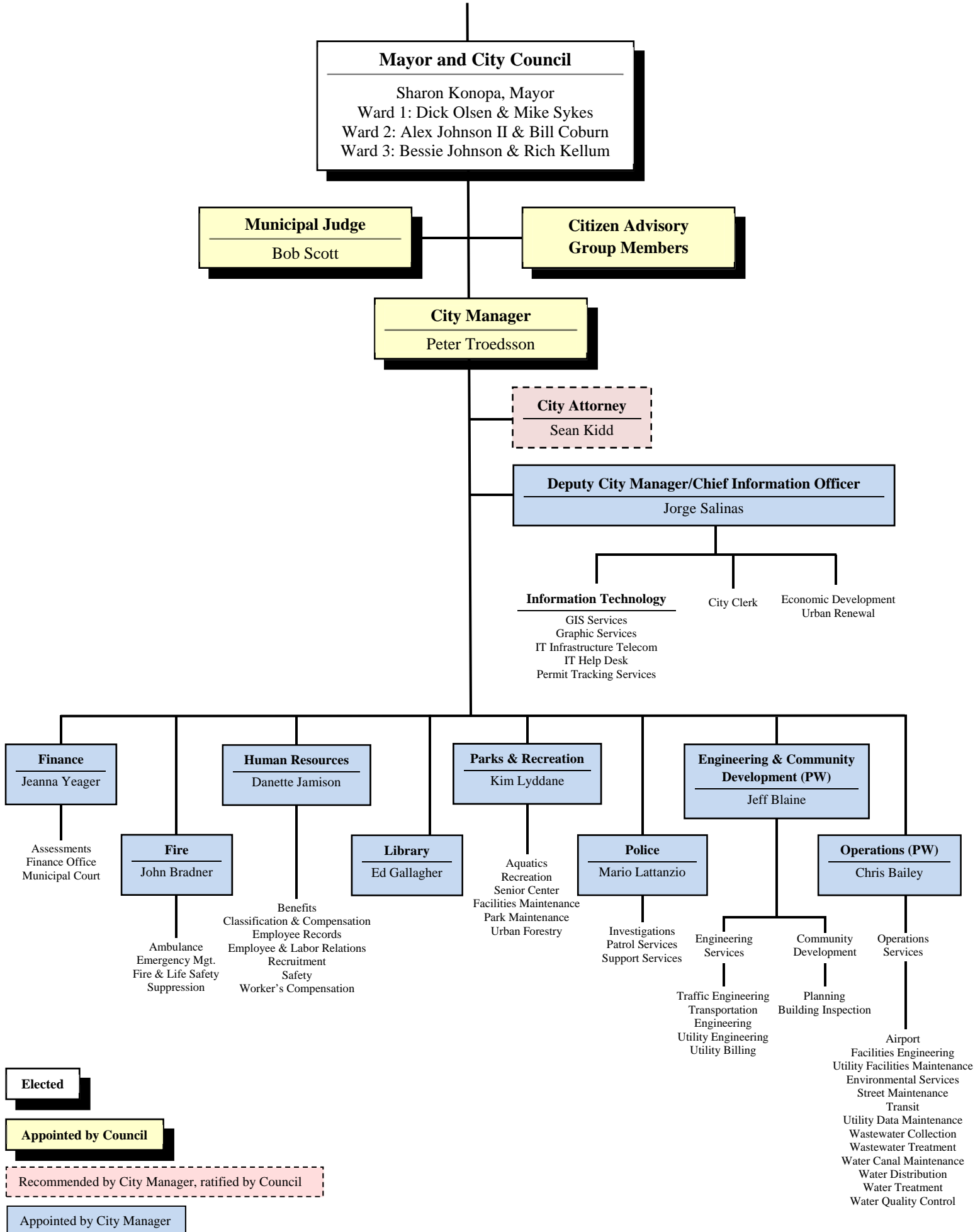
### Principal Finance Staff

Finance Director  
Jeanna Yeager

Finance Manager  
JC Rowley

Senior Accountant  
Brett Tieszen

# Citizens of the City of Albany







## FINANCE

333 Broadalbin Street SW, PO Box 490, Albany, Oregon 97321-0144 | PHONE 541-917-7500

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March 19, 2020

Honorable Mayor Sharon Konopa  
Members of the Albany City Council  
City of Albany, Oregon

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. Thus, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Albany, Oregon (City), for the fiscal year ended June 30, 2019, together with the unqualified opinion therein of our independent certified public accountants, Boldt Carlisle + Smith.

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

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

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the report of the independent auditors, beginning on page 4.

### **ABOUT ALBANY, OREGON**

Albany is located in the heart of the Willamette Valley 40 miles north of Eugene, the state's second largest city, and 24 miles south of Salem, the state capital. With a 2019 population of 53,145, Albany is the state's 11th largest city. The city's boundaries span Linn and Benton counties with a population of 45,200 in Linn County and 7,945 in Benton County. It is the county seat and largest city in Linn County and the second largest city in Benton County.

Population:

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

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

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

## **ECONOMIC OUTLOOK AND CONDITION**

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

Oregon State University in nearby Corvallis, as well as Samaritan Health Services and ATI Wah Chang in Albany, employ over 12,700 people. The development of the U. S. Bureau of Mines in Albany in the 1940s led to the growth of a significant rare metals industry in the Albany area. Today, Albany is known as the "Rare Metals Capital of the World" due to the production volume of specialized metals. Manufacturing firms, such as ATI Wah Chang (estimated 1,250 full-time employees), create specialized products for aerospace, super conductivity, fiber optics, nuclear energy generation, and photography.

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

Unemployment rates remain relatively flat for the region. Statistics published by the Oregon Employment Department show that as of June 30, 2019, the unemployment rates for Linn and Benton counties were 4.7 percent and 3.2 percent, respectively. These rates were 4.6 percent and 3.0 percent for June 30, 2018. Linn County's jobless rate ranked 20th of Oregon's 36 counties, and Benton County's jobless rate was ranked 1st.

A factor in measuring the economic condition of a community is its overall real market value. For properties within the city, the real market value increased 16.6 percent from \$5.01 billion to \$5.84 billion in the last fiscal year.

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

Albany voters also approved a \$18,000,000 bond issuance in May 2015 for the construction of public safety facilities. The 20-year bonds have interest rates ranging from 3 to 5 percent.

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

## **MAJOR INITIATIVES**

### **Strategic Plan**

The City Council reviews the Strategic Plan on an annual basis to reaffirm direction and priorities for the coming year. In FY 2019, the review focused on what has been accomplished in previous years and what can realistically be achieved over the next five years. All of the goals include actions that clearly demonstrate the City's progress toward completing them.

### **Communications**

*City Bridges*, the City's monthly electronic newsletter, continues to be sent to subscribers via email on the last Tuesday of each month. The subscriber count as of June 30, 2019, was 9,140. The July 2019 issue was sent on June 25, 2019. Open rate was 20.71% and click rate was 7.28%.

The City also maintains 10 Facebook pages, two Twitter accounts, two FlashAlert accounts, three Instagram accounts, three Nixle accounts, , one LinkedIn account, one NextDoor account, and a YouTube channel.

In 2019, the City website served approximately 987,946 external pageviews; an increase 1.66% over the previous year. In 2019, 49% of external users used their smartphones to access cityofalbany.net, 5% use a tablet, and the remaining 46% use a desktop. Of the 475,834 unique sessions, 67% were acquired through organic search (Google, Bing, etc), 22% from direct traffic (bookmarks or typing "cityofalbany.net" into a browser), 6% from social media referral traffic, 5% from other websites' referral traffic, 1% from email. The average session duration stayed constant in 2019. The ratio of new vs. returning users in 2019 was 77% to 23% respectively.

Social media channels connect with residents who may not use more traditional methods of communication. Our public outreach using social media is done in addition to our website and more established outlets such as newspaper and radio. The main City of Albany Facebook page has 4,236 likes; the most popular page



is Albany Police Department, with more than 19,000 likes. The main Twitter account has 2,059 followers; the main Nixle group has 5,557 members

The City continues to manage public access television Channel 28 provided through our Comcast franchise agreement. City Council and Budget Committee meetings are streamed live on the City website via the City's YouTube channel as well as simultaneously on Comcast Channel 28. Live stream videos of City Council and Budget Committee meetings are archived to YouTube by 1:00 p.m. the day after each meeting and then linked to the City's website. The remainder of the programming in the 24-hour period is filled with rotating content including a calendar of public meetings and, occasionally, informational videos from the City, other government agencies, and community sources.

### **Public Safety**

The Fire Department began providing fire protection for the City of Millersburg on July 1, 2018 under a 10-year intergovernmental agreement. Albany has provided fire coverage to the southern portion of Millersburg since the city incorporated in 1974. A new, temporary station in Millersburg opened in October 2018 and plans are underway to construct a permanent station. Also new to the department are two rescue watercraft (RWC) purchased with funds from the Albany Rural Fire Protection District. The RWCs were put into service in March 2019. Specifically designed for water rescue activities, these craft replaced an aging jet ski, increase the effectiveness and responsiveness to water rescue calls, and provide improved safety and flexibility of operations for first responders.

### **Municipal Court**

The Municipal Court implemented an amnesty program for delinquent accounts. The program brought in approximately \$10,500 in revenues.

### **Parks and Recreation**

The department depends on donations of cash and services for roughly half the costs of its summer festivals, concert series and events. In 2019, 91 Albany businesses signed sponsorship agreements supporting 176 programs. Those community partners donated \$274,150 in cash and \$254,250 in-kind support for a total of \$528,400.

The department embarked on a 10-year Master Plan process. Working with a local consulting firm, MIG, the department collected feedback to help prioritize projects and strategies for the next five to ten years. The new Master Plan will be finalized in the summer of 2020.

The flooding in the spring of 2019 caused widespread damage across low lying parks and trail heads. The cleanup effort resulted in 464 front line staff hours and \$74,009 in damages to the Linn County properties. A gravel bar relocated at Takena Landing Park and resulted in over \$50,000 in cleanup fees. Since the gravel bar was located on the Benton County side of town, the fees are not eligible for FEMA reimbursements.

### **Library**

Strategic Planning: In May 2019, the library embarked on a strategic planning process, surveying library users and Albany residents to inform the library's priorities and goals for the next 4 years.

Programming: Total program attendance saw a slight increase from the year before, about 3.5%, as the total number of programs offered increased by 2%. Adult programming saw a significant increase of 58%, representing more than 800 additional attendees, while the number of adult programs offered increased only by 2 programs. One third of Albany's under-18 population participated in our Summer Reading Program for kids and teens, the highest percentage in the state.

Collection: The library increased access to e-books and e-audiobooks through the addition of CloudLibrary, a new e-book lending platform, and access to consumer information through a Consumer Reports database, available to the public at no charge.

Building and visits: Our main library celebrated the 10<sup>th</sup> anniversary of opening its doors to the public. Total library visits to our 2 locations increased by 3.3% or nearly 10,000 visits.

## **Building**

The Building Division processed permits with over \$109 million permit valuation from a wide variety of new construction and building alterations in fiscal year 2018-2019.

- New and altered commercial buildings accounted for \$63.6 million, approximately 58% of the total permit valuation for fiscal year 2018-2019.
- New one-two family dwelling units and manufactured homes accounted for \$38.9 million, approximately 35.7% of the total permit value for fiscal year 2018-2019.
- For FY 18-19, the division processed 214 new apartment units.
- For FY 18-19, the division processed 165 permits for new single-family-homes/duplexes and manufactured homes units.
- The average permit value per dwelling unit of new residences decreased from \$250,144 in 2016-2017 to \$248,463 in 2018-2019.
- 2391 other miscellaneous permits not specifically based on value were processed in fiscal year 2018- 2019.
- There were 9013 scheduled inspections scheduled in fiscal year 2018-2019 compared to 9465 in 2017-2018. (Note: As the division moved to more online inspection scheduling, some of the inspection types were combined to streamline the process for customers during this fiscal year. FY 2017-2018's inspection numbers are revised to reflect those changes.)
- Online Services: The Building Division is continuing to enhance the abilities for customer to make applications for all permits through the city's online permit systems. These enhancements are reducing the need for customers to take time off work or drive to City Hall to apply for permits. Further enhancement should be implemented early fiscal year 2020-2021.

## **Planning**

The Planning Division implements the Albany Development Code and supports the Planning, Landmarks Advisory, and Community Development commissions. It administers the City's Community Development Block Grant (CDBG), Certified Local Government (CLG) historic preservation grant, and floodplain management programs. Major initiatives include:

- Current Planning: Reviewed 129 planning applications and held 112 pre-application conferences in FY 18-19. Staff also worked with a team of consultants and a development code task force to identify code amendments intended to provide more certainty, flexibility, and timely reviews for the development community while still achieving desired outcomes for implementing community visions.

- Long Range Planning: Coordinated the review and approval of a package of Development Code amendments intended to facilitate development with updates to cluster and hillside development standards, floodplain review criteria, building footprints in the Neighborhood Commercial zone, and the historic preservation code.
- Community Development Block Grant (CDBG): In FY 18-19, the City received an allocation of \$410,906 from the Department of Housing and Urban Development to address community housing, economic and community needs. CDBG funds provided services to more than 2,600 low- and moderate-income Albany individuals and households with the following programs: housing rehabilitation, affordable housing acquisition, small business assistance, emergency shelter and case management to homeless youth and adults, healthy food boxes, beds and furniture, child abuse prevention, and senior companions. Carryover CDBG funds helped to finish installation of a new parking lot and play equipment at Sunrise Park.
- Certified Local Government (CLG): The Certified Local Government (CLG) grant program is funded by a Federal apportionment to Oregon through the National Park Service. The funds may be used for projects promoting historic preservation including documentation designation, and rehabilitation of historic properties, planning, review and compliance, and public education. The grant cycle is 17 months. The 2018-2019 CLG grant began in April 2018 and concluded in September 2019. The grant allocation was \$12,500. CLG funds were used to promote Historic Preservation Month activities; Residential Renovation Matching Grants; attendance at the Oregon Heritage Conference; and preservation awards.
- Floodplain Management: Completed an audit with the Community Rating System, which resulted in maintaining a Class 5 Rating. This means the discount on flood insurance rates during this next cycle will remain at a 25% discount for structures in the floodplain.

### **Utility Billing**

The Public Works Department updated the five-year rate plans for the sewer, water, and stormwater utilities for use by the City Council when considering utility rate adjustments. This comprehensive look at the rate requirements is an important tool for the City Council to use and also serves to help inform Albany citizens about rates and utility needs.

### **Engineering**

The City's Engineering team initiated design and construction efforts on nearly \$30 million in public infrastructure projects in FY 2019. Key improvement projects include Hill Street Road improvements, Lochner Road street improvements, River Front Interceptor wet weather lift station and force main, and the first phase of the Cox Creek sewer interceptor project.

### **Public Works Operations**

The City continued the successful Strategic Energy Management Plan for the water treatment plants and pump stations with help from the Energy Trust of Oregon. The plan resulted in an additional reduction in energy consumption of five percent above and beyond the savings realized in FY 2016. Water operations staff maintained compliance with all water quality regulations including the new Lead and Copper Rule. The City began implementation of a stormwater service charge after more than two years of discussion with the City Council and an extensive public outreach program. The stormwater revenue has provided the City's first dedicated funding for stormwater operations. Public Works staff has begun routine cleaning and inspection of public stormwater infrastructure using nationally recognized assessment techniques.



## **Information Technology**

The IT Staff worked on the following projects during FY 2018-2019:

- Upgraded our virtual infrastructure, including the replacement of shared network storage.
- Migrated the organization to O365; this solution enables our employees to access their documents anytime/anywhere from any device.
- Upgraded the City's ERP system, Phase 1 - Financials
- Upgraded our Cisco Call Manager and Unity voice mail systems (Virtual appliances).
- Cybersecurity:
  - Upgraded our Email Security Gateway appliance to Barracuda Essentials - Advanced Email Security platform.
  - Deployed KnowBe4 – this tool has been able to provide the city with an additional layer of IT security that enables us to help prevent security challenges regarding social engineering, spear-phishing, and ransomware attacks. It also provides our users with regular security awareness training and monthly phishing scenarios.

## **Human Resources**

The Human Resources Department received and processed 3,196 applications for approximately 52 vacant positions. The Department also processed 62 applications for state and/or federal Family Medical Leave. The Department processed 1,113 Personnel Action Forms. Additionally, the Human Resources Department reviewed 66 position-related requests. These include requests for reclassification, establishing a new classification, reviewing a position's compensation, and increasing or decreasing a position's FTE. The Department also completed negotiations with the Albany AFSCME Union.

## **Finance**

For the reporting year, the City implemented the financial module of Munis, the new enterprise resource planning system. The human capital management module will be completed in FY 2019-2020 and the utility billing module is slated for completion in FY 2020-2021. This project is a large undertaking and continues to take months to develop. In addition, the City also developed and adopted its first biennial budget for the 2019-2021 biennium.

The City was recognized by the Government Finance Officers Association for receiving the Certificate of Achievement for Excellence in Financial Reporting, the Distinguished Budget Presentation Award, and the Award for Outstanding Achievement in Popular Annual Financial Reporting.

## **FINANCIAL INFORMATION**

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

### **Financial and Accounting Policies**

This report is prepared in conformance with the guidelines for financial reporting developed by Government Finance Officers Association and the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the City as of June 30, 2019, the results of operations of such funds, and cash flow of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

During FY 2018-2019, the City utilized a total of 21 funds, of which 16 are governmental fund types and five are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General, Special Revenue, Debt Service, Capital Project, and Permanent). The accrual basis is used for the proprietary fund types (Enterprise and Internal Service).

### **Risk Management**

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

### **Cash Management**

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

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Boldt Carlisle + Smith performed the audit for the fiscal year ended June 30, 2019. This audit is conducted in accordance with generally accepted accounting standards, Government Auditing Standards, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State. The auditor must determine whether the City followed generally accepted accounting and reporting principles.

### **Awards**

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany for its Certified Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

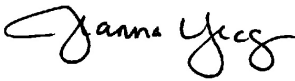
A Certificate of Achievement is valid for one year only. The City has received a Certificate of Achievement for the last 34 consecutive years (1984-2018). We believe our current report continues to conform to the Certificate of Achievement standards.

**Acknowledgements**

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

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

Respectfully submitted,



Jeanna Yeager  
Finance Director



J.C. Rowley  
Finance Manager



Brett Tieszen  
Senior Accountant



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Albany  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



## Financial Section

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
CITY OF ALBANY  
Albany, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF ALBANY, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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



## INDEPENDENT AUDITOR'S REPORT (Continued)

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF ALBANY, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Parks and Recreation, Risk Management and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 16 and the schedules on pages 87 - 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

## INDEPENDENT AUDITOR'S REPORT (Continued)

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

### Reports on Other Legal and Regulatory Requirements

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

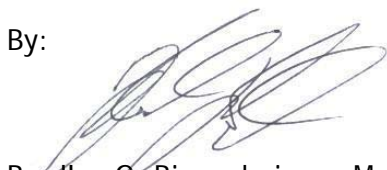
In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of CITY OF ALBANY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CITY OF ALBANY'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 March 19, 2020, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
March 19, 2020

By:



Bradley G. Bingenheimer, Member

## **Management's Discussion and Analysis**

As management of the City of Albany, Oregon, we offer the readers of the City's financial statements this narrative analysis and overview for the fiscal year ended June 30, 2019. We encourage readers to review and consider the information here in conjunction with the additional information in our letter of transmittal (page iii) and in the Statistical Section (page 123).

### **Financial Highlights**

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$303,562,056 (net position). Of this amount, \$18,258,824 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$43,350,043, an increase of \$14,158,699 from the previous year. The General Fund ending fund balance increased by \$392,835 to \$3,761,052.

The Parks and Recreation ending fund balance increased by \$527,884 (18.2 percent) over prior year, due in part to underspending on system development charge (SDC) projects.

The Risk Management fund holds settlement proceeds, which are committed to the economic development of the City as directed by the City Council. As of June 30, 2019, the ending fund balance had increased from \$5,406,788 to \$5,582,779 (3.26 percent).

The Street Fund ending fund balance increased by \$719,623 (7.2 percent), reflecting underspending in the Transportation Systems Development Charges (TSDC) programs. About half of the ending fund balance of \$10,647,017 can be attributed to these TSDCs.

The City's Capital Projects Fund ending fund balance increased to \$(277,283) from \$(1,621,935). The increase is due to proceeds from the sale of land in the amount of \$1,553,887

In the non-major funds there are a few items which should be noted. The Albany Revitalization Fund balance showing a large increase of \$9,059,606. This is stemming from State of Oregon loan in the current fiscal year.

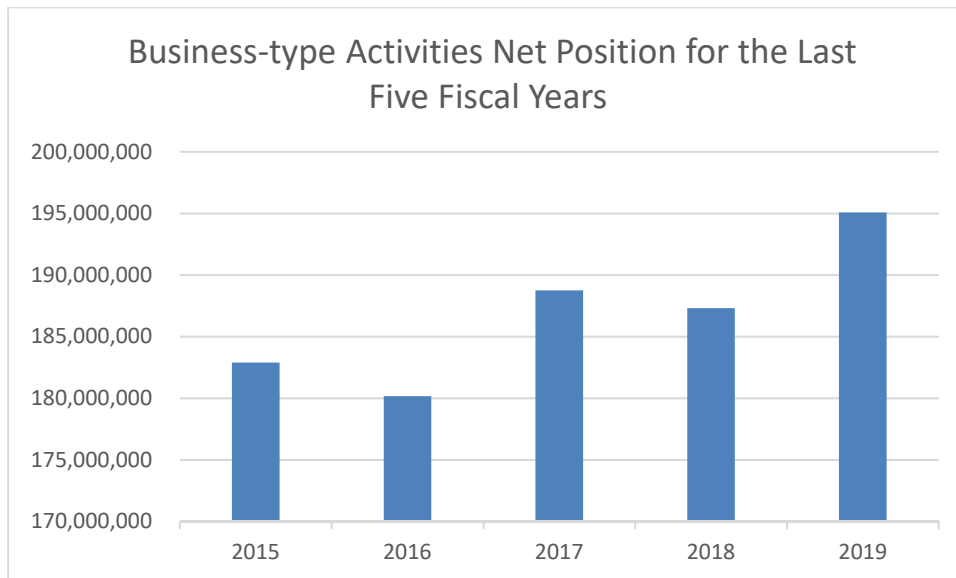
In the Grants Fund, the ending fund balance decreased by \$(101,455) to \$65,812, a decrease of 60.65 percent. Most grant revenues are received on a reimbursement basis, which can lead to volatility in fund balance as these cross fiscal years.

The Public Safety Levy Fund ending balance increased by \$815,622 to \$1,529,211 (114 percent), which can be attributed to underspending in public safety levy programs and less compression in the City's local option levy.

### Governmental Funds: Changes in Fund Balances

Fund	2019 Fund Balance	2018 Fund Balance	Increase (Decrease)	Percent Change
General	\$ 3,761,052	\$ 3,368,217	\$ 392,835	11.66%
Parks and Recreation	3,426,667	2,898,783	527,884	18.21%
Grants	65,812	167,267	(101,455)	-60.65%
Building Inspection	2,992,409	2,193,248	799,161	36.44%
Risk Management	5,582,779	5,406,788	175,991	3.26%
Economic Development	850,049	474,487	375,562	79.15%
Public Transit	46,997	216,768	(169,771)	-78.32%
Public Safety Levy	1,529,211	713,589	815,622	114.30%
Capital Replacement	7,006,893	6,719,035	287,858	4.28%
Street	10,647,017	9,927,394	719,623	7.25%
ARA	7,303,308	(1,756,298)	9,059,606	-515.84%
Debt Service	18,560	192,196	(173,636)	-90.34%
GO Debt Service	311,505	208,489	103,016	49.41%
Capital Projects	(277,283)	(1,621,935)	1,344,652	-82.90%
Library Trust	85,067	83,316	1,751	2.10%
<b>Totals</b>	<b><u>\$ 43,350,043</u></b>	<b><u>\$ 29,191,344</u></b>	<b><u>\$ 14,158,699</u></b>	<b><u>48.50%</u></b>

Business-type net position increased \$7,670,477 (4.09 percent) for the 2018-2019 fiscal year. Operating income for the Water, and Sewer, and Stormwater Funds was \$8,982,452. The net of non-operating revenues and expenses totaled \$(213,023), which includes \$1,778,629 in debt interest expense.



### Changes in Net Position: Proprietary Funds

Fund	2019 Net Position	2018 Net Position	Increase (Decrease)	Percent Change
Water	\$ 79,890,987	\$ 76,779,425	\$ 3,111,562	4.05%
Sewer	119,783,497	115,169,818	4,613,679	4.01%
Stormwater	830,481	742,574	87,907	11.84%
Central Services	(3,854,869)	(3,463,324)	(391,545)	-11.31%
Public Works Services	(5,079,505)	(5,053,882)	(25,623)	-0.51%
<b>Totals</b>	<b>\$ 191,570,591</b>	<b>\$ 184,174,611</b>	<b>\$ 7,395,980</b>	<b>4.02%</b>

For Fiscal Year 2018-2019 there was an increase in the total net position for the City's three enterprise funds; net position increased 4.05 percent in the Water Fund, increased 4.0 percent in the Sewer Fund, and increase 11.8 percent in the Stormwater Fund.

The City utilizes two internal service funds: Central Services and Public Works Services. Because GASB 34 requires the City to book Compensated Absences, GASB 68 requires the City to book pension liabilities and GASB 75 requires us to book OPEB it has become impossible to analyze the results of operations at the governmental level. However, at the true area of operations, the Budget to Actual financials, the ending fund balance for both the Central Services \$553,798 and Public Works Services \$188,174 show that they are operating at a sustainable level or at break-even as these balances are carried to the next fiscal year to fund operations. However, at the Government-wide level of the financials, the ending fund balance for both the Central Services \$(3,854,869) and Public Works Services \$(5,079,505) show that they are not operating at a sustainable level or at break-even. Decreases from last year can be attributed to the change in pension liability and OPEB liability in the current year.

### **Overview of the Finance Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The City implemented Government Accounting Standards Board, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Summarized briefly, this statement addresses accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It “establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.” This statement also allows for projecting benefit payments as well as recognizing actuarial present value for benefit payments.

These values are now reflected in the City’s statement of net position and statement of activities for fiscal year ended June 30, 2019. This new guidance also requires the restatement of the prior year net position. The notes to the basic financial statements and management’s discussion and analysis contain further information about the effects of implementing this statement.

### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as Net Position. 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 presents information showing how the City's net position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, streets and highways, and culture and recreation. The business-type activities are water and sanitary sewer.

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. ARA's complete financial statement may be obtained at the City's Administrative offices.

The government-wide financial statements can be found starting on page 17.

### **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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental and proprietary.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial 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. Such information may be useful in evaluating the City's near-term financing requirements.

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 the 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

To further enhance the governmental funds, the City implemented GASB Statement 54 for the fiscal year ending June 30, 2011. This GASB reporting requirement requires an analysis and breakdown of ending fund balance between five new fund balance categories. The new GASB fund balance categories are: Nonspendable, Restricted, Committed, Assigned, and Unassigned. Below is a brief explanation of each of these fund balance categories:

- Nonspendable - includes items not immediately converted to cash, such as prepaid items or inventories.
- Restricted - includes items that are restricted by external creditors, grantors, or contributors or by legal provisions.
- Committed - includes items committed by City Council formal resolutions.
- Assigned - includes items assigned for specific uses, authorized by the Director of Finance.
- Unassigned - this is the residual classification used for those balances not assigned to another category or for a negative balance.

Under GASB 54, the General Fund is the only fund type that should have an unassigned fund balance. See the GASB 54 footnote in the Notes to the Financials for further discussion.

At June 30, 2019, the City's governmental funds reported ending fund balances by category of:

Nonspendable	\$	97,275
Restricted		19,518,045
Committed		20,237,894
Assigned		15,060
Unassigned		3,481,769
		<u>\$ 43,350,043</u>

The City maintains 16 governmental funds. Information is presented separately on the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General, Parks and Recreation, Risk Management, Streets, and Capital Projects Funds, all of which are considered to be major governmental funds. Financial information for the remaining governmental funds (other governmental funds) is combined into a single aggregated presentation. Combining statements and budgetary comparisons for governmental and business-type funds can be found starting on page 92 of this report.

The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. Reconciliation of differences between budgetary revenues and expenditures and fund revenues and expenditures/expenses is provided as necessary.

The basic governmental fund financial statements and respective reconciliations can be found starting on page 20.

### **Proprietary Funds**

The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The City uses enterprise funds to account for its water, sewer and, stormwater systems.

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, GIS, Permit Tracking, and Building Maintenance. The Central Services Fund, which predominantly benefits governmental functions, has been included with the governmental activities in the government-wide financial statements.

Public Works Administration, Operations, Engineering Services, Water Quality Control Services, Public Works Customer Services, and Facilities and Maintenance Engineering are programs in the Public Works Services Fund. The Public Works Services Fund, which predominantly benefits business-type functions,



has been included with the business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found starting on page 30.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 34.

**Required Supplementary Information**

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 92.

**Statistical Information**

The City would like to direct the reader's attention to the Statistical Section, starting on page 123, for additional information about the City, including graphs, tables, and analysis of current and historical information.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets exceeded liabilities by \$303,562,056 at the close of the fiscal year. At fiscal year end, June 30, 2019, the City had \$255,384,020 invested in capital assets, net of related debt, and an unrestricted net position balance of \$18,258,824.

By far the largest portion of the City's net position 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 (\$29,919,212 or 9.9 percent) represents resources that are subject to restrictions on how they may be used.

**Selected Financial Statistics:**

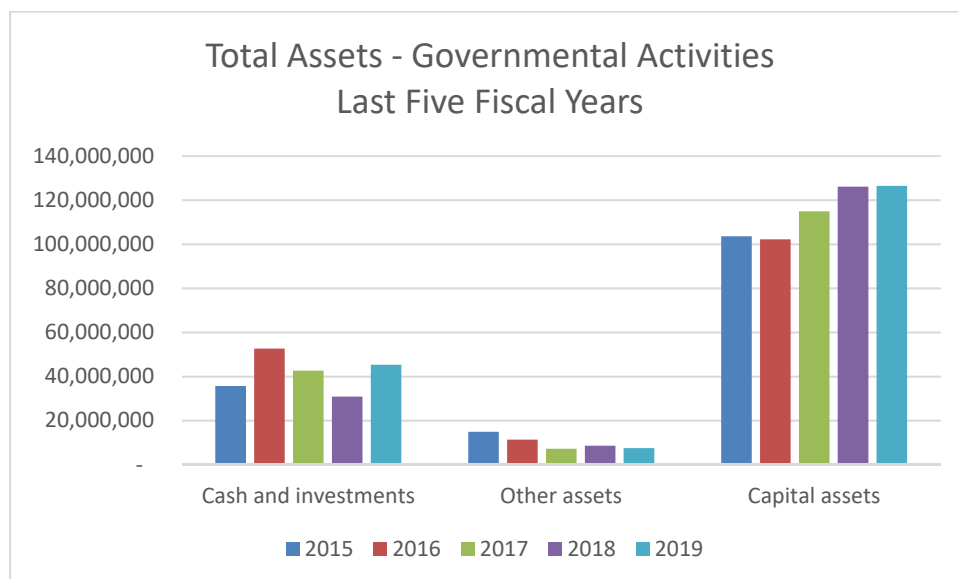
Population	54,120
Assessed value per capita	\$ 77,688
Market value per capita	\$ 107,965
Long-term governmental debt (bonds, notes, certificates of participation, capital leases)	\$ 76,764,927
Total long-term debt per capita	\$ 1,418
Total general obligation debt	\$ 16,355,000
General obligation debt per capita	\$ 302
General obligation debt per \$1,000 of assessed value	\$ 4
General obligation debt service for Fiscal Year 2019 per \$1,000 of assessed value	\$ 0.11
Property taxes as a percentage of General Fund expenditures	63%
Public safety expenditures as a percentage of General Fund expenditures	86%

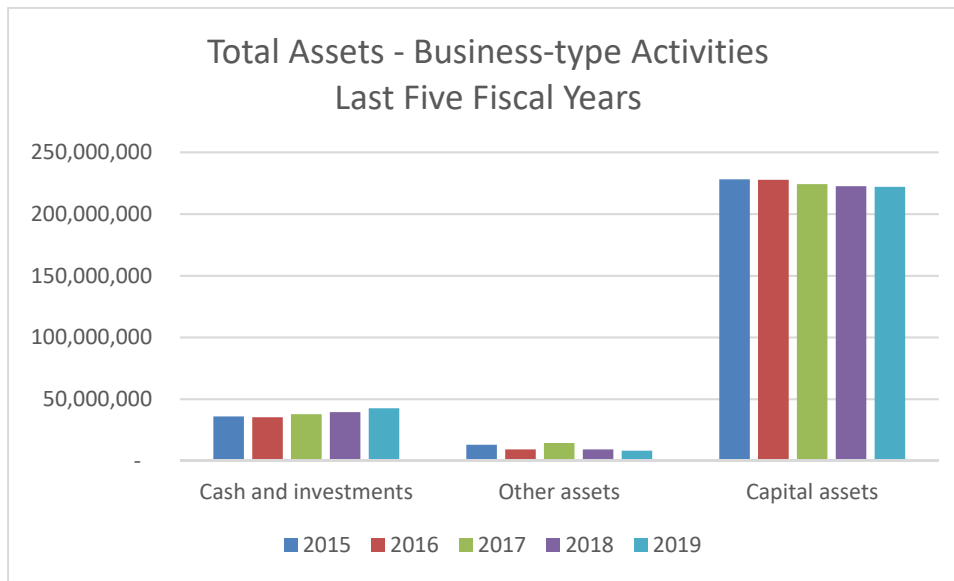
\*Property taxes from the public safety levy are recorded as tax receipts in the Public Safety Levy Fund. In order to accurately reflect the significance of property taxes in the General Fund, transfers into the General Fund from the Public Safety Levy Fund have been included in total General Fund revenues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

**Table 1 – Net Position Summary  
Governmental and Business-type Activities  
for the years ended June 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Cash and investments	\$ 45,360,024	\$ 30,906,808	\$ 42,651,967	\$ 39,601,144	\$ 88,011,991	\$ 70,507,952
Other assets	7,553,396	8,644,176	8,343,086	9,310,542	15,896,482	17,954,718
Capital assets	126,508,540	126,091,217	222,005,173	222,587,416	348,513,713	348,678,633
<b>Total assets</b>	<b>179,421,960</b>	<b>165,642,201</b>	<b>273,000,226</b>	<b>271,499,102</b>	<b>452,422,186</b>	<b>437,141,303</b>
Deferred outflows of resources	16,361,819	13,253,966	3,830,381	4,247,143	20,192,200	17,501,109
Other liabilities	5,185,213	4,385,213	2,604,502	2,400,625	7,789,715	6,785,838
Long-term debt outstanding	76,764,927	66,315,009	77,907,854	85,245,116	154,672,781	151,560,125
<b>Total liabilities</b>	<b>81,950,140</b>	<b>70,700,222</b>	<b>80,512,356</b>	<b>87,645,741</b>	<b>162,462,496</b>	<b>158,345,963</b>
Deferred inflows of resources	5,339,769	2,272,772	1,250,065	702,795	6,589,834	2,975,567
Net position:						
Net investment in capital assets	100,745,228	106,976,281	154,638,792	149,918,593	255,384,020	256,894,874
Restricted	20,833,823	10,934,035	9,085,389	9,209,257	29,919,212	20,143,292
Unrestricted	(13,085,181)	(11,987,143)	31,344,005	28,269,859	18,258,824	16,282,716
<b>Total net position</b>	<b>\$ 108,493,870</b>	<b>\$ 105,923,173</b>	<b>\$ 195,068,186</b>	<b>\$ 187,397,709</b>	<b>\$ 303,562,056</b>	<b>\$ 293,320,882</b>

At the end of the fiscal year, the City had positive balances in all three categories of net position, for the government as a whole as well as for its business-type activities; however, unrestricted net position in Governmental Activities holds a negative net position of \$(13,085,181) for the reported year. The City's net position increased by \$10,241,174 (3.5 percent) during the current fiscal year, primarily due to increases in charges in service in the business-type activity funds.

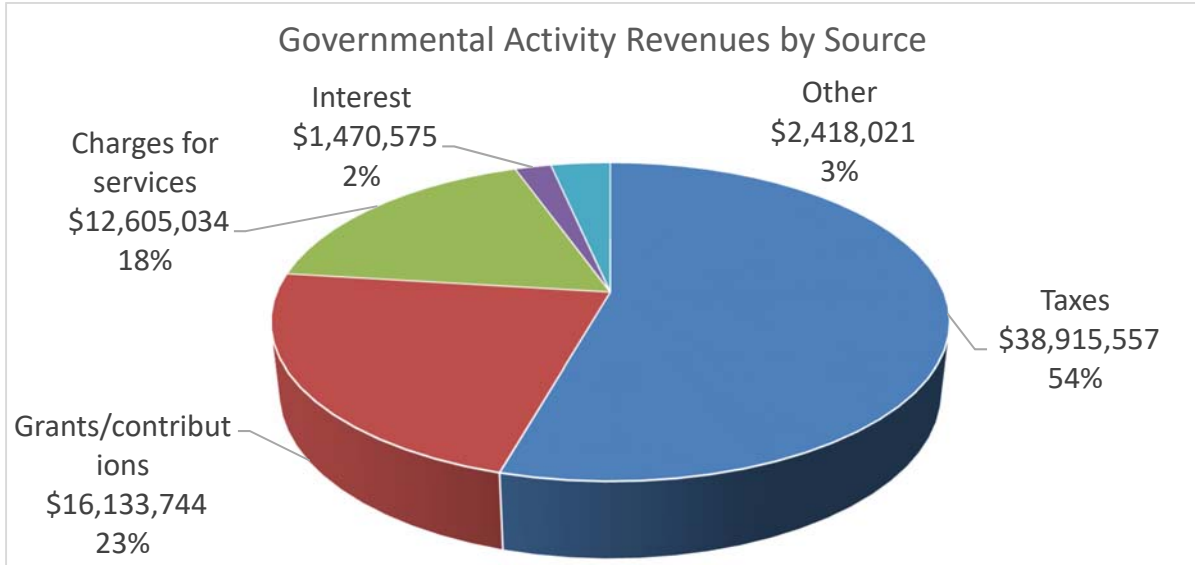




**Table 2 – Statement of Activities Summary**

**Governmental and Business-type Activities  
for the years ended June 30, 2019 and 2018**

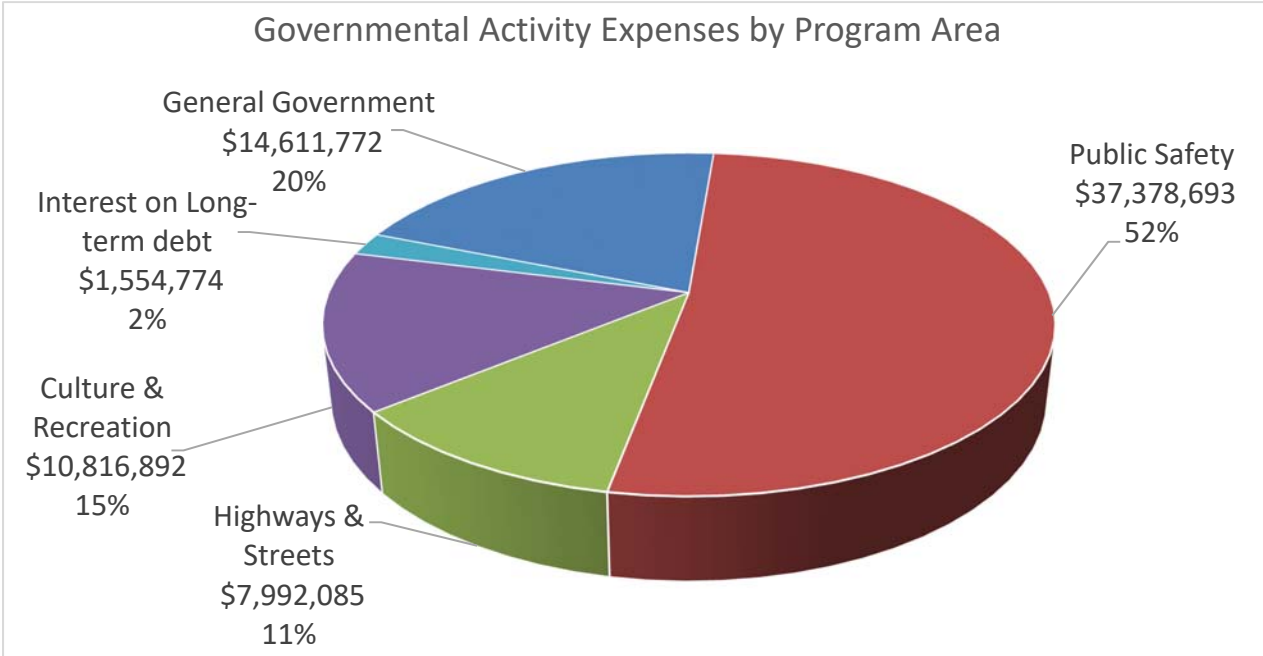
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
Program revenues	\$ 12,605,034	\$ 10,021,370	\$ 33,387,387	\$ 32,384,577	\$ 45,992,421	\$ 42,405,947
Grants and contributions:						
Operating	13,380,093	11,016,549	-	-	13,380,093	11,016,549
Capital	2,753,651	2,226,433	1,730,539	1,595,202	4,484,190	3,821,635
General revenues						
Taxes	38,915,557	39,464,779	698	184	38,916,255	39,464,963
Interest	1,470,575	573,550	1,326,491	362,699	2,797,066	936,249
Other	2,418,021	1,321,198	347,385	192,273	2,765,406	1,513,471
<b>Total revenues</b>	<b>71,542,931</b>	<b>64,623,879</b>	<b>36,792,500</b>	<b>34,534,935</b>	<b>108,335,431</b>	<b>99,158,814</b>
<b>EXPENSES</b>						
Governmental activities:						
General government	14,611,772	11,905,562	-	-	14,611,772	11,905,562
Public safety	37,378,693	35,845,712	-	-	37,378,693	35,845,712
Highways and streets	7,992,085	4,468,119	-	-	7,992,085	4,468,119
Culture and recreation	10,816,892	13,667,104	-	-	10,816,892	13,667,104
Interest on long-term debt	1,554,774	1,279,266	-	-	1,554,774	1,279,266
Business-type activities:						
Water	-	-	11,410,738	12,267,390	11,410,738	12,267,390
Sewer	-	-	14,099,323	15,140,083	14,099,323	15,140,083
Stormwater	-	-	2,158,837	1,708,963	2,158,837	1,708,963
<b>Total expenses</b>	<b>72,354,216</b>	<b>67,165,763</b>	<b>27,668,898</b>	<b>29,116,436</b>	<b>100,023,114</b>	<b>96,282,199</b>
Increase (decrease) in net position before transfers	(811,285)	(2,541,884)	9,123,602	5,418,499	8,312,317	2,876,615
Special items	1,928,887	836,387	-	-	1,928,887	836,387
Transfers	1,453,095	1,262,303	(1,453,095)	(1,262,303)	-	-
Increase (decrease) in net position	2,570,697	(443,194)	7,670,507	4,156,196	10,241,204	3,713,002
Beginning net position	105,923,173	106,784,700	187,397,709	188,742,481	293,320,882	295,527,181
Prior period adjustments	-	(418,333)	-	(5,500,968)	-	(5,919,301)
<b>Ending net position</b>	<b>\$ 108,493,870</b>	<b>\$ 105,923,173</b>	<b>\$ 195,068,216</b>	<b>\$ 187,397,709</b>	<b>\$ 303,562,086</b>	<b>\$ 293,320,882</b>



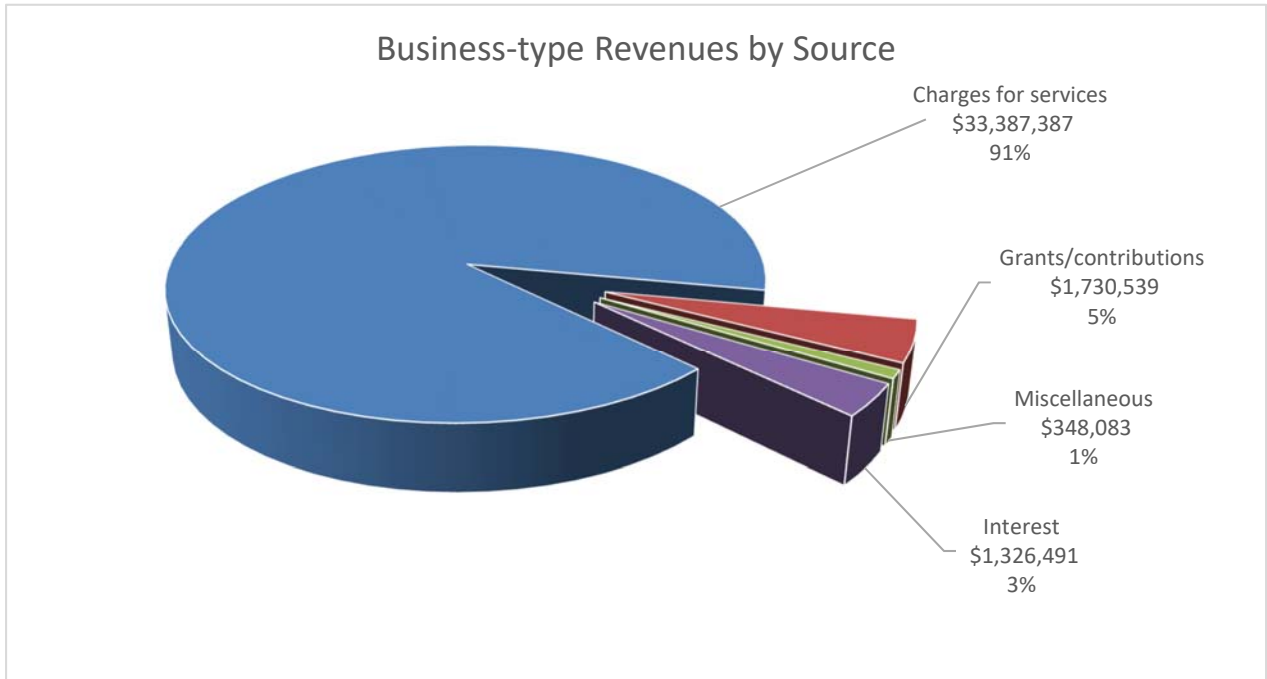
The previous chart indicates that 54.4 percent (\$38,915,557) of 2018-2019 governmental activity revenues received by the City were taxes. Property taxes (\$32,514,047) represent the largest portion of total taxes received. Other major tax revenues were the City's privilege taxes for natural gas and electricity (\$3,870,419). The City also received \$1,256,415 for its share of state-imposed liquor, marijuana and cigarette taxes and \$1,274,676 for City-imposed hotel/motel room taxes.

Charges for service account for 17.6 percent of governmental activity revenues. Included are franchise fees (\$1,445,469), ambulance fees (\$3,199,182) and parks and recreation fees (\$1,120,216).

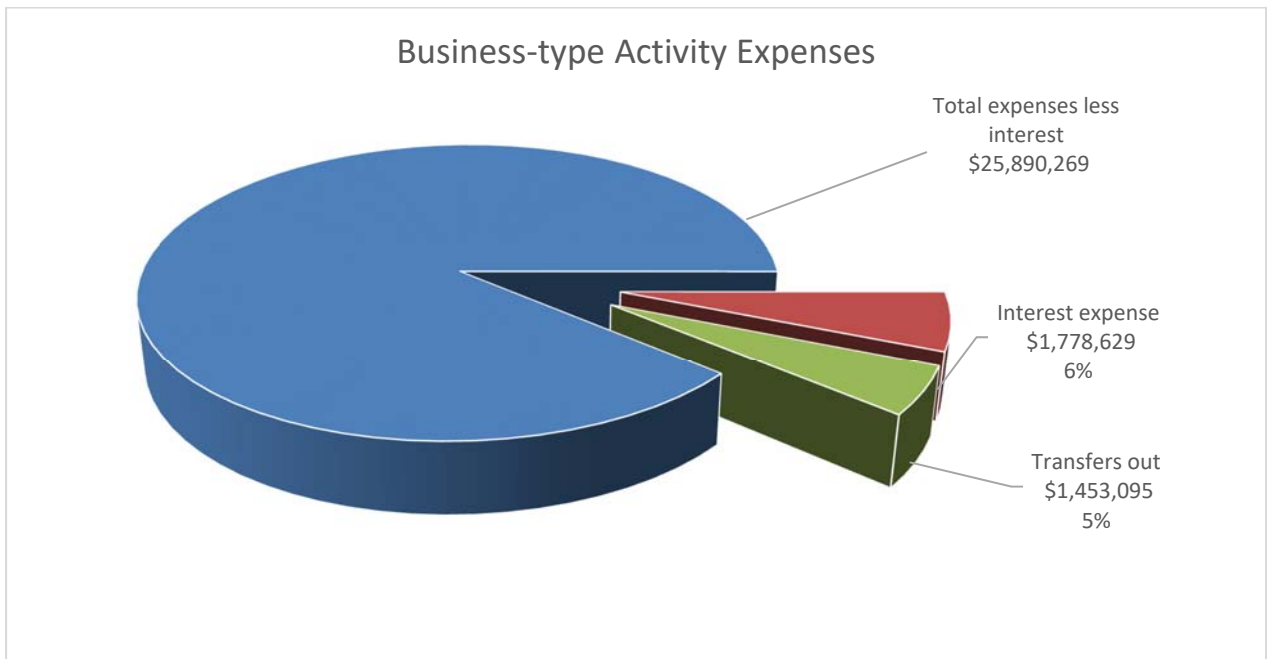
Grants and contributions in governmental funds totaled \$16,133,744 (22.55 percent): Revenues include \$1,234,359 from the local rural fire protection districts; \$1,770,456 from City Building Division builder fees; and \$2,219,380 for transportation SDCs.



More than half of all governmental activity expenses were for public safety (52 percent). As an indication of the City's favorable debt position, interest on long-term debt accounted for only 2 percent of governmental activity total expenses.



As would be expected, charges for service accounted for the majority of revenues for business-type activities. Within this category are Water and Sewer charges which amount to almost 91 percent. Other major charges included within this category are charges to the City of Millersburg for their share of the operating and maintenance of both Water and Wastewater Treatment Plants.



## Budgetary Highlights

The City Council approved 1 resolution which changed the adopted 2018-2019 budget by 3 percent, \$205,854,900 to \$212,866,600. Appropriations in the General Fund increased by \$755,000 (1.8 percent). In the General Fund, after eliminating the \$1,673,800 contingency, actual expenditures were 97.7 percent of the final budget, yielding a favorable budget variance of \$2,633,519. Contributors to the savings: Contingency savings (\$1,673,800)

## Capital Assets and Debt Administration

### Capital Assets

As of June 30, 2019, the City had \$348,513,713 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 Depreciation)**

	Capital Assets at Year-end, Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land, land rights, & land improvements	\$ 15,762,102	\$ 13,854,274	\$ 6,297,244	\$ 6,285,374	\$ 22,059,346	\$ 20,139,648
Buildings and improvements	35,620,334	36,239,708	104,690,780	108,708,142	140,311,114	144,947,850
Intangible assets	529,828	569,801	-	-	529,828	569,801
Vehicles and equipment	5,516,303	6,424,669	2,670,640	2,598,693	8,186,943	9,023,362
Infrastructure	63,923,826	64,400,956	100,849,092	101,191,714	164,772,918	165,592,670
Construction in progress	5,156,147	4,601,809	7,497,417	3,803,493	12,653,564	8,405,302
	<u>\$ 126,508,540</u>	<u>\$ 126,091,217</u>	<u>\$ 222,005,173</u>	<u>\$ 222,587,416</u>	<u>\$ 348,513,713</u>	<u>\$ 348,678,633</u>

The following table summarizes the change in capital assets between the last two fiscal years. Additions include assets acquired or under construction at year-end. Reductions are for asset depreciation, disposition, and retirement.

**Table 4 – Summary of Capital Asset Activity for the Last Two Fiscal Years  
(Net of Depreciation)**

	Summary of Capital Asset for the Last Two Fiscal Years, Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Beginning balance	\$ 126,091,217	\$ 114,945,193	\$ 222,587,417	\$ 224,269,740	\$ 348,678,634	\$ 244,062,391
Additions	10,126,217	19,792,651	7,614,938	6,375,179	17,741,155	6,178,268
Retirements	-	(196,911)	-	(15,720)	-	(8,465,436)
Depreciation	(9,708,894)	(8,449,716)	(8,197,182)	(8,041,783)	(17,906,076)	(16,491,499)
Ending balance	<u>\$ 126,508,540</u>	<u>\$ 126,091,217</u>	<u>\$ 222,005,173</u>	<u>\$ 222,587,417</u>	<u>\$ 348,513,713</u>	<u>\$ 348,678,634</u>

Governmental capital assets increased by \$417,323 net of accumulated depreciation. Additions to capital assets equaled \$10,126,217 for the year.

Business-type capital assets decreased by \$582,244 net of accumulated depreciation. Additions to capital assets equaled \$7,614,935 for the year

**Table 5 – Ratio of Capital Assets Net of Related Debt to Total Net Position**

	2019	2018
Capital assets net of depreciation and related debt	\$ 254,875,012	\$ 256,894,874
Total net position	303,562,056	293,320,882
Ratio of capital assets net of related debt to total net position	83.96%	87.58%

**Debt Outstanding**

At June 30, 2019, the City had \$154,672,781 in debt outstanding compared to \$151,560,125 on June 30, 2017. Of the amount outstanding, \$8,891,764 is due within one year. The debt consisted of outstanding bonds and certificates of participation, \$45,079,605; loans, \$51,354,137; unfunded compensated absences, \$3,726,108; capital leases, \$239,807; net pension liability, \$45,566,225; unfunded other postemployment benefits, \$3,234,814; and unamortized premiums, \$1,810,081. Details of long-term debt payable can be found beginning on page 55 in the notes to the basic financial statements.

**Table 6 – Outstanding Debt at Year End**

	June 30, 2019	June 30, 2018
<b>Governmental Activities</b>		
General obligation	\$ 16,355,000	\$ 16,820,000
Limited tax pension	4,769,605	4,880,862
General revenue	175,000	340,000
CARA bonds	1,265,000	1,648,000
IFA loan	7,803,830	-
Net pension liability	39,277,192	34,768,612
Other postemployment benefit	3,692,953	4,006,686
Unamortized premium on debt issuance	509,007	540,820
Compensated absences	2,752,857	3,070,221
Capital leases	164,483	239,804
Sub-total	76,764,927	66,315,005
<b>Business-type Activities</b>		
Water revenue	22,515,000	23,575,000
Oregon DEQ State Revolving Fund loan	41,736,200	45,327,181
Wetland loan	564,107	1,023,180
ARRA loan	1,250,000	1,350,000
Net pension liability	9,194,977	10,797,613
Other postemployment benefits	864,539	1,122,793
Unamortized premium on defeasance	1,301,074	1,393,462
Compensated absences	481,957	655,887
Sub-total	77,907,854	85,245,116
<b>Total</b>	<b>\$ 154,672,781</b>	<b>\$ 151,560,121</b>



Oregon Revised Statutes, Chapter 287, provides for a debt limit of three percent of the true cash value of all property within the City. The current debt limitation for the City's general obligation debt is \$133,816,498, and the City currently has \$16,820,000 outstanding in general obligation debt.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 55.

### **Key Economic Factors and Budget Information for the Future**

In May 2012 a new five-year levy was passed by the citizens of Albany, creating a new tax rate of \$1.15 per \$1,000 of assessed value. Tax collections in 2018-2019 totaled \$4,240,865.

At fiscal year end, Oregon's unemployment rate was 4.0 percent as of June 30, 2019. The unemployment rates for Linn and Benton Counties at the close of the fiscal year, June 30, 2019, were 4.6 percent and 3.5 percent respectively.

In order to drive down the costs of providing medical insurance coverage to employees, most City employees have moved to a high deductible plan. PERS will be calculated at 27 percent of monthly salaries.

In preparing the City-wide biennial budget for 2019-2021, the City Finance Department assembled assumptions for the budget as follows: interest income will increase by 1.0 percent and the assessed value of property will increase by 3.0 percent. The Local Option Public Safety Levy for the budget will once again be impacted by property tax compression. The City's permanent tax rate will be \$6.3984/\$1,000 valuation.

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

### **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, 2019

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 45,360,024	\$ 42,651,967	\$ 88,011,991
Internal balances	357,274	(357,274)	-
Receivables			
Property taxes	1,490,442	5,050	1,495,492
Accounts	4,050,456	4,100,278	8,150,734
Assessments	221,217	-	221,217
Interest	131,790	109,907	241,697
Loans, net of allowance for uncollectible loans	868,972	3,487,946	4,356,918
Inventories	70,328	936,556	1,006,884
Prepaid items	19,107	-	19,107
Restricted cash and investments	84,851	-	84,851
Net other postemployment benefit asset	258,959	60,623	319,582
Capital assets			
Land and construction in progress	20,918,249	13,782,791	34,701,040
Other capital assets, net of depreciation	<u>105,590,291</u>	<u>208,222,382</u>	<u>313,812,673</u>
Total assets	<u>179,421,960</u>	<u>273,000,226</u>	<u>452,422,186</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>16,361,819</u>	<u>3,830,381</u>	<u>20,192,200</u>
<b>LIABILITIES</b>			
Accounts payable	4,808,149	1,803,677	6,611,826
Accrued interest payable	173,328	655,510	828,838
Refundable deposits and advances	203,736	145,315	349,051
Long-term obligations			
Due within one year	3,226,862	5,664,902	8,891,764
Due in more than one year	<u>73,538,065</u>	<u>72,242,952</u>	<u>145,781,017</u>
Total liabilities	<u>81,950,140</u>	<u>80,512,356</u>	<u>162,462,496</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>5,339,769</u>	<u>1,250,065</u>	<u>6,589,834</u>
<b>NET POSITION</b>			
Net investment in capital assets	100,745,228	154,638,792	255,384,020
Restricted for:			
Capital projects	-	3,772,125	3,772,125
Debt service	383,470	5,313,264	5,696,734
Highways and Streets	4,857,942	-	4,857,942
Public safety	1,690,227	-	1,690,227
Grant programs	65,812	-	65,812
Parks and recreation	2,452,291	-	2,452,291
Community development	8,306,605	-	8,306,605
Other purposes - expendable	2,997,976	-	2,997,976
Other purposes - nonexpendable	79,500	-	79,500
Unrestricted	<u>(13,085,181)</u>	<u>31,344,005</u>	<u>18,258,824</u>
Total net position	<u>\$ 108,493,870</u>	<u>\$ 195,068,186</u>	<u>\$ 303,562,056</u>

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental activities</b>				
General government	\$ 14,611,772	\$ 4,607,980	\$ 3,875,043	\$ 18,729
Public safety	37,378,693	5,609,787	3,359,480	-
Highways and streets	7,992,085	1,267,051	5,691,150	2,192,080
Culture and recreation	10,816,892	1,120,216	454,420	542,842
Interest on long-term obligations	1,554,774	-	-	-
Total governmental activities	<u>72,354,216</u>	<u>12,605,034</u>	<u>13,380,093</u>	<u>2,753,651</u>
<b>Business-type activities</b>				
Water	11,410,738	14,077,745	-	424,889
Sewer	14,099,323	17,110,321	-	1,305,650
Stormwater	2,158,837	2,199,321	-	-
Total business-type activities	<u>27,668,898</u>	<u>33,387,387</u>	<u>-</u>	<u>1,730,539</u>
Totals	<u>\$ 100,023,114</u>	<u>\$ 45,992,421</u>	<u>\$ 13,380,093</u>	<u>\$ 4,484,190</u>

**General revenues:**

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

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

**Transfers**

Total general revenues, special item, and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and  
Change in Net Position

Governmental Activities	Business- type Activities	Totals	
			<b>Governmental activities</b>
\$ (6,110,020)	\$ -	\$ (6,110,020)	General government
(28,409,426)	-	(28,409,426)	Public safety
1,158,196	-	1,158,196	Highways and streets
(8,699,414)	-	(8,699,414)	Culture and recreation
(1,554,774)	-	(1,554,774)	Interest on long-term obligations
<u>(43,615,438)</u>	<u>-</u>	<u>(43,615,438)</u>	Total governmental activities
			<b>Business-type activities</b>
-	3,091,896	3,091,896	Water
-	4,316,648	4,316,648	Sewer
-	40,484	40,484	Stormwater
<u>-</u>	<u>7,449,028</u>	<u>7,449,028</u>	Total business-type activities
<u>(43,615,438)</u>	<u>7,449,028</u>	<u>(36,166,410)</u>	Totals
			<b>General revenues:</b>
27,950,003	-	27,950,003	Property taxes used for general purposes
4,564,044	698	4,564,742	Property taxes used for debt service
1,274,676	-	1,274,676	Transient room taxes used for general purposes
1,256,415	-	1,256,415	Marijuana, cigarette and alcoholic beverage taxes
3,870,419	-	3,870,419	Privilege taxes
1,470,575	1,326,461	2,797,036	Unrestricted investment earnings
2,418,021	347,385	2,765,406	Miscellaneous
1,928,887	-	1,928,887	Special item - gain on sale of property
1,453,095	(1,453,095)	-	<b>Transfers</b>
<u>46,186,135</u>	<u>221,449</u>	<u>46,407,584</u>	Total general revenues, special item, and transfers
2,570,697	7,670,477	10,241,174	Change in net position
<u>105,923,173</u>	<u>187,397,709</u>	<u>293,320,882</u>	Net position - beginning
<u>\$ 108,493,870</u>	<u>\$ 195,068,186</u>	<u>\$ 303,562,056</u>	Net position - ending

**CITY OF ALBANY, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2019

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 4,328,076	\$ 3,779,442	\$ 4,555,058	\$ 10,568,181	\$ 1,097,469	\$ 20,177,752	\$ 44,505,978
Receivables:							
Property taxes	870,456	216,745	-	-	-	403,241	1,490,442
Accounts	1,221,029	1,837	-	550,382	-	860,551	2,633,799
Assessments	195,004	-	-	13,024	13,189	-	221,217
Interest	18,373	11,728	3,844	27,786	7,366	60,827	129,924
Loans, net of allowance for uncollectible loans	-	-	-	-	-	868,972	868,972
Interfund loan	-	-	1,113,997	-	-	-	1,113,997
Other	781,165	-	-	352,279	-	270,962	1,404,406
Prepaid items	2,000	12,275	-	-	-	3,500	17,775
Restricted cash and investments	-	-	-	-	-	84,851	84,851
<b>Total assets</b>	<b>\$ 7,416,103</b>	<b>\$ 4,022,027</b>	<b>\$ 5,672,899</b>	<b>\$ 11,511,652</b>	<b>\$ 1,118,024</b>	<b>\$ 22,730,656</b>	<b>\$ 52,471,361</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,811,562	\$ 397,364	\$ 90,120	\$ 843,454	\$ 67,960	\$ 1,281,992	\$ 4,492,452
Deposits	-	-	-	1,000	200,161	2,575	203,736
Interfund loans payable	-	-	-	-	1,113,997	-	1,113,997
<b>Total liabilities</b>	<b>1,811,562</b>	<b>397,364</b>	<b>90,120</b>	<b>844,454</b>	<b>1,382,118</b>	<b>1,284,567</b>	<b>5,810,185</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	1,843,489	197,996	-	20,181	13,189	1,236,278	3,311,133
<b>FUND BALANCES</b>							
Nonspendable	2,000	12,275	-	-	-	83,000	97,275
Restricted	-	2,452,291	-	4,857,942	-	12,207,812	19,518,045
Committed	-	962,101	5,582,779	5,789,075	-	7,903,939	20,237,894
Assigned	-	-	-	-	-	15,060	15,060
Unassigned	3,759,052	-	-	-	(277,283)	-	3,481,769
<b>Total fund balances</b>	<b>3,761,052</b>	<b>3,426,667</b>	<b>5,582,779</b>	<b>10,647,017</b>	<b>(277,283)</b>	<b>20,209,811</b>	<b>43,350,043</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,416,103</b>	<b>\$ 4,022,027</b>	<b>\$ 5,672,899</b>	<b>\$ 11,511,652</b>	<b>\$ 1,118,024</b>	<b>\$ 22,730,656</b>	<b>\$ 52,471,361</b>

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

**CITY OF ALBANY, OREGON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2019

Total fund balances per Governmental Funds Balance Sheet (page 20).		\$ 43,350,043
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land and construction in progress	20,918,249	
Other capital assets, net of depreciation	<u>105,590,291</u>	
Total capital asset adjustments		126,508,540
Other long-term assets are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		3,311,133
Net other post employment benefit asset		
		258,180
Deferred outflows of resources		
Pension related	13,620,002	
Other postemployment benefit related	<u>305,327</u>	
		13,925,329
Inventories of materials and supplies are capitalized on the Statement of Net Position.		
		70,328
Internal service funds are used by management to charge the costs of information systems services, central services, and geographic information system services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the Statement of Net Position.		
		(3,497,595)
Deferred inflows of resources		
Pension related	(3,756,395)	
Other postemployment benefit related	<u>(908,901)</u>	
		(4,665,296)
Long-term liabilities, including bonds payable, notes payable, accrued interest, deferred inflows of resources, compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term obligations	(31,041,925)	
Net pension liability	(33,318,993)	
Interest payable on long-term debt	(173,328)	
Compensated absences	(2,550,708)	
Other postemployment benefits	<u>(3,681,838)</u>	
Total long-term obligations adjustments		<u>(70,766,792)</u>
		<u>\$ 108,493,870</u>

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 20,256,306	\$ 5,064,068	\$ -	\$ -	\$ -	\$ 9,075,829	\$ 34,396,203
Transient room	-	-	-	-	-	1,055,300	1,055,300
Construction excise taxes	-	-	-	-	-	477,608	477,608
Assessment collections	-	-	-	-	205,991	-	205,991
Franchise fees, privilege taxes, licenses, and permits	5,689,008	27,250	-	1,294,351	-	1,967,732	8,978,341
Intergovernmental	5,632,731	11,003	-	6,075,364	-	4,698,261	16,417,359
Charges for services	4,532,643	997,803	-	-	-	2,028,506	7,558,952
Fines and forfeitures	84,711	-	-	-	-	-	84,711
Interest on investments	238,338	138,923	101,989	328,487	60,669	589,890	1,458,296
Miscellaneous	283,854	1,003,992	250,901	26,544	78,297	1,303,607	2,947,195
<b>Total revenues</b>	<b><u>36,717,591</u></b>	<b><u>7,243,039</u></b>	<b><u>352,890</u></b>	<b><u>7,724,746</u></b>	<b><u>344,957</u></b>	<b><u>21,196,733</u></b>	<b><u>73,579,956</u></b>
<b>EXPENDITURES</b>							
Current:							
General government	2,526,953	-	439,420	-	-	6,820,195	9,786,568
Public safety	33,689,863	-	-	-	60,803	700,757	34,451,423
Highways and streets	-	-	-	3,293,852	-	-	3,293,852
Culture and recreation	2,926,635	6,927,651	-	-	-	145,585	9,999,871
Health	-	-	-	-	-	586	586
Debt service:							
Principal	-	-	-	-	-	1,720,315	1,720,315
Interest	-	-	-	-	-	1,378,201	1,378,201
Capital outlay	8,830	237,004	-	4,280,141	405,069	5,641,379	10,572,423
<b>Total expenditures</b>	<b><u>39,152,281</u></b>	<b><u>7,164,655</u></b>	<b><u>439,420</u></b>	<b><u>7,573,993</u></b>	<b><u>465,872</u></b>	<b><u>16,407,018</u></b>	<b><u>71,203,239</u></b>
Excess (deficiency) of revenues over expenditures	<u>(2,434,690)</u>	<u>78,384</u>	<u>(86,530)</u>	<u>150,753</u>	<u>(120,915)</u>	<u>4,789,715</u>	<u>2,376,717</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt issuance	-	-	-	-	-	8,400,000	8,400,000
Transfers in	3,674,725	449,500	300,521	1,248,870	-	1,533,200	7,206,816
Transfers out	(847,200)	-	(38,000)	(680,000)	(88,320)	(4,100,201)	(5,753,721)
<b>Total other financing sources (uses)</b>	<b><u>2,827,525</u></b>	<b><u>449,500</u></b>	<b><u>262,521</u></b>	<b><u>568,870</u></b>	<b><u>(88,320)</u></b>	<b><u>5,832,999</u></b>	<b><u>9,853,095</u></b>
<b>SPECIAL ITEM</b>							
Proceeds from sale of land	-	-	-	-	1,553,887	375,000	1,928,887
<b>Net change in fund balances</b>	<b>392,835</b>	<b>527,884</b>	<b>175,991</b>	<b>719,623</b>	<b>1,344,652</b>	<b>10,997,714</b>	<b>14,158,699</b>
Fund balance - beginning	<u>3,368,217</u>	<u>2,898,783</u>	<u>5,406,788</u>	<u>9,927,394</u>	<u>(1,621,935)</u>	<u>9,212,097</u>	<u>29,191,344</u>
<b>Fund balance - ending</b>	<b><u>\$ 3,761,052</u></b>	<b><u>\$ 3,426,667</u></b>	<b><u>\$ 5,582,779</u></b>	<b><u>\$ 10,647,017</u></b>	<b><u>\$ (277,283)</u></b>	<b><u>\$ 20,209,811</u></b>	<b><u>\$ 43,350,043</u></b>

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



**CITY OF ALBANY, OREGON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2019

Net change in fund balances - total Governmental funds (page 22).		\$ 14,158,699
Amounts reported for Governmental Activities in the Statement of Activities are different because		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and disposals in the current period.		
Capital outlay	10,126,217	
Depreciation for the current fiscal year	<u>(9,708,894)</u>	
Total capital outlay/depreciation adjustment		417,323
The purchase of goods is shown as an expenditure in the governmental funds, but the cost of materials on hand at the end of the year is capitalized on the Statement of Activities.		
		(23,551)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and other revenues reported in the funds are not revenues reported in the Statement of Activities.		
Property taxes	(1,882,156)	
Principal portion of loan receipts	(79,356)	
Other fees and charges	(86,475)	
Total revenue adjustments		(2,047,987)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
		(6,604,248)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	242,047	
Other postemployment benefits	(587,475)	
Accrued interest on long-term obligations	(107,915)	
Pension expense	(2,633,512)	
Bond premium amortization	31,813	
Total expense/expenditure adjustments	<u>(3,055,042)</u>	
The net expense of certain activities of internal service funds is reported with governmental activities.		
		<u>(274,497)</u>
Change in net position of Governmental Activities (pages 18-19)		<u>\$ 2,570,697</u>

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

**CITY OF ALBANY, OREGON  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT**

For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 18,965,500	\$ 18,965,500	\$ 19,506,461	\$ 540,961
Delinquent	555,500	555,500	749,845	194,345
Privilege tax: electric	3,274,200	3,274,200	3,318,148	43,948
Franchise fee: communications facilities	56,100	56,100	49,706	(6,394)
Franchise fee: telephone	82,000	82,000	60,838	(21,162)
Franchise fee: garbage collection	555,900	555,900	707,153	151,253
Privilege tax: natural gas	652,800	652,800	552,271	(100,529)
Franchise fee: cable television	660,800	660,800	627,772	(33,028)
Permit fees	1,500	1,500	-	(1,500)
Dog permit fees	800	800	850	50
Planning - CDBG reimbursement	67,800	67,800	77,606	9,806
Life safety division fees	62,000	62,000	60,430	(1,570)
Licenses	9,000	9,000	6,775	(2,225)
Library fees	71,100	71,100	64,543	(6,557)
Planning fees	155,600	155,600	227,883	72,283
Alarm fees	16,000	16,000	12,639	(3,361)
Medical marijuana facility permit	200	200	-	(200)
State & city marijuana tax	300,300	300,300	313,009	12,709
DUII enforcement grant	6,900	6,900	2,110	(4,790)
Federal grants and assistance	-	-	10,000	10,000
State liquor taxes	901,000	901,000	882,553	(18,447)
State cigarette taxes	63,000	63,000	60,853	(2,147)
State revenue sharing	600,000	600,000	703,293	103,293
Conflagration response reimbursement	150,000	700,000	817,324	117,324
Workers' compensation wage subsidy reimbursement	14,700	14,700	17,685	2,985
Overtime reimbursement - DEA	1,500	1,500	-	(1,500)
Linn County	13,200	13,200	20,066	6,866
Albany Rural Fire Protection District	1,973,500	1,973,500	664,495	(1,309,005)
North Albany Rural Fire Protection District	385,400	385,400	385,945	545
Palestine Rural Fire Protection District	177,000	177,000	183,919	6,919
Millersburg Fire Protection	-	-	1,245,015	1,245,015
Linn County TLT	-	205,000	219,376	14,376
Greater Albany Public Schools police grant	90,000	90,000	90,000	-
Sungard outside agencies	34,300	34,300	-	(34,300)
State Department of Forestry	-	-	6,441	6,441
OSFM/USAR team response reimbursement	20,100	20,100	10,647	(9,453)
Ambulance service fees	3,175,000	3,175,000	3,199,182	24,182
FireMed fees	172,900	172,900	173,825	925
City hall rental and insurance	310,100	310,100	310,200	100
Space rental charges	-	-	1,270	1,270
County Assessments	25,000	25,000	36,048	11,048
Parking violations	5,500	5,500	7,904	2,404
Municipal court fines	800,000	800,000	848,166	48,166
Nuisance vehicle administration fee	1,600	1,600	8,300	6,700
Dog control assessment	3,300	3,300	2,637	(663)
Damaged material fine	-	-	5,988	5,988
Delrelict structure fee	20,000	20,000	34,771	14,771
Delrelict structure interest	-	-	747	747
Gifts and donations	5,100	5,100	1,763	(3,337)
Restitution payments	-	-	1,665	1,665
Grass abatement fee principal	800	800	31,598	30,798
Grass Abatement Fee Interest	-	-	1,615	1,615
Miscellaneous	86,800	86,800	122,702	35,902
Albany economic improvement district principal	25,200	25,200	32,385	7,185
Albany economic improvement district interest	500	500	2,679	2,179
Club sales	500	500	157	(343)
Interest on investments	49,000	49,000	238,338	189,338
<b>Total revenues</b>	<b>34,599,000</b>	<b>35,354,000</b>	<b>36,717,591</b>	<b>1,363,591</b>

Continued on next page

**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUDGETARY COMPARISON STATEMENT, continued**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Other financing sources</b>				
Transfer from Building Inspection Fund	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Transfer from Risk Management Fund	50,000	50,000	38,000	(12,000)
Transfer from Transient Room Tax Fund	52,200	52,200	52,200	-
Transfer from Public Safety Levy Fund	4,045,500	4,045,500	3,474,525	(570,975)
Transfer from CARA Fund	50,000	50,000	50,000	-
Total other financing sources	4,257,700	4,257,700	3,674,725	(582,975)
<b>Fund balance, beginning</b>				
Unassigned	3,021,300	3,021,300	3,368,217	346,917
Amount available for appropriation	\$ 41,878,000	\$ 42,633,000	43,760,533	\$ 1,127,533
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Nondepartmental:				
Materials and services	\$ 355,600	\$ 560,600	\$ 526,505	\$ 34,095
General operating contingency	1,673,800	1,673,800	-	1,673,800
Municipal Court	945,600	945,600	928,037	17,563
Public Safety Levy - Fire	1,389,000	1,389,000	1,292,782	96,218
Fire and Life Safety	1,169,500	1,169,500	1,094,653	74,847
Fire Emergency Services	14,535,700	15,085,700	14,952,786	132,914
Police	15,326,400	15,326,400	14,977,018	349,382
Public Safety Levy - Police	1,491,700	1,491,700	1,381,454	110,246
Planning	1,253,600	1,253,600	1,072,411	181,189
Library	2,889,900	2,889,900	2,926,635	(36,735)
Total expenditures	41,030,800	41,785,800	39,152,281	2,633,519
<b>Other financing uses</b>				
Transfers to other funds	847,200	847,200	847,200	-
Total other financing uses	847,200	847,200	847,200	-
Total expenditures and other financing uses	\$ 41,878,000	\$ 42,633,000	39,999,481	\$ 2,633,519
<b>Fund balance, ending</b>			\$ 3,761,052	

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

**CITY OF ALBANY, OREGON**  
**PARKS AND RECREATION FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 4,741,300	\$ 4,741,300	\$ 4,876,629	\$ 135,329
Delinquent	100,000	100,000	187,439	87,439
Financed park system development charges:				
Principal	3,500	3,500	220	(3,280)
Interest	800	800	-	(800)
Park system development charges:	325,000	325,000	542,842	217,842
Street tree development fees	5,000	5,000	27,250	22,250
State Marine Board	7,500	7,500	7,800	300
Agricultural lease payments	3,200	3,200	3,203	3
Charges for services	15,000	15,000	15,000	-
SDC administrative charges	120,000	120,000	120,000	-
Children/youth/family recreation fees	50,000	50,000	34,967	(15,033)
Adult recreation fees	60,000	60,000	43,443	(16,557)
Swimming pool	93,000	93,000	102,834	9,834
Senior Center rental fees	17,000	17,000	19,590	2,590
Maple Lawn preschool fees	95,000	95,000	93,922	(1,078)
Sports program fees	135,000	135,000	98,569	(36,431)
Waverly boat rentals	6,500	6,500	8,021	1,521
Park permits	12,000	12,000	27,228	15,228
Preschool materials and services fees	4,600	4,600	3,095	(1,505)
Senior program fees	15,000	15,000	7,155	(7,845)
Northwest Art and Air Festival fees	12,000	12,000	10,768	(1,232)
Hot air balloon rides	9,000	9,000	10,790	1,790
Senior newsletter	10,000	10,000	7,371	(2,629)
Gift shop	10,000	10,000	10,346	346
Trip	64,000	64,000	101,114	37,114
Merchandise sales - aquatics	2,000	2,000	2,332	332
Merchandise sales - Cool!	-	-	315	315
Cool! Pool facility rental fees	8,000	8,000	15,075	7,075
Concession sales - sports	2,000	2,000	-	(2,000)
Concession sales - aquatics	6,000	6,000	11,171	5,171
Concession sales - Cool!	-	-	1,011	1,011
Public arts	1,000	1,000	436	(564)
Track club	5,000	5,000	-	(5,000)
Facility enhancement fee	6,800	6,800	-	(6,800)
Albany Community Pool swimming pool	145,000	145,000	142,965	(2,035)
Albany Community Pool facility rental fees	22,000	22,000	35,879	13,879
Tournament rental Fees	10,000	10,000	7,970	(2,030)
Youth program user fees	2,500	2,500	-	(2,500)
Community garden	-	-	410	410
Pool room	700	700	1,373	673
River Rhythms Food Faire	17,400	17,400	13,600	(3,800)
NWAAF food vendors	15,000	15,000	14,965	(35)
NWAAF souvenir sales	1,500	1,500	3,225	1,725
NWAAF parking	12,000	12,000	26,394	14,394
Summer Sounds - food vendors	2,500	2,500	2,617	117
Trolley rental charges	-	-	760	760
River Rhythms donations	11,000	11,000	17,631	6,631
NWAAF donations	20,000	20,000	6,789	(13,211)
Summer Sounds - donations	4,500	4,500	4,486	(14)
Summer Sounds - sponsorships	25,000	25,000	17,458	(7,542)
Festival Latino sponsorships	2,500	2,500	500	(2,000)
Festival Latino food vendors	200	200	150	(50)
Festival Latino resource fair	1,000	1,000	630	(370)
Park maintenance revenue	5,000	5,000	14,031	9,031
Gifts and donations	20,700	20,700	12,353	(8,347)
Senior Center sponsorships	15,000	15,000	8,708	(6,292)
Children's Performing Arts Series sponsorships	-	-	833	833

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

Continued on next page

**CITY OF ALBANY, OREGON**  
**PARKS AND RECREATION FUND**  
**BUDGETARY COMPARISON STATEMENT (continued)**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues, continued</b>				
River Rhythms sponsorships	\$ 85,000	\$ 85,000	\$ 96,530	\$ 11,530
NWAAF sponsorships	90,000	90,000	99,766	9,766
Aquatic sponsorship	10,000	10,000	12,333	2,333
Aquatics fundraising	-	-	240	240
Sports sponsorship	10,000	10,000	5,954	(4,046)
CYF sponsorships	15,000	15,000	21,402	6,402
Aquatics donations	70,000	70,000	70,000	-
Albany GEMS	13,000	13,000	13,712	712
Miscellaneous	9,000	9,000	59,766	50,766
Brochure advertising	2,500	2,500	750	(1,750)
Interest on investments	35,100	35,100	138,923	103,823
Total revenues	<u>6,618,300</u>	<u>6,618,300</u>	<u>7,243,039</u>	<u>624,739</u>
<b>Other financing sources</b>				
Transfer from General Fund	187,200	187,200	187,200	-
Transfer from Transient Room Tax Fund	182,300	182,300	182,300	-
Transfer from Street Fund	80,000	80,000	80,000	-
Intrafund Transfer from Parks Program	320,000	320,000	125,641	(194,359)
Total other financing sources	<u>769,500</u>	<u>769,500</u>	<u>575,141</u>	<u>(194,359)</u>
<b>Fund balance, beginning</b>				
Unassigned	2,514,300	2,514,300	2,898,783	384,483
Total Fund Balance, beginning	<u>2,514,300</u>	<u>2,514,300</u>	<u>2,898,783</u>	<u>384,483</u>
Amount available for appropriation	<u>\$ 9,902,100</u>	<u>\$ 9,902,100</u>	<u>10,716,963</u>	<u>\$ 814,863</u>
<b>Expenditures</b>				
Sports programs	\$ 312,000	\$ 312,000	\$ 311,862	\$ 138
Children/youth/family recreation services	369,200	369,200	365,921	3,279
Resource development/marketing services	277,900	277,900	270,915	6,985
Park maintenance services	1,636,500	1,684,500	1,678,847	5,653
Park facilities repair & construction	654,300	654,300	628,637	25,663
Parks and Recreation administration	1,429,900	1,381,900	1,453,438	(71,538)
Aquatic services	916,500	916,500	843,305	73,195
Adult recreation and fitness services	657,100	657,100	555,648	101,452
Performance and cultural arts	645,900	645,900	617,087	28,813
Park system development charge projects	2,002,700	2,002,700	300,592	1,702,108
Senior Center Foundation	74,700	74,700	12,762	61,938
Parks capital improvement program	320,000	320,000	125,641	194,359
Contingency	175,000	175,000	-	175,000
Total expenditures	<u>9,471,700</u>	<u>9,471,700</u>	<u>7,164,655</u>	<u>2,307,045</u>
<b>Other financing uses</b>				
Transfers to other funds	179,400	179,400	-	179,400
Intrafund Transfers out	320,000	320,000	125,641	(194,359)
Total other financing uses	<u>499,400</u>	<u>499,400</u>	<u>125,641</u>	<u>373,759</u>
Total expenditures and other financing uses	<u>\$ 9,971,100</u>	<u>\$ 9,971,100</u>	<u>7,290,296</u>	<u>\$ 2,680,804</u>
<b>Fund balance, ending</b>			<u>\$ 3,426,667</u>	

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

**CITY OF ALBANY, OREGON**  
**RISK MANAGEMENT FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Miscellaneous	\$ -	\$ -	\$ 7	\$ 7
Loan repayment - principal	9,100	9,100	9,327	227
Loan repayment - interest	400	400	225	(175)
PERS reserve contributions	-	-	241,342	241,342
Interest on investments	<u>16,500</u>	<u>16,500</u>	<u>101,989</u>	<u>85,489</u>
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>352,890</u>	<u>326,890</u>
 <b>Other financing sources</b>				
Transfers from Capital Projects Fund	33,300	2,433,300	2,433,300	-
Transfers from Sewer Fund	<u>750,000</u>	<u>750,000</u>	<u>212,201</u>	<u>(537,799)</u>
Total other financing sources	<u>783,300</u>	<u>3,183,300</u>	<u>2,645,501</u>	<u>(537,799)</u>
 <b>Fund balance, beginning</b>				
Unassigned	<u>3,160,100</u>	<u>3,160,100</u>	<u>1,947,811</u>	<u>(1,212,289)</u>
Amount available for appropriation	<u>\$ 3,969,400</u>	<u>\$ 6,369,400</u>	<u>4,946,202</u>	<u>\$ (1,423,198)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Risk Management	\$ 1,849,200	\$ 1,849,200	229,715	\$ 1,619,485
Litigation settlement projects	<u>2,082,200</u>	<u>4,482,200</u>	<u>209,705</u>	<u>4,272,495</u>
Total expenditures	<u>\$ 3,931,400</u>	<u>\$ 6,331,400</u>	<u>439,420</u>	<u>\$ 5,891,980</u>
 <b>Other financing uses</b>				
Transfers to other funds	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 3,969,400</u>	<u>\$ 6,369,400</u>	<u>\$ 477,420</u>	<u>\$ 5,891,980</u>
<b>Budgetary Fund Balance</b>			4,468,782	
Adjustment for Interfund Loan			<u>1,113,997</u>	
<b>Fund balance, ending</b>			<u>\$ 5,582,779</u>	

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

**CITY OF ALBANY, OREGON**  
**STREET FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Financed transportation system development charges				
Principal	\$ 5,800	\$ 5,800	\$ 27,300	\$ 21,500
Interest	2,700	2,700	1,863	(837)
Financed improvement assurance fees				
Principal	100	100	-	(100)
Interest	100	100	-	(100)
Street connection fees	10,000	10,000	5,100	(4,900)
Transportation system development charges	700,000	700,000	1,165,081	465,081
Public facility construction permit	15,000	15,000	95,007	80,007
State gasoline tax	3,800,000	3,800,000	3,881,450	81,450
Surface transportation program	2,190,400	2,190,400	2,192,080	1,680
Workers Comp wage subsidy	-	-	1,834	1,834
Miscellaneous	1,000	1,000	26,544	25,544
Interest on investments	50,000	50,000	328,487	278,487
Total revenues	<u>6,775,100</u>	<u>6,775,100</u>	<u>7,724,746</u>	<u>949,646</u>
<b>Other financing sources</b>				
Transfer from Albany Municipal Airport Fund	7,400	7,400	5,076	(2,324)
Transfer from Transient Room Tax Fund	2,900	2,900	2,900	-
Transfer from Sewer Fund	647,800	647,800	674,880	27,080
Transfer from Water Fund	566,000	586,000	566,014	(19,986)
Intrafund Transfer	20,000	20,000	20,000	-
Total other financing sources	<u>1,244,100</u>	<u>1,264,100</u>	<u>1,268,870</u>	<u>4,770</u>
<b>Fund balance, beginning</b>				
Unassigned	10,554,600	10,554,600	9,927,394	(627,206)
Total Fund Balance, beginning	<u>10,554,600</u>	<u>10,554,600</u>	<u>9,927,394</u>	<u>(627,206)</u>
Amount available for appropriation	<u>\$ 18,573,800</u>	<u>\$ 18,593,800</u>	<u>18,921,010</u>	<u>\$ 327,210</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 999,000	\$ 999,000	910,603	\$ 88,397
Materials and services	2,446,900	2,446,900	2,383,249	63,651
Capital	14,116,200	14,136,200	4,280,141	9,856,059
Contingencies	311,700	311,700	-	311,700
Total expenditures	<u>17,873,800</u>	<u>17,893,800</u>	<u>7,573,993</u>	<u>10,319,807</u>
<b>Other financing uses</b>				
Transfers to other funds	680,000	680,000	680,000	-
Intrafund Transfers out	20,000	20,000	20,000	-
Total other financing uses	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 18,573,800</u>	<u>\$ 18,593,800</u>	<u>8,273,993</u>	<u>\$ 10,319,807</u>
<b>Fund balance, ending</b>			<u>\$ 10,647,017</u>	

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2019

	Business-type Activities			Totals Enterprise Funds	Internal Service Funds
	Water	Sewer	Stormwater		
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 6,208,802	\$ 10,968,482	\$ 418,667	\$ 17,595,951	\$ 594,520
Investments	8,656,619	15,246,286	583,727	24,486,632	828,910
Receivables:					
Property taxes	5,050	-	-	5,050	-
Accounts	1,761,434	2,096,891	214,892	4,073,217	6,742
Assessments	-	-	-	-	3,951
Accrued interest	39,734	65,267	2,821	107,822	-
Other	15,614	11,422	-	27,036	5,534
Inventories	630,661	305,895	-	936,556	-
Prepaid items	-	-	-	-	1,332
Total current assets	<u>17,317,914</u>	<u>28,694,243</u>	<u>1,220,107</u>	<u>47,232,264</u>	<u>1,440,989</u>
Noncurrent assets:					
Other postemployment benefit asset	10,749	6,070	2,772	19,591	41,811
Loans receivable	-	3,487,946	-	3,487,946	-
Capital assets:					
Land and construction in progress	3,231,609	10,519,922	-	13,751,531	31,260
Other capital assets, net of depreciation	85,623,622	122,585,600	-	208,209,222	13,160
Total noncurrent assets	<u>88,865,980</u>	<u>136,599,538</u>	<u>2,772</u>	<u>225,468,290</u>	<u>86,231</u>
Total assets	<u>106,183,894</u>	<u>165,293,781</u>	<u>1,222,879</u>	<u>272,700,554</u>	<u>1,527,220</u>
<b>Deferred Outflows of Resources</b>					
Pension and other postemployment benefit related items	<u>679,145</u>	<u>383,551</u>	<u>175,168</u>	<u>1,237,864</u>	<u>5,029,007</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	573,953	796,037	50,367	1,420,357	699,017
Compensated absences	37,869	57,621	-	95,490	246,566
Interest payable	356,539	298,971	-	655,510	-
Refundable deposits	144,506	809	-	145,315	-
Loans payable, current portion	-	4,231,533	-	4,231,533	-
Bonds payable, current portion	1,192,388	-	-	1,192,388	-
Total current liabilities	<u>2,305,255</u>	<u>5,384,971</u>	<u>50,367</u>	<u>7,740,593</u>	<u>945,583</u>
Long-term obligations					
Compensated absences	37,869	57,617	-	95,486	246,564
Other postemployment benefits	153,287	86,570	39,536	279,393	596,261
Loans payable - long-term portion	-	39,318,774	-	39,318,774	-
Net pension liability	1,630,313	920,729	420,496	2,971,538	12,181,638
Bonds payable - long-term portion	22,623,686	-	-	22,623,686	-
Total long-term obligations	<u>24,445,155</u>	<u>40,383,690</u>	<u>460,032</u>	<u>65,288,877</u>	<u>13,024,463</u>
Total liabilities	<u>26,750,410</u>	<u>45,768,661</u>	<u>510,399</u>	<u>73,029,470</u>	<u>13,970,046</u>
<b>Deferred Inflows of Resources</b>					
Pension and other postemployment benefit related items	<u>221,642</u>	<u>125,174</u>	<u>57,167</u>	<u>403,983</u>	<u>1,520,555</u>
<b>Net Position</b>					
Net investment in capital assets	65,039,157	89,555,215	-	154,594,372	44,420
Restricted for capital construction	1,311,851	2,460,274	-	3,772,125	-
Restricted for debt service	1,637,619	3,675,645	-	5,313,264	-
Unrestricted	11,902,360	24,092,363	830,481	36,825,204	(8,978,794)
Total net position	<u>\$ 79,890,987</u>	<u>\$ 119,783,497</u>	<u>\$ 830,481</u>	<u>200,504,965</u>	<u>\$ (8,934,374)</u>
Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.				<u>(5,436,779)</u>	
Net position of business-type activities (page 17)				<u>\$ 195,068,186</u>	

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



**CITY OF ALBANY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2019

	Business-type Activities			Totals Enterprise Funds	Internal Service Funds
	Water	Sewer	Stormwater		
<b>OPERATING REVENUES:</b>					
Service charges and fees	\$ 13,705,233	\$ 17,110,321	\$ 2,199,321	\$ 33,014,875	\$ 15,599,413
Miscellaneous	320,921	1,389,063	-	1,709,984	74,296
Total operating revenues	<u>14,026,154</u>	<u>18,499,384</u>	<u>2,199,321</u>	<u>34,724,859</u>	<u>15,673,709</u>
<b>OPERATING EXPENSES:</b>					
Salaries and wages	1,548,933	1,592,020	527,860	3,668,813	12,052,769
Contracted services	428,452	1,104,768	127,486	1,660,706	661,182
Operating supplies	788,804	379,870	102,336	1,271,010	1,304,790
Utilities	542,537	532,528	-	1,075,065	182,309
Depreciation and amortization	3,382,232	4,811,368	-	8,193,600	3,582
Repairs and maintenance	445,770	1,177,947	107,597	1,731,314	278,577
Charges for services	3,445,989	3,383,545	1,254,954	8,084,488	1,599,588
Miscellaneous	-	37,363	20,048	57,411	25,551
Total operating expenses	<u>10,582,717</u>	<u>13,019,409</u>	<u>2,140,281</u>	<u>25,742,407</u>	<u>16,108,348</u>
Operating income (loss)	<u>3,443,437</u>	<u>5,479,975</u>	<u>59,040</u>	<u>8,982,452</u>	<u>(434,639)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Property taxes	698	-	-	698	-
Interest on investments	473,586	819,124	28,559	1,321,269	17,471
Miscellaneous	30,676	212,655	308	243,639	-
Interest	<u>(766,839)</u>	<u>(1,011,790)</u>	<u>-</u>	<u>(1,778,629)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(261,879)</u>	<u>19,989</u>	<u>28,867</u>	<u>(213,023)</u>	<u>17,471</u>
Income (loss) before capital contributions and transfers	3,181,558	5,499,964	87,907	8,769,429	(417,168)
Capital contributions	496,018	796	-	496,814	-
Transfers out	<u>(566,014)</u>	<u>(887,081)</u>	<u>-</u>	<u>(1,453,095)</u>	<u>-</u>
Change in net position	3,111,562	4,613,679	87,907	7,813,148	(417,168)
Net position - beginning	<u>76,779,425</u>	<u>115,169,818</u>	<u>742,574</u>	<u>76,779,425</u>	<u>(8,517,206)</u>
Net position - ending	<u>\$ 79,890,987</u>	<u>\$ 119,783,497</u>	<u>\$ 830,481</u>	<u>\$ 79,890,987</u>	<u>\$ (8,934,374)</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(142,671)</u>	
Change in net position of business-type activities (pages 18-19)				<u>\$ 7,670,477</u>	

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2019

	Business-type Activities			Governmental Activities	
	Water	Sewer	Stormwater	Totals Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 14,068,941	\$ 18,892,151	\$ 2,184,028	\$ 35,145,120	\$ 15,665,393
Cash payments to suppliers of goods and services	(5,468,910)	(6,579,558)	(1,582,662)	(13,631,130)	(3,869,100)
Cash payments to employees for services	(2,386,772)	(2,171,000)	(288,774)	(4,846,546)	(11,294,136)
Other revenues	30,676	212,655	308	243,639	-
Net cash provided by (used in) operating activities	<u>6,243,935</u>	<u>10,354,248</u>	<u>312,900</u>	<u>16,911,083</u>	<u>502,157</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Property taxes	34,233	-	-	34,233	-
Transfers in	-	-	-	-	-
Transfers out	(566,014)	(887,081)	-	(1,453,095)	-
Net cash provided by (used in) noncapital financing activities	<u>(531,781)</u>	<u>(887,081)</u>	<u>-</u>	<u>(1,418,862)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(3,947,493)	(3,652,838)	-	(7,600,331)	(14,608)
System development charges collected	496,018	796	-	496,814	-
Principal paid on loan	-	(4,150,054)	-	(4,150,054)	-
Principal paid on bonds	(1,060,000)	-	-	(1,060,000)	-
Payment from City of Millersburg	-	300,103	-	300,103	-
Interest paid on long-term debt	(876,894)	(1,051,896)	-	(1,928,790)	-
Net cash (used in) capital and related financing activities	<u>(5,388,369)</u>	<u>(8,553,889)</u>	<u>-</u>	<u>(13,942,258)</u>	<u>(14,608)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Net (increase) decrease in investments	425,489	560,179	(156,339)	829,329	(240,920)
Interest on investments	479,424	827,670	27,752	1,334,846	17,324
Net cash provided by (used in) investing activities	<u>904,913</u>	<u>1,387,849</u>	<u>(128,587)</u>	<u>2,164,175</u>	<u>(223,596)</u>
Net increase (decrease) in cash and cash equivalents	1,228,698	2,301,127	184,313	3,714,138	263,953
<b>Cash and cash equivalents, July 1, 2018</b>	<u>4,980,104</u>	<u>8,667,355</u>	<u>234,354</u>	<u>13,881,813</u>	<u>330,567</u>
<b>Cash and cash equivalents, June 30, 2019</b>	<u>\$ 6,208,802</u>	<u>\$ 10,968,482</u>	<u>\$ 418,667</u>	<u>\$ 17,595,951</u>	<u>\$ 594,520</u>

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

**CITY OF ALBANY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2019

	Business-type Activities			Totals Enterprise Funds	Governmental Activities
	Water	Sewer	Stormwater		Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 3,443,437	\$ 5,479,975	\$ 59,040	\$ 8,982,452	\$ (434,639)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,382,232	4,811,368	-	8,193,600	3,582
Other revenues	30,676	212,655	308	243,639	-
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Receivables	31,817	392,767	(15,293)	409,291	(8,316)
Inventories	57,969	67,981	-	125,950	-
Prepaid items	14	21	-	35	1,299
Net other postemployment benefit asset	(5,541)	(1,544)	(2,206)	(9,291)	(16,685)
Deferred outflows of resources	228,672	447,841	(106,014)	570,499	(900,885)
Accounts payable	124,659	(31,539)	29,759	122,879	181,598
Net pension liability	(998,402)	(908,864)	292,149	(1,615,117)	1,601,968
Compensated absences	(60,895)	3,430	-	(57,465)	(191,782)
Other postemployment benefits	(81,900)	(117,840)	13,991	(185,749)	(538,483)
Refundable deposits	10,970	-	-	10,970	-
Deferred inflows of resources	80,227	(2,003)	41,166	119,390	804,500
Total adjustments	<u>2,800,498</u>	<u>4,874,273</u>	<u>253,860</u>	<u>7,928,631</u>	<u>936,796</u>
Net cash provided by (used in) operating activities	<u>\$ 6,243,935</u>	<u>\$ 10,354,248</u>	<u>\$ 312,900</u>	<u>\$ 16,911,083</u>	<u>\$ 502,157</u>

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

**Blended Component Unit**

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

**Basic Financial Statements**

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Basic Financial Statements (continued)**

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

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

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

The City reports the following major governmental funds:

*General*

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

*Parks and Recreation*

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

*Risk Management*

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

*Street*

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

*Capital Projects*

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

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

The City reports the following major proprietary funds:

Water

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

Sewer

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

Stormwater

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

Additionally, the City reports the following nonmajor fund types:

Special Revenue

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

Debt Service

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

Capital Projects

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

Permanent

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

Internal Service

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

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

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

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Restricted Assets**

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

**Inventories**

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

**Receivables**

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



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Receivables (continued)**

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

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

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

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

It is the City's policy to permit employees to earn vacation and sick leave. No liability is reported for accumulated sick leave, as it does not vest when earned. Vacation leave is accrued as it is earned and is reported as a fund liability. All vacation leave is accrued when earned in the government-wide and 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Long-term Obligations**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

**Equity**

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Equity (continued)**

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

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

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

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Budgetary Information (continued)**

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

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

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

An election must be held to approve general obligation debt pledging the full faith and credit of the City. As a result of Ballot Measure 50 and subsequent legislation, the City's permanent tax rate has been set at \$6.3984 per \$1,000 of assessed value. The assessed value (not including the urban renewal district) for 2018-2019 was \$3,117,913,054. Assessed value is calculated on a property-by-property basis and is limited to a three percent increase annually. Compression of tax revenues comes into play when the real market value of an individual residential property is not sufficient to allow for an annual three percent increase in the assessed value.

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Budgetary Information (continued)**

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

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

Unexpected additional resources may be appropriated through the use of a supplemental budget and City Council action. The original and supplemental budgets require hearings before the public, publications in newspapers, notice postings, and approval by the City Council. Original and supplemental budgets may be modified during the fiscal year by use of appropriation transfers between legal categories. Such transfers require approval of the City Council.

During the fiscal year ended June 30, 2019, the City made supplemental budget changes as outlined by fund in the following table:

Fund	2018-19 Original Budget	2018-19 Final Budget	Changes
General	\$ 41,878,000	\$ 42,633,000	\$ 755,000
Parks and Recreation	9,971,100	9,971,100	-
Risk Management	3,969,400	6,369,400	2,400,000
Street	18,573,800	18,593,800	20,000
Grants	3,110,400	4,347,100	1,236,700
Building Inspection	3,396,400	3,396,400	-
Economic Development	5,677,600	5,677,600	-
Public Transit	2,268,500	2,468,500	200,000
Public Safety Levy	4,045,500	4,045,500	-
Albany Revitalization Agency	10,290,200	10,290,200	-
Debt Service	1,049,600	1,049,600	-
GO Debt Service	1,283,200	1,283,200	-
Capital Projects	1,540,600	3,940,600	2,400,000
Capital Replacement	7,992,300	7,992,300	-
Library Trust	83,600	83,600	-
Water	26,874,200	26,874,200	-
Sewer	55,070,100	55,070,100	-
Stormwater	2,482,900	2,482,900	-
Central Services	7,170,700	7,170,700	-
Public Works Services	9,417,000	9,417,000	-
	\$ 216,145,100	\$ 223,156,800	\$ 7,011,700

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

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

**Budgetary Information (continued)**

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

**Excess of Expenditures over Appropriations**

As a whole, the General Fund was within adopted budget; however, an excess of expenditures over appropriations occurred in the Library in the amount of \$36,735. Additionally, the Parks and Recreation Fund had an excess of expenditures over appropriation in Administration of \$71,538.

**3. DETAILED NOTES**

**Cash and Investments**

The City pools virtually all funds for investment purposes. Each fund type's portion is displayed on the Statement of Net Position as 'cash and investments' and 'restricted cash and investments' (page 17).

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

Cash on hand	\$ 28,341
Bank balances with financial institutions	(142,891)
State of Oregon Treasurer's short-term investment pool	36,909,732
Other investments	<u>51,301,660</u>
Total cash and investments	<u>\$ 88,096,842</u>

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

Cash and investments	\$ 88,011,991
Restricted cash and investments	<u>84,851</u>
Total cash and investments	<u>\$ 88,096,842</u>

**Financial Institutions**

Deposits with financial institutions are comprised of bank demand deposits and savings accounts. At year end, the carrying amount of the City's net balance was \$(142,891) and the bank balance was \$810,306.

**State of Oregon Treasurer's short-term investment pool**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

Equity in Pooled Cash and Investments

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

Fair Value of Investments

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

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

At June 30, 2019, the City had the following recurring fair value measurements.

Investments by fair value level	6/30/2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Government agency obligations:				
US Treasury Notes	\$ 12,949,770	\$ 12,949,770	\$ -	\$ -
Federal Farm Credit Bank	14,098,640	-	14,098,640	-
Federal Home Loan Mortgage Corporation	4,983,140	-	4,983,140	-
Federal Home Loan Banks	14,266,540	-	14,266,540	-
Corporate Bonds				
Apple	2,007,140	-	2,007,140	-
Microsoft	2,996,430	-	2,996,430	-
Totals	<u>\$ 51,301,660</u>	<u>\$ 12,949,770</u>	<u>\$ 38,351,890</u>	<u>\$ -</u>

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

Level 2 are valued using the following approaches: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable for an asset. The City's US 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, 2019.

As of June 30, 2019, the City had the following investments:

Investment Type	Moody's Rating	Fair Value	Weighted Average Maturity (yrs)	Percent of Total Portfolio
U.S. Government agency obligations:				
US Treasury Notes	AAA	\$ 12,949,770	0.28	15%
Federal Home Loan Mortgage Corporation	AAA	4,983,140	0.05	6%
Federal Home Loan Banks	AAA	14,266,540	0.60	16%
Federal Farm Credit Banks	AAA	14,098,640	0.52	16%
Corporate Bonds				
Microsoft	AAA	2,996,430	0.01	3%
Apple	AA1	2,007,140	0.07	2%
Oregon Short-term Fund	NR	<u>36,909,732</u>	<u>0.00</u>	<u>42%</u>
Totals		<u>\$ 88,211,392</u>		<u>100%</u>
Portfolio weighted average maturity			<u>1.53</u>	



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Cash and investments (continued)**

Interest Rate Risk

The City's investment policy does not allow investments of more than five 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 1.50 years. The City's weighted average maturity as of June 30, 2019, was 1.53 years.

Credit and Concentration of Credit Risk

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

Diversification constraints of the City's investment policy are:

<u>Issuer Type</u>	<u>Percent of Total Portfolio</u>
U. S. Treasury obligations	100%
GSE-Agency Securities	100%
Per Issuer	33%
FDIC - Temporary liquidity guarantee securities	0%
Commercial paper *	10%
Bankers Acceptance *	10%
Corporate indebtedness, Oregon issuers *	20%
Local Government Investment Pool	ORS Limit 294.810
Certificates of Deposit/Bank Deposits/Savings	10%
Obligations of the States (municipal securities) *	10%

\* Shall be limited to 5% per issuer.

Custodial Risk – Investments

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Cash and investments (continued)**

Custodial Risk – Deposits

This is the risk that in the event of a bank failure, the City of Albany’s deposits might not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City of Albany’s deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest-bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2019, none of the City’s deposits were exposed to custodial credit risk.

**Capital Assets**

Governmental Activities

Capital asset activity for the year ended June 30, 2019, was as follows:

	July 1, 2018 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2019 Balance
Non-depreciable capital assets				
Land	\$ 13,854,274	\$ 1,907,828	\$ -	\$ 15,762,102
Construction in progress	4,601,809	5,156,147	(4,601,809)	5,156,147
Total non-depreciable capital assets	<u>18,456,083</u>	<u>7,063,975</u>	<u>(4,601,809)</u>	<u>20,918,249</u>
Depreciable capital assets				
Buildings and improvements	43,087,369	185,232	89,547	43,362,148
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	20,502,674	734,186	(173,098)	21,063,762
Infrastructure	150,313,019	2,142,824	4,512,262	156,968,105
Total depreciable capital assets	<u>214,703,062</u>	<u>3,062,242</u>	<u>4,428,711</u>	<u>222,194,015</u>
Accumulated depreciation				
Buildings and improvements	(6,847,661)	(894,153)		(7,741,814)
Intangible asset	(230,199)	(39,973)	-	(270,172)
Vehicles and equipment	(14,078,005)	(1,642,552)	173,098	(15,547,459)
Infrastructure	(85,912,063)	(7,132,216)	-	(93,044,279)
Total accumulated depreciation	<u>(107,067,928)</u>	<u>(9,708,894)</u>	<u>173,098</u>	<u>(116,603,724)</u>
Depreciable capital assets net of depreciation	<u>107,635,134</u>	<u>(6,646,652)</u>	<u>4,601,809</u>	<u>105,590,291</u>
Governmental activities, capital assets, net	<u>\$ 126,091,217</u>	<u>\$ 417,323</u>	<u>\$ -</u>	<u>\$ 126,508,540</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Capital assets (continued)**

Depreciation expense for governmental activities has been charged as follows:

General government	\$ 3,061,429
Public safety	1,597,644
Highways and streets	4,165,882
Culture and recreation	<u>883,939</u>
Total depreciation for governmental activities	<u><u>\$ 9,708,894</u></u>

**Business-type Activities**

Capital asset activity for the year ended June 30, 2019, was as follows:

	July 1, 2018 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2019 Balance
Non-depreciable capital assets				
Land	\$ 6,285,374	\$ -	\$ -	\$ 6,285,374
Construction in progress	<u>3,803,494</u>	<u>4,435,201</u>	<u>(741,278)</u>	<u>7,497,417</u>
Total non-depreciable capital assets	<u>10,088,868</u>	<u>4,435,201</u>	<u>(741,278)</u>	<u>13,782,791</u>
Depreciable capital assets				
Land rights	19,794	-	-	19,794
Land improvements	82,335	-	-	82,335
Buildings and improvements	155,614,497	24,919	-	155,639,416
Vehicles and equipment	10,337,097	450,793	-	10,787,890
Infrastructure	<u>165,007,859</u>	<u>2,704,025</u>	<u>741,278</u>	<u>168,453,162</u>
Total depreciable capital assets	<u>331,061,582</u>	<u>3,179,737</u>	<u>741,278</u>	<u>334,982,597</u>
Accumulated depreciation				
Land rights	(19,794)	-	-	(19,794)
Land improvements	(58,608)	(11,857)	-	(70,465)
Buildings and improvements	(46,906,355)	(4,042,281)	-	(50,948,636)
Vehicles and equipment	(7,738,404)	(378,846)	-	(8,117,250)
Infrastructure	<u>(63,839,872)</u>	<u>(3,764,198)</u>	<u>-</u>	<u>(67,604,070)</u>
Total accumulated depreciation	<u>(118,563,033)</u>	<u>(8,197,182)</u>	<u>-</u>	<u>(126,760,215)</u>
Depreciable capital assets, net of depreciation	<u>212,498,549</u>	<u>(5,017,445)</u>	<u>741,278</u>	<u>208,222,382</u>
Business-type activities capital assets, net	<u><u>\$ 222,587,417</u></u>	<u><u>\$ (582,244)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 222,005,173</u></u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Capital assets (continued)**

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

Water		\$	3,384,023
Sewer			4,813,159
Total depreciation for business-type activities		\$	8,197,182

**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, 2019, amounted to \$94,506 which represented approximately 43 percent of the outstanding assessment receivables. Since assessments are liens against the benefited properties, an allowance for uncollectible accounts is not deemed necessary. Assessments are payable for a period of five to twenty years and bear an interest rate of nine percent for unbonded assessments and the bond rate plus 1.5 percent for financed assessments.

**Loans Receivable**

The listing which follows outlines the loans receivable as of June 30, 2019. The ARA loans have been restated to show the division of regular and forgivable loans.

	July 1, 2018			June 30, 2019
	Balance	Increase	Decrease	Balance
Governmental Funds				
Albany Revitalization Agency (ARA) Regular loans	\$ 948,328	\$ 50,000	\$ (129,356)	\$ 868,972
Enterprise Fund - Sewer	3,788,049	-	(300,103)	3,487,946
Total government-wide loans	\$ 4,736,377	\$ 50,000	\$ (429,459)	\$ 4,356,918

**Albany Revitalization Area (ARA) Fund**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

In March 2009, ARA approved a ten-year loan of \$307,500 to Cameron House, LLC, and Herb Yamamoto, Principal, to renovate the structure known as CADD Connection Building at 705 Lyon Street. The first loan amount of \$112,500, with an annual interest rate of 4.85 percent, is secured by a promissory note and trust deed. The principal and accrued interest are fully due and payable on March 13, 2016. The second and third loan amounts are each \$97,500, one of which is in the forgivable category, and is secured by a promissory note and trust deed. As of June 30, 2019 only the forgivable loan has a remaining balance as the other was paid in full.

In fiscal year 2012 ARA approved a modification to the \$148,000 loan to Flinn Block, LLC, Marc and Anni Manley, personally. The original loan, dated February 12, 2008, was to make further improvements to the structure known as the Flinn and Ames Building. The modification, dated August 11, 2011, changed 50% of the loan (\$74,000) to a forgivable loan, and changed the interest rate on the remaining \$74,000 to two percent annually. Both portions are secured by a trust deed and promissory note. Interest for the loan will accrue from the modification date until the loan is paid in full. This loan was paid in full and does not have a balance owing at June 30, 2019.

In fiscal year 2016 ARA approved a zero interest twenty-year loan of \$175,000, to Novak's Hungarian Restaurant, for further improvements to the property located at 208 Second Avenue. This loan is secured by a promissory note and trust deed. Monthly payments of \$729.17 began on January 15, 2016. The outstanding balance at June 30, 2019 totaled \$143,972.

In fiscal year 2016 ARA approved a twenty-year loan of \$500,000, to Rick Mikesell, for renovations to the 1<sup>st</sup> Avenue Century Building. This no interest loan is secured by a promissory note and trust deed. Monthly payments of \$2,083.33 started in September 2016, resulting in an outstanding balance of \$429,167 at June 30, 2019.

ARA converted a \$200,000 forgivable loan to R3 Development to repayable in July 2016. The twenty-year loan has zero interest and monthly payments of \$833.33. Payments began in August 2016, resulting in an ending balance of \$170,833 at June 30, 2019.

In fiscal year 2017 ARA approved a five-year loan to Dawson House. Annual interest only payments begin on May 22, 2018 with a balloon payment of principal and interest payable due on May 22, 2023. This loan was paid in full and does not have a balance owing at June 30, 2019.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Signs of Victory received a five-year \$50,000 loan from ARA on April 28, 2017, and another \$50,000 loan that was finalized July 13, 2017. This loan is secured by a promissory note and trust deed. Annual payments of \$25,000 plus interest began on December 31, 2018. The outstanding balance at June 30, 2019 is \$75,000.

3 Sheets Brewery was approved for a \$10,000 loan on July 7, 2017. This was originally going to be a storefront grant, but was later agreed upon as a loan with the first payment being due on September 1, 2017. This loan was paid in full and does not have a balance owing at June 30, 2019.

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

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

<u>Borrower</u>	<u>Loan Draws to Date</u>	<u>Forgiven</u>	<u>Balance yet to be forgiven</u>
CADD Connection - Yamamoto	\$ 97,500	\$ 69,643	\$ 27,857
Edgewater Village	2,400,000	144,000	2,256,000
Ameri-Tool	50,000	15,000	35,000
Vaughan, Timothy	28,900	28,900	-
	<u>\$ 2,576,400</u>	<u>\$ 257,543</u>	<u>\$ 2,318,857</u>

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

In August 2007, the cities of Albany and Millersburg approved an intergovernmental agreement for expansion and improvement of Albany's Davidson Street wastewater treatment plant. Costs of the project will be shared ninety percent for Albany and ten percent for Millersburg. The initial cost estimate was \$70 million. The project went online in 2010-11 and final project costs, plus adjustments totaled \$77,854,374. The loan balance was set to be paid back over a 19-year period at the same interest rate charged for the Albany loan from the Clean Water State Revolving Fund but in fiscal year 2017-18, this loan was refinanced at a lower interest rate decreasing the interest owed. As of June 30, 2019, Millersburg's loan balance was \$3,487,946.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Deferred Inflows of Resources**

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

Delinquent property taxes		
General	\$	787,111
Parks and Recreation		195,910
Nonmajor governmental		367,306
Accounts		861,374
Assessments		230,460
Economic development loans		<u>868,972</u>
Total unavailable revenue	\$	<u><u>3,311,133</u></u>

**Restricted Net Position**

Total restricted net position of \$29,919,212 includes \$79,500 restricted for permanent endowments and \$21,917,982 restricted by enabling legislation as follows:

Governmental activities		\$ 12,832,593
Business-type activities		<u>9,085,389</u>
Total		<u><u>\$ 21,917,982</u></u>

**Construction Commitments**

The City has active construction projects as of June 30, 2019 as follows:

Construction Project	Spent to Date	Remaining Commitment
Governmental Activities		
Hill Street Reconstruction	\$ 1,431,038	\$ 1,623,306
Santa Maria Avenue Improvements	-	1,851,622
Cox Creek Inceptor Improvement	-	4,476,379
Business-type Activities		
Water Canal Diversion	287,439	86,461
Vine WTF/Engineering	238,800	96,000
WRF Solids Handling Project	204,137	55,873
AM WTP Intake Generator	27,545	49,155
RFI Wet Weather Lift	649,094	87,406

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Capital Leases**

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

The assets acquired by capital lease are as follows:

	Governmental Activities
Vehicles and equipment	\$ 164,483

The future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

<u>Years ending June 30,</u>	Governmental Activities
2020	\$ 80,077
2021	41,205
2022	43,201
Total	\$ 164,483

**Operating Leases**

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

Total costs for the lease were \$124,744 for the year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

<u>Years ending June 30,</u>	Governmental Activities
2020	\$ 50,740



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Long-term Obligations**

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

	Beginning Balance June 30, 2018	Increase	Decrease	Ending Balance June 30, 2019	Due Within One Year
<b>Governmental Activities</b>					
<b>General obligation bonds</b>					
General obligation bonds, 2015 Public Safety Facilities Bonds	\$ 16,820,000	\$ -	\$ 465,000	\$ 16,355,000	\$ 520,000
Limited tax pension obligations, Series 2002	4,880,862	-	111,257	4,769,605	159,604
General revenue obligations, Series 2004	340,000	-	165,000	175,000	175,000
Urban Renewal Bonds 2007 CARA Series A Tax-exempt	1,648,000	-	383,000	1,265,000	402,000
<b>Direct borrowings and placements</b>					
Oregon IFA	-	8,400,000	596,170	7,803,830	481,938
Subtotal	23,688,862	8,400,000	1,720,427	30,368,435	1,738,542
Net pension liability	34,768,612	4,508,580	-	39,277,192	-
Other postemployment benefits	4,006,686	-	313,733	3,692,953	-
Unamortized premium on debt issuance	540,820	-	31,813	509,007	31,813
Compensated absences	3,070,221	1,998,860	2,316,224	2,752,857	1,376,430
Capital leases	239,804	-	75,321	164,483	80,077
Total Governmental Activities	<u>66,315,005</u>	<u>14,907,440</u>	<u>4,457,518</u>	<u>76,764,927</u>	<u>3,226,862</u>
<b>Business-type Activities</b>					
<b>Revenue bonds</b>					
2013 Water Refunding Bonds	23,575,000	-	1,060,000	22,515,000	1,100,000
<b>Direct borrowings and placements</b>					
2018 SRF - WWTP	45,327,181	-	3,590,981	41,736,200	3,654,097
2009 Wetland	1,023,180	-	459,073	564,107	477,436
2012 SRF	1,350,000	-	100,000	1,250,000	100,000
Subtotal	71,275,361	-	5,210,054	66,065,307	5,331,533
Net pension liability	10,797,613	-	1,602,636	9,194,977	-
Other postemployment benefits	1,122,793	-	258,254	864,539	-
Unamortized premium on debt issuance	1,393,462	-	92,388	1,301,074	92,388
Compensated absences	655,887	315,595	489,525	481,957	240,981
Total Business-type Activities	<u>85,245,116</u>	<u>315,595</u>	<u>7,652,857</u>	<u>77,907,854</u>	<u>5,664,902</u>
Totals	<u>\$ 151,560,121</u>	<u>\$ 15,223,035</u>	<u>\$ 12,110,375</u>	<u>\$ 154,672,781</u>	<u>\$ 8,891,764</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

One of the City's two internal service funds, Central Services, serves primarily governmental activities. At year end, long-term liabilities from the Central Service Fund for compensated absences in the amount of \$202,149 are included in the above totals for governmental activities. For governmental activities compensated absences, pension liabilities and other postemployment benefit liabilities are generally liquidated by the fund in which they were incurred, including the General, Parks and Recreation, Building Inspection, Street, Economic Development, and Public Transit Funds.

Governmental Activities

*General Obligation Bonds*

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

The City issued \$18,000,000 in general obligation bonds in August 2015 to finance construction of new public safety facilities. Interest rates range from three to five percent for the 20-year bonds. Final maturity is June 15, 2035. The balance outstanding at June 30, 2019, is \$16,355,000.

For the year ending June 30,	Principal	Interest	Total
2020	\$ 520,000	\$ 588,075	\$ 1,108,075
2021	575,000	567,275	1,142,275
2022	625,000	544,275	1,169,275
2023	685,000	519,275	1,204,275
2024	745,000	491,875	1,236,875
2025-2029	4,840,000	1,867,525	6,707,525
2030-2034	6,750,000	936,194	7,686,194
2035	<u>1,615,000</u>	<u>52,488</u>	<u>1,667,488</u>
Totals	<u>\$ 16,355,000</u>	<u>\$ 5,566,982</u>	<u>\$ 21,921,982</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, 2019, is \$4,769,605. Annual debt service requirements to maturity for the limited tax pension obligations are as follows:

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Governmental Activities (continued)

For the year ending June 30,	Principal	Interest	Total
2020	\$ 159,604	\$ 580,634	\$ 740,238
2021	460,000	315,785	775,785
2022	530,000	284,275	814,275
2023	600,000	247,970	847,970
2024	685,000	206,870	891,870
2025-2028	<u>2,335,001</u>	<u>454,840</u>	<u>2,789,841</u>
Totals	<u>\$ 4,769,605</u>	<u>\$ 2,090,374</u>	<u>\$ 6,859,979</u>

*General Revenue Obligations*

The City issued \$3,720,000 of general revenue obligations in December 2004, secured by and payable from any unobligated, non-property tax revenues legally available to the City, to finance the construction of a public swimming pool and repayment and/or defeasance of the City's Certificates of Participation, Series 1994. Interest rates range from two percent to five percent for the 15-year bonds. Final maturity is January 1, 2020. The balance outstanding at June 30, 2019, is \$175,000. Annual debt service requirements to maturity for the general revenue obligations are as follows:

For the year ending June 30,	Principal	Interest	Total
2020	<u>\$ 175,000</u>	<u>\$ 7,000</u>	<u>\$ 182,000</u>

*Albany Revitalization Agency Urban Renewal Bonds*

In October 2007, the Albany Revitalization Agency, an urban renewal district, issued bonds totaling \$4,687,000 to finance authorized projects in the urban renewal area. Debt service requirements are payable from tax increment revenues. Interest rates range from 4.85 percent to 6.25 percent for the 15-year bonds. Final maturity is June 15, 2022. The balance outstanding at June 30, 2019, is \$1,265,000. Annual debt service requirements to maturity for urban renewal bonds are as follows:

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Governmental Activities (continued)

For the year ending June 30,	Principal	Interest	Total
2020	\$ 402,000	\$ 61,352	\$ 463,352
2021	421,000	41,855	462,855
2022	<u>442,000</u>	<u>21,437</u>	<u>463,437</u>
Totals	<u>\$ 1,265,000</u>	<u>\$ 124,644</u>	<u>\$ 1,389,644</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, 2019 is \$7,803,830. 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
2020	\$ 481,938	\$ 198,998	\$ 680,936
2021	494,228	186,708	680,936
2022	506,831	174,105	680,936
2023	519,755	161,181	680,936
2024	533,009	147,927	680,936
2025-2029	2,875,984	528,696	3,404,680
2030-2032	<u>2,392,085</u>	<u>147,519</u>	<u>2,539,604</u>
	<u>\$ 7,803,830</u>	<u>\$ 1,545,134</u>	<u>\$ 9,348,964</u>

Business-type Activities

*Revenue Bonds*

In March 2013, the City issued \$28,405,000 of Water Refunding Bonds, Series 2013, to refund the 2003 Series Water Revenue and Refunding Bonds. The 2013 Series bonds are collateralized by City's pledge of its full faith and credit and taxing powers, plus are secured by a lien on the net revenues of the City's Water System. Debt service requirements are payable from pledged water system revenues, i.e. water service charges and system development charges. Interest rates range from three percent to five percent for the 20-year bonds. Final maturity is August 1, 2033. The balance outstanding of the bonds at June 30, 2019, is \$22,515,000.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Business-type Activities (continued)

For the year ending June 30,	Principal	Interest	Total
2020	\$ 1,100,000	\$ 833,694	\$ 1,933,694
2021	1,140,000	783,194	1,923,194
2022	1,195,000	730,794	1,925,794
2023	1,240,000	682,094	1,922,094
2024	1,290,000	631,494	1,921,494
2025-2029	7,450,000	2,201,244	9,651,244
2030-2034	<u>9,100,000</u>	<u>725,166</u>	<u>9,825,166</u>
Totals	<u>\$ 22,515,000</u>	<u>\$ 6,587,680</u>	<u>\$ 29,102,680</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, 2019, the balance outstanding is \$41,736,200. The final maturity date is October 1, 2029.

For the year ending June 30,	Principal	Interest	Total
2020	\$ 3,654,097	\$ 923,147	\$ 4,577,244
2021	3,718,324	840,651	4,558,975
2022	3,783,680	756,703	4,540,383
2023	3,850,184	671,281	4,521,465
2024	3,917,856	584,357	4,502,213
2025-2029	20,646,754	1,563,504	22,210,258
2030	<u>2,165,305</u>	<u>29,773</u>	<u>2,195,078</u>
Totals	<u>\$ 41,736,200</u>	<u>\$ 5,369,416</u>	<u>\$ 47,105,616</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Business-type Activities (continued)

Loans Payable (continued)

On December 21, 2009, the City of Albany purchased land to be used in the Wetlands Talking Water Garden for a total cost of \$4,639,457, of which \$4,114,000 was financed by the seller. The interest rate for the loan is 4.0 percent and the final maturity is December 21, 2021. Debt service requirements are payable from pledged sewer system revenues, i.e. sewer service charges. In the event of default, the DEQ may declare the outstanding loan amount plus any unpaid accrued interest immediately due and payable. As of June 30, 2019, the balance outstanding is \$564,107.

For the year ending June 30,	Principal	Interest	Total
2020	\$ 477,436	\$ 22,564	\$ 500,000
2021	86,671	3,467	90,138
	\$ 564,107	\$ 26,031	\$ 590,138

The City of Albany has received a \$4 million 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 million 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, 2019, is \$1,250,000. 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
2020	\$ 100,000	\$ 6,250	\$ 106,250
2021	100,000	5,750	105,750
2022	100,000	5,250	105,250
2023	100,000	4,750	104,750
2024	100,000	4,250	104,250
2025-2029	500,000	13,750	513,750
2030-2032	250,000	2,250	252,250
Totals	\$ 1,250,000	\$ 42,250	\$ 1,292,250

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Interfund Transfers**

Transfers out	Transfers In					Total
	General	Parks and Recreation	Risk Management	Street	Nonmajor Governmental	
<b>Governmental funds</b>						
General	\$ -	\$ 187,200	\$ -	\$ -	\$ 660,000	\$ 847,200
Risk Management	38,000	-	-	-	-	38,000
Street	-	80,000	-	-	600,000	680,000
Capital Projects	-	-	88,320	-	-	88,320
Nonmajor governmental funds	3,636,725	182,300	-	7,976	273,200	4,100,201
<b>Total governmental funds</b>	<b>3,674,725</b>	<b>449,500</b>	<b>88,320</b>	<b>7,976</b>	<b>1,533,200</b>	<b>5,753,721</b>
<b>Proprietary funds</b>						
Water	-	-	-	566,014	-	566,014
Sewer	-	-	212,201	674,880	-	887,081
<b>Total proprietary funds</b>	<b>-</b>	<b>-</b>	<b>212,201</b>	<b>1,240,894</b>	<b>-</b>	<b>1,453,095</b>
<b>Total transfers</b>	<b>\$ 3,674,725</b>	<b>\$ 449,500</b>	<b>\$ 300,521</b>	<b>\$ 1,248,870</b>	<b>\$ 1,533,200</b>	<b>\$ 7,206,816</b>
<b>Interfund Loans:</b>						
<b>Governmental funds</b>						
Risk Management - receivable						\$ 1,113,997
Capital Projects - payable						(1,113,997)
<b>Total interfund loans</b>						<b>\$ -</b>

**Governmental Funds**

*Transfers from General Fund*

Transfers out of the General Fund totaled \$847,200. Major activity included a transfer of \$187,200 to the Parks and Recreation Fund to support grants to outside agencies and the Urban Forestry program and \$600,000 to the Public Transit Fund to support operation of the City's transit systems.

*Transfers from Risk Management Fund*

Transfers out of the Risk Management fund totaled \$38,000 to the General Fund from settlement projects proceeds.

*Transfers from Street Fund*

A total of \$680,000 was transferred from the Street Fund to the Parks and Recreation Fund and the Economic Development Fund. \$80,000 was transferred to the Parks and Recreation fund for the Urban Forestry program. \$600,000 was transferred to the Economic Development Fund for capital improvements.

*Transfers from Capital Projects Fund*

A total of \$88,320 was transferred from the Capital Projects Fund to the Risk Management Fund.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**3. DETAILED NOTES (continued)**

**Interfund Transfers (continued)**

Governmental Funds (continued)

*Transfers from Other Governmental Funds*

**Public Safety Levy Fund**

The amount of \$1,015,117 was transferred to the General Fund to offset inflationary costs in the Fire Suppression and Police programs. Other transfers to the General Fund included \$1,270,152 for Public Safety Levy - Police program, and \$1,189,256 for the Public Safety Levy - Fire program.

**Albany Revitalization Agency Fund**

To support the cost of personnel, \$181,600 was transferred to the Economic Development Fund. An additional \$50,000 was transferred to the General Fund for code enforcement.

**Economic Development Fund**

Total transfers of \$334,076 included \$52,200 to the General Fund for fire and police programs, \$182,300 to the Parks Fund in support of the Northwest Art & Air Festival, the Monteith House, and the trolley, \$6,600 to the Capital Replacement Fund; \$2,900 to the Central Service Fund; \$85,000 to the Grants Fund; and \$5,076 to the Street Fund.

**Others**

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

Proprietary Funds

*Transfers from Sewer Fund*

A transfer of \$674,880 was made to the Street Fund as its in-lieu-of revenue, and \$212,201 to the Risk Management Fund.

*Transfer from Water Fund*

The amount of \$566,014 was transferred to the Street Fund as its In-Lieu of revenue.

The loan of \$3,458,997 to the Risk Management Fund from the Capital Projects Fund will be paid back over time. 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, 2019

**3. DETAILED NOTES (continued)**

**Governmental Fund Balances - GASB 54**

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

Fund Balances	Nonmajor						Total
	General	Parks and Recreation	Risk Management	Street	Capital Projects	Governmental Funds	
<b>Nonspendable:</b>							
Prepaid	\$ 2,000	\$ 12,275	\$ -	\$ -	\$ -	\$ 3,500	\$ 17,775
Permanent fund principal	-	-	-	-	-	79,500	79,500
	<u>2,000</u>	<u>12,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,000</u>	<u>97,275</u>
<b>Restricted for:</b>							
Park and Recreation SDC's	-	2,371,080	-	-	-	-	2,371,080
Senior Center Foundation	-	81,211	-	-	-	-	81,211
Building Inspection	-	-	-	-	-	2,768,331	2,768,331
Electrical Inspection	-	-	-	-	-	224,078	224,078
Public Safety Levy	-	-	-	-	-	1,529,211	1,529,211
Transportation SDC Projects	-	-	-	4,857,942	-	-	4,857,942
CARA	-	-	-	-	-	7,303,308	7,303,308
Grants Fund	-	-	-	-	-	65,812	65,812
2015 Public Safety Facilities	-	-	-	-	-	311,505	311,505
Library Programs	-	-	-	-	-	5,567	5,567
	<u>-</u>	<u>2,452,291</u>	<u>-</u>	<u>4,857,942</u>	<u>-</u>	<u>12,207,812</u>	<u>19,518,045</u>
<b>Committed for:</b>							
Park and Recreation Operations	-	962,101	-	-	-	-	962,101
Risk Management Reserve	-	-	813,269	-	-	-	813,269
SVC Litigation Projects	-	-	4,769,510	-	-	-	4,769,510
Street Operations	-	-	-	378,444	-	-	378,444
Street Capital & Restoration	-	-	-	5,297,963	-	-	5,297,963
ADA Capital Projects	-	-	-	112,668	-	-	112,668
Economic Development	-	-	-	-	-	14,245	14,245
Albany Municipal Airport	-	-	-	-	-	174,703	174,703
Municipal Airport Capital Projects	-	-	-	-	-	224,601	224,601
Target Utilities	-	-	-	-	-	95	95
Lochner Road Improvements	-	-	-	-	-	436,405	436,405
Albany Transit	-	-	-	-	-	46,997	46,997
Equipment Replacement	-	-	-	-	-	5,258,206	5,258,206
City Facilities Replacement	-	-	-	-	-	125,539	125,539
IT Equipment Replacement	-	-	-	-	-	1,345,511	1,345,511
Public Works Facilities	-	-	-	-	-	277,637	277,637
	<u>-</u>	<u>962,101</u>	<u>5,582,779</u>	<u>5,789,075</u>	<u>-</u>	<u>7,903,939</u>	<u>20,237,894</u>
<b>Assigned for:</b>							
2002 Limited Tax Pension Bonds	-	-	-	-	-	15,060	15,060
<b>Unassigned:</b>							
General Fund	3,759,052	-	-	-	-	-	3,759,052
Capital projects	-	-	-	-	(277,283)	-	(277,283)
	<u>3,759,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(277,283)</u>	<u>-</u>	<u>3,481,769</u>
<b>Total Fund Balances</b>	<u>\$ 3,761,052</u>	<u>\$ 3,426,667</u>	<u>\$ 5,582,779</u>	<u>\$ 10,647,017</u>	<u>\$ (277,283)</u>	<u>\$ 20,209,811</u>	<u>\$ 43,350,043</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION**

**Defined Benefit Pension Plan**

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

**A. Plan description**

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

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

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

[www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf), and  
<http://www.oregon.gov/pers/Documents/Financials/Actuarial/2018/Actuarial-Valuation.pdf>

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

**B. Description of benefit terms**

**Plan Benefits**

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

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

**Pension Benefits**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Death Benefits**

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

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

**Disability Benefits**

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

**Benefit Changes After Retirement**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

**Pension Benefits**

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

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

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

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

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

**Death Benefits**

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

**Disability Benefits**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Benefit Changes After Retirement**

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

**C. Contributions**

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

Employer contribution rates during the period were based on the December 31, 2015, actuarial valuation.

Tier One/Tier Two employer contribution rates are 21.87 percent and the OPSRP employer contribution rates are 12.79 percent for general service employees and 17.56 for police and fire employees. Employer contributions for the year ended June 30, 2019 were \$5,634,997 excluding amounts to fund employer specific liabilities.

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

At June 30, 2019, the City of Albany reported a liability of \$48,472,169 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City of Albany's proportion of the net pension liability was based on a projection of the City of Albany's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

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

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

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

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

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

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

At June 30, 2018, the City of Albany’s proportion was 0.31997613 percent, which was decreased from its proportion of 0.33802743 percent measured as of June 30, 2017.

For the year ended June 30, 2019, the City of Albany recognized pension expense of \$8,700,006. At June 30, 2019, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,648,878	\$ -
Changes in assumptions	11,269,687	-
Net differences between projected and actual earnings on pension plan investments	-	2,152,438
Changes in proportion	82,334	3,087,287
Differences between City contributions and proportionate share of contributors	1,178,360	225,044
City contributions subsequent to the measurement date	<u>5,634,997</u>	<u>-</u>
Total	<u>\$ 19,814,256</u>	<u>\$ 5,464,769</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

\$5,634,997 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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,		
2020	\$	5,346,808
2021		3,613,823
2022		(856,747)
2023		368,679
2024		241,927
Thereafter		-
	\$	8,714,490

**E. Actuarial Valuations**

The employer contribution rates adopted on December 31, 2015 by the PERS Board, and effective July 1, 2017, through June 30, 2019, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Actuarial Methods and Assumptions**

Valuation date	December 31, 2016
Measurement date	June 30, 2018
Experience study report	2016, published July 26, 2017
Actuarial assumptions:	
Inflation rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount rate	7.2 percent
Projected salary increases	3.5 percent
Mortality	Cost of living adjustments (COLA) blend of 2.00 percent COLA and graded COLA (1.25 percent/.015) in accordance with <i>Moro</i> decision; blend based on service <b><i>Healthy retirees and beneficiaries:</i></b> RP-2014 Heathy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b><i>Active members:</i></b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b><i>Disabled retirees:</i></b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Discount Rate**

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

**Depletion Date Projection**

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows the actuary’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

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

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

\* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

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

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City’s proportionate share of the net pension liability (asset)	\$ 81,006,152	\$ 48,472,169	\$ 21,618,029

**Changes of Assumptions**

Details and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study, which were published on July 26, 2017. This report can be found at: <http://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

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

The discount rate used to measure the total pension liability changed from 7.5% at June 30, 2017 to 7.2% at June 30, 2018.

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

There were no changes subsequent to the June 30, 2018, measurement date.

**Defined Contribution Plan**

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

**Pension Benefits**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Defined Contribution Plan (continued)**

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

**Death Benefits**

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

**Contributions**

The City of Albany makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2019, were \$1,919,940.

**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/2018-CAFR.pdf](http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf)

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

*Other Postemployment Healthcare benefits*

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

To be eligible, the member must:

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

*Surviving spouse or dependent benefits*

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

**B. Contributions**

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

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The City contributed 0.07 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits and 0.43 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability. For the year ended June 30, 2019, the City made contributions in the amount of \$148,046 to the RHIA.

**C. Actuarial valuations**

Except as outlined below, the December 31, 2015 actuarial valuation used the same actuarial methods and valuation procedures to determine contribution rates as the PERS Tier One and Tier Two defined benefit pension plan as discussed above.

*Economic assumptions*

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

*Retiree healthcare participation assumptions*

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

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

*Net OPEB liability (asset)*

At June 30, 2019, the City reported a liability/(asset) of \$(319,582) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2018, the City's proportion was 0.28629454 percent, which was an increase (decrease) of 0.01413661 percent from its proportion measured as of June 30, 2017.

*OPEB expense*

For the year ended June 30, 2019, the City recognized OPEB expense (revenue) of \$(31,206).

*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, 2018, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

At June 30, 2019, 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	\$ --	\$ 18,112
Changes of assumptions	--	1,014
Net difference between projected and actual		
Earning on pension plan investments	--	68,901
Changes in proportionate share	--	4,694
Contributions subsequent to the measurement date	148,046	--
Total	\$ 148,046	\$ 92,721

Deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date in the amount of \$148,046 will be recognized as an adjust to the net OPEB (asset) / liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2020	\$ (31,421)
2021	(30,983)
2022	(23,467)
2023	(6,850)
Total	\$ (92,721)

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

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

*Healthcare cost trend rate*

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



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

*Depletion date projection*

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

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

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

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

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

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

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
Proportionate share of net OPEB liability/(asset)	\$ (113,583)	\$ (319,582)	\$ (433,223)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**City of Albany Other Postemployment Benefit Plan**

**A. Plan Description and Benefits Provided**

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

**B. Plan membership**

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

Active employees	378	
Retirees, spouses or dependents	31	
Total	409	

**C. Contributions**

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

	Employee	Employee + Child(ren)	Employee + Spouse	Employee + Family
Pacific Source	\$ 595.65	\$ 1,052.09	\$ 1,282.90	\$ 1,727.03
Delta Dental	63.19	131.46	111.85	180.15
Willamette Dental	43.49	76.97	94.06	126.66
MODA Vision	26.11	49.53	46.36	69.74
<u>Fire Union</u>		<u>All-Coverage</u>		
Blue Classic, medical only		\$ 1,544.70		
Blue Classic, medical/dental/vision		1,952.30		
<u>Fire Union COBRA &amp; Retiree</u>		<u>Employee</u>	<u>Two-Party</u>	<u>Family</u>
Blue Classic Medical		\$ 774.49	\$ 1,626.59	\$ 2,246.14
Blue Classic Medical/Dental/Vision		867.92	1,799.48	2,543.78

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

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

At June 30, 2019, the City of Albany reported a total OPEB liability of \$4,557,492. The total OPEB liability was measured as of June 30, 2018 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balance at June 30, 2018	\$ 5,129,479
Changes for the year:	
Service cost	326,398
Interest	191,033
Economic/demographic gains or losses	(66,862)
Changes in assumptions or other inputs	(780,896)
Benefit payments	(241,660)
Balance at June 30, 2019	\$ 4,557,492

For the year ended June 30, 2019, the City of Albany recognized OPEB expense of \$417,320. At June 30, 2019, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 60,039
Changes of assumptions or inputs	-	972,305
Benefit payments	229,898	-
	\$ 229,898	\$ 1,032,344

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date in the amount of \$229,898 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2020. 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,			
2020	\$	(122,176)	
2021		(122,176)	
2022		(122,176)	
2023		(122,176)	
2024		(122,176)	
Thereafter		(421,464)	
	\$	(1,032,344)	

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

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

**E. Actuarial valuation**

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

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

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

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

*Discount rate*

The discount rate used to measure the total OPEB liability was 3.87 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.58 percent.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Other Postemployment Benefits (continued)**

*Healthcare cost trend rate*

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

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

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

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

The following presents the City of Albany total OPEB liability calculated using the discount rate of 3.87 percent, as well as what the City of Albany’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 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	\$ 4,976,380	\$ 4,557,492	\$ 4,174,220
	1- Percentage Point Lower	Current Trend Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 4,039,854	\$ 4,557,492	\$ 5,169,140

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Risk Management**

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

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

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

**Commitments and Contingent Liabilities**

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

**Joint Ventures**

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

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

At June 30, 2019, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$305,003. A copy of the Linn Regional Fueling Facility audit report may be obtained from Linn County, P.O. Box 100, Albany, Oregon 97321.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Intergovernmental Agreements**

Water supply system

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

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

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

Wastewater treatment facility

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2019

**4. OTHER INFORMATION (continued)**

**Intergovernmental Agreements (continued)**

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

**Tax Abatements**

Linn County has established a tax abatement program for nonprofit low-income rental housing under ORS 307.541. As a result, the property taxes that the City of Albany will receive for the 2018-19 levy year has been reduced by \$37,845.

Linn County has established an enterprise zone under ORS 285C.175 that abates property taxes on new business development within zone. As a result, the property taxes that the City of Albany will receive for the 2018-19 levy year has been reduced by \$515,812.

Linn County has established a construction in process in enterprise zone under ORS 285C.170 that abates property taxes on new business construction within zone. As a result, the property taxes that the City of Albany will receive for the 2018-19 levy year has been reduced by \$15,625.

**Special Item**

During fiscal year 2019, the City sold property resulting in a gain of \$1,928,887. The gain is reported in the governmental activities on the Statement of Activities as a special item. \$1,553,887 is reported in the Capital Projects Fund and \$375,000 in the nonmajor governmental funds.



**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

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

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

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

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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
2018	0.2862945%	\$ (319,581)	\$ 28,831,758	-1.11%	124.0%
2017	0.2721579%	(113,583)	27,155,094	-0.42%	108.9%
2016	0.2721579%	79,318	24,999,736	0.32%	80.5%

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

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

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

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

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

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

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	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 326,398	\$ 350,006
Interest on total OPEB liability	191,033	154,972
Effect of economic/demographic gains or losses	(66,862)	-
Effect of assumptions changes or inputs	(780,896)	(342,432)
Benefit payments	<u>(241,660)</u>	<u>(239,684)</u>
Net change in total OPEB liability	(571,987)	(77,138)
Total OPEB liability - beginning of year	<u>5,129,479</u>	<u>5,206,617</u>
Total OPEB liability - end of year	<u>\$ 4,557,492</u>	<u>\$ 5,129,479</u>
Covered payroll	\$ 28,831,758	\$ 27,155,094
Total OPEB liability as a percentage of covered payroll	7.6%	7.6%

Information will be accumulated until 10 years are presented.

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

## **SUPPLEMENTARY DATA**

This section includes:

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

**CITY OF ALBANY, OREGON**  
**CAPITAL PROJECTS FUND - A Major Fund**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

<b>Revenues</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Charges for services				
Financed principal	\$ 30,000	\$ 30,000	\$ 135,091	\$ 105,091
Unfinanced principal	40,000	40,000	70,900	30,900
Financed assessments interest	15,000	15,000	20,145	5,145
Miscellaneous	-	-	58,152	58,152
Interest on investments	10,500	10,500	60,669	50,169
Total revenues	<u>95,500</u>	<u>95,500</u>	<u>344,957</u>	<u>249,457</u>
<b>Other financing sources</b>				
Sale of property	-	2,400,000	1,553,887	(846,113)
<b>Fund balance, beginning</b>				
Unassigned	1,445,100	1,445,100	1,837,042	391,942
Amount available for appropriation	<u>\$ 1,540,600</u>	<u>\$ 3,940,600</u>	<u>3,735,886</u>	<u>\$ (204,714)</u>
<b>Expenditures</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
Albany Data Integration Project	\$ 532,600	\$ 532,600	164,199	\$ 368,401
LID Construction Projects	963,700	963,700	55,638	908,062
Public Safety Facilities	11,000	11,000	246,035	(235,035)
Total expenditures	<u>1,507,300</u>	<u>1,507,300</u>	<u>465,872</u>	<u>1,041,428</u>
<b>Other financing uses</b>				
Transfers out	33,300	2,433,300	2,433,300	-
Total expenditures and other financing uses	<u>\$ 1,540,600</u>	<u>\$ 3,940,600</u>	<u>2,899,172</u>	<u>\$ 1,041,428</u>
<b>Budgetary Fund Balance</b>			836,714	
Adjustment for Interfund Loans to Risk Management			<u>(1,113,997)</u>	
<b>Fund Balance, ending</b>			<u>\$ (277,283)</u>	



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

June 30, 2019

	<u>Special</u>	<u>Debt</u>	<u>Capital</u>	<u>Permanent</u>	<u>Totals</u>
	<u>Revenue</u>	<u>Service</u>	<u>Projects</u>	<u>Library</u>	
			<u>Replacement</u>	<u>Trust</u>	
<b>ASSETS</b>					
Cash and investments	\$12,891,696	\$ 317,815	\$ 6,968,241	\$ -	\$ 20,177,752
Receivables:					
Property taxes	326,235	77,006	-	-	403,241
Accounts	805,622	-	54,929	-	860,551
Interest	37,956	3,709	18,946	216	60,827
Loans	868,972	-	-	-	868,972
Other	270,962	-	-	-	270,962
Prepaid items	-	3,500	-	-	3,500
Restricted cash and investments	-	-	-	84,851	84,851
Total assets	<u>\$15,201,443</u>	<u>\$ 402,030</u>	<u>\$ 7,042,116</u>	<u>\$ 85,067</u>	<u>\$ 22,730,656</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,246,769	\$ -	\$ 35,223	\$ -	\$ 1,281,992
Deposits	2,575	-	-	-	2,575
Total liabilities	<u>1,249,344</u>	<u>-</u>	<u>35,223</u>	<u>-</u>	<u>1,284,567</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>1,164,313</u>	<u>71,965</u>	<u>-</u>	<u>-</u>	<u>1,236,278</u>
<b>FUND BALANCES</b>					
Nonspendable	-	3,500	-	79,500	83,000
Restricted	11,890,740	311,505	-	5,567	12,207,812
Committed	897,046	-	7,006,893	-	7,903,939
Assigned	-	15,060	-	-	15,060
Total fund balances	<u>12,787,786</u>	<u>330,065</u>	<u>7,006,893</u>	<u>85,067</u>	<u>20,209,811</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$15,201,443</u>	<u>\$ 402,030</u>	<u>\$ 7,042,116</u>	<u>\$ 85,067</u>	<u>\$ 22,730,656</u>

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

For the Year Ended June 30, 2019

	Special Revenue	Debt Service	Capital Projects Replacement	Permanent Library Trust	Totals
<b>REVENUES</b>					
Property taxes	\$ 7,914,904	\$ 1,160,925	\$ -	\$ -	\$ 9,075,829
Transient room taxes	1,055,300	-	-	-	1,055,300
Construction excise taxes	477,608	-	-	-	477,608
Franchise fees, privilege taxes, licenses, and permits	1,967,732	-	-	-	1,967,732
Intragovernmental	4,681,917	-	16,344	-	4,698,261
Charges for services	180,406	705,000	1,143,100	-	2,028,506
Interest on investments	343,959	19,399	224,734	1,798	589,890
Miscellaneous	883,442	-	420,165	-	1,303,607
Total revenues	<u>17,505,268</u>	<u>1,885,324</u>	<u>1,804,343</u>	<u>1,798</u>	<u>21,196,733</u>
<b>EXPENDITURES</b>					
Current:					
General government	6,281,467	750	537,978	-	6,820,195
Public safety	700,757	-	-	-	700,757
Culture and recreation	145,538	-	-	47	145,585
Health	586	-	-	-	586
Debt service:					
Principal	979,170	741,145	-	-	1,720,315
Interest	164,152	1,214,049	-	-	1,378,201
Capital outlay	<u>4,596,272</u>	<u>-</u>	<u>1,045,107</u>	<u>-</u>	<u>5,641,379</u>
Total expenditures	<u>12,867,942</u>	<u>1,955,944</u>	<u>1,583,085</u>	<u>47</u>	<u>16,407,018</u>
Excess (deficiency) of revenues over expenditures	<u>4,637,326</u>	<u>(70,620)</u>	<u>221,258</u>	<u>1,751</u>	<u>4,789,715</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt issuance	8,400,000	-	-	-	8,400,000
Transfers in	1,466,600	-	66,600	-	1,533,200
Transfers out	<u>(4,100,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,100,201)</u>
Total other financing sources (uses)	<u>5,766,399</u>	<u>-</u>	<u>66,600</u>	<u>-</u>	<u>5,832,999</u>
<b>SPECIAL ITEM</b>					
Proceeds from sale of land	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Total special item	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Net change in fund balances	10,778,725	(70,620)	287,858	1,751	10,997,714
Fund balance - beginning	<u>2,009,061</u>	<u>400,685</u>	<u>6,719,035</u>	<u>83,316</u>	<u>9,212,097</u>
Fund balance - ending	<u>\$12,787,786</u>	<u>\$ 330,065</u>	<u>\$ 7,006,893</u>	<u>\$ 85,067</u>	<u>\$ 20,209,811</u>

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

June 30, 2019

	<u>Grants</u>	<u>Building Inspection</u>	<u>Economic Development</u>
<b>ASSETS</b>			
Cash and investments	\$ 25,640	\$ 3,210,714	\$ 846,430
Receivables:			
Property taxes	-	-	-
Accounts	604,647	-	166,154
Interest	-	8,432	2,091
Loans	-	-	-
Other	155,599	-	-
Total assets	<u>\$ 785,886</u>	<u>\$ 3,219,146</u>	<u>\$ 1,014,675</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 720,074	\$ 226,737	\$ 162,626
Deposits	<u>-</u>	<u>-</u>	<u>2,000</u>
Total liabilities	<u>720,074</u>	<u>226,737</u>	<u>164,626</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted	65,812	2,992,409	-
Committed	<u>-</u>	<u>-</u>	<u>850,049</u>
Total fund balances	<u>65,812</u>	<u>2,992,409</u>	<u>850,049</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 785,886</u>	<u>\$ 3,219,146</u>	<u>\$ 1,014,675</u>

Public Transit	Public Safety Levy	Albany Revitalization Agency	Totals
\$ (11,463)	\$ 1,507,592	\$ 7,312,783	\$ 12,891,696
-	177,436	148,799	326,235
34,092	-	729	805,622
-	5,199	22,234	37,956
-	-	868,972	868,972
115,363	-	-	270,962
<u>\$ 137,992</u>	<u>\$ 1,690,227</u>	<u>\$ 8,353,517</u>	<u>\$ 15,201,443</u>
\$ 90,420	\$ -	\$ 46,912	\$ 1,246,769
575	-	-	2,575
<u>90,995</u>	<u>-</u>	<u>46,912</u>	<u>1,249,344</u>
-	161,016	1,003,297	1,164,313
-	1,529,211	7,303,308	11,890,740
46,997	-	-	897,046
<u>46,997</u>	<u>1,529,211</u>	<u>7,303,308</u>	<u>12,787,786</u>
<u>\$ 137,992</u>	<u>\$ 1,690,227</u>	<u>\$ 8,353,517</u>	<u>\$ 15,201,443</u>

**ASSETS**

Cash and investments

Receivables:

Property taxes

Accounts

Interest

Loans

Other

Total assets

**LIABILITIES**

Accounts payable

Deposits

Total liabilities

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue

**FUND BALANCES**

Restricted

Committed

Total fund balances

Total liabilities, deferred inflows of resources  
and fund balances

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended June 30, 2019

	Grants	Building Inspection	Economic Development
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Transient room taxes	-	-	1,055,300
Construction excise taxes	-	477,608	-
Licenses and fees	-	1,967,732	-
Intergovernmental	3,455,058	-	-
Charges for services	-	-	99,408
Interest on investments	(5,568)	87,532	17,118
Miscellaneous	53,414	2,089	7,254
Total revenues	<u>3,502,904</u>	<u>2,534,961</u>	<u>1,179,080</u>
<b>EXPENDITURES</b>			
Current:			
General government	357,822	1,675,800	1,049,620
Public safety	700,757	-	-
Culture and recreation	145,538	-	-
Health	586	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	<u>2,484,656</u>	<u>-</u>	<u>201,422</u>
Total expenditures	<u>3,689,359</u>	<u>1,675,800</u>	<u>1,251,042</u>
Excess (deficiency) of revenues over expenditures	<u>(186,455)</u>	<u>859,161</u>	<u>(71,962)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issuance	-	-	-
Transfers in	85,000	-	781,600
Transfers out	<u>-</u>	<u>(60,000)</u>	<u>(334,076)</u>
Total other financing sources (uses)	<u>85,000</u>	<u>(60,000)</u>	<u>447,524</u>
<b>SPECIAL ITEM</b>			
Proceeds from sale of land	<u>-</u>	<u>-</u>	<u>-</u>
Total special item	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(101,455)	799,161	375,562
Fund balances - beginning	<u>167,267</u>	<u>2,193,248</u>	<u>474,487</u>
Fund balances - ending	<u>\$ 65,812</u>	<u>\$ 2,992,409</u>	<u>\$ 850,049</u>

		Albany			
	Public Safety	Revitalization			
Public Transit	Levy	Agency	Totals		
\$ -	\$ 4,240,865	\$ 3,674,039	\$ 7,914,904	<b>REVENUES</b>	Property taxes
-	-	-	1,055,300		Transient room taxes
-	-	-	477,608		Construction excise taxes
-	-	-	1,967,732		Licenses and fees
1,226,859	-	-	4,681,917		Intergovernmental
80,998	-	-	180,406		Charges for services
(5,410)	49,282	201,005	343,959		Interest on investments
750	-	819,935	883,442		Miscellaneous
<u>1,303,197</u>	<u>4,290,147</u>	<u>4,694,979</u>	<u>17,505,268</u>		Total revenues
				<b>EXPENDITURES</b>	
				Current:	
2,072,968	-	1,125,257	6,281,467		General government
-	-	-	700,757		Public safety
-	-	-	145,538		Culture and recreation
-	-	-	586		Health
				Debt service:	
-	-	979,170	979,170		Principal
-	-	164,152	164,152		Interest
-	-	1,910,194	4,596,272		Capital outlay
<u>2,072,968</u>	<u>-</u>	<u>4,178,773</u>	<u>12,867,942</u>		Total expenditures
<u>(769,771)</u>	<u>4,290,147</u>	<u>516,206</u>	<u>4,637,326</u>		Excess (deficiency) of revenues over expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>	
-	-	8,400,000	8,400,000		Debt issuance
600,000	-	-	1,466,600		Transfers in
-	(3,474,525)	(231,600)	(4,100,201)		Transfers out
<u>600,000</u>	<u>(3,474,525)</u>	<u>8,168,400</u>	<u>5,766,399</u>		Total other financing sources (uses)
				<b>SPECIAL ITEM</b>	
-	-	375,000	375,000		Proceeds from sale of land
-	-	375,000	375,000		Total special item
(169,771)	815,622	9,059,606	10,778,725		Net change in fund balances
<u>216,768</u>	<u>713,589</u>	<u>(1,756,298)</u>	<u>2,009,061</u>		Fund balances - beginning
<u>\$ 46,997</u>	<u>\$ 1,529,211</u>	<u>\$ 7,303,308</u>	<u>\$ 12,787,786</u>		Fund balances - ending

**CITY OF ALBANY, OREGON**  
**GRANTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Non-medical Medicaid	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Centers for Medicare & Medicaid	100,000	100,000	-	(100,000)
Bureau of Justice	7,500	7,500	3,012	(4,488)
Public Safety Foundation	10,000	10,000	11,666	1,666
Federal Aviation Administration	1,109,700	2,346,400	1,809,700	(536,700)
Federal Emergency Management	-	-	470,455	470,455
InterCommunity Health	-	-	14,167	14,167
Community Development Block Grant	647,400	647,400	349,118	(298,282)
State of Oregon	20,600	20,600	34,658	14,058
State Historical Preservation Office	-	-	2,884	2,884
Oregon Community Foundation	90,000	90,000	83,724	(6,276)
Oregon Emergency Management	573,700	573,700	570,335	(3,365)
Linn Co Victim Imp Panel Grant	-	-	1,755	1,755
Benton Co Victim Imp Panel Grant	-	-	2,280	2,280
Department of Justice Equitable Sharing	15,000	15,000	-	(15,000)
LINE task force	75,000	75,000	101,618	26,618
City of Millersburg	50,000	50,000	-	(50,000)
Gifts and donations	36,000	36,000	36,050	50
Miscellaneous revenue	23,000	23,000	17,050	(5,950)
Interest on investments	1,000	1,000	(5,568)	(6,568)
	<u>2,763,900</u>	<u>4,000,600</u>	<u>3,502,904</u>	<u>(497,696)</u>
<b>Other financing sources</b>				
Transfer from Albany Municipal Airport	123,300	123,300	85,000	(38,300)
	<u>223,200</u>	<u>223,200</u>	<u>167,267</u>	<u>(55,933)</u>
Amount available for appropriation	<u>\$ 3,110,400</u>	<u>\$ 4,347,100</u>	<u>3,755,171</u>	<u>\$ (591,929)</u>
<b>Expenditures</b>	Original	Final Budget	Actual	(Over) Under
Personnel services	\$ 651,500	\$ 651,500	541,868	\$ 109,632
Materials and services	1,091,700	1,091,700	662,835	428,865
Capital	1,367,200	2,603,900	2,484,656	119,244
	<u>\$ 3,110,400</u>	<u>\$ 4,347,100</u>	<u>3,689,359</u>	<u>\$ 657,741</u>
<b>Fund balance, ending</b>			<u>\$ 65,812</u>	

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Master electrical permit	\$ 1,500	\$ 1,500	\$ 1,367	\$ (133)
Electrical minor labels	5,500	5,500	4,875	(625)
Residential building permits	460,000	460,000	603,826	143,826
Commercial building permits	575,000	575,000	1,090,908	515,908
Land use plan review fee	4,900	4,900	6,825	1,925
Manufactured home set-up fees	2,900	2,900	550	(2,350)
Fire sprinkler permits	23,500	23,500	24,356	856
GAPS construction excise tax	320,000	320,000	477,608	157,608
Parking lot permits	7,000	7,000	2,430	(4,570)
Residential electrical permits	140,000	140,000	183,779	43,779
Fire alarm permits	7,300	7,300	5,706	(1,594)
Sign permits	6,500	6,500	6,754	254
Document imaging fees	25,200	25,200	35,283	10,083
Electrical document imaging	1,500	1,500	1,073	(427)
Miscellaneous	-	-	2,089	2,089
Interest on investments	10,600	10,600	87,532	76,932
Total revenues	<u>1,591,400</u>	<u>1,591,400</u>	<u>2,534,961</u>	<u>943,561</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>1,805,000</u>	<u>1,805,000</u>	<u>2,193,248</u>	<u>388,248</u>
Total Fund Balance, beginning	<u>1,805,000</u>	<u>1,805,000</u>	<u>2,193,248</u>	<u>388,248</u>
Amount available for appropriation	<u>\$ 3,396,400</u>	<u>\$ 3,396,400</u>	<u>4,728,209</u>	<u>\$ 1,331,809</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Building Inspection	\$ 3,032,100	\$ 3,032,100	1,517,909	\$ 1,514,191
Electrical Permit Program	304,300	304,300	157,891	146,409
Total expenditures	<u>\$ 3,336,400</u>	<u>\$ 3,336,400</u>	<u>1,675,800</u>	<u>\$ 1,660,600</u>
<b>Other financing uses</b>				
Transfer to Police Code Enforcement	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total other financing uses	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 3,396,400</u>	<u>\$ 3,396,400</u>	<u>1,735,800</u>	<u>\$ 1,660,600</u>
<b>Fund balance, ending</b>			<u>\$ 2,992,409</u>	



**CITY OF ALBANY, OREGON**  
**ECONOMIC DEVELOPMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Transient room tax	\$ 1,067,800	\$ 1,067,800	\$ 1,055,300	\$ (12,500)
Special Public Works Fund Grant	300,000	300,000	-	(300,000)
ODOT Immediate Opportunity Fund Grant	1,000,000	1,000,000	-	(1,000,000)
Airport fuel	2,400	2,400	1,442	(958)
Airport tie down rentals	600	600	315	(285)
Airport lease	47,700	47,700	46,659	(1,041)
Fixed base operator	21,400	21,400	22,092	692
Space rental	28,600	28,600	28,900	300
Miscellaneous	6,100	6,100	7,254	1,154
Interest on investments	6,400	6,400	17,118	10,718
Total revenues	<u>2,481,000</u>	<u>2,481,000</u>	<u>1,179,080</u>	<u>(1,301,920)</u>
<b>Other financing sources</b>				
Transfer from Albany Revitalization Agency Fund	181,600	181,600	181,600	-
Transfer from Economic Development Fund	600,000	600,000	600,000	-
Intrafund Transfer from Transient Room Tax Program	76,100	76,100	76,100	-
Proceeds from long-term obligations	<u>1,769,000</u>	<u>1,769,000</u>	<u>-</u>	<u>(1,769,000)</u>
Total other financing sources	<u>2,626,700</u>	<u>2,626,700</u>	<u>857,700</u>	<u>(1,769,000)</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>569,900</u>	<u>569,900</u>	<u>474,487</u>	<u>(95,413)</u>
Total Fund Balance, beginning	<u>569,900</u>	<u>569,900</u>	<u>474,487</u>	<u>(95,413)</u>
Amount available for appropriation	<u>\$ 5,677,600</u>	<u>\$ 5,677,600</u>	<u>2,511,267</u>	<u>\$ (3,166,333)</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Economic Development Activity	\$ 1,142,800	\$ 1,142,800	891,371	\$ 251,429
Lochner Road	3,669,000	3,669,000	168,034	3,500,966
Albany Airport	284,300	284,300	128,799	155,501
Municipal Airport Capital Projects	<u>117,100</u>	<u>117,100</u>	<u>62,838</u>	<u>54,262</u>
Total expenditures	<u>5,213,200</u>	<u>5,213,200</u>	<u>1,251,042</u>	<u>3,962,158</u>
<b>Other financing uses</b>				
Transfers out to other funds	388,300	388,300	334,076	54,224
Intrafund Transfers out	<u>76,100</u>	<u>76,100</u>	<u>76,100</u>	<u>-</u>
Total other financing uses	<u>464,400</u>	<u>464,400</u>	<u>410,176</u>	<u>54,224</u>
Total expenditures and other financing uses	<u>\$ 5,677,600</u>	<u>\$ 5,677,600</u>	<u>1,661,218</u>	<u>\$ 4,016,382</u>
<b>Fund balance, ending</b>			<u>\$ 850,049</u>	

**CITY OF ALBANY, OREGON**  
**PUBLIC TRANSIT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
FTA section 5307 grant	\$ 983,500	\$ 1,023,500	\$ 806,689	\$ (216,811)
FTA grant 5310	95,800	95,800	90,816	(4,984)
City of Millersburg	2,800	2,800	3,864	1,064
Oregon cigarette tax transit grant - Linn County	41,000	41,000	40,740	(260)
Oregon cigarette tax transit grant - Benton County	27,000	27,000	28,250	1,250
OSU pass program	3,000	3,000	3,000	-
LBCC pass program	15,000	15,000	18,900	3,900
LBCC partnership	117,300	117,300	117,300	-
OSU partnership	117,300	117,300	117,300	-
Advertising	-	-	36	36
Bus fares	50,000	50,000	47,253	(2,747)
Call-a-Ride	34,000	34,000	33,709	(291)
Gifts and donations	300	300	200	(100)
Miscellaneous	-	-	550	550
Interest on investments	1,500	1,500	(5,410)	(6,910)
Total revenues	1,488,500	1,528,500	1,303,197	(225,303)
<b>Other financing sources</b>				
Transfer from General Fund	600,000	600,000	600,000	-
<b>Fund balance, beginning</b>				
Unassigned	180,000	340,000	216,768	(123,232)
Total Fund Balance, beginning	180,000	340,000	216,768	(123,232)
Amount available for appropriation	\$ 2,268,500	\$ 2,468,500	2,119,965	\$ (348,535)
<b>Expenditures</b>				
Albany Transit System	\$ 969,900	\$ 1,129,900	885,366	\$ 244,534
Transit Loop System	675,900	675,900	554,745	121,155
Paratransit System	622,700	662,700	632,857	29,843
Total expenditures	\$ 2,268,500	\$ 2,468,500	2,072,968	\$ 395,532
<b>Fund balance, ending</b>			\$ 46,997	

**CITY OF ALBANY, OREGON**  
**PUBLIC SAFETY LEVY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

<b>Revenues</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Property taxes				
Current	\$ 3,921,300	\$ 3,921,300	\$ 4,126,553	\$ 205,253
Delinquent	50,000	50,000	114,312	64,312
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>49,282</u>	<u>47,282</u>
Total revenues	<u>3,973,300</u>	<u>3,973,300</u>	<u>4,290,147</u>	<u>316,847</u>
 <b>Fund balance, beginning</b>				
Unassigned	<u>72,200</u>	<u>72,200</u>	<u>713,589</u>	<u>641,389</u>
Total Fund Balance, beginning	<u>72,200</u>	<u>72,200</u>	<u>713,589</u>	<u>641,389</u>
Amount available for appropriation	<u>\$ 4,045,500</u>	<u>\$ 4,045,500</u>	<u>5,003,736</u>	<u>\$ 958,236</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
 <b>Other financing uses</b>				
Transfers out	<u>\$ 4,045,500</u>	<u>\$ 4,045,500</u>	<u>3,474,525</u>	<u>\$ 570,975</u>
Total other financing uses	<u>\$ 4,045,500</u>	<u>\$ 4,045,500</u>	<u>3,474,525</u>	<u>\$ 570,975</u>
 <b>Fund balance, ending</b>			<u>\$ 1,529,211</u>	

**CITY OF ALBANY, OREGON**  
**ALBANY REVITALIZATION AGENCY FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes - current	\$ 3,309,500	\$ 3,309,500	\$ 3,565,597	\$ 256,097
Property taxes - delinquent	50,000	50,000	108,442	58,442
Settlement proceeds	1,200	1,200	1,200	-
Miscellaneous	-	-	671,362	671,362
Property management	30,000	30,000	11,820	(18,180)
Loan repayment-principal	90,000	90,000	129,106	39,106
Loan repayment-interest	4,500	4,500	6,447	1,947
Interest on investments	5,000	5,000	201,005	196,005
Total revenues	<u>3,490,200</u>	<u>3,490,200</u>	<u>4,694,979</u>	<u>1,204,779</u>
<b>Other financing sources</b>				
Issuance of long-term debt	3,300,000	3,300,000	8,400,000	5,100,000
Sale of property	-	-	375,000	375,000
Total other financing sources	<u>3,300,000</u>	<u>3,300,000</u>	<u>8,775,000</u>	<u>5,475,000</u>
<b>Fund balance, beginning</b>				
Unassigned	3,500,000	3,500,000	(1,756,298)	(5,256,298)
Total Fund Balance, beginning	<u>3,500,000</u>	<u>3,500,000</u>	<u>(1,756,298)</u>	<u>(5,256,298)</u>
 Amount available for appropriation	 <u>\$ 10,290,200</u>	 <u>\$ 10,290,200</u>	 <u>11,713,681</u>	 <u>\$ 1,423,481</u>

<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
ARA	\$ 7,713,600	\$ 7,713,600	3,035,451	\$ 4,678,149
ARA Debt Service	2,345,000	2,345,000	1,143,322	1,201,678
Total expenditures	<u>10,058,600</u>	<u>10,058,600</u>	<u>4,178,773</u>	<u>5,879,827</u>
<b>Other financing uses</b>				
Transfers to other funds	231,600	231,600	231,600	-
Total other financing uses	<u>231,600</u>	<u>231,600</u>	<u>231,600</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 10,290,200</u>	<u>\$ 10,290,200</u>	<u>4,410,373</u>	<u>\$ 5,879,827</u>
<b>Fund balance, ending</b>			<u>\$ 7,303,308</u>	

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

June 30, 2019

	Debt Service	GO Debt Service	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 13,357	\$ 304,458	\$ 317,815
Receivables:			
Property taxes	-	77,006	77,006
Interest	1,703	2,006	3,709
Prepaid items	3,500	-	3,500
Total assets	\$ 18,560	\$ 383,470	\$ 402,030
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	\$ -	\$ 71,965	\$ 71,965
 <b>FUND BALANCES</b>			
Nonspendable	3,500	-	3,500
Restricted	-	311,505	311,505
Assigned	15,060	-	15,060
Total fund balances	18,560	311,505	330,065
Total liabilities and fund balances	\$ 18,560	\$ 383,470	\$ 402,030

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
For the Year Ended June 30, 2019

	Debt Service	GO Debt Service	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ 1,160,925	\$ 1,160,925
Charges for services	705,000	-	705,000
Interest on investments	<u>5,633</u>	<u>13,766</u>	<u>19,399</u>
Total revenues	<u>710,633</u>	<u>1,174,691</u>	<u>1,885,324</u>
 <b>EXPENDITURES</b>			
General government	750	-	750
Debt service:			
Principal	276,145	465,000	741,145
Interest	<u>607,374</u>	<u>606,675</u>	<u>1,214,049</u>
Total expenditures	<u>884,269</u>	<u>1,071,675</u>	<u>1,955,944</u>
 Net change in fund balances	(173,636)	103,016	(70,620)
Fund balance - beginning	<u>192,196</u>	<u>208,489</u>	<u>400,685</u>
Fund balance - ending	<u>\$ 18,560</u>	<u>\$ 311,505</u>	<u>\$ 330,065</u>

**CITY OF ALBANY, OREGON**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Charges for services	\$ 705,300	\$ 705,300	\$ 705,000	\$ (300)
Interest on investments	<u>1,500</u>	<u>1,500</u>	<u>5,633</u>	<u>4,133</u>
Total revenues	<u>706,800</u>	<u>706,800</u>	<u>710,633</u>	<u>3,833</u>
<b>Other financing sources</b>				
Transfer from Parks and Recreation Fund	<u>179,400</u>	<u>179,400</u>	-	<u>179,400</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>163,400</u>	<u>163,400</u>	<u>192,196</u>	<u>28,796</u>
Total Fund Balance, beginning	<u>163,400</u>	<u>163,400</u>	<u>192,196</u>	<u>28,796</u>
Amount available for appropriation	<u>\$ 1,049,600</u>	<u>\$ 1,049,600</u>	<u>902,829</u>	<u>\$ 212,029</u>
<b>Expenditures</b>				
2002 Limited Tax Pension Obligations (PERS)	\$ 870,200	\$ 870,200	705,125	\$ 165,075
2004 Revenue Obligations	<u>179,400</u>	<u>179,400</u>	<u>179,144</u>	<u>256</u>
Total expenditures	<u>\$ 1,049,600</u>	<u>\$ 1,049,600</u>	<u>884,269</u>	<u>\$ 165,331</u>
<b>Fund balance, ending</b>			<u>\$ 18,560</u>	

**CITY OF ALBANY, OREGON**  
**GO DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Property taxes - current	\$ 1,057,000	\$ 1,057,000	\$ 1,090,128	\$ 33,128
Property taxes - delinquent	24,700	24,700	70,797	46,097
Interest on investments	<u>4,000</u>	<u>4,000</u>	<u>13,766</u>	<u>9,766</u>
Total revenues	<u>1,085,700</u>	<u>1,085,700</u>	<u>1,174,691</u>	<u>88,991</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>197,500</u>	<u>197,500</u>	208,489	<u>10,989</u>
Amount available for appropriation	<u>\$ 1,283,200</u>	<u>\$ 1,283,200</u>	<u>1,383,180</u>	<u>\$ 99,980</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
2015 Public Safety Facility Bonds	<u>\$ 1,283,200</u>	<u>\$ 1,283,200</u>	<u>1,071,675</u>	<u>\$ 211,525</u>
<b>Fund balance, ending</b>			<u>\$ 311,505</u>	



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

For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Equipment replacement charges	\$ 927,500	\$ 927,500	\$ 768,100	\$ (159,400)
Departmental charges	175,000	175,000	375,000	200,000
Oregon Community Foundation	2,500	2,500	2,542	42
Energy Trust of Oregon	-	-	13,802	13,802
Miscellaneous	-	-	420,165	420,165
Interest on investments	49,000	49,000	224,734	175,734
Total revenues	<u>1,154,000</u>	<u>1,154,000</u>	<u>1,804,343</u>	<u>650,343</u>
<b>Other financing sources</b>				
Transfer from General Fund	60,000	60,000	60,000	-
Transfer from Economic Development Fund	6,600	6,600	6,600	-
Intrafund Transfer	-	-	32,157	32,157
Total other financing sources	<u>66,600</u>	<u>66,600</u>	<u>98,757</u>	<u>32,157</u>
<b>Fund balance, beginning</b>				
Property management	1,300	1,300	-	(1,300)
Monteith House	16,700	16,700	27,375	10,675
Energy Trust	56,900	56,900	39,204	(17,696)
City Hall HVAC	12,500	12,500	12,559	59
Library reserve	-	-	2,572	2,572
Unassigned	6,684,300	6,684,300	6,637,325	(46,975)
Total Fund Balance, beginning	<u>6,771,700</u>	<u>6,771,700</u>	<u>6,719,035</u>	<u>(52,665)</u>
Amount available for appropriation	<u>\$ 7,992,300</u>	<u>\$ 7,992,300</u>	<u>8,622,135</u>	<u>\$ 629,835</u>
 <b>Expenditures</b>	 Budget	 Budget	 Actual	 Under
Equipment replacement	\$ 5,361,100	\$ 5,361,100	918,174	\$ 4,442,926
General Fund building maintenance projects	241,600	241,600	76,499	165,101
Information technology equipment replacement	1,619,200	1,619,200	300,549	1,318,651
Public works facilities replacement	701,400	701,400	287,863	413,537
Total expenditures	<u>7,923,300</u>	<u>7,923,300</u>	<u>1,583,085</u>	<u>6,340,215</u>
<b>Other financing uses</b>				
Transfers to other funds	69,000	69,000	-	69,000
Intrafund Transfers Out	-	-	32,157	(32,157)
Total other financing uses	<u>69,000</u>	<u>69,000</u>	<u>32,157</u>	<u>36,843</u>
Total expenditures and other financing uses	<u>\$ 7,992,300</u>	<u>\$ 7,992,300</u>	<u>1,615,242</u>	<u>\$ 6,377,058</u>
<b>Fund Balance, ending</b>			<u>\$ 7,006,893</u>	

**CITY OF ALBANY, OREGON**  
**LIBRARY TRUST FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Revenues</b>				
Interest on investments	\$ 600	\$ 600	\$ 1,798	\$ 1,198
<b>Fund balance, beginning</b>				
Unassigned	<u>83,000</u>	<u>83,000</u>	<u>83,316</u>	<u>316</u>
Amount available for appropriation	<u>\$ 83,600</u>	<u>\$ 83,600</u>	<u>85,114</u>	<u>\$ 1,514</u>
<b>Expenditures</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
V. O. Torney Trust	\$ 13,600	\$ 13,600	-	\$ 13,600
Manela Trust	<u>70,000</u>	<u>70,000</u>	<u>47</u>	<u>69,953</u>
Total expenditures	<u>\$ 83,600</u>	<u>\$ 83,600</u>	<u>47</u>	<u>\$ 83,553</u>
<b>Fund Balance, ending</b>			<u>\$ 85,067</u>	

**CITY OF ALBANY, OREGON**  
**WATER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Property taxes:				
Delinquent	\$ -	\$ -	\$ 698	\$ 698
Water service				
Water service charges	12,682,000	12,682,000	12,809,071	127,071
Water service charges-Millersburg	250,000	250,000	303,377	53,377
Dumbeck Water District	63,000	63,000	68,701	5,701
North Albany capital charges	112,000	112,000	112,000	-
Collection agency payments	7,500	7,500	8,224	724
Charges for services				
City of Lebanon	211,000	211,000	214,324	3,324
City of Millersburg	89,600	89,600	25,408	(64,192)
Hydropower	75,000	75,000	53,847	(21,153)
Equipment replacement charges	119,500	119,500	119,500	-
Financed system development charges				
Principal	2,500	2,500	-	(2,500)
Interest	600	600	-	(600)
Water expansion				
Public facility construction permits	15,000	15,000	61,651	46,651
Water connection fees	30,000	30,000	37,738	7,738
Water systems development charges:	393,000	393,000	496,018	103,018
Water service installation fee	70,000	70,000	138,635	68,635
Workers' Comp wage subsidy	-	-	8,083	8,083
Miscellaneous	7,500	7,500	42,131	34,631
Interest on investments	59,300	59,300	473,586	414,286
Total revenues	<u>14,187,500</u>	<u>14,187,500</u>	<u>14,972,992</u>	<u>785,492</u>
<b>Other financing sources</b>				
Transfer from Water SDC Improvement Projects	455,800	455,800	455,800	-
Total other financing sources	<u>455,800</u>	<u>455,800</u>	<u>455,800</u>	<u>-</u>
<b>Fund balance, beginning</b>				
Unassigned	10,621,000	10,621,000	12,132,468	1,511,468
Fund balance, beginning, designated for debt service	1,609,900	1,609,900	1,621,333	11,433
Total Fund Balance, beginning	<u>12,230,900</u>	<u>12,230,900</u>	<u>13,753,801</u>	<u>1,522,901</u>
Amount available for appropriation	<u>\$ 26,874,200</u>	<u>\$ 26,874,200</u>	<u>29,182,593</u>	<u>\$ 2,308,393</u>
<b>Expenditures</b>				
Personnel services	\$ 2,728,300	\$ 2,728,300	2,386,772	\$ 341,528
Materials and services	6,266,200	6,266,200	5,624,667	641,533
Capital	12,343,600	12,343,600	3,916,409	8,427,191
Debt service	3,545,700	3,545,700	1,936,894	1,608,806
Contingencies	968,600	948,600	-	948,600
Total expenditures	<u>25,852,400</u>	<u>25,832,400</u>	<u>13,864,742</u>	<u>11,967,658</u>
<b>Other financing uses</b>				
Transfers out	566,000	586,000	566,014	19,986
Intrafund transfers out	455,800	455,800	455,800	-
Total other financing uses	<u>1,021,800</u>	<u>1,041,800</u>	<u>1,021,814</u>	<u>19,986</u>
Total expenditures and other financing uses	<u>\$ 26,874,200</u>	<u>\$ 26,874,200</u>	<u>14,886,556</u>	<u>\$ 11,987,644</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 14,296,037</u>	

**CITY OF ALBANY, OREGON**  
**WATER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2019

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 14,972,992	\$ 13,864,742	\$ 14,296,037
<b>Reconciling items</b>			
June 30, 2019, asset and liability balances:			
Capital assets, net	-	-	88,855,231
Other postemployment benefits asset	-	-	10,749
Accounts receivable	-	-	1,672,757
Unamortized issue costs/loss on defeasance	-	-	(1,208,686)
Inventory balance	-	-	630,661
Salaries, withholdings, and vacations payable	-	-	(75,738)
Net pension liability	-	-	(1,630,313)
Deferred outflows - pension and other postemployment benefit related	-	-	679,145
Deferred inflows - pension and other postemployment benefit related	-	-	(221,642)
Other postemployment benefits liability	-	-	(153,287)
Interest payable	-	-	(356,539)
Bonds payable	-	-	(22,607,388)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	54,140	-	-
<b>Adjustments to current year expenses</b>			
Interest paid on long-term obligations	-	(876,894)	-
Eliminate principal paid on long-term obligations	-	(1,060,000)	-
Change in compensated absences liability	-	(60,895)	-
Change in OPEB liability	-	(61,535)	-
Depreciation and amortization	-	3,382,232	-
Expenditures capitalized	-	(3,947,493)	-
Changes in inventories	-	57,969	-
Pension Expense	-	(715,409)	-
<b>Other adjustments</b>			
Nonoperating revenues			
Property taxes	(698)	-	-
Interest on investments	(473,586)	-	-
Miscellaneous	(30,676)	-	-
Capital contributions	(496,018)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 31)	<u>\$ 14,026,154</u>	<u>\$ 10,582,717</u>	<u>\$ 79,890,987</u>

**CITY OF ALBANY, OREGON**  
**SEWER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Sewer service charges				
Albany sewer service charges	\$ 16,150,000	\$ 16,150,000	\$ 16,685,663	\$ 535,663
Charges collected through property taxes	50,000	50,000	38,354	(11,646)
Collection agency payments	5,000	5,000	9,259	4,259
Financed system development charges				
Principal	3,000	3,000	796	(2,204)
Interest	1,100	1,100	271	(829)
Financed connection fees				
Principal	500	500	97	(403)
Interest	100	100	15	(85)
Sewer oversizing and expansion				
Public facility construction permits	5,000	5,000	53,938	48,938
Sewer system development charges	730,000	730,000	1,304,854	574,854
General sewer connection fees	10,000	10,000	36,074	26,074
Charges for services				
Equipment replacement charges	89,900	89,900	89,900	-
Millersburg operation and maintenance charges	175,000	175,000	317,817	142,817
Wah Chang operation and maintenance charges	140,000	140,000	167,248	27,248
City of Lebanon	-	-	37,151	37,151
City of Millersburg	461,500	461,500	444,965	(16,535)
Miscellaneous	25,000	25,000	212,655	187,655
Interest on investments	116,700	116,700	819,124	702,424
Total revenues	<u>17,962,800</u>	<u>17,962,800</u>	<u>20,218,181</u>	<u>2,255,381</u>
<b>Other financing sources</b>				
Transfer from Sewer SDC Improvement Projects	1,464,000	1,464,000	1,464,000	-
Transfer from Sewer SDC Reimbursement Projects	152,000	152,000	152,000	-
Proceeds from long-term debt	<u>13,000,000</u>	<u>13,000,000</u>	<u>-</u>	<u>(13,000,000)</u>
Total other financing sources	<u>14,616,000</u>	<u>14,616,000</u>	<u>1,616,000</u>	<u>(13,000,000)</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>22,491,300</u>	<u>22,491,300</u>	<u>23,845,094</u>	<u>1,353,794</u>
Amount available for appropriation	<u>\$ 55,070,100</u>	<u>\$ 55,070,100</u>	<u>45,679,275</u>	<u>\$ (9,390,825)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 2,304,600	\$ 2,304,600	2,171,000	\$ 133,600
Materials and services	6,974,000	6,974,000	6,566,822	407,178
Capital	32,918,300	32,918,300	3,596,693	29,321,607
Debt service	8,825,600	8,825,600	5,239,313	3,586,287
Contingencies	<u>1,033,800</u>	<u>1,033,800</u>	<u>-</u>	<u>1,033,800</u>
Total expenditures	<u>52,056,300</u>	<u>52,056,300</u>	<u>17,573,828</u>	<u>34,482,472</u>
<b>Other financing uses</b>				
Transfers out to other funds	1,397,800	1,397,800	887,081	510,719
Intrafund transfers out	<u>1,616,000</u>	<u>1,616,000</u>	<u>1,616,000</u>	<u>-</u>
Total other financing uses	<u>3,013,800</u>	<u>3,013,800</u>	<u>2,503,081</u>	<u>510,719</u>
Total expenditures and other financing uses	<u>\$ 55,070,100</u>	<u>\$ 55,070,100</u>	<u>20,076,909</u>	<u>\$ 34,993,191</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 25,602,366</u>	

**CITY OF ALBANY, OREGON**  
**SEWER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2019

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 20,218,181	\$ 17,573,828	\$ 25,602,366
<b>Reconciling items</b>			
June 30, 2019, asset and liability balances:			
Capital assets, net	-	-	133,105,522
Accounts receivable	-	-	1,989,136
Loans receivable	-	-	3,487,946
Inventories	-	-	305,895
Net other postemployment benefit asset	-	-	6,070
Salaries, withholdings, and vacations payable	-	-	(115,238)
OPEB payable	-	-	(86,570)
Interest payable	-	-	(298,971)
Loans payable	-	-	(43,550,307)
Net pension liability	-	-	(920,729)
Deferred outflows - pension and other postemployment benefit related	-	-	383,551
Deferred inflows - pension and other postemployment benefit related	-	-	(125,174)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	(386,119)	-	-
<b>Adjustments to current year expenses</b>			
Expenditures capitalized	-	(3,652,838)	-
Change in inventory	-	67,981	-
Interest expense	-	(1,051,896)	-
Change in compensated absences liability	-	3,430	-
Change in OPEB liability	-	(104,516)	-
Loan principal	-	(4,150,054)	-
Depreciation and amortization	-	4,811,368	-
Pension expense	-	(477,894)	-
<b>Other adjustments</b>			
Nonoperating revenues			
Interest on investments	(819,124)	-	-
Miscellaneous	(212,655)	-	-
Capital contributions	(796)	-	-
Millersburg loan reclassification	(300,103)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 31)	\$ 18,499,384	\$ 13,019,409	\$ 119,783,497

**CITY OF ALBANY, OREGON**  
**STORMWATER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

<b>Revenues</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Stormwater service charges				
Albany stormwater service charges	\$ 1,817,000	\$ 1,817,000	\$ 1,476,573	\$ (340,427)
Storm drain plan review/inspection fees	10,000	10,000	41,016	31,016
Stormwater quality permits	10,000	10,000	36,628	26,628
EPSC Permit Fees	50,000	50,000	67,958	17,958
Stormwater Capital				
Albany stormwater service charges	10,000	10,000	400,000	390,000
Storm drain connection fees	10,000	10,000	2,800	(7,200)
Stormwater deferred planting	5,000	5,000	65,114	60,114
Stormwater in-lieu of planting	5,000	5,000	32,839	27,839
Charges for services				
Equipment replacement charges	61,100	61,100	61,100	-
Miscellaneous	-	-	308	308
Interest on investments	2,100	2,100	28,559	26,459
Total revenues	<u>1,980,200</u>	<u>1,980,200</u>	<u>2,212,895</u>	<u>232,695</u>
<b>Fund balance, beginning</b>				
Unassigned	502,700	502,700	643,148	140,448
Amount available for appropriation	<u>\$ 2,482,900</u>	<u>\$ 2,482,900</u>	<u>2,856,043</u>	<u>\$ 373,143</u>
<b>Expenditures</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
Personnel services	\$ 327,000	\$ 327,000	288,774	\$ 38,226
Materials and services	1,713,200	1,713,200	1,612,421	100,779
Capital	402,700	402,700	-	402,700
Contingencies	40,000	40,000	-	40,000
Total expenditures	<u>\$ 2,482,900</u>	<u>\$ 2,482,900</u>	<u>1,901,195</u>	<u>\$ 581,705</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 954,848</u>	

**CITY OF ALBANY, OREGON**  
**STORMWATER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2019

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 2,212,895	\$ 1,901,195	\$ 954,848
<b>Reconciling items</b>			
June 30, 2019, asset and liability balances:			
Accounts receivable	-	-	214,892
Net other postemployment benefit asset	-	-	2,772
OPEB payable	-	-	(39,536)
Net pension liability	-	-	(420,496)
Deferred outflows - pension and other postemployment benefit related	-	-	175,168
Deferred inflows - pension and other postemployment benefit related	-	-	(57,167)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	15,293	-	-
<b>Adjustments to current year expenses</b>			
Change in compensated absences liability	-	220,737	-
Change in OPEB liability	-	18,349	-
<b>Other adjustments</b>			
Nonoperating revenues			
Interest on investments	(28,559)	-	-
Miscellaneous	(308)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and			
Changes in Fund Net Position of Proprietary Funds (page 31)	\$ 2,199,321	\$ 2,140,281	\$ 830,481



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

June 30, 2019

	Central Services	Public Works Services	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 356,707	\$ 237,813	\$ 594,520
Investments	497,339	331,571	828,910
Receivables:			
Accounts	6,717	25	6,742
Interest	1,866	2,085	3,951
Other	5,534	-	5,534
Prepaid items	1,332	-	1,332
Total current assets	<u>869,495</u>	<u>571,494</u>	<u>1,440,989</u>
Noncurrent assets:			
Other postemployment benefit asset	779	41,032	41,811
Capital assets (net of depreciation)	-	44,420	44,420
Total noncurrent assets	<u>779</u>	<u>85,452</u>	<u>86,231</u>
Total assets	<u>870,274</u>	<u>656,946</u>	<u>1,527,220</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>2,436,490</u>	<u>2,592,517</u>	<u>5,029,007</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	315,697	383,320	699,017
Compensated absences	101,075	145,491	246,566
Total current liabilities	<u>416,772</u>	<u>528,811</u>	<u>945,583</u>
Long-term debt obligations			
Compensated absences	101,074	145,490	246,564
Other postemployment benefits	11,115	585,146	596,261
Net pension liability	5,958,199	6,223,439	12,181,638
Total long-term debt obligations	<u>6,070,388</u>	<u>6,954,075</u>	<u>13,024,463</u>
Total liabilities	<u>6,487,160</u>	<u>7,482,886</u>	<u>13,970,046</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension and other postemployment benefit related items	<u>674,473</u>	<u>846,082</u>	<u>1,520,555</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	44,420	44,420
Unrestricted	<u>(3,854,869)</u>	<u>(5,123,925)</u>	<u>(8,978,794)</u>
Total net position	<u>\$ (3,854,869)</u>	<u>\$ (5,079,505)</u>	<u>\$ (8,934,374)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2019

	<u>Central Services</u>	<u>Public Works Services</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Service charges and fees	\$ 7,073,212	\$ 8,526,201	\$ 15,599,413
Miscellaneous	<u>66,380</u>	<u>7,916</u>	<u>74,296</u>
Total operating revenues	<u>7,139,592</u>	<u>8,534,117</u>	<u>15,673,709</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	5,328,162	6,724,607	12,052,769
Contracted services	395,644	265,538	661,182
Operating supplies	774,194	530,596	1,304,790
Utilities	86,738	95,571	182,309
Depreciation	-	3,582	3,582
Repairs and maintenance	159,515	119,062	278,577
Charges for services	773,612	825,976	1,599,588
Miscellaneous	<u>25,551</u>	<u>-</u>	<u>25,551</u>
Total operating expenses	<u>7,543,416</u>	<u>8,564,932</u>	<u>16,108,348</u>
Operating income (loss)	(403,824)	(30,815)	(434,639)
<b>NONOPERATING REVENUES:</b>			
Interest on investments	<u>12,279</u>	<u>5,192</u>	<u>17,471</u>
Change in net position	(391,545)	(25,623)	(417,168)
Net position - beginning	<u>(3,463,324)</u>	<u>(5,053,882)</u>	<u>(8,517,206)</u>
Net position - ending	<u>\$ (3,854,869)</u>	<u>\$ (5,079,505)</u>	<u>\$ (8,934,374)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2019

	Central Services	Public Works Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 7,127,516	\$ 8,537,877	\$ 15,665,393
Cash payments to suppliers of goods and services	(2,160,199)	(1,708,901)	(3,869,100)
Cash payments to employees for services	<u>(4,640,713)</u>	<u>(6,653,423)</u>	<u>(11,294,136)</u>
Net cash provided by (used in) operating activities	<u>326,604</u>	<u>175,553</u>	<u>502,157</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of capital assets	<u>-</u>	<u>(14,608)</u>	<u>(14,608)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (increase) decrease in investments	(167,016)	(73,904)	(240,920)
Interest on investments	<u>12,255</u>	<u>5,069</u>	<u>17,324</u>
Net cash provided by (used in) investing activities	<u>(154,761)</u>	<u>(68,835)</u>	<u>(223,596)</u>
Net increase (decrease) in cash and cash equivalents	171,843	92,110	263,953
<b>Cash and cash equivalents, July 1, 2018</b>	<u>184,864</u>	<u>145,703</u>	<u>330,567</u>
<b>Cash and cash equivalents, June 30, 2019</b>	<u>\$ 356,707</u>	<u>\$ 237,813</u>	<u>\$ 594,520</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income	\$ (403,824)	\$ (30,815)	\$ (434,639)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	3,582	3,582
Changes in assets, deferred outflows, liabilities and deferred inflows:			
(Increase) decrease in net other postemployment benefit asset	9,785	(26,470)	(16,685)
(Increase) decrease in accounts receivable	(12,076)	3,760	(8,316)
(Increase) decrease in prepaid items	1,258	41	1,299
(Increase) decrease in deferred outflows of resources	(747,148)	(153,737)	(900,885)
Increase (decrease) in net pension liability	1,589,487	12,481	1,601,968
Increase (decrease) in accounts payable	53,797	127,801	181,598
Increase (decrease) in accrued compensated absences	(75,317)	(116,465)	(191,782)
Increase (decrease) in other postemployment benefits	(465,978)	(72,505)	(538,483)
Increase (decrease) in deferred inflows of resources	<u>376,620</u>	<u>427,880</u>	<u>804,500</u>
Total adjustments	<u>730,428</u>	<u>206,368</u>	<u>936,796</u>
Net cash provided by operating activities	<u>\$ 326,604</u>	<u>\$ 175,553</u>	<u>\$ 502,157</u>

**CITY OF ALBANY, OREGON**  
**CENTRAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Building maintenance charges	\$ 820,200	\$ 820,200	\$ 815,200	\$ (5,000)
Administrative services charges	4,079,400	4,079,400	4,079,400	-
Information technology charges	1,597,000	1,597,000	1,597,000	-
GIS services charge	454,000	454,000	463,700	9,700
Permit Tracking services charge	108,300	108,300	109,600	1,300
GIS information sales	-	-	80	80
Linn County TLT administration	-	-	7,670	7,670
Workers' Compensation wage subsidy	-	-	8,232	8,232
Miscellaneous	40,000	40,000	58,710	18,710
Interest on investments	4,800	4,800	12,279	7,479
Total revenues	<u>7,103,700</u>	<u>7,103,700</u>	<u>7,151,871</u>	<u>48,171</u>
<b>Other financing source</b>				
Transfer from Economic Development Fund	<u>13,600</u>	<u>13,600</u>	<u>-</u>	<u>(13,600)</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>53,400</u>	<u>53,400</u>	<u>257,894</u>	<u>204,494</u>
Amount available for appropriation	<u>\$ 7,170,700</u>	<u>\$ 7,170,700</u>	<u>7,409,765</u>	<u>\$ 239,065</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Council and nondepartmental	\$ 258,100	\$ 258,100	242,714	\$ 15,386
City manager's office	1,260,700	1,260,700	1,175,551	85,149
Information technology services	1,771,300	1,771,300	1,748,553	22,747
Human resources	929,300	929,300	861,719	67,581
Facilities maintenance	820,200	820,200	801,729	18,471
Finance	1,553,800	1,553,800	1,480,352	73,448
GIS services	469,000	469,000	438,459	30,541
Permit tracking services	108,300	108,300	106,890	1,410
Total expenditures	<u>\$ 7,170,700</u>	<u>\$ 7,170,700</u>	<u>6,855,967</u>	<u>\$ 314,733</u>
<b>Budgetary fund balance</b>			<u>\$ 553,798</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 122.

**CITY OF ALBANY, OREGON**  
**PUBLIC WORKS SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues:</b>				
Charges for services - Water	\$ 2,826,700	\$ 2,826,700	\$ 2,558,179	\$ (268,521)
Charges for services - Sewer	3,130,700	3,130,700	3,016,230	(114,470)
Charges for services - Stormwater	1,176,400	1,176,400	1,104,854	(71,546)
Charges for services - Streets	672,600	672,600	774,358	101,758
Charges for services - Airport	10,900	10,900	9,517	(1,383)
Charges for services - Transit	84,800	84,800	74,253	(10,547)
Charges for services - Building Inspection	104,300	104,300	91,172	(13,128)
Charges for services - Planning	47,500	47,500	41,591	(5,909)
Charges for services - Electrical Permit	11,500	11,500	10,104	(1,396)
Charges for services - Construction in Progress	1,289,600	1,289,600	845,943	(443,657)
Miscellaneous	-	-	7,916	7,916
Interest	2,500	2,500	5,192	2,692
Total revenues	<u>9,357,500</u>	<u>9,357,500</u>	<u>8,539,309</u>	<u>(818,191)</u>
<b>Fund balance, beginning</b>				
Unassigned	<u>59,500</u>	<u>59,500</u>	<u>153,639</u>	<u>94,139</u>
Amount available for appropriation	<u>\$ 9,417,000</u>	<u>\$ 9,417,000</u>	<u>8,692,948</u>	<u>\$ (724,052)</u>

	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Public works administration	\$ 1,356,500	\$ 1,356,500	1,168,990	\$ 187,510
Engineering services	3,258,200	3,258,200	2,983,469	274,731
Operations administration	641,300	641,300	526,299	115,001
Water quality control services	549,700	549,700	487,515	62,185
Public works customer service	1,489,700	1,489,700	1,305,107	184,593
Facilities and maintenance engineering	<u>2,121,600</u>	<u>2,121,600</u>	<u>2,033,394</u>	<u>88,206</u>
Total expenditures	<u>\$ 9,417,000</u>	<u>\$ 9,417,000</u>	<u>8,504,774</u>	<u>\$ 912,226</u>
<b>Budgetary fund balance</b>			<u>\$ 188,174</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 122.

**CITY OF ALBANY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2019

	<u>Central Services</u>	<u>Public Works Service</u>	<u>Totals</u>
<b><u>REVENUES</u></b>			
Total revenues from Schedule of Revenues and Expenditures - Budget and Actual (pages 120 and 121)	\$ 7,151,871	\$ 8,539,309	\$ 15,691,180
<b>Reconciling item:</b>			
Interest on investments	<u>(12,279)</u>	<u>(5,192)</u>	<u>(17,471)</u>
Operating revenues from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 118)	<u>\$ 7,139,592</u>	<u>\$ 8,534,117</u>	<u>\$ 15,673,709</u>
<b><u>EXPENDITURES</u></b>			
Total expenditures from Schedule of Revenues and Expenditures - Budget and Actual (pages 120 and 121)	\$ 6,855,967	\$ 8,504,774	\$ 15,360,741
<b>Reconciling item:</b>			
Depreciation	-	3,582	3,582
Expenditures capitalized	-	(14,608)	(14,608)
Change in compensated absences liability	(75,317)	(116,465)	(191,782)
Pension related expense	1,215,558	188,525	1,404,083
Other postemployment benefits expense	<u>(452,792)</u>	<u>(876)</u>	<u>(453,668)</u>
Operating expenses from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 118)	<u>\$ 7,543,416</u>	<u>\$ 8,564,932</u>	<u>\$ 16,108,348</u>
<b><u>FUND BALANCE</u></b>			
Fund balance from Schedule of Revenues and Expenditures - Budget and Actual (pages 120 and 121)	\$ 553,798	\$ 188,174	\$ 741,972
<b>Reconciling item:</b>			
Net other postemployment benefit asset	779	41,032	41,811
Deferred outflows - pension and other postemployment benefit related	2,436,490	2,592,517	5,029,007
Deferred inflows - pension and other postemployment benefit related	(674,473)	(846,082)	(1,520,555)
Capital assets, net	-	44,420	44,420
Compensated absences liability	(202,149)	(290,981)	(493,130)
Net pension liability	(5,958,199)	(6,223,439)	(12,181,638)
OPEB liability	<u>(11,115)</u>	<u>(585,146)</u>	<u>(596,261)</u>
Net Position from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 118)	<u>\$ (3,854,869)</u>	<u>\$ (5,079,505)</u>	<u>\$ (8,934,374)</u>

## **STATISTICAL SCHEDULES**

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

### **FINANCIAL TRENDS**

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

*Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports from the relevant fiscal years.*

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

	2010	2011	2012	2013	2014
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 90,807,172	\$ 93,826,390	\$ 96,500,517	\$ 95,848,731	\$ 90,297,428
Restricted	16,512,436	18,879,050	13,190,170	11,874,882	16,359,363
Unrestricted	18,722,132	17,145,209	19,611,140	20,901,108	25,711,251
Total governmental activities net position	<u>126,041,740</u>	<u>129,850,649</u>	<u>129,301,827</u>	<u>128,624,721</u>	<u>132,368,042</u>
<b>Business-type activities</b>					
Net investment in capital assets	127,645,184	130,139,819	134,559,041	136,828,820	140,222,126
Restricted	25,649,567	19,785,270	14,445,758	13,514,952	10,863,027
Unrestricted	12,174,097	22,808,687	26,930,801	28,978,037	29,245,746
Total business-type activities net position	<u>165,468,848</u>	<u>172,733,776</u>	<u>175,935,600</u>	<u>179,321,809</u>	<u>180,330,899</u>
<b>Total City of Albany</b>					
Net investment in capital assets	223,966,209	231,059,558	232,677,551	230,519,554	235,817,426
Restricted	38,664,320	27,635,928	25,389,834	27,222,390	21,789,038
Unrestricted	39,953,896	46,541,941	49,879,145	53,953,862	52,356,790
Total net position	<u>\$ 302,584,425</u>	<u>\$ 305,237,427</u>	<u>\$ 307,946,530</u>	<u>\$ 311,695,806</u>	<u>\$ 309,963,254</u>

Over the last ten years the net position of governmental activities decreased by just over 14 percent (\$17,548,000). Included in program revenues are \$2,753,651 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 18 percent (\$29,599,000). The two major components of the increase have been operating income (\$71,608,000) and capital contributions (\$23,895,000), which consists of development fees (systems development charges, in-lieu-of assessment charges, and improvement assurances), and developer constructed water, sewer, and storm drain site improvements donated to the City.

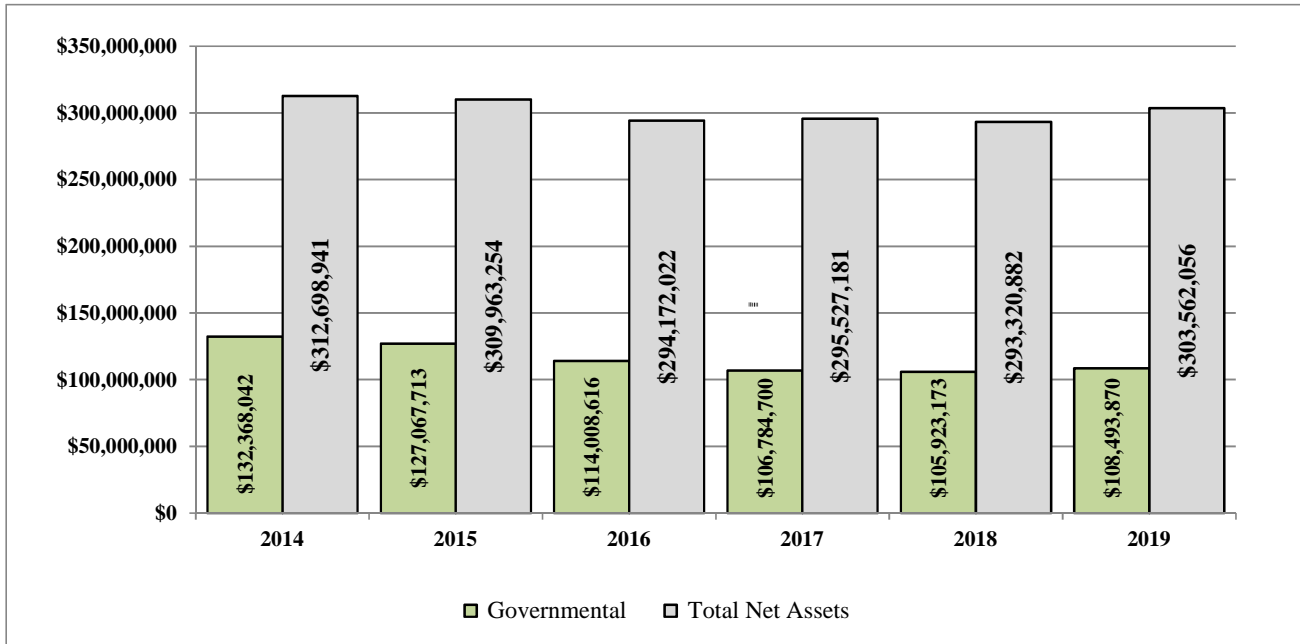
Source: City of Albany 2010-2019 Comprehensive Annual Financial Reports



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

2015	2016	2017	2018	2019	
<b>Governmental Activities</b>					
\$ 94,819,619	\$ 75,708,533	\$ 94,492,224	\$ 106,976,281	\$ 100,745,228	Net investment in capital assets
11,071,442	27,479,252	11,226,820	10,934,035	20,833,823	Restricted
21,176,652	10,820,831	1,065,656	(11,987,143)	(13,085,181)	Unrestricted
<u>127,067,713</u>	<u>114,008,616</u>	<u>106,784,700</u>	<u>105,923,173</u>	<u>108,493,870</u>	Total governmental activities net position
<b>Business-type activities</b>					
140,997,807	145,243,974	146,556,723	149,918,593	154,638,792	Net investment in capital assets
10,717,596	10,115,449	9,490,275	9,209,257	9,085,389	Restricted
31,180,138	24,803,983	32,695,483	28,269,859	31,344,005	Unrestricted
<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>	Total business-type activities net position
<b>Total City of Albany</b>					
235,817,426	220,952,507	241,048,947	256,894,874	255,384,020	Net investment in capital assets
21,789,038	37,594,701	20,717,095	20,143,292	29,919,212	Restricted
52,356,790	35,624,814	33,761,139	16,282,716	18,258,824	Unrestricted
<u>\$ 309,963,254</u>	<u>\$ 294,172,022</u>	<u>\$ 295,527,181</u>	<u>\$ 293,320,882</u>	<u>\$ 303,562,056</u>	Total net position

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



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

	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities:					
General government	\$ 9,227,210	\$ 5,512,747	\$ 5,282,341	\$ 6,998,687	\$ 7,493,529
Public safety	26,364,368	27,512,458	27,832,589	26,998,857	26,533,616
Highways and streets	6,927,620	7,098,212	5,964,162	7,165,295	7,015,625
Culture and recreation	8,372,888	8,035,033	9,300,151	8,548,521	9,071,696
Interest on long-term debt	1,138,531	1,074,180	972,088	880,010	728,980
Total governmental activities expenses	<u>52,030,617</u>	<u>49,232,630</u>	<u>49,351,331</u>	<u>50,591,370</u>	<u>50,843,446</u>
Business-type activities					
Water	11,445,203	11,252,016	11,239,646	10,970,041	12,281,328
Sewer	9,516,905	10,119,746	12,210,391	14,201,008	14,114,463
Stormwater	-	-	-	-	-
Total business-type activities expenses	<u>20,962,108</u>	<u>21,371,762</u>	<u>23,450,037</u>	<u>25,171,049</u>	<u>26,395,791</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	2,796,623	2,817,789	2,699,581	3,509,363	4,081,131
Public Safety	3,247,298	3,303,862	3,174,653	2,562,519	2,693,877
Highways and Streets	-	-	110,792	-	158,753
Culture and recreation	1,012,384	912,904	908,153	1,181,152	893,172
Operating grants and contributions	5,385,159	4,354,299	5,245,587	3,245,250	5,336,946
Capital grants and contributions	4,629,070	7,433,911	2,613,592	4,357,201	4,134,157
Total governmental activities program revenues	<u>17,070,534</u>	<u>18,822,765</u>	<u>14,752,358</u>	<u>14,855,485</u>	<u>17,298,036</u>
Business-type activities					
Water	12,003,928	11,520,604	11,873,787	12,338,047	13,055,548
Sewer	13,637,347	13,094,616	13,687,284	13,410,334	15,524,322
Stormwater	-	-	-	-	-
Total business-type activities program revenues	<u>25,641,275</u>	<u>24,615,220</u>	<u>25,561,071</u>	<u>25,748,381</u>	<u>28,579,870</u>
Total program revenues	<u>42,711,809</u>	<u>43,437,985</u>	<u>40,313,429</u>	<u>40,603,866</u>	<u>45,877,906</u>
<b>General Revenues</b>					
Governmental activities:					
Taxes:					
Property taxes used for general purposes	21,816,218	22,430,005	22,540,932	22,159,102	25,857,223
Property taxes used for debt service	3,099,335	3,849,690	3,303,218	3,430,326	1,346,036
Transient room taxes used for general purposes	382,054	655,879	715,865	754,585	803,805
Transient room taxes used for debt service	213,174	-	-	-	-
Motor fuel	2,029,262	2,365,624	2,746,350	2,764,402	2,913,483
Marijuana, cigarette and alcoholic beverage	624,444	651,683	699,755	1,213,099	1,251,981
Privilege	2,570,602	2,680,877	2,901,489	2,761,418	2,966,949
Contributions to permanent funds	160	-	-	-	-
Unrestricted interest earnings	605,921	360,650	232,122	401,725	273,722
Miscellaneous	18,871,796	196,111	490,535	548,471	186,145
Total governmental activities general revenues	<u>50,212,966</u>	<u>33,190,519</u>	<u>33,630,266</u>	<u>34,033,128</u>	<u>35,599,344</u>
Gain (Loss) on disposal of capital assets	-	-	-	-	-
Transfers	480,438	1,028,256	419,885	1,025,651	1,689,391
Total governmental activities	<u>50,693,404</u>	<u>34,218,775</u>	<u>34,050,151</u>	<u>35,058,779</u>	<u>37,288,735</u>

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

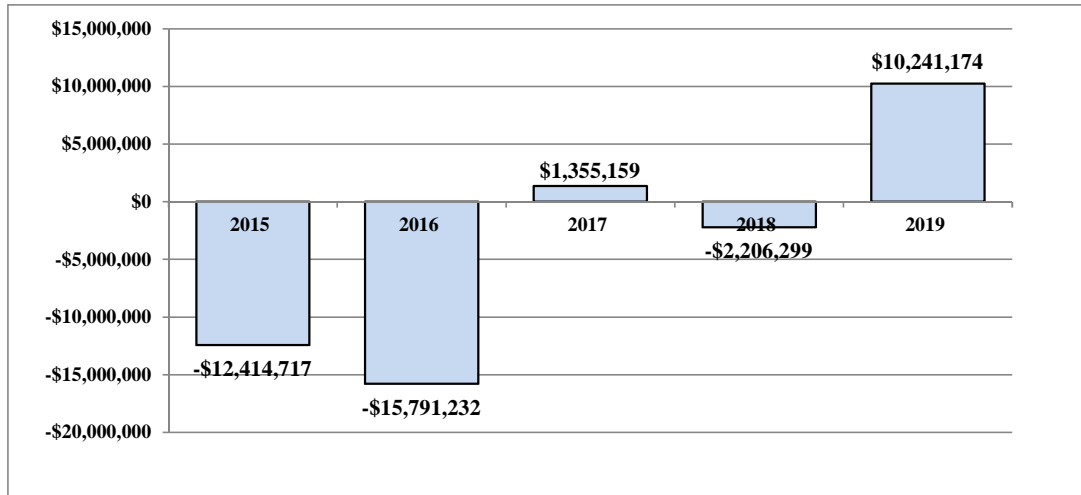
2015	2016	2017	2018	2019	
					<b>Expenses</b>
\$ 7,667,638	\$ 11,956,298	\$ 11,627,250	\$ 11,905,562	\$ 14,611,772	Governmental activities:
20,771,259	39,213,576	33,190,548	35,845,712	37,378,693	General government
6,577,224	5,926,402	6,116,216	4,468,119	7,992,085	Public safety
7,939,789	13,557,065	11,634,285	13,667,104	10,816,892	Highways and streets
710,061	1,240,044	1,295,382	1,279,266	1,554,774	Culture and recreation
43,665,971	71,893,385	63,863,681	67,165,763	72,354,216	Interest on long-term debt
					Total governmental activities expenses
					Business-type activities
11,524,422	14,550,636	12,640,992	12,267,390	11,410,738	Water
14,765,389	17,663,062	15,726,496	15,140,083	14,099,323	Sewer
-	-	1,095,648	1,708,963	2,158,837	
26,289,811	32,213,698	29,463,136	29,116,436	27,668,898	Total business-type activities expenses
					<b>Program Revenues</b>
					Governmental activities:
					Charges for services:
3,487,011	3,718,959	4,173,637	4,621,225	4,607,980	General Government
3,150,776	3,291,540	3,941,179	4,246,900	5,609,787	Public Safety
134,615	138,139	101,502	104,238	1,267,051	Highways and Streets
995,606	1,016,928	1,099,530	1,049,007	1,120,216	Culture and recreation
5,591,657	5,461,409	5,671,185	11,016,549	13,380,093	Operating grants and contributions
3,459,206	3,659,772	2,700,427	2,226,433	2,753,651	Capital grants and contributions
16,818,871	17,286,747	17,687,460	23,264,352	28,738,778	Total governmental activities program revenues
					Business-type activities
13,820,209	13,594,778	16,764,392	14,268,332	14,502,634	Water
29,847,180	16,645,445	20,963,015	17,675,781	18,415,971	Sewer
-	-	974,504	2,035,666	2,199,321	
43,667,389	30,240,223	38,701,911	33,979,779	35,117,926	Total business-type activities program revenues
60,486,260	47,526,970	56,389,371	57,244,131	63,856,704	Total program revenues
					<b>General Revenues</b>
					Governmental activities:
					Taxes:
26,146,965	27,578,824	29,075,234	31,312,153	27,950,003	Property taxes used for general purposes
1,305,558	1,036,443	1,083,756	1,158,749	4,564,044	Property taxes used for debt service
927,172	1,058,892	1,117,460	1,061,288	1,274,676	Transient room taxes used for general purposes
-	-	-	-	-	Transient room taxes used for debt service
2,899,968	3,046,727	3,120,603	-	-	Motor fuel
1,300,909	1,317,405	1,336,937	1,982,371	1,256,415	Marijuana, cigarette and alcoholic beverage
2,984,718	3,572,017	3,901,524	3,950,218	3,870,419	Privilege
-	-	-	-	-	Contributions to permanent funds
200,035	463,554	334,206	573,550	1,470,575	Unrestricted interest earnings
901,434	1,246,118	967,589	1,321,198	2,418,021	Miscellaneous
36,666,759	39,319,980	40,937,309	41,359,527	42,804,153	Total governmental activities general revenues
-	-	-	836,387	1,928,887	Gain (Loss) on disposal of capital assets
1,083,453	1,196,104	1,076,350	1,262,303	1,453,095	Transfers
37,750,212	40,516,084	42,013,659	43,458,217	46,186,135	Total governmental activities

continued pages 127-128

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

	2010	2011	2012	2013	2014
<b>General Revenues, continued</b>					
Business-type activities					
Property taxes used for debt service	\$ 660,343	\$ (2,852)	\$ 8,655	\$ 12,205	\$ 2,298
Unrestricted investment earnings	623,298	272,181	224,922	264,875	237,294
Miscellaneous	3,159,835	6,858,672	2,998,110	5,785,325	168,830
Total business-type activities general revenues	4,443,476	7,128,001	3,231,687	6,062,405	408,422
Transfers	(480,438)	(1,028,256)	(419,885)	(1,025,651)	(1,689,391)
Total business-type activities	3,963,038	6,099,745	2,811,802	5,036,754	(1,280,969)
<b>Change in Net Position</b>					
Governmental activities	3,808,910	(548,822)	(677,106)	3,743,325	10,903,112
Business-type activities	9,343,203	4,922,836	5,614,086	903,110	3,528,333
Total Change in net position	13,152,113	4,374,014	4,936,980	4,646,435	14,431,445
Net position - beginning	267,544,716	291,510,587	302,584,425	304,234,292	307,946,526
Prior period adjustments	-	-	-	(1,003,135)	-
Net position - ending	<u>\$280,696,829</u>	<u>\$ 295,884,601</u>	<u>\$307,521,405</u>	<u>\$307,877,592</u>	<u>\$ 322,377,971</u>

**Change in Net Position**  
last five years

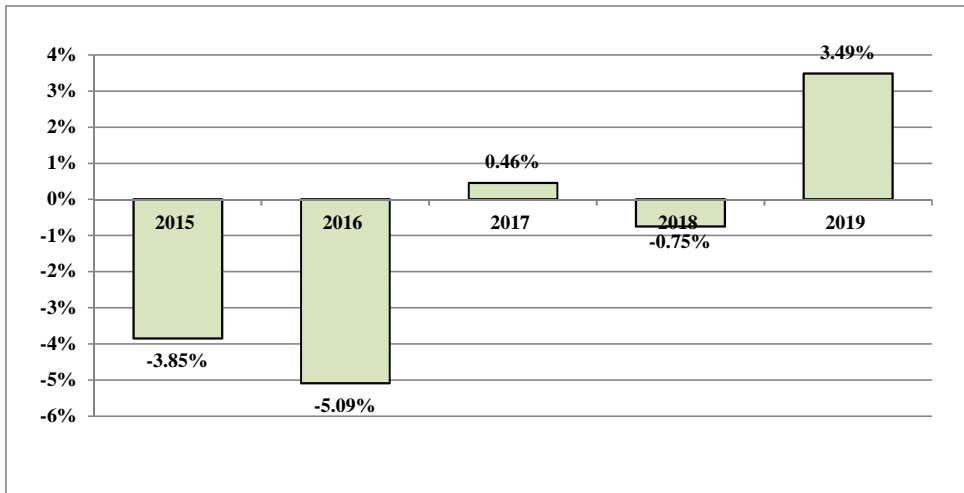


Source: City of Albany 2010-2019 Comprehensive Annual Financial Reports

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

2015	2016	2017	2018	2019	
					<b>General Revenues, continued</b>
					Business-type activities
\$ 3,588	\$ 263	\$ 62	\$ 184	\$ 698	Property taxes used for debt service
332,210	318,536	189,390	362,699	1,326,461	Unrestricted investment earnings
62,372	52,702	227,198	192,273	347,385	Miscellaneous
398,170	371,501	416,650	555,156	1,674,544	Total business-type activities general revenues
(1,083,453)	(1,196,104)	(1,076,350)	(1,262,303)	(1,453,095)	Transfers
(685,283)	(824,603)	(659,700)	(707,147)	221,449	Total business-type activities
					<b>Change in Net Position</b>
					Governmental activities
10,903,112	(14,090,554)	(4,162,562)	(443,194)	2,570,697	Business-type activities
5,597,801	(2,798,078)	8,579,075	4,156,196	7,670,477	Total Change in net position
16,500,913	(16,888,632)	4,416,513	3,713,002	10,241,174	Net position - beginning
312,698,939	309,963,254	294,172,022	295,527,181	293,320,882	Prior period adjustments
(19,236,598)	1,097,400	(3,061,354)	(5,919,301)	-	Net position - ending
<u>\$309,963,254</u>	<u>\$294,172,022</u>	<u>\$295,527,181</u>	<u>\$293,320,882</u>	<u>\$303,562,056</u>	

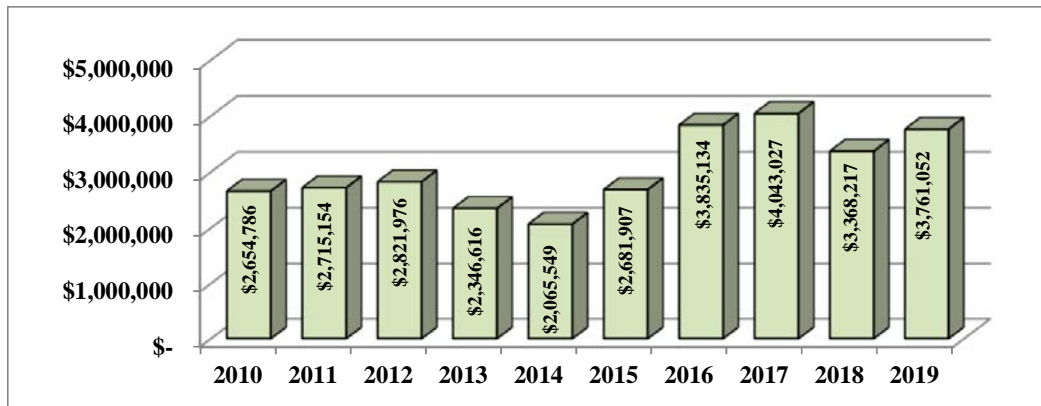
**Year to Year Percentage Change in Net Position**  
 last five years



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

	2010	2011	2012	2013	2014
<b>General Fund</b>					
Unreserved	\$ 2,654,786	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	65,245	62,147	101,672	9,764
Committed	-	185,139	165,567	176,067	279,918
Unassigned	-	2,464,770	2,594,262	2,068,877	1,775,867
<b>Total General Fund</b>	<u>2,654,786</u>	<u>2,715,154</u>	<u>2,821,976</u>	<u>2,346,616</u>	<u>2,065,549</u>
<b>All other governmental funds</b>					
Reserved for:					
Capital projects	7,879,049	-	-	-	-
Debt service	874,973	-	-	-	-
Library programs	7,265	-	-	-	-
Parks & Recreation programs	11,733	-	-	-	-
Perpetual care	117,500	-	-	-	-
Unreserved, reported in:					
Special revenue funds	30,682,955	-	-	-	-
Capital project fund	(2,046,965)	-	-	-	-
Nonspendable	-	130,860	118,130	135,077	156,092
Restricted	-	14,739,849	10,972,119	9,537,754	13,663,170
Committed	-	23,279,884	21,519,026	21,919,612	21,652,083
Assigned	-	-	-	-	-
Unassigned	-	(2,782,392)	(298,795)	(2,778,516)	(3,589,921)
<b>Total all other governmental funds</b>	<u>37,526,510</u>	<u>35,368,201</u>	<u>32,310,480</u>	<u>28,813,927</u>	<u>31,881,424</u>
<b>Total fund balances of governmental funds</b>	<u>\$ 40,181,296</u>	<u>\$ 38,083,355</u>	<u>\$ 35,132,456</u>	<u>\$ 31,160,543</u>	<u>\$ 33,946,973</u>

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



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

Source: City of Albany 2010-2019 Comprehensive Annual Financial Reports

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

2015	2016	2017	2018	2019	
					<b>General Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -	Unreserved
9,634	41,153	32,515	156	2,000	Nonspendable
-	-	-	-	-	Committed
<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>	Unassigned
<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>	Total General Fund
					<b>All other governmental funds</b>
					Reserved for:
-	-	-	-	-	Capital projects
-	-	-	-	-	Debt service
-	-	-	-	-	Library programs
-	-	-	-	-	Parks & Recreation programs
-	-	-	-	-	Perpetual care
					Unreserved, reported in:
-	-	-	-	-	Special revenue funds
-	-	-	-	-	Capital projects fund
169,542	152,185	146,093	124,744	95,275	Nonspendable
12,565,772	27,479,252	14,991,430	10,336,691	19,518,045	Restricted
20,480,214	21,614,668	19,747,584	19,576,312	20,237,894	Committed
-	-	-	-	15,060	
<u>(2,566,638)</u>	<u>-</u>	<u>-</u>	<u>(4,214,620)</u>	<u>(277,283)</u>	Unassigned
<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>	Total all other governmental funds
<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>	Total fund balances of governmental funds

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

Last Ten Fiscal Years

Fiscal Year	Fund Balance	% Change
2010	\$ 2,654,786	-
2011	2,464,770	-7.16%
2012	2,594,262	5.25%
2013	2,068,877	-20.25%
2014	1,775,867	-14.16%
2015	2,672,273	50.48%
2016	3,793,981	41.98%
2017	4,010,512	5.71%
2018	3,368,061	-16.02%
2019	3,759,052	11.61%

The General Fund unreserved fund balance has decreased by 41.6 percent over the last ten years. The 2018-19 unassigned fund balance of \$3,759,052 is 9.6 percent of total expenditures before transfers out, and 8.82 percent of the total General Fund 2018-19 budget.

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

	2010	2011	2012	2013	2014
<b>Revenues</b>					
Taxes	\$ 25,163,569	\$ 26,932,006	\$ 26,567,049	\$ 26,566,424	\$ 27,416,529
Special assessments	64,604	42,830	47,734	28,863	17,864
Franchise fees, privilege taxes, licenses, and permits	6,390,875	6,169,128	5,649,180	5,831,905	6,502,757
Intergovernmental	8,129,421	9,331,327	9,389,439	9,039,634	10,517,304
Charges for services	5,043,672	5,204,052	4,967,810	5,697,879	6,082,333
Fines and forfeitures	839,861	769,200	731,135	3,101	3,123
Land sales	-	-	-	-	-
Interest on investments	595,031	348,336	262,531	397,315	271,182
Miscellaneous	19,366,270	481,375	836,338	1,180,098	1,337,583
Total revenues	<u>65,593,303</u>	<u>49,278,254</u>	<u>48,451,216</u>	<u>48,745,219</u>	<u>52,148,675</u>
<b>Expenditures</b>					
General government	9,002,393	5,916,136	5,444,422	7,064,448	6,686,132
Public safety	24,225,530	25,218,770	25,643,030	24,762,823	25,595,092
Highways and streets	3,599,042	3,553,451	3,483,170	3,472,264	3,128,945
Culture and recreation	7,569,933	7,078,644	8,475,037	7,608,139	8,056,710
Health	-	-	-	-	-
Capital outlay	8,135,811	5,975,749	5,800,086	6,226,543	3,952,086
Debt service					
Principal	1,908,434	3,585,926	2,017,524	3,905,432	2,237,146
Interest	1,112,461	1,075,775	958,731	870,010	755,175
Total expenditures	<u>55,553,604</u>	<u>52,404,451</u>	<u>51,822,000</u>	<u>53,909,659</u>	<u>50,411,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,039,699</u>	<u>(3,126,197)</u>	<u>(3,370,784)</u>	<u>(5,164,440)</u>	<u>1,737,389</u>
<b>Other financing sources (uses)</b>					
Debt issuance	1,958,800	-	-	-	-
Capital lease	75,139	-	-	166,876	-
Sale of capital asset	-	-	-	-	-
Transfers in	5,836,489	10,705,097	10,417,617	4,960,950	6,660,676
Transfers out	(5,356,051)	(9,676,841)	(9,997,732)	(3,935,299)	(4,995,277)
Total other financing sources (uses)	<u>2,514,377</u>	<u>1,028,256</u>	<u>419,885</u>	<u>1,192,527</u>	<u>1,665,399</u>
Prior period adjustments	-	-	-	-	-
Net change in fund balances	<u>\$ 12,554,076</u>	<u>\$ (2,097,941)</u>	<u>\$ (2,950,899)</u>	<u>\$ (3,971,913)</u>	<u>\$ 3,402,788</u>

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

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

Total debt service expenditures	\$ 3,020,895	\$ 4,661,701	\$ 2,976,255	\$ 2,961,701	\$ 2,976,255
Total noncapital expenditures	<u>47,417,793</u>	<u>46,428,702</u>	<u>46,021,914</u>	<u>47,683,116</u>	<u>46,459,200</u>
Ratio of total debt service expenditures less refundings to total noncapital expenditures	<u>6.37%</u>	<u>10.04%</u>	<u>6.47%</u>	<u>6.21%</u>	<u>6.41%</u>

Source: City of Albany 2010-2019 Comprehensive Annual Financial Reports



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

2015	2016	2017	2018	2019	
					<b>Revenues</b>
\$ 28,286,016	\$ 29,897,203	\$ 31,464,424	\$ 33,367,732	\$ 35,929,111	Taxes
817,846	526,610	281,495	2,614	205,991	Special assessments
					Franchise fees, privilege taxes, licenses, and permits
7,217,726	7,621,457	8,925,034	8,799,331	8,978,341	Intergovernmental
9,332,104	9,123,174	8,450,512	11,047,952	16,417,359	Charges for services
5,927,810	6,326,874	6,907,045	7,481,482	7,558,952	Fines and forfeitures
3,127	8,403	19,544	61,362	84,711	Land sales
-	11,496	-	-	-	Interest on investments
197,437	456,806	328,560	566,717	1,458,296	Miscellaneous
1,159,726	1,088,232	1,416,602	2,744,583	2,947,195	Total revenues
<u>52,941,792</u>	<u>55,060,255</u>	<u>57,793,216</u>	<u>64,071,773</u>	<u>73,579,956</u>	
					<b>Expenditures</b>
7,544,431	10,080,973	11,609,197	15,480,203	9,786,568	General government
25,997,415	27,404,433	28,332,212	32,391,938	34,451,423	Public safety
2,980,799	3,056,329	3,108,781	3,076,288	3,293,852	Highways and streets
8,368,902	8,779,572	9,158,782	9,530,126	9,999,871	Culture and recreation
-	125,745	130,621	151,939	586	Health
7,926,087	6,485,115	18,409,687	12,978,050	10,572,423	Capital outlay
					Debt service
1,741,794	1,016,605	983,483	1,052,140	1,720,315	Principal
714,071	1,212,756	1,315,505	1,304,598	1,378,201	Interest
<u>55,273,499</u>	<u>58,161,528</u>	<u>73,048,268</u>	<u>75,965,282</u>	<u>71,203,239</u>	Total expenditures
<u>(2,331,707)</u>	<u>(3,101,273)</u>	<u>(15,255,052)</u>	<u>(11,893,509)</u>	<u>2,376,717</u>	Excess (deficiency) of revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
-	18,636,260	-	-	8,400,000	Debt issuance
86,005	242,881	-	206,481	-	Capital lease
-	1,745,013	-	836,387	1,928,887	Sale of capital asset
6,577,243	12,316,154	6,913,140	8,289,131	7,206,816	Transfers in
<u>(5,493,790)</u>	<u>(11,120,050)</u>	<u>(5,876,890)</u>	<u>(7,175,028)</u>	<u>(5,753,721)</u>	Transfers out
1,169,458	21,820,258	1,036,250	2,156,971	11,781,982	Total other financing sources (uses)
<u>(70,285)</u>	<u>1,031,457</u>	<u>65,699</u>	<u>(252)</u>	<u>-</u>	Prior period adjustments
<u>\$ (1,232,534)</u>	<u>\$ 19,750,442</u>	<u>\$ (14,153,103)</u>	<u>\$ (9,736,790)</u>	<u>\$ 14,158,699</u>	Net change in fund balances
\$ 2,455,865	\$ 2,229,361	\$ 2,298,988	\$ 2,356,738	\$ 3,098,516	Total debt service expenditures
47,347,412	44,350,115	51,002,132	51,671,259	51,513,360	Total noncapital expenditures
<u>5.19%</u>	<u>5.03%</u>	<u>4.51%</u>	<u>4.56%</u>	<u>6.01%</u>	Ratio of total debt service expenditures less refundings to total noncapital expenditures

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

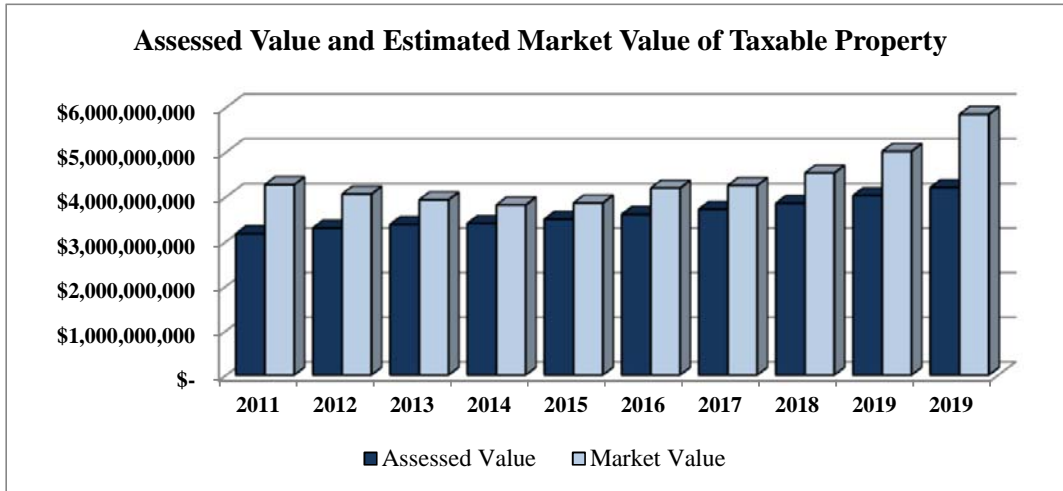
Fiscal Year Ended June 30,	County	Taxable Assessed Value (1)	Direct Tax Rate Per \$1,000 of Assessed Value	Urban Renewal District Assessed Value (2)	Total Assessed Value	Estimated Market Value	Assessed Value as a % of Market Value
2011	Linn	2,529,699,882	7.99	90,157,811	2,619,857,693	3,433,300,300	76.31%
	Benton	550,561,377	7.78	-	550,561,377	836,060,448	65.85%
	Total	3,080,261,259		90,157,811	3,170,419,070	4,269,360,748	74.26%
2012	Linn	2,618,801,545	7.81	101,564,871	2,720,366,416	3,275,687,464	83.05%
	Benton	578,241,790	7.81	-	578,241,790	781,904,703	73.95%
	Total	3,197,043,335		101,564,871	3,298,608,206	4,057,592,167	81.29%
2013	Linn	2,648,804,108	7.52	111,196,690	2,760,000,798	3,201,432,516	86.21%
	Benton	617,297,378	7.52	-	617,297,378	728,220,462	84.77%
	Total	3,266,101,486		111,196,690	3,377,298,176	3,929,652,978	85.94%
2014	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%
2015	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%
2016	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%
2017	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%
2018	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%
2019	Linn	3,015,678,290	8.15	213,174,791	3,228,853,081	4,005,117,742	80.62%
	Benton	795,173,155	7.84	-	795,173,155	1,009,149,143	78.80%
	Total	3,810,851,445		213,174,791	4,024,026,236	5,014,266,885	80.25%
2019	Linn	3,117,913,054	8.37	231,137,526	3,349,050,580	4,501,152,682	74.40%
	Benton	855,444,364	8.26	-	855,444,364	1,341,926,256	63.75%
	Total	3,973,357,418		231,137,526	4,204,494,944	5,843,078,938	71.96%

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

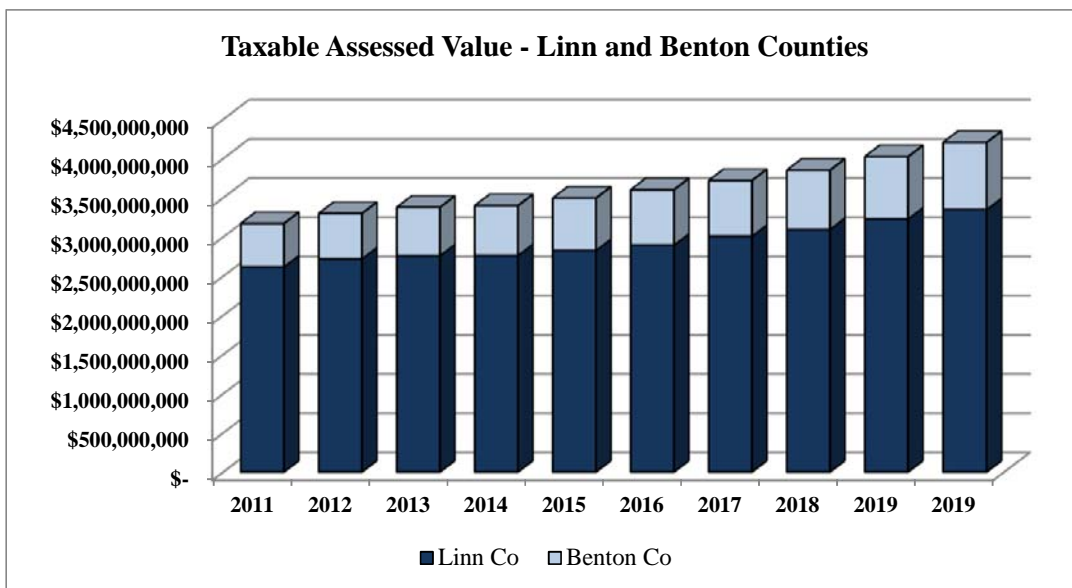
(2) Urban renewal district incremental amount.

Source: Linn and Benton Counties Tax Assessor

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



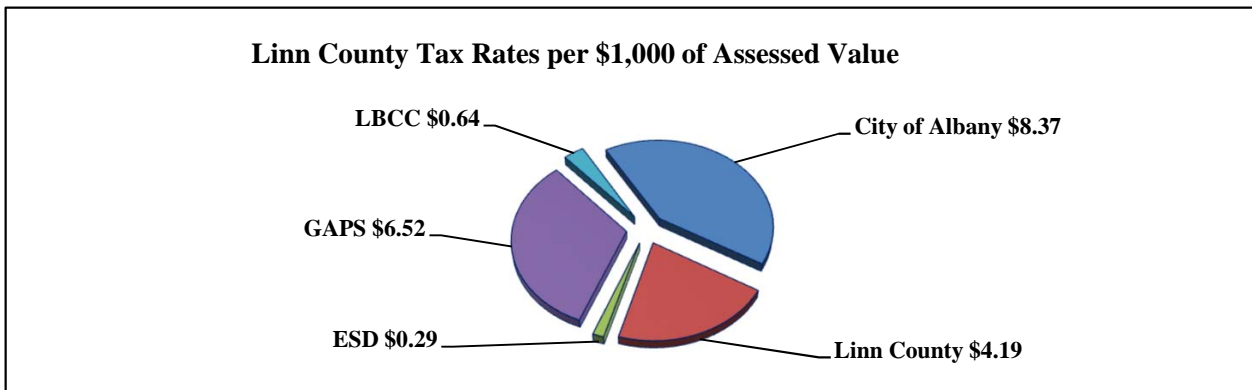
The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 80.25 percent of market value, leaving a \$990,240,649 gap. Current economic conditions will have an effect on the market value of properties, but the extent of the effect is not known at this time.



Schedule 6  
**CITY OF ALBANY, OREGON**  
**DIRECT AND OVERLAPPING TAX RATES (1)**  
 Last Ten Fiscal Years

City of Albany Direct Rates

Fiscal Year Ended June 30,	County	Basic Rate	Local Option Public Safety Levy	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	Total Direct Rate
2010	Linn	6.40	0.95	0.64	7.99	0.47	8.46
	Benton	6.22	0.92	0.64	7.78	0.36	8.14
2011	Linn	6.20	0.92	0.69	7.81	0.56	8.37
	Benton	6.20	0.92	0.69	7.81	0.44	8.25
2012	Linn	6.19	0.92	0.41	7.52	0.66	8.17
	Benton	6.19	0.92	0.41	7.52	0.49	8.01
2013	Linn	6.16	0.92	0.42	7.50	0.73	8.23
	Benton	6.16	0.92	0.42	7.50	0.55	8.04
2014	Linn	6.40	1.15	0.43	7.98	0.80	8.78
	Benton	6.40	1.15	0.43	7.98	-	7.98
2015	Linn	6.40	1.15	0.37	7.92	1.27	9.19
	Benton	6.40	1.15	0.37	7.92	-	7.92
2016	Linn	6.40	1.15	0.29	7.84	1.27	9.11
	Benton	6.40	1.15	0.29	7.84	-	7.84
2017	Linn	6.40	1.15	0.29	7.84	0.31	8.15
	Benton	6.40	1.15	0.29	7.84	-	7.84
2018	Linn	6.40	1.15	0.29	7.84	0.31	8.15
	Benton	6.40	1.15	0.29	7.84	-	7.84
2019	Linn	6.04	1.15	0.27	7.46	0.91	8.37
	Benton	6.04	1.15	0.27	7.46	0.80	8.26



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

ESD - Educational Service District  
 GAPS - Greater Albany Public School District

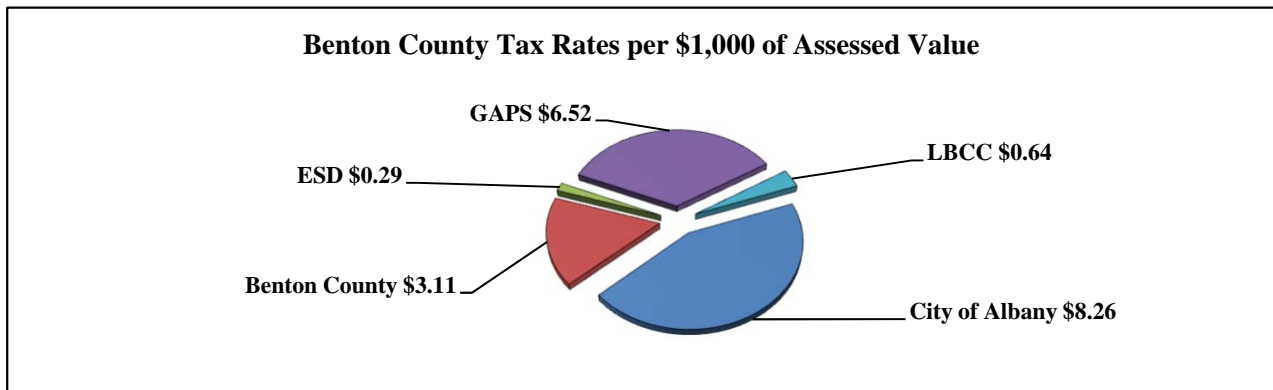
LBCC - Linn-Benton Community College  
 NACSD - North Albany County Service District

Source: Linn and Benton County Tax Assessors

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

Overlapping Rates

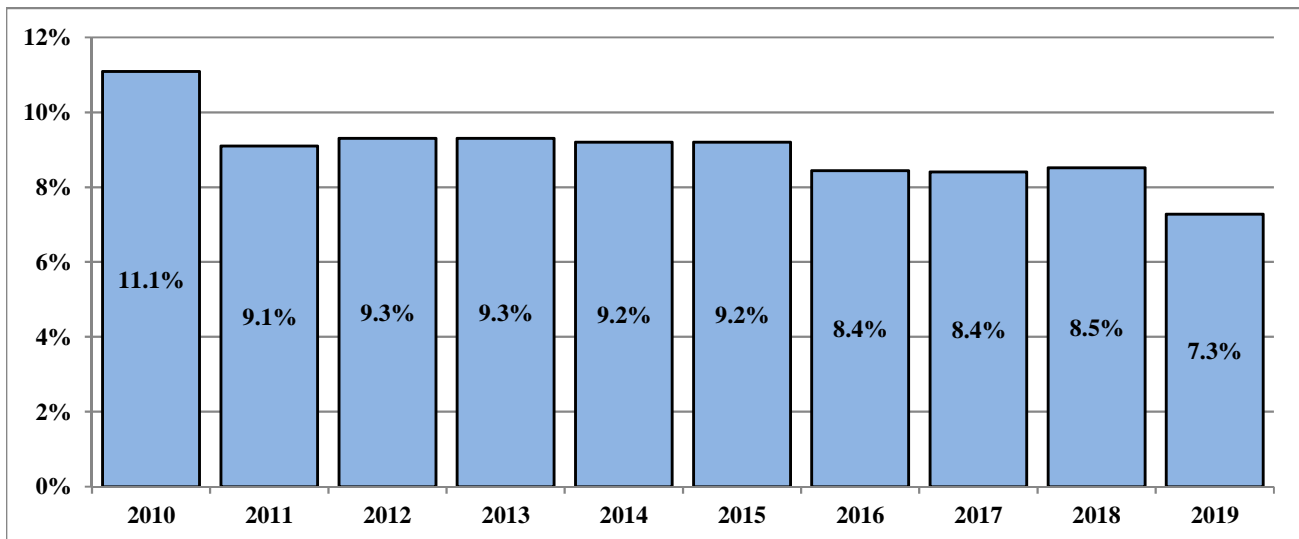
Linn County	Benton County	4H Extension District (2)	ESD(2) Linn/Benton Counties	Greater Albany Public School District	Linn-Benton Community College	Benton County Service/Ext Districts	Total Direct & Overlapping Rates
3.46	-	0.05	0.30	6.05	0.66	-	18.98
-	2.85	-	0.30	6.05	0.66	0.18	18.18
3.48	-	0.05	0.30	6.02	0.65	-	18.87
-	2.90	-	0.30	6.02	0.65	-	18.11
3.88	-	0.05	0.29	5.98	0.66	-	19.03
-	2.94	-	0.29	5.98	0.66	-	17.87
3.86	-	0.05	0.29	5.97	0.65	-	19.05
-	3.02	-	0.29	5.97	0.65	-	17.97
3.85		0.05	0.29	6.07	0.66	-	19.70
	3.16	-	0.29	6.07	0.66	-	18.16
4.21		0.07	0.29	6.01	0.65	-	20.42
	3.11	-	0.29	6.01	0.65	-	17.97
4.21		0.07	0.29	6.01	0.65	-	20.34
	3.11	-	0.29	6.01	0.65	-	17.89
4.21		0.07	0.29	5.79	0.64	-	19.14
	3.11	-	0.29	5.79	0.64	-	17.66
4.20		0.07	0.29	6.53	0.64	-	19.87
	3.11	-	0.29	6.53	0.64	-	18.40
4.19		0.07	0.29	6.52	0.64	-	20.07
	3.11	-	0.29	6.52	0.64	0.13	18.94



Schedule 7  
**CITY OF ALBANY, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Fiscal Years 2009-2010 and 2018-2019

Taxpayer	2018-2019		% of	2009-2010		% of
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Taxable Assessed Value	Rank	Total Taxable Assessed Value
Dayton Hudson Corporation	\$ 69,456,909	1	1.73%	\$ 76,356,580	1	2.91%
Oregon Freeze Dry Foods, Inc.	43,618,660	2	1.08%	28,967,490	3	1.05%
WR Grace & Co Conn	26,957,380	3	0.67%	-		0.00%
Oregon Metallurgical Corporation	24,979,954	4	0.62%	65,013,095	2	1.15%
Pacificorp (PP&L)	23,337,000	5	0.58%	-		2.31%
Pacific Cast Technologies	23,195,190	6	0.58%	22,048,720	6	0.00%
Mennonite Home of Albany	21,258,453	7	0.53%	14,026,125	8	0.70%
Northwest Natural Gas	20,484,000	8	0.51%	-		1.49%
Energ2 Inc	20,253,440	9	0.50%	-		0.00%
Walmart Real estate Business Trust	19,277,070	10	0.48%	-		0.00%
Metropolitan Life Insurance	-			16,416,410	7	0.56%
Costco Wholesale Corp	-			12,618,976	10	0.49%
Absorbent Technologies	-			13,012,030	9	0.49%
Waverly Land Management	-			23,156,806	5	0.80%
Steadfast Heritage, LLC	-			23,436,298	4	0.91%
<b>Total</b>	<b>\$ 292,818,056</b>		<b>7.28%</b>	<b>\$ 295,052,530</b>		<b>12.86%</b>
Total taxable assessed value, all properties	<u>\$ 4,024,026,236</u>			<u>\$ 3,039,853,252</u>		

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

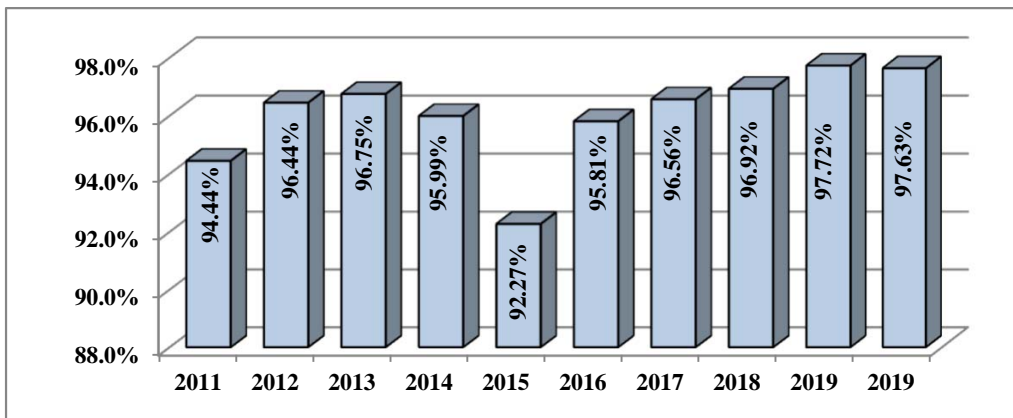


Source: Linn and Benton County Tax Assessors

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

Schedule 8  
**CITY OF ALBANY, OREGON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levy as Extended by the Assessor (1)	Collected within the Fiscal Year of the Levy	Percentage Collected	Collections In Subsequent Years	Total Collections to Date	Percentage of Levy as Extended
2011	\$ 25,742,434	\$ 24,311,929	94.44%	\$ 1,354,298	\$ 25,666,227	99.70%
2012	27,273,089	26,303,489	96.44%	862,575	27,166,064	99.61%
2013	26,575,455	25,710,504	96.75%	840,964	26,551,468	99.91%
2014	26,473,672	25,411,744	95.99%	1,057,195	26,468,939	99.98%
2015	27,562,841	25,431,964	92.27%	2,116,798	27,548,762	99.95%
2016	27,836,933	26,669,274	95.81%	1,146,218	27,815,492	99.92%
2017	29,171,625	28,169,159	96.56%	924,881	29,094,040	99.73%
2018	30,457,817	29,521,130	96.92%	742,420	30,263,550	99.36%
2019	32,481,243	31,741,907	97.72%	378,161	32,120,068	98.89%
2019	33,570,277	32,775,527	97.63%	-	32,775,527	97.63%



The City has chosen to calculate the property tax collection rate based on the gross amount of the levy as extended by the Linn and Benton County Assessors. The resulting rate is a lower percentage, but for comparative purposes it can be applied to future years' levies without having to estimate discounts and adjustments. This method of calculating the collection rate is the same one used for the budget. In past annual reports the collection percentage was based on a net levy, which included discounts and adjustments. Using the new method, the ten-year average first-year collection rate is 95.72 percent of the levy as extended by the assessors.

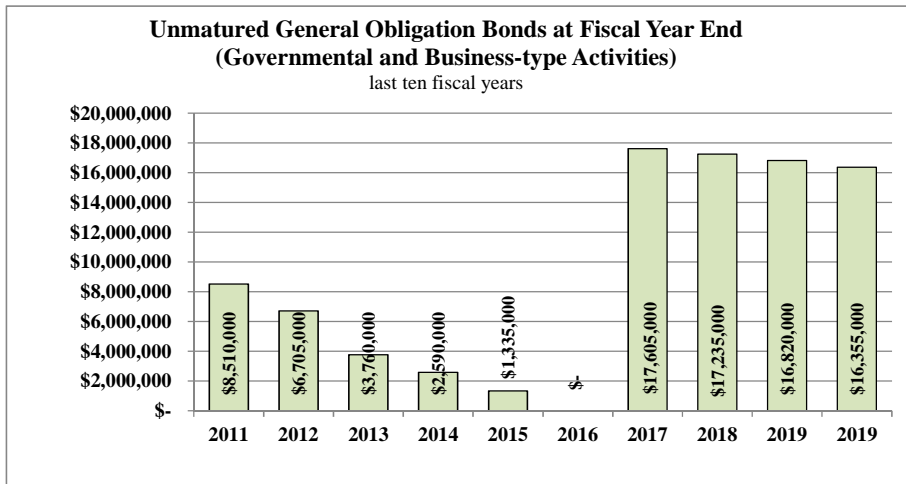
There are three ways in which property tax revenue can be adversely affected by a slowdown in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be lag time before a downturn would directly affect the market value limit on assessed value. In the second situation, assessed values will not fall quickly. It is more likely that the rate of growth of the assessed value will slow. The third factor has the potential to have a more immediate effect. A one percentage point drop in the tax collection rate would translate into a \$250,000 decrease in current tax revenues. The City will monitor the tax collection rate to gauge its effect on revenues. The tax collection rate will also be a factor in the preparation of the 2018-19 budget.

Sources: Linn and Benton County Tax Assessors

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

Schedule 9  
**CITY OF ALBANY, OREGON**  
**SCHEDULE OF DEBT PER CAPITA AND DEBT AS A PERCENTAGE OF PERSONAL INCOME**  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	GOVERNMENTAL ACTIVITIES							
	General Obligation Bonds (5)	Special Assessment Debt (1)	Revenue Bonds	Limited Tax Pension Obligations	General Revenue Obligations	Urban Renewal (UR) TIF Bonds( 2)	Notes Payable	Capital Leases
2011	\$ 7,675,000	\$ 339,099	\$ 420,000	\$ 6,545,507	\$ 2,645,000	\$ 4,328,000	\$ 211,381	\$ 557,626
2012	6,705,000	270,179	210,000	6,463,368	2,325,000	6,053,800	187,008	389,730
2013	3,760,000	-	-	5,513,557	1,660,000	5,548,200	132,505	242,042
2014	2,590,000	-	-	5,415,689	1,305,000	3,307,000	102,341	219,278
2015	1,335,000	-	-	5,314,001	940,000	2,822,000	71,881	71,241
2016	-	-	-	5,208,982	800,000	2,696,000	36,107	63,325
2017	17,605,000	-	-	5,101,484	655,000	2,363,000	-	208,742
2018	17,235,000	-	-	4,992,002	500,000	2,014,000	-	131,334
2019	16,820,000	-	-	4,880,861	340,000	1,648,000	-	239,805
2019	16,355,000	-	-	4,769,605	175,000	1,265,000	7,803,830	164,483

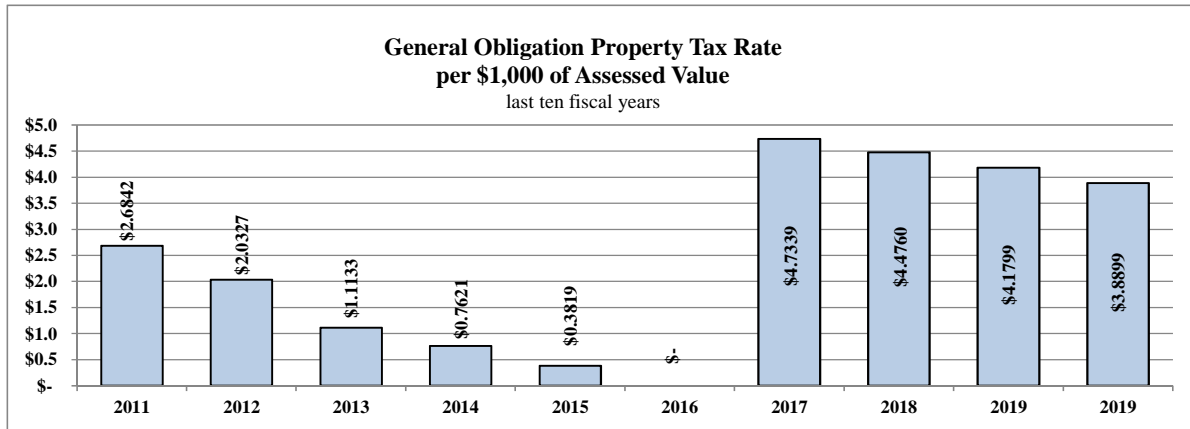


The above chart reflects the issuance of general obligation bonds in FY 2016-17



Schedule 9  
**CITY OF ALBANY, OREGON**  
**SCHEDULE OF DEBT PER CAPITA AND DEBT AS A PERCENTAGE OF PERSONAL INCOME**  
 Last Ten Fiscal Years

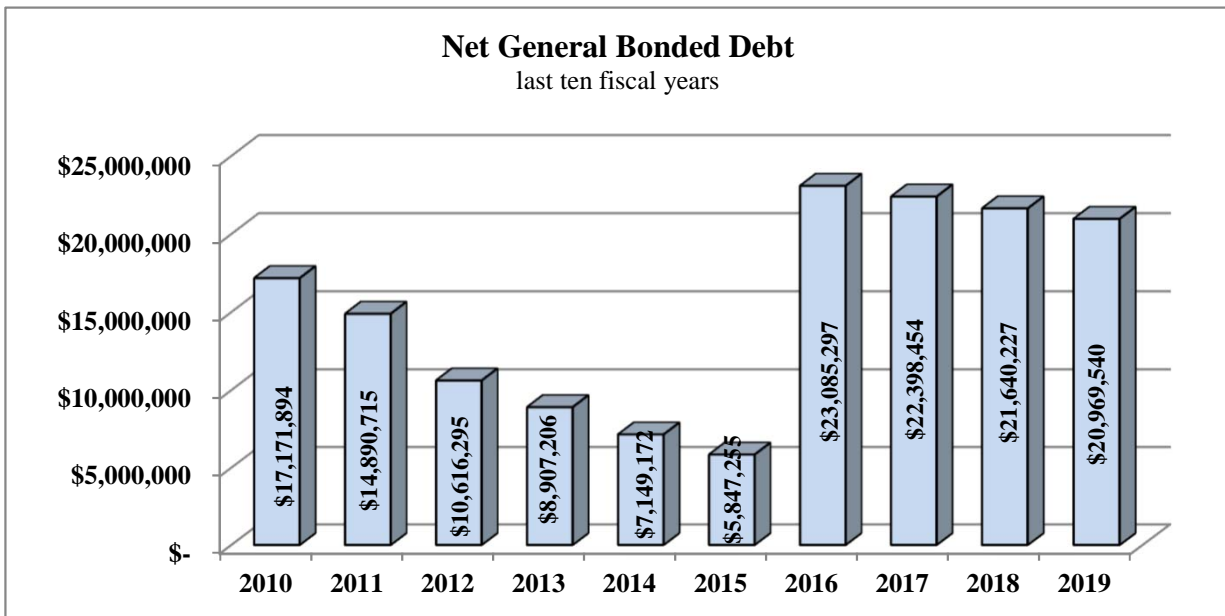
BUSINESS-TYPE ACTIVITIES							
General Obligation Bonds	Water Revenue Bonds (4)	Sewer Revenue Bonds	Certificates of Participation	Notes Payable (3)	Total Outstanding Debt	% of Personal Income	Debt per Capita
\$ 835,000	\$ 34,200,000	\$ 505,000	\$ 215,267	\$ 55,399,277	\$ 113,758,629	3.20%	2,003
-	32,855,000	-	147,365	73,114,000	122,972,669	3.76%	2,332
-	30,840,000	-	-	69,012,321	112,791,629	3.21%	2,233
-	28,405,000	-	-	65,742,674	104,701,797	2.85%	2,065
-	27,400,000	-	-	62,373,072	98,577,486	2.62%	1,944
-	26,505,000	-	-	58,900,330	94,209,744	2.56%	1,858
-	25,570,000	-	-	55,321,160	106,824,386	2.83%	2,106
-	24,595,000	-	-	51,632,167	101,099,503	2.40%	1,972
-	23,575,000	-	-	47,700,361	95,204,027	2.11%	1,843
-	22,515,000	-	-	42,425,307	95,473,225	n/a	1,817



The average annual increase in assessed value over the ten-year period is just under three percent, with a high of 4.51 percent in 2018 and a low of 0.63 percent in 2013.

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

Fiscal Year Ended June 30,	Population	Assessed Value	General Obligation Bonds	Limited Tax Pension Obligations	Certificates of Participation	General Revenue Obligations
2010	49,530	\$ 3,170,419,070	\$ 8,510,000	\$ 6,545,507	\$ -	\$ 2,645,000
2011	50,325	3,298,608,206	6,705,000	6,463,368	-	2,325,000
2012	50,520	3,377,298,176	3,760,000	5,513,557	-	1,660,000
2013	50,710	3,398,584,772	2,590,000	5,415,689	-	1,305,000
2014	50,720	3,495,260,256	1,335,000	5,314,001	-	940,000
2015	51,270	3,602,099,109	-	5,208,982	-	800,000
2016	51,670	3,718,890,337	17,605,000	5,101,484	-	655,000
2017	52,540	3,850,553,389	17,235,000	4,992,002	-	500,000
2018	52,710	4,024,026,236	16,820,000	4,880,861	-	340,000
2019	54,120	4,204,494,944	16,355,000	4,769,605	-	175,000

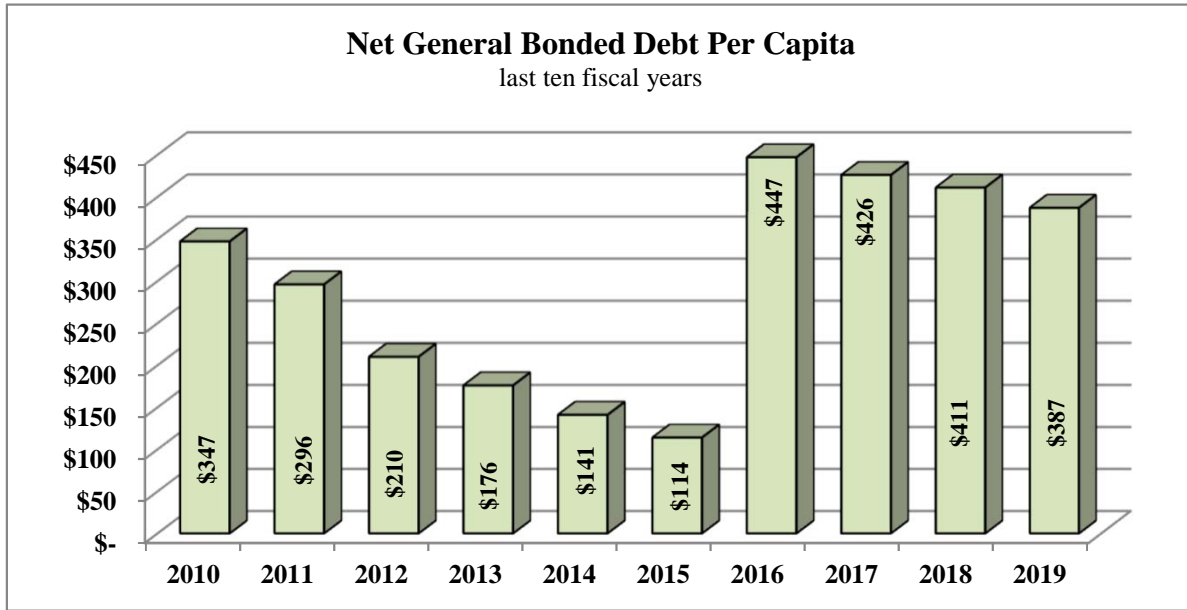


- (1) General bonded debt includes general obligation bonds and other bonded debt financed with any general governmental resources excluding special assessment bonds.
- (2) In March 1999, \$9,850,000 of general obligation bonds were issued to finance the reconstruction of four major arterial roads within the City.
- (3) Available for the 2002 Limited Tax Pension Bonds and the 2015 Public Safety Facility Bonds.

Source: City of Albany 2010-2019 Comprehensive Annual Financial Reports

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

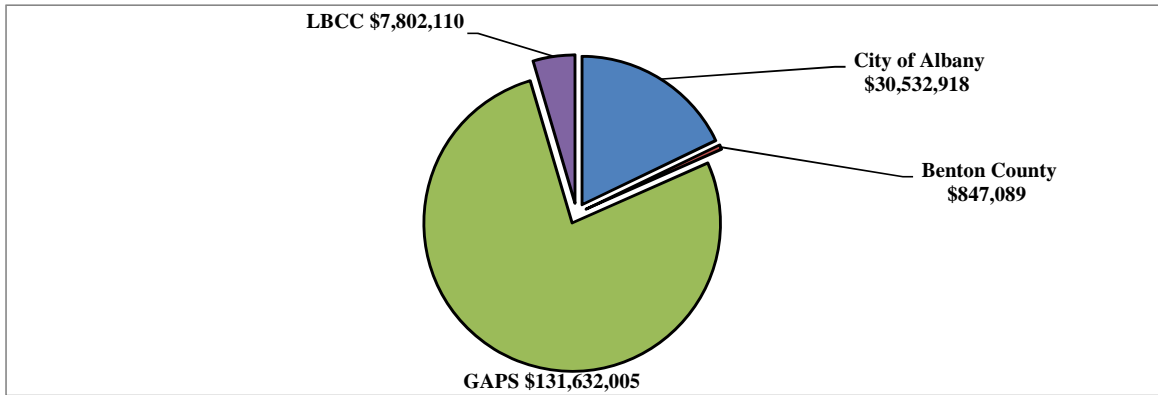
Less: Amounts Available in Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
\$ 528,613	\$ 17,171,894	0.5416%	346.70	0.53%
602,653	14,890,715	0.4514%	295.89	0.44%
317,262	10,616,295	0.3143%	210.14	0.30%
403,483	8,907,206	0.2621%	175.65	0.24%
439,829	7,149,172	0.2045%	140.95	0.19%
161,727	5,847,255	0.1623%	114.05	0.14%
276,187	23,085,297	0.6208%	446.78	0.51%
328,548	22,398,454	0.5817%	426.31	0.48%
400,634	21,640,227	0.5378%	410.55	0.40%
330,065	20,969,540	0.4987%	387.46	n/a



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

Jurisdiction	Net Outstanding Debt	Percentage Applicable to the City of Albany (1)	Amount Applicable to the City of Albany
<b>DIRECT DEBT</b>			
City of Albany (2) (3)	\$ 30,532,918	100.0000%	\$ 30,532,918
<b>OVERLAPPING DEBT</b>			
Benton County	6,875,000	12.3213%	847,089
Greater Albany Public School (GAPS) District 8J	178,379,829	73.7931%	131,632,005
Linn Benton Community College (LBCC)	33,273,103	23.4487%	7,802,110
<u>Total overlapping debt</u>	<u>218,527,932</u>		<u>140,281,204</u>
<u>Total direct and overlapping debt</u>	<u>\$ 249,060,850</u>		<u>\$ 170,814,122</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.

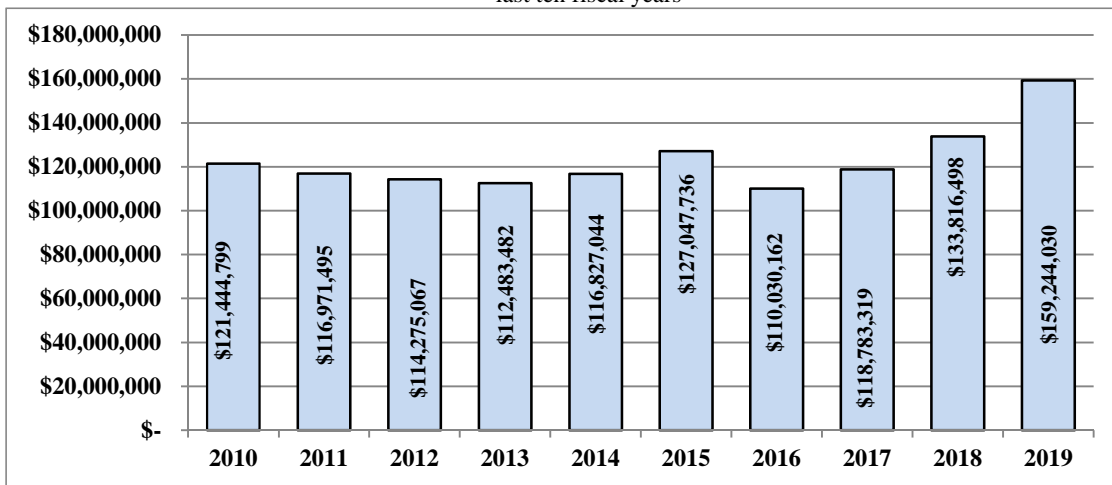
(2) City of Albany net outstanding debt	
2015 Public Safety Facilities Bond	\$ 16,355,000
2002 Limited Tax Pension Obligations	4,769,605
Total City of Albany net outstanding debt - bonded	<u>21,124,605</u>

(3) Remaining City of Albany net outstanding debt	
2004 General Revenue Obligations	175,000
2007 CARA Series A (Taxable) & B (Tax-exempt) UR Bonds	1,265,000
Oregon IFA	7,803,830
2018 Capital Leases for City of Albany Police Cars	164,483
Total Remaining City of Albany net outstanding debt	<u>9,408,313</u>
Grand Total of City of Albany net outstanding debt	<u>\$ 30,532,918</u>

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

	2010	2011	2012	2013
Debt limitation	\$ 128,080,822	\$ 121,727,765	\$ 117,889,589	\$ 114,909,144
Total net debt applicable to limitation	6,636,023	4,756,270	3,614,522	2,425,662
Legal debt margin	<u>\$ 121,444,799</u>	<u>\$ 116,971,495</u>	<u>\$ 114,275,067</u>	<u>\$ 112,483,482</u>
Ratio of net debt applicable to the debt limitation	<u>5.18%</u>	<u>3.91%</u>	<u>3.07%</u>	<u>2.11%</u>

**Legal Debt Margin**  
 last ten fiscal years



The state-mandated legal debt margin for general obligation debt is three percent of true cash value (market value). The legal debt margin is a direct function of the true cash value of properties in the City and the City's net general obligation debt. The City's legal debt margin has increased by 31.12 percent (\$37,799,231) over the last ten years. During the same period, the City's true cash value increased by 17.94 percent (\$762,791,344) and the City's general obligation debt increased by 58.11 percent (\$5,898,338).

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

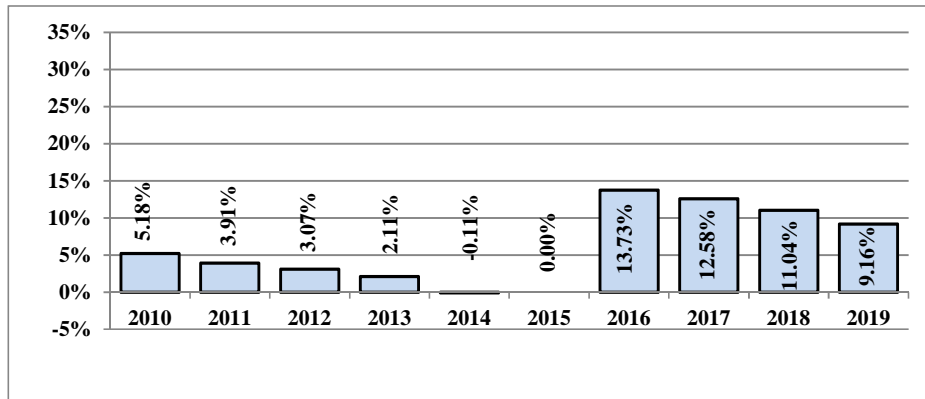
Schedule 12  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 Last Ten Fiscal Years

2014	2015	2016	2017	2018	2019	
\$116,699,781	\$127,047,736	\$127,544,869	\$ 135,869,904	\$150,428,007	\$ 175,292,368	Debt limitation
(127,263)	-	17,514,707	17,086,585	16,611,509	16,048,338	Total net debt applicable to limitation
<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>	Legal debt margin
<u>-0.11%</u>	<u>0.00%</u>	<u>13.73%</u>	<u>12.58%</u>	<u>11.04%</u>	<u>9.16%</u>	Ratio of net debt applicable to the debt limitation

**Legal debt margin calculation for Fiscal Year**

True cash value	\$ 5,843,078,938
General obligation debt limit - 3% of true cash value	3%
General obligation debt limit	175,292,368
Gross general obligation bonded debt principal	
2015 Public Safety Facility Bonds	\$ 16,355,000
Less: Debt service monies available	
Debt Service Fund:	
2015 Public Safety Facility Bonds	<u>306,662</u>
Net debt subject to the three percent limitation	<u>16,048,338</u>
Legal debt margin	<u>\$ 159,244,030</u>

**Ratio of the Net Debt Applicable to the Debt Limitation**  
 last ten fiscal years



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

Schedule 13  
**CITY OF ALBANY, OREGON**  
**PLEGDED REVENUE COVERAGE**  
 Last Ten Fiscal Years

**Water Revenue Debt (Coverage requirement equals 125%)**

Fiscal Year Ended June 30,	Operating Revenues	Less: Operating Expenses	Depreciation	Net Available Resources	Debt Service			Coverage Percentage
					Principal	Interest	Total	
2010	\$ 12,131,078	\$ 9,719,493	\$ 2,359,026	\$ 4,770,611	\$ 1,412,902	\$ 1,568,791	\$ 2,981,693	160.00%
2011	11,277,156	9,688,766	2,431,714	4,020,104	1,126,688	1,528,345	2,655,033	151.41%
2012	11,861,912	9,383,550	2,423,215	4,901,577	1,035,678	1,491,069	2,526,747	193.99%
2013	11,990,340	11,137,936	3,287,590	4,139,994	830,000	1,455,556	2,285,556	181.14%
2014	12,324,568	10,608,695	3,121,452	4,837,325	1,005,000	962,064	1,967,064	245.92%
2015	12,815,070	10,012,529	3,035,520	5,838,061	895,000	1,033,194	1,928,194	302.77%
2016	13,206,078	12,477,995	2,971,270	3,699,353	935,000	996,594	1,931,594	191.52%
2017	13,714,532	11,404,150	3,129,376	5,439,758	975,000	958,394	1,933,394	281.36%
2018	13,754,480	11,196,226	3,265,897	5,824,151	1,020,000	918,494	1,938,494	300.45%
2019	14,026,154	10,582,717	3,382,232	6,825,669	1,060,000	876,894	1,936,894	352.40%

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: Operating Expenses	Depreciation	Net Available Resources	Debt Service			Coverage Percentage
					Principal	Interest	Total	
2010	\$ 14,057,229	\$ 9,880,471	\$ 2,208,526	\$ 6,385,284	\$ 988,241	\$ 4,312,405	\$ 5,300,646	120.46%
2011	18,781,882	9,696,304	2,668,459	11,754,037	2,643,460	2,410,626	5,054,086	232.57%
2012	14,835,678	11,643,622	3,273,916	6,465,972	2,723,921	2,316,948	5,040,869	128.27%
2013	18,865,187	11,850,582	4,256,844	11,271,449	2,806,835	2,220,414	5,027,249	224.21%
2014	14,850,594	12,779,201	4,343,400	6,414,793	2,892,278	1,968,873	4,861,151	131.96%
2015	15,674,502	12,481,568	4,573,578	7,766,512	2,980,325	1,873,595	4,853,920	160.00%
2016	15,890,793	14,318,946	4,591,095	6,162,942	3,071,056	1,912,795	4,983,851	123.66%
2017	17,309,718	13,745,672	4,765,219	8,329,265	3,688,993	1,887,254	5,576,247	149.37%
2018	16,777,742	13,525,374	4,775,886	8,028,254	3,931,806	1,757,604	5,689,410	141.11%
2019	18,499,384	13,019,409	4,811,368	10,291,343	4,150,054	1,051,896	5,201,950	197.84%

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.

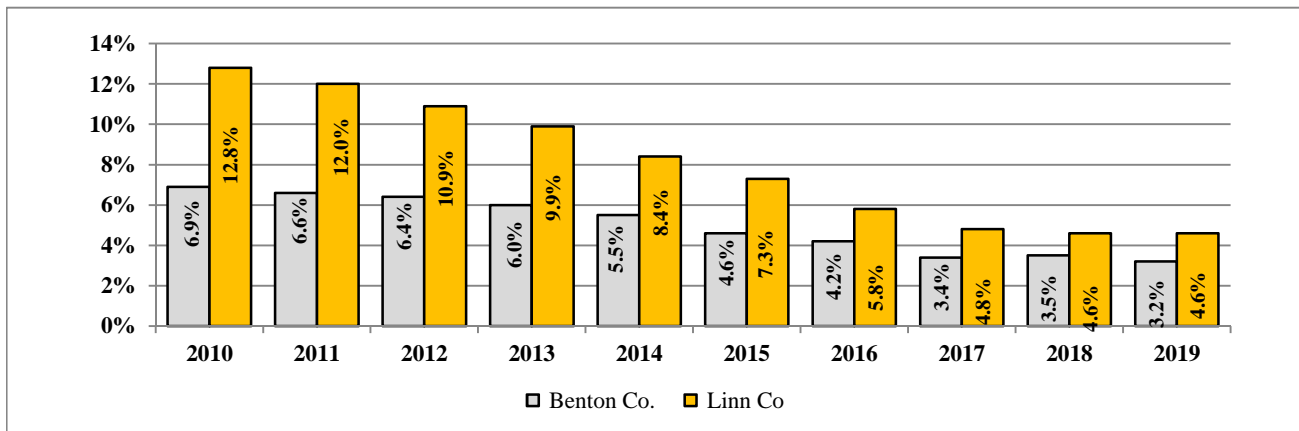
Source: City of Albany 2010-2019 Comprehensive Annual Financial Reports

Schedule 14  
**CITY OF ALBANY, OREGON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Albany Population(1)	Albany-Lebanon Metropolitan Statistical Area		Albany School Enrollment(3)	Unemployment Rate (4)		
		Population(1)	Personal Income(2)		Personal Income(2)	Linn Co.	Benton Co.
2010	49,530	110,185	3,245,058,435	29,451	9,213	12.8%	6.9%
2011	50,325	116,672	3,406,472,384	29,197	9,519	12.0%	6.6%
2012	50,520	116,857	3,515,409,131	30,083	9,911	10.9%	6.4%
2013	50,710	118,122	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	119,705	4,219,670,000	34,379	9,985	7.3%	4.6%
2016	51,670	122,315	4,503,061,000	37,355	9,760	5.8%	4.2%
2017	52,540	125,547	4,713,141,000	38,365	9,530	4.8%	3.4%
2018	52,710	122,849	5,461,500,000	42,891	9,497	4.6%	3.5%
2019	54,120	126,550	n/a	n/a	9,605	4.6%	3.2%

Over the last ten years, the City's population has increased by 9.27 percent (4,590). From 2010 to 2019 per capita personal income has risen by 45.64 percent (\$13,440) in the Albany-Lebanon metropolitan statistical area. Albany's city boundaries span two counties: Linn County (population 46,400) and Benton County (population 7,720). As of Fiscal Year 2017-18 (per capita data lags one year), per capita personal income was \$40,380 for Linn County, \$45,273 for Benton County, and \$45,482 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District increased by 4.25 percent (392 students).

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



Sources:

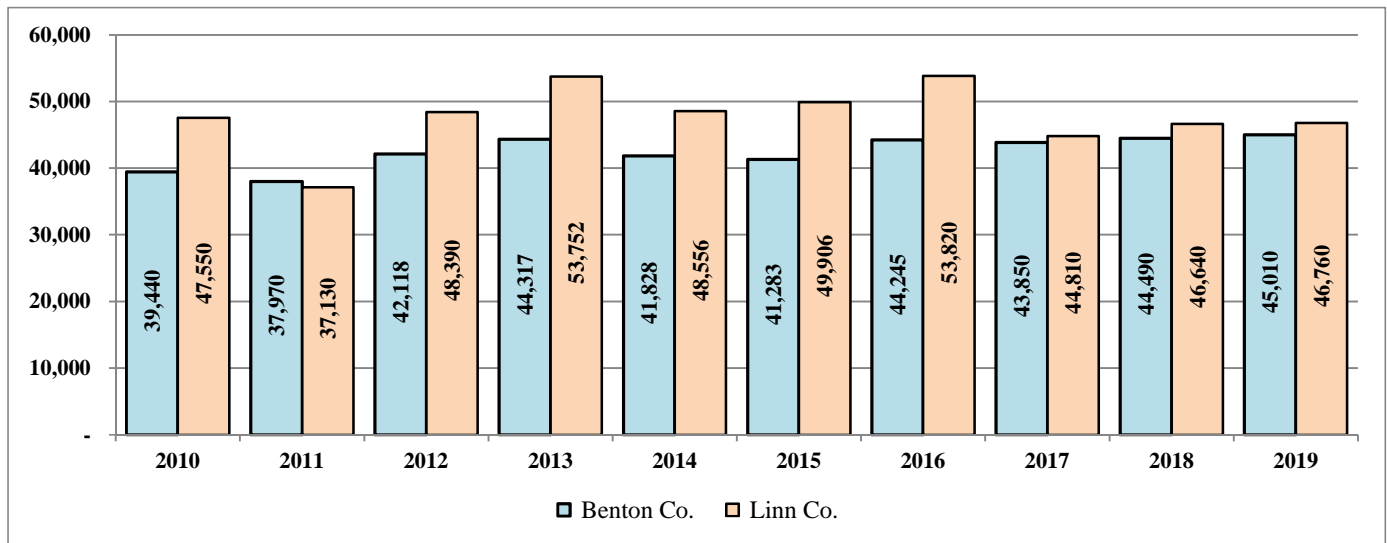
- (1) Portland State University, Population Research and Census Center
- (2) U. S. Department of Commerce, Bureau of Economic Analysis (2014 is the most current data available)
- (3) Greater Albany Public School District 8J
- (4) State of Oregon, Employment Department



Schedule 15  
**CITY OF ALBANY, OREGON**  
**ALBANY AREA PRINCIPAL EMPLOYERS**  
for the Fiscal Years ended June 30, 2010, and June 30, 2019

Employer	June 30, 2019			June 30, 2010		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	10,400	1	11.33%	9,942	1	11.43%
Hewlett Packard	1,500	2	1.63%	2,000	2	2.30%
Greater Albany Public School District 8J	1,400	3	1.53%	1,136	3	1.31%
ATI Wah Chang (Teledyne Wah Chang - 1997)	1,250	4	1.36%	126	10	0.14%
Linn Benton Community College	1,100	5	1.20%	943	5	1.08%
Samaritan Health Services	1,050	6	1.14%	1,115	4	1.28%
Linn County	750	7	0.82%	731	6	0.84%
Dayton-Hudson Corporation (Target)	700	8	0.76%	560	7	0.64%
City of Albany	480	9	0.52%	425	9	-
OFD Foods	400	10	0.44%	-	-	-
Express Personnel	-	-	0.00%	475	8	-
<b>Totals</b>	<b>19,030</b>		<b>20.74%</b>	<b>17,453</b>		<b>20.06%</b>
<b>Total employment in Linn and Benton Counties</b>	<b>91,770</b>			<b>86,990</b>		

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



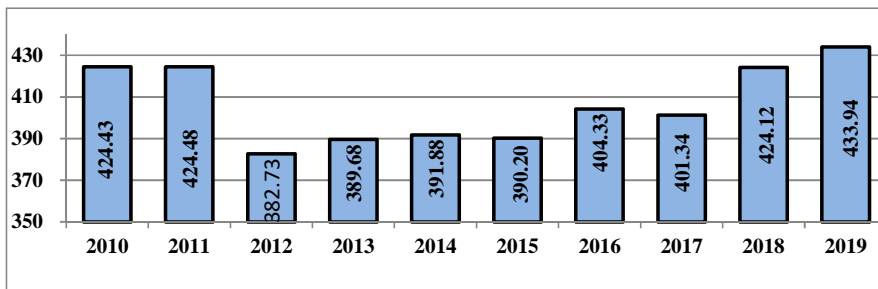
The percentage of top ten employers to total jobs for Linn and Benton Counties has been quite stable over the ten-year period. Total employment in Benton and Linn Counties has decreased by 0.7 percent (2,527 jobs) over the last ten years. For the ten-year period, the low point was 75,100 jobs in June 2011, and the high point was 98,069 jobs in June 2013. National and international economic instability will likely have an adverse effect in the coming years, although at this time the extent is unknown.

Sources:  
Employer personnel offices  
Oregon Employment Department

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

Function	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government					
Economic Development	1.00	1.00	1.00	1.00	2.00
Public Transit	10.68	10.35	10.63	10.63	11.30
Planning	9.50	9.50	7.50	8.25	6.10
Building Inspection	14.00	14.00	7.50	5.75	5.75
Electrical Permit Program	1.50	1.50	0.75	0.75	0.75
Total General Government	36.68	36.35	27.38	26.38	25.90
Public Safety					
Fire	79.60	79.60	73.60	79.20	78.40
Police	94.25	94.25	87.75	87.88	87.88
Municipal Court	5.38	5.38	4.38	4.38	4.38
Total Public Safety	179.23	179.23	165.73	171.45	170.65
Highways and Streets					
Street Fund	8.00	8.00	7.45	7.45	7.45
Airport	0.50	0.45	0.10	0.10	0.10
Total Highways and Streets	8.50	8.45	7.55	7.55	7.55
Culture and Recreation					
Parks & Recreation	35.95	35.95	26.43	26.53	26.65
Library	21.98	21.78	20.90	20.93	20.93
Total Culture and Recreation	57.93	57.73	47.33	47.45	47.58
Total Governmental Activities	281.83	281.30	247.88	252.73	251.68
<b>BUSINESS-TYPE ACTIVITIES</b>					
Enterprise					
Water	22.50	23.50	22.50	21.50	21.50
Sewer	21.50	21.50	22.50	23.50	23.50
Total Enterprise	44.00	45.00	45.00	45.00	45.00
Internal Service					
Central Services	43.60	43.80	39.85	40.95	41.20
Public Works Services	55.00	54.38	50.00	51.00	54.00
Total Internal Service	98.60	98.18	89.85	91.95	95.20
Total Business-type Activities	142.60	143.18	134.85	136.95	140.20
Grand Total - All Full-time Equivalents	424.43	424.48	382.73	389.68	391.88

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



Source: City of Albany Human Relations Department

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

2015	2016	2017	2018	2019	
					<b>GOVERNMENTAL ACTIVITIES</b>
					General Government
1.00	2.00	2.00	2.00	2.00	Economic Development
11.30	12.88	12.88	10.87	13.88	Public Transit
6.42	6.42	6.42	6.52	6.52	Planning
5.43	6.43	6.43	6.43	6.43	Building Inspection
0.75	0.75	0.75	0.75	0.75	Electrical Permit Program
<u>24.90</u>	<u>28.48</u>	<u>28.48</u>	<u>26.57</u>	<u>29.58</u>	Total General Government
					Public Safety
75.60	79.40	79.40	86.91	93.60	Fire
88.88	92.25	92.25	98.25	98.25	Police
4.38	4.38	4.38	4.38	5.38	Municipal Court
<u>168.85</u>	<u>176.03</u>	<u>176.03</u>	<u>189.54</u>	<u>197.23</u>	Total Public Safety
					Highways and Streets
7.45	7.45	7.45	7.45	8.45	Street Fund
0.10	0.10	0.10	0.10	0.10	Airport
<u>7.55</u>	<u>7.55</u>	<u>7.55</u>	<u>7.55</u>	<u>8.55</u>	Total Highways and Streets
					Culture and Recreation
26.78	28.15	31.65	34.56	33.19	Parks & Recreation
20.93	20.93	20.93	21.20	21.70	Library
<u>47.70</u>	<u>49.08</u>	<u>52.58</u>	<u>55.76</u>	<u>54.89</u>	Total Culture and Recreation
<u>249.00</u>	<u>261.13</u>	<u>264.64</u>	<u>279.42</u>	<u>290.24</u>	Total Governmental Activities
					<b>BUSINESS-TYPE ACTIVITIES</b>
					Enterprise
21.50	21.50	21.50	23.50	22.50	Water
23.50	23.50	23.50	23.50	22.50	Sewer
<u>45.00</u>	<u>45.00</u>	<u>45.00</u>	<u>47.00</u>	<u>45.00</u>	Total Enterprise
					Internal Service
41.20	41.20	37.70	40.70	40.70	Central Services
55.00	57.00	54.00	57.00	58.00	Public Works Services
<u>96.20</u>	<u>98.20</u>	<u>91.70</u>	<u>97.70</u>	<u>98.70</u>	Total Internal Service
<u>141.20</u>	<u>143.20</u>	<u>136.70</u>	<u>144.70</u>	<u>143.70</u>	Total Business-type Activities
<u>390.20</u>	<u>404.33</u>	<u>401.34</u>	<u>424.12</u>	<u>433.94</u>	Grand Total - All Full-time Equivalents

Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 2010
2010	424.43	-	-
2011	424.48	0.01%	0.01%
2012	382.73	-9.84%	-9.83%
2013	389.68	1.82%	-8.19%
2014	391.88	0.56%	-7.67%
2015	390.20	-0.43%	-8.06%
2016	404.33	3.62%	-4.74%
2017	401.34	-0.74%	-5.44%
2018	424.12	5.68%	-0.07%
2019	433.94	2.32%	2.24%

The average annual rate of change over ten year period is -0.01%.

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

Function	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>General Government</b>					
Planning and Community Development					
Number of planning applications	108	134	143	62	132
Total permits issued	2,245	1,939	1,939	2,189	2,332
New construction permits issued	192	11	6	418	5
Single-family permits issued	156	76	80	128	141
Electrical permits issued	878	755	751	816	905
Building Maintenance					
Square footage of buildings maintained	206,780	206,780	233,780	233,780	296,233
Work orders completed	2,228	2,250	2,203	2,001	1,886
Public Transit					
Total number of riders	218,511	228,663	237,424	234,186	231,224
Total annual route miles	252,097	262,990	260,222	275,977	287,257
<b>Public Safety</b>					
Municipal Court					
Number of warrants issued	1,347	1,398	1,680	1,777	2,516
Case numbers issued	6,202	4,900	3,891	3,671	5,079
Police					
Total arrests	3,548	2,731	3,453	3,609	4,777
Traffic citations issued	5,851	4,681	4,120	3,315	3,907
Animal and abandoned vehicle calls	2,484	1,496	2,266	2,320	2,288
Fire					
Total calls for emergency fire and EMS services	6,049	6,388	6,432	6,448	7,133
Full response structure fires	67	91	113	53	49
<b>Highways and Streets</b>					
Street Fund					
Customer service work order/complaint responses	554	541	509	492	461
Miles of painted paving marking	52	51	65	55	57
<b>Culture and Recreation</b>					
Parks & Recreation					
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	172,630	184,154	187,261	186,401	188,102
Annual performance series and Northwest Art and Air Festival attendance	99,100	118,700	121,104	123,200	122,206
Library					
Total number of library circulations <sup>(1)</sup>	773,960	780,163	730,222	709,004	685,781
Total number of reference questions <sup>(1)</sup>	44,297	41,043	37,344	34,435	33,338
<b>BUSINESS-TYPE ACTIVITIES</b>					
Sewer					
Dry tons of biosolids applied annually	121	-	-	9	25
Millions of gallons of wastewater treated annually	2,697	3,300	3,094	2,842	2,900
Sewer line locate requests	2,836	4,307	3,319	2,920	3,458
Water					
Millions of gallons of water treated annually	2,847	2,865	2,449	2,755	2,660
Miles of water pipe maintained annually	281	283	290	292	282
Number of fire hydrants maintained in the water system	1,992	1,877	2,025	1,914	1,740

Source: City of Albany annual budget

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

2015	2016	2017	2018	2019	
					<b>GOVERNMENTAL ACTIVITIES</b>
					<b>General Government</b>
					Planning and Community Development
138	197	57	140	41	Number of planning applications
2,359	2,549	2,570	3,041	2,783	Total permits issued
154	143	180	219	188	New construction permits issued
130	98	157	207	132	Single-family permits issued
910	1,011	1,007	1,085	998	Electrical permits issued
					Building Maintenance
317,366	317,366	323,933	443,337	443,337	Square footage of buildings maintained
1,627	1,725	1,702	2,447	2,130	Work orders completed
					Public Transit
214,865	209,595	200,910	200,738	183,250	Total number of riders
206,720	308,451	298,076	280,481	291,738	Total annual route miles
					<b>Public Safety</b>
					Municipal Court
3,102	2,970	2,686	2,879	3,959	Number of warrants issued
6,121	5,746	5,314	8,412	8,665	Case numbers issued
					Police
4,964	4,884	6,854	6,185	7,093	Total arrests
5,263	4,659	5,884	5,275	5,040	Traffic citations issued
2,513	2,349	2,498	2,855	2,514	Animal and abandoned vehicle calls
					Fire
7,511	8,029	9,038	9,341	10,438	Total calls for emergency fire and EMS services
42	53	83	61	93	Full response structure fires
					<b>Highways and Streets</b>
					Street Fund
382	392	433	474	512	Customer service work order/complaint responses
61	62	61	59	66	Miles of painted paving marking
					<b>Culture and Recreation</b>
					Parks & Recreation
196,005	202,155	208,912	205,492	207,301	Number of participants in classes, Senior Center activities, sports programs, and aquatic programs
131,209	137,211	138,200	131,190	136,423	Annual performance series and Northwest Art and Air Festival attendance
					Library
623,143	619,068	604,796	580,726	646,302	Total number of library circulations <sup>(1)</sup>
33,193	33,581	30,331	29,225	26,738	Total number of reference questions <sup>(1)</sup>
					<b>BUSINESS-TYPE ACTIVITIES</b>
					Sewer
-	-	-	-	-	Dry tons of biosolids applied annually
2,940	3,241	3,866	3,031	3,200	Millions of gallons of wastewater treated annually
3,732	3,829	3,522	4,405	4,424	Sewer line locate requests
					Water
2,853	2,809	2,752	2,825	2,100	Millions of gallons of water treated annually
283	287	289	291	294	Miles of water pipe maintained annually
1,970	1,816	2,040	2,069	1,959	Number of fire hydrants maintained in the water system

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

Function	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Public Safety</b>					
Police Stations	1	1	1	1	1
Fire Stations	4	4	4	4	4
<b>Highways and Streets</b>					
Miles of improved streets	163	165	165	166	166
Miles of unimproved streets	28	36	36	35	35
Miles of gravel streets	8	8	8	8	n/a
<b>Culture and Recreation</b>					
<b>Parks &amp; Recreation</b>					
Number of developed park sites	33	33	36	36	36
Acres of developed park land	424	564	564	564	564
<b>Library</b>					
Number of libraries	2	2	2	2	2
*Number of physical and digital units	209,427	227,437	242,920	242,966	250,946
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Enterprise</b>					
<b>Sewer</b>					
Miles of sanitary sewer lines (6 inches or larger)	227	223	223	223	230
Miles of storm sewer lines (12 inches or larger)	120	151	151	104	104
Number of sewer hookups	15,848	15,712	15,912	17,586	16,556
<b>Water</b>					
Miles of water lines	286	283	290	292	276
Number of water hookups	17,114	17,463	17,551	18,320	18,000
Number of water treatment plants	2	2	2	2	2

Source: City of Albany departmental records

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
					<b>GOVERNMENTAL ACTIVITIES</b>
					<b>Public Safety</b>
1	1	1	1	1	Police Stations
4	4	4	4	4	Fire Stations
					<b>Highways and Streets</b>
181	200	401	197	196	Miles of improved streets
14	n/a	n/a	n/a	n/a	Miles of unimproved streets
n/a	n/a	n/a	n/a	n/a	Miles of gravel streets
					<b>Culture and Recreation</b>
					<b>Parks &amp; Recreation</b>
36	36	36	36	36	Number of developed park sites
564	564	564	564	564	Acres of developed park land
					<b>Library</b>
2	2	2	2	2	Number of libraries
249,982	259,309	260,695	261,474	283,492	*Number of physical and digital units
					<b>BUSINESS-TYPE ACTIVITIES</b>
					<b>Enterprise</b>
					<b>Sewer</b>
230	201	203	203	204	Miles of sanitary sewer lines (6 inches or larger)
105	105	107	107	138	Miles of storm sewer lines (12 inches or larger)
16,187	16,292	16,590	17,154	17,576	Number of sewer hookups
					<b>Water</b>
261	264	264	264	265	Miles of water lines
17,079	17,105	17,777	17,898	19,343	Number of water hookups
2	2	2	1	2	Number of water treatment plants

## **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, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the CITY OF ALBANY as of and for the year ended June 30, 2019, and have issued our report thereon dated March 19, 2020.

### Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY  
OREGON STATE REGULATIONS (Continued)**

**Compliance (continued)**

In connection with our testing nothing came to our attention, except as noted below, that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

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

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

<u>Fund/ Appropriation Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Library	\$ 2,889,900	\$ 2,926,635	\$ (36,735)
Parks and Recreation Fund			
Parks and recreation administration	1,381,900	1,453,438	(71,538)

The detail 2019-21 biennium budget document does not present the amounts approved by the budget committee for each fund.

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

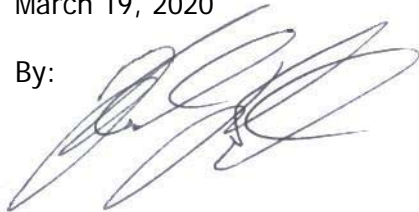
In planning and performing our audit, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion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

**Restriction on Use**

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

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
March 19, 2020

By:



Bradley G. Bingenheimer, Member



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

Honorable Mayor and Members  
of the City Council  
CITY OF ALBANY  
Albany, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF ALBANY as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 19, 2020.

### *Internal Control over Financial Reporting*

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses or schedule of findings and questioned costs as item 2019-001, that we consider to be a material weakness.

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

*Compliance and Other Matters*

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

**City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
March 19, 2020



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

Honorable Mayor and Members  
of the City Council  
CITY OF ALBANY  
Albany, Oregon

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

We have audited the CITY OF ALBANY’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2019. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the CITY OF ALBANY complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

Report on Internal Control over Compliance

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

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

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

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

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
March 19, 2020

**CITY OF ALBANY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2019**

**Section I Summary of Auditors' Results**

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***Financial Statements***

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

***Federal awards***

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

<u>CFDA</u>	<u>Name of Federal Program or Cluster</u>
<u>Number(s)</u>	
20.106	Airport Improvement Program
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)

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

CITY OF ALBANY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

**Section II - Financial Statement Findings**

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Finding 2019-001:

Bank Reconciliations:

Condition:

Bank reconciliations were not completed in a timely manner

Criteria:

Bank reconciliations should be completed monthly in a timely manner

Cause:

Bank reconciliations for the general checking account were not completed timely for May and June 2019 due to the City changing accounting software programs

Effect:

Due to the City implementing a new accounting software program during the year, bank reconciliations were not completed monthly

Recommendation:

Bank reconciliations should be completed monthly shortly after the previous month's end

Views of Responsible Officials and Planned Corrective Actions:

Although the City agrees with this finding, staff believes other internal controls in place, including daily bank statement reconciliations, software controls requiring approvals for purchases, and dual approval for wire transfers, helped mitigate any risk that arose from the late reconciliations. The City recognizes the importance of timely bank reconciliations and has completed those for May and June 2019. Subsequent reconciliations have been completed in a more timely manner and will continue to be so.

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

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None



CITY OF ALBANY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><i>Department of Housing and Urban Development</i></b>			
Community Development Block Grant	14.218		\$ 348,758
<b><i>Department of Interior</i></b>			
<b>National Parks Service</b>			
<i>Passed through Oregon Parks and Recreation Department</i>			
Historic Preservation Fund Grants-In-Aid	15.904	OR-18-01	10,474
<b><i>Department of Justice</i></b>			
<b>Bureau of Justice Assistance</b>			
Bulletproof Vest Partnership Program	16.607		3,012
<b><i>Department of Transportation</i></b>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program	20.106	3-41-0001-014-2016 3-41-0001-015-2017 3-41-0001-016-2018	8,200 1,204,585 <u>481,708</u> 1,694,493
<b>Federal Transit Administration</b>			
Federal Transit Cluster			
Formula Grants - Urbanized Area Formula	20.507		806,689
<i>Passed through Linn County, Oregon</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	29313	90,816
<b>National Highway Traffic Safety Administration</b>			
<i>Passed through Oregon Association of Chiefs of Police</i>			
State and Community Highway Safety	20.600		2,970
<b>Pipeline and Hazardous Materials Safety Administration</b>			
<i>Passed through Oregon State Police</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		21,400
Total Department of Transportation			<u>2,616,368</u>
<b><i>Executive Office of the President</i></b>			
High Intensity Drug Trafficking Areas Program	95.001		101,618
<b><i>Department of Homeland Security</i></b>			
<b>Federal Emergency Management Agency</b>			
Assistance to Firefighters Grant	97.044	EMW-2017-FO-06099	470,455
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00210	548,935
Total Department of Homeland Security			<u>1,019,390</u>
Total Expenditures of Federal Awards			<u>\$ 4,099,620</u>

**Notes to Schedule of Expenditures of Federal Awards**

**1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Albany under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of City of Albany, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of Albany.

**2 - Summary of significant accounting policies**

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

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