

by Megan Tarpenning

CITY OF ALBANY, OREGON

2013

2014



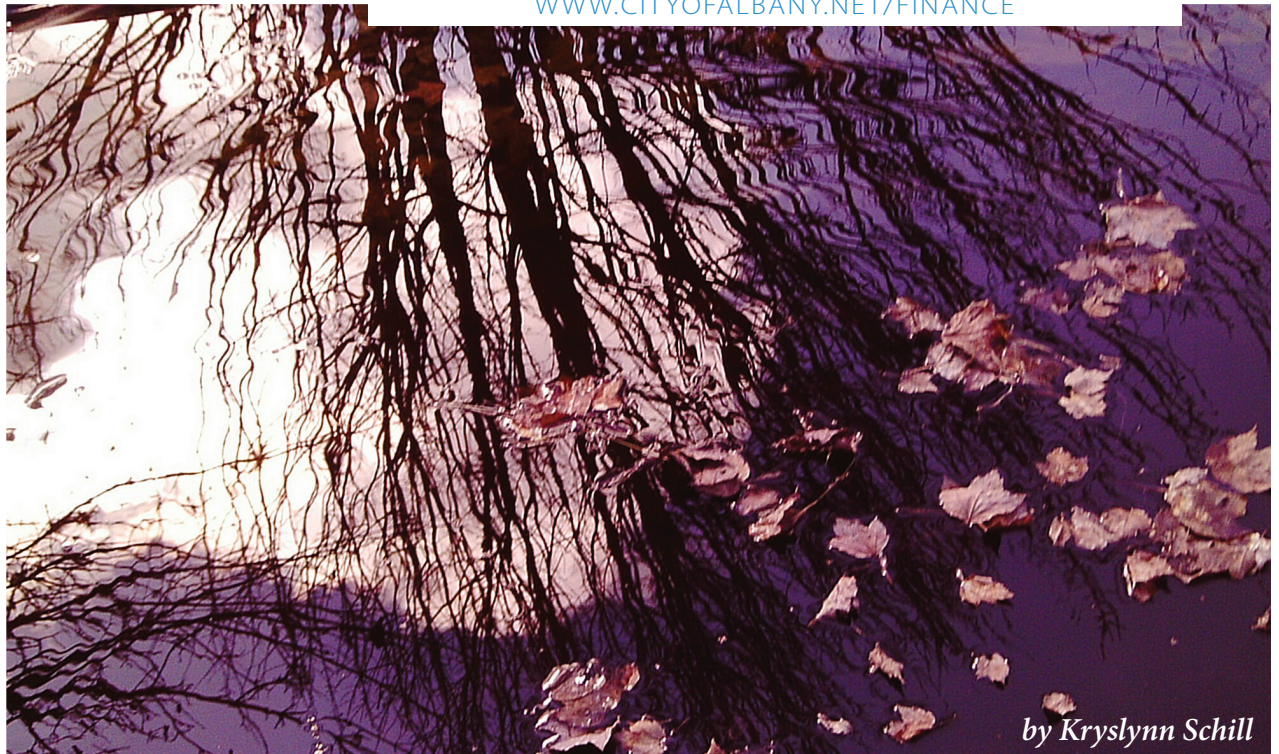
COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

[WWW.CITYOFALBANY.NET/FINANCE](http://WWW.CITYOFALBANY.NET/FINANCE)



by Rylie Ball



by Kryslynn Schill

The measure of who we are is what we do with what we have.

Vince Lombardi

**City of Albany, Oregon**

**Comprehensive Annual Financial Report**

**for the Fiscal Year Ended**

**June 30, 2014**

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

**Wes Hare, City Manager**

**Stewart Taylor, Finance Director**

**Prepared by:**

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

Financial literacy is just as important in life as the other basics.

John W. Rogers, Jr.

**City of Albany, Oregon**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2014**  
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## Introductory Section

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Good counsel has no price.

Giuseppe Mazzini

# 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, 2014

## Council Members

Ward	Council	Years of Service	Term Expires
	Sharon Konopa, Mayor	18	December 31, 2014
I	Dick Olsen	16	December 31, 2014
I	Floyd Collins	7	December 31, 2016
II	Bill Coburn	6	December 31, 2016
II	Ray Kopczynski	3	December 31, 2014
III	Bessie Johnson	12	December 31, 2014
III	Rich Kellum	1	December 31, 2016

## Administrative Staff

		Years in this Position	Years of Service with the City of Albany
City Manager	Wes Hare	9	9
Finance Director	Stewart Taylor	7	7
Economic Development / Urban Renewal	Kate Porsche	1	8
Public Works and Community Development Director	Mark Shepard	3	22
Parks and Recreation Director	Ed Hodney	11	11
Library Director	Ed Gallagher	11	16
Police Chief	Mario Lattanzio	1	1
Fire Chief	John Bradner	6	25
Information Technology Director	Jorge Salinas	9	9
Human Resources Director	David Shaw	10	10

## Principal Finance Staff

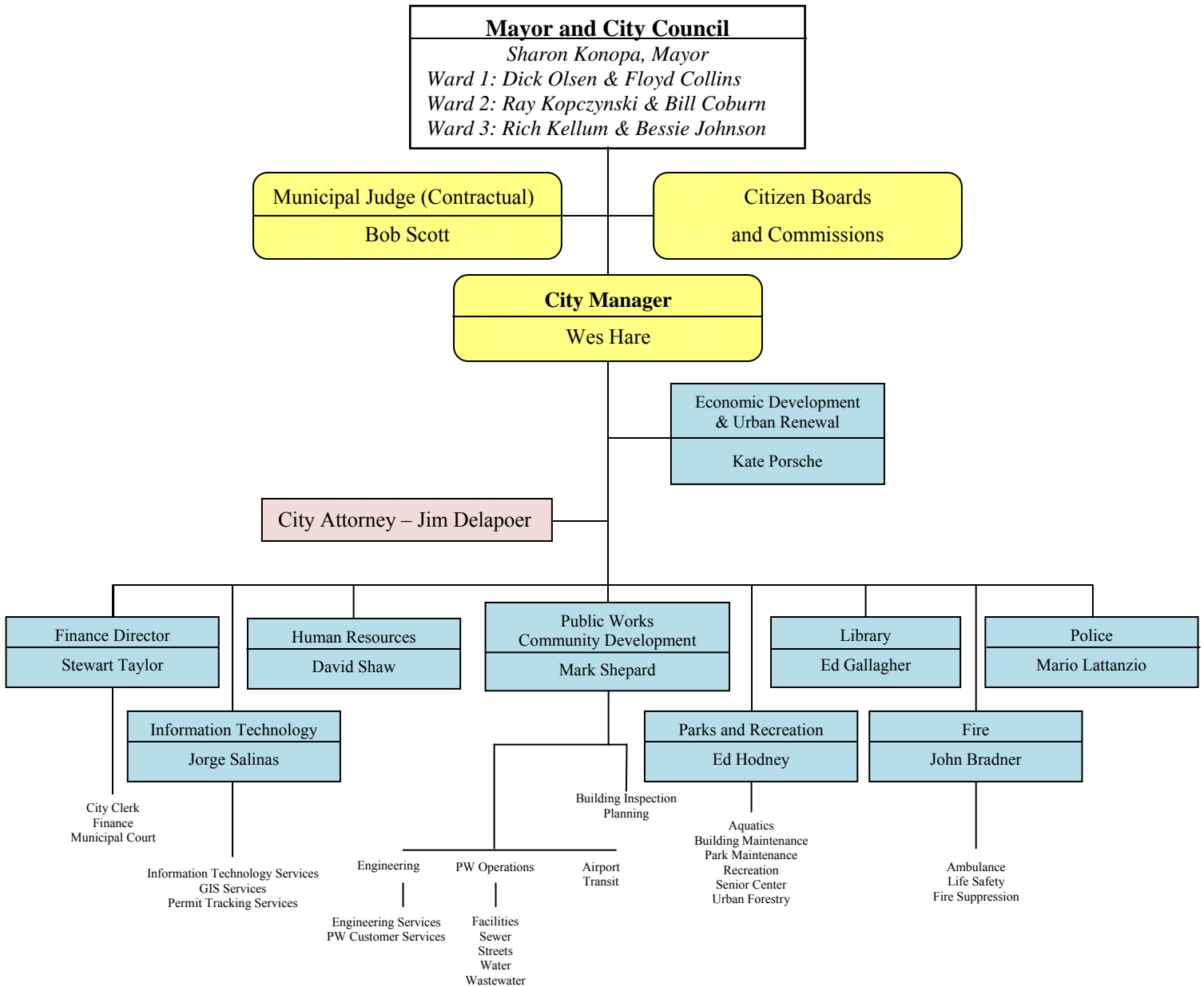
Finance Director  
Stewart Taylor

Senior Accountant  
Jeanna Yeager

Senior Accountant  
Anne Baker

# EXECUTIVE SUMMARY

## CITIZENS OF THE CITY OF ALBANY



Elected

Appointed by Council

Recommended by City Manager, ratified by Council

Appointed by City Manager



December 31, 2014

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, 2014, together with the unqualified opinion therein of our independent certified public accountants, Boldt, Carlisle & Smith, LLC.

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 are accurate in all material respects and are 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 unqualified opinion as presented in the Report of Independent Accountants.

In addition to the annual audit, the City is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the City's compliance with Federal laws and regulations related to the Single Audit Act, OMB Circular A-133 is included with this report beginning on page 148.

This report includes all funds of the City including the Albany Revitalization Agency (ARA), an urban renewal agency. Financial data for ARA is included in these statements as a blended component unit.

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 3.

## 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 2014

**CITY HALL**  
333 Broadalbin SW  
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Albany, OR 97321-0144  
www.cityofalbany.net

(541) 917-7500

**ADMINISTRATIVE SERVICES**  
**City Manager's Office**  
(541) 917-7500  
FAX (541) 917-7511

**Finance/Recorder**  
(541) 917-7500  
FAX (541) 917-7511

**Municipal Court**  
(541) 917-7740  
FAX (541) 917-7748

**COMMUNITY DEVELOPMENT Planning**  
(541) 917-7550  
FAX (541) 917-7598

**Building Division**  
(541) 917-7553  
FAX (541) 917-7598

**ECONOMIC DEVELOPMENT**  
(541) 917-7500  
FAX (541) 917-7511

**Call-A-Ride**  
(541) 917-7770  
FAX (541) 917-7573  
TDD (541) 917-7762

**Transit**  
(541) 917-7667  
FAX (541) 917-7573  
TDD (541) 917-7678

**FIRE ADMINISTRATION**  
(541) 917-7700  
FAX (541) 917-7716

**HUMAN RESOURCES**  
(541) 917-7500  
FAX (541) 704-2324

**INFORMATION TECHNOLOGY**  
221 Third Avenue SW  
(541) 917-7500  
FAX (541) 917-7511

**PARKS & RECREATION ADMINISTRATION**  
(541) 917-7777  
FAX (541) 917-7776

**Urban Forestry/  
Building Maintenance**  
(541) 917-7679  
FAX (541) 917-7776

**PUBLIC WORKS Engineering**  
(541) 917-7676  
FAX (541) 917-7573

**Water/Sewer Billing**  
(541) 917-7547  
FAX (541) 917-7511

population of 50,720, Albany is the state's 11th largest city. The City's boundaries span Linn and Benton Counties with a population of 43,808 in Linn County and 6,912 in Benton County. It is the county seat and largest city in Linn County and the second largest city in Benton County.

Population: City of Albany, Linn, and Benton Counties

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 six-member City Council 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 and 390 permanent employees.

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

**ECONOMIC OUTLOOK AND CONDITION**

The City's economic base is one of diversity. Oregon State University and Hewlett Packard in nearby Corvallis and Samaritan Health Services in Albany, employ over 16,200 people. The development of the U. S. Bureau of Mines in Albany in the 1940s led to the location in the Albany area of a significant rare metals industry. 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 850 full-time employees), create specialized products for aerospace, super conductivity, fiber optics, nuclear energy generation, and photography.

Albany has the added benefit of being located in Oregon's Willamette Valley, 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 and meat smoking/drying operations, as well as conventional freezing of seafood and produce.

Region 4, in which Albany is located, is one of the most varied of the state's workforce regions, ranging from the coast in Lincoln County, to Benton County with Oregon State University, to Linn County located in an area from the Interstate-5 corridor east to the crest of the Cascades.

Unemployment rates continue to be a concern for the region. Statistics published by the Oregon Employment Department show that as of June 30, 2014, the unemployment rates for Linn County and Benton County were 8.4 percent and 5.5 percent, respectively. These rates were 9.9 percent and 6.0 percent for June 30, 2013. Linn County's jobless rate ranked 25th of Oregon's 36 counties. Benton County's jobless rate of 5.5 percent was the second lowest among the counties.

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 decreased by 9.91 percent from \$4.251 billion to \$3.830 billion in the last fiscal year.

In May 2012, Albany voters approved the Public Safety Operating Levy effective July 1, 2013. This five-year, \$1.15/1000 of assessed valuation special levy will make available approximately \$2,500,000 each year for public safety purposes.

## **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 Fiscal Year (FY) 2014, the review focused on strengthening the links between strategic goals and operating objectives. All of the goals now have actions that clearly demonstrate the City's progress in completing the goals and objectives.

### **Public Information Office**

*City Bridges*, the City's monthly electronic newsletter, continues to be sent to subscribers via email on the last Tuesday of each month. The November 30, 2014, issue was sent to 18,279 recipients; about 4,259 of those opened at least one story. The City also maintains 12 Facebook pages, three Twitter accounts, a photo-sharing Flickr account, and a YouTube channel. Most content on social media accounts points back to information that is posted on the City's website, but the City's social media policy was updated this year to acknowledge ongoing change in methods of communication and engagement. 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 more established outlets such as newspaper and radio. The main City of Albany Facebook page has 1,610 likes; the most popular page is the ATI Northwest Art & Air Festival, with 2,842 likes. The main Twitter account has 891 followers.

The City continues to manage public access television Channel 28 provided through our Comcast franchise agreement. We use the channel for live broadcast of City Council and Budget Committee meetings, a bulletin board of public meetings, and informational videos from other government or community sources. Council meetings are also streamed live on the City website and are archived there. The Council videos are posted to YouTube by 1:00 p.m. the day after each meeting.

### **Police**

The Police Department worked with the City Council, Public Safety Facilities Review Committee, and the Fire Department to reach a decision to replace the main Fire Station

and the Police Station. An architectural firm has been selected and work is moving towards a bond election in May 2015. The department received a federal grant to install a new video/audio recording system in interview rooms and updated the dispatch center by replacing 20+ year old work stations with four ergonomic work stations.

The department participated with the Linn County Sheriff's Office in a Request for Proposal to replace a 25+ year old computer-aided dispatch and records management system. The contract should be awarded by May 2015. Part 1 crimes have been reduced by 18% through the use of COMPSTAT, proactive policing, and other new programs.

### **Community Development**

Community Development staff successfully managed the City's first year as an entitlement city for the Department of Housing and Community Development Block Grant (CDBG) program. Accepting this responsibility provided approximately \$400,000 in CDBG funding in order to maintain a viable urban community. Planning staff worked with the Mayor's appointed task force that served to help identify community development needs. The City prepared a five-year Consolidated Plan that describes community needs, resources, priorities, and proposed activities to be undertaken with CDBG funding. The City also prepared and initiated execution of a one-year action plan that outlined specific activities to take place in the funding year to address needs identified in the Consolidated Plan.

The Building Division processed permits with over \$61,000,000 in valuation from a wide variety of new construction and alterations. New and altered commercial buildings accounted for approximately 50% of the total. Residential permits accounted for 44% of the total valuation and included 123 new single family residences, one duplex, and four manufactured homes. This was a total increase of 17% in residential permits over last year. The average value of residences per dwelling has increased from \$168,000 in 2011, to \$175,000 in 2012, to \$210,771 in 2013. Other miscellaneous permits accounted for approximately 6% of the total valuation. The Building Department issued an additional 1,268 permits, (electrical, fire sprinklers, etc.) not based on value that are not included in the \$61,000,000 figure.

The Building Division successfully implemented e-Plans, (ProjectDox), an electronic paperless system for plans review and filing. Training of staff as well as customers was completed to ensure a smooth transition to the new process and system. This electronic system will provide efficiencies and savings for both the City and our customers. In addition it is anticipated that response times for review and the total time required for project turn around will be shortened.

Planning completed a Community Rating System audit for participation in the National Flood Insurance Protection Program. The audit was successful ensuring that Albany's rating will remain at the current level which was improved in the last two years. This will ensure that Albany residents will be able to acquire flood insurance at favorable rates.



## **Public Works**

### **Utility Billing**

The Public Works Department updated the five-year rate plans for the sewer and water 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.

### **Transit**

Public Works staff played an integral role in the continued development of the Albany Metropolitan Planning Organization (MPO). The establishment of the MPO changed much of the funding available for the three transit systems the City operates. Staff is supporting the efforts of the MPO in the development of the MPO's Transportation Improvement Plan and is participating on the Technical Advisory Committee for the MPO.

### **Airport**

Significant progress on the Airport Master Plan was made this past year and it is anticipated the plan will be completed in the next fiscal year. The plan includes an updated Airport Layout Plan and associated drawings which will guide development of the airport for the next ten to twenty years. The goal of the Master Plan update is to contribute to an economically self-sufficient airport within the current and future physical and regulatory constraints.

### **Engineering**

In addition to ongoing pipe replacement and major maintenance projects, staff designed and have seen several significant projects through construction. Construction of the Main Street Rehabilitation project was started and will be completed in the summer of 2014. The project is reconstructing Main Street between 1<sup>st</sup> Avenue and 4<sup>th</sup> Avenue and includes a roundabout at the intersection with Salem Avenue.

The Engineering Division continues to make substantial progress on stormwater management efforts. Three major work efforts are currently underway: the North Albany Floodplain Study, a City-wide stormwater master plan, and implementation of a stormwater quality program. The City continues to work with FEMA on developing updated Flood Insurance Rate Maps (FIRMs) for public review and comment. Due to FEMA funding limitations, this project was delayed but is now back on track. Adoption of the new maps is anticipated in 2015. Completion of this project will better protect residents in North Albany from flooding risks. Significant progress was made on implementation of a post-construction stormwater quality program. This is a program required for regulatory compliance. Program elements have been completed and several public and development community outreach events have taken place. It is anticipated that this new program will be fully operational in January 2015.

The Engineering Division successfully implemented e-Plans, (ProjectDox), an electronic paperless system for plans review and filing. The electronic system will provide efficiencies and savings for both the City and customers.

### **Parks & Recreation**

Albany's first fenced dog park was completed in spring 2014. The park, planned with the help of more than 50 local dog owners, was funded with \$28,000 from the Parks System Development Charges program. Another first was the launch of the Lumber to Legacy initiative, which seeks to raise money for two Parks and Recreation purposes: Albany's Oregon White Oak restoration program and our support of high school woodshop programs. Lumber was milled from trees harvested from a development site. The White Oak lumber was then distributed to volunteer wood workers to produce one-of-a-kind items to be sold at auction in the fall of 2014. Thirty wood artists were recruited to this effort. Finally, the Parks and Recreation Department launched a partnership with GoodSnitch, a free downloadable application for mobile devices that may be used by event attendees to rate our services and share constructive criticism. Other City departments have joined in the use of the application, as well as several Albany businesses and organizations.

### **Information Technology (IT)**

The IT Department was able to absorb the Business System Director position and continues to provide performance management and ICMA reporting. IT also transferred the web and graphics services responsibilities from the City Manager's office.

IT staff successfully migrated the City's computer operating systems from Windows XP to Windows 8.1, and deployed an online plan review solution that has enabled the City to streamline processes across the Planning, Building and Public Works Departments, while reducing the cost of doing business for citizens and developers. In addition, IT staff upgraded multiple applications and systems, including the City's financial information system, document management, and Police/Fire systems. IT staff also launched a project to upgrade the legacy permitting system from Permits Plus to Accela Automation.

The IT department launched a Strategic Energy Management (SEM) initiative to continue to advance the City's energy management practices. This initiative will enable the City to reduce energy related operating costs and redirect resources towards providing vital customer services. This program has a projected energy savings of \$84,578 in the first year and \$21,886 in Energy Trust incentive payments.

### **Human Resources (HR)**

The HR Department received and processed 2,354 applications for approximately 34 vacant positions. The Department also processed 64 applications for state and/or federal Family Medical Leave and processed 809 Personnel Action Forms. Additionally, the HR Department reviewed 33 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 began negotiations with the Albany Police Association for a successor collective bargaining agreement. Negotiations are continuing.

## **Finance**

The City was recognized by the Government Finance Officers Association of the United States and Canada (GFOA) 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 GFOA 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 at June 30, 2014, 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 2013-14, the City utilized a total of 20 funds, of which 16 are governmental fund types and four 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, LLC performed the audit for the fiscal year ended June 30, 2014. 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 CAFR for the fiscal year ended June 30, 2013. 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, whose contents 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 30 consecutive years (1984-2013). We believe our current report continues to conform to the Certificate of Achievement standards.

**Acknowledgements**

The preparation of the CAFR on a timely basis 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,



Stewart Taylor  
Finance Director



Jeanna Yeager  
Senior Accountant



Anne Baker  
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, 2013**

Executive Director/CEO

## Financial Section

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Success depends upon previous preparation, and without such preparation there is sure to be failure.

Confucius



## 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, 2014, 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*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF ALBANY**, as of June 30, 2014, the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Parks and Recreation, Risk Management, and Street Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



## INDEPENDENT AUDITOR'S REPORT (Continued)

### 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 3 through 17 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 and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on 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 December 31, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 31, 2014, 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  
December 31, 2014

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, 2014. 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 112).

### Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$312,698,941 (net position). Of this amount, \$54,956,997 (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 \$34,563,331, an increase of \$3,402,788 in comparison with the previous year. The General Fund ending fund balance decreased by \$281,067 (-11.98 percent) to \$2,065,549. In the General Fund, the ratio of ending fund balance to total expenditures, less capital, is 7.41 percent.

The Parks and Recreation ending fund balance increased by \$397,584 (23.62 percent) over prior year. Savings due to unfilled positions and lower contractual expenses for performers, as well as higher-than-anticipated revenues, contributed to the increase.

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, 2014, the ending fund balance had decreased from \$13,813,266 to \$13,670,762 (-1.03 percent).

The Street Fund ending fund balance increased by \$1,892,982, (27.59 percent). A large project was budgeted at \$2,225,000, but only \$300,000 was expended in 2013-14. Construction will begin in 2014-15 and most of the remaining budget will be spent in that fiscal year.

The Street Fund ending fund balance of \$8,753,691 includes \$4,032,565 in the Transportation Systems Development Charges (TSDC) Projects program. TSDC fund balance has decreased for the last several years, and this trend is expected to continue as SDC monies are used for capital projects.

The City's Capital Projects Fund ending fund balance increased by \$76,103 (2.75 percent) to (\$2,693,515). Significant capital projects concluded were the airport fencing project, fire station repairs, and the Belmont culvert project.

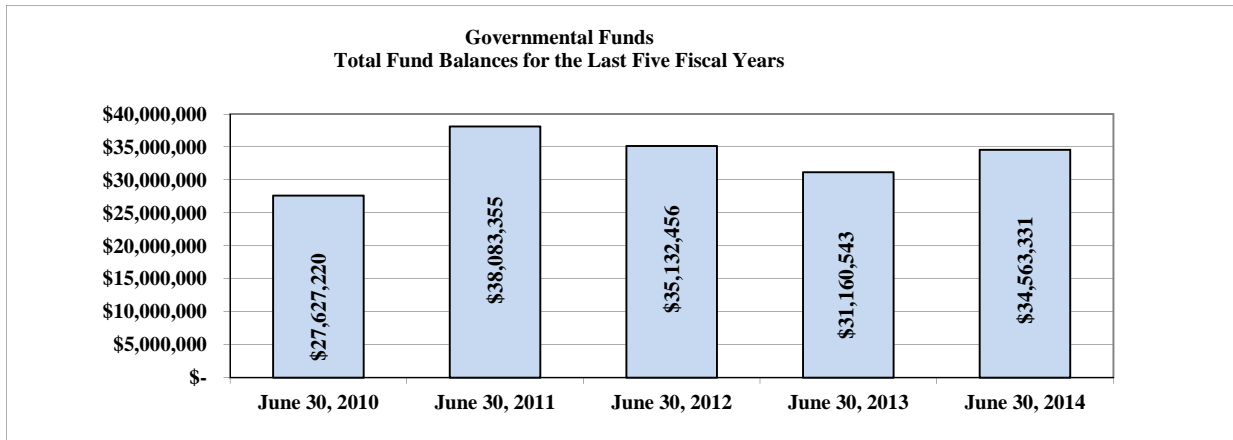
In the non-major governmental funds there are a few items which should be noted. The Building Fund fund balance increased from \$341,506 to \$810,668; an increase of (137.38 percent). The increase can be attributed to an upturn of home building in the area.

In the Public Safety Levy Fund, property taxes receipts fell below the budgeted amount, which significantly decreased the transfers to the General Fund. The reason for the decrease was due to compression. Please refer to the Oregon State Department of Revenue for details.

The Public Transit Fund ending fund balance increased from \$90,944 to \$266,460 (193 percent). This increase is due in part to a delayed bus purchase for the LB Loop Program, as well as to underspending budget in all three transit programs.

The ARA ending fund balance increased \$1,505,334 (122 percent) for two main reasons. First, in 2012-13, ARA paid off its 2010 LOC in the amount of \$1,973,400 - a significant one-time expenditure. Second, ARA's spending was curtailed in 2013-14 while policy-makers worked to define new funding programs, resulting in underspending budget. In addition, the IHI project did not draw as much in 2013-14 as anticipated, instead drawing the majority of their amounts in 2014-15. These resulted in a more robust ending fund balance for 2013-14.

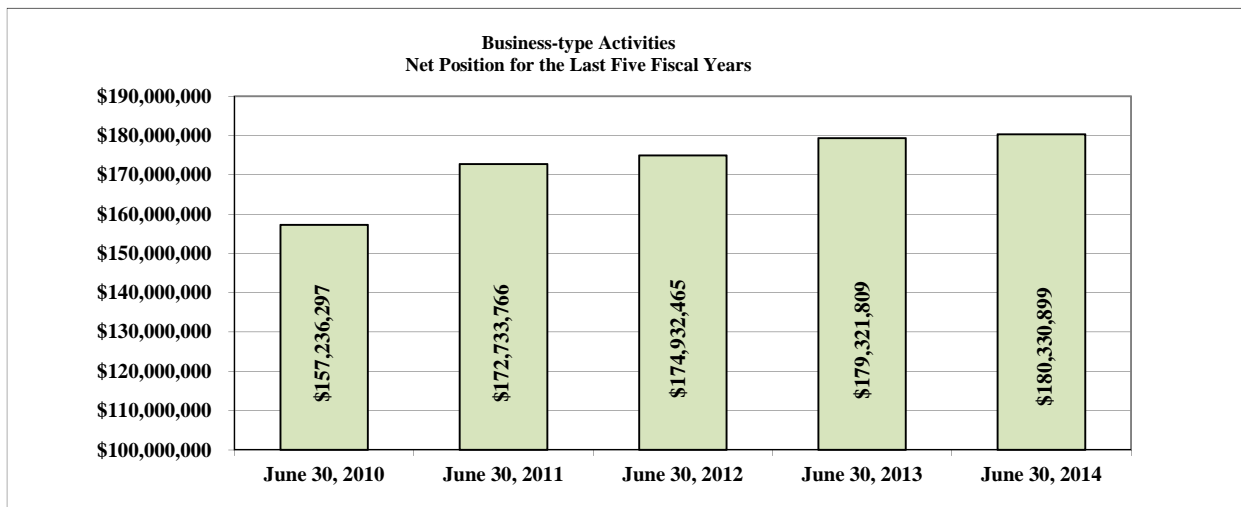
In FY 2013-14, the Ambulance Fund was closed. Ambulance is now included in the General Fund.



**Governmental Funds: Changes in Fund Balance**

Fund	June 30, 2014	June 30, 2013	Increase (decrease)	Per cent Change
	Fund Balance	Fund Balance		
General Fund	\$ 2,065,549	\$ 2,346,616	\$ (281,067)	-11.98%
Parks & Recreation	2,080,829	1,683,245	397,584	23.62%
Grants	552,108	83,184	468,924	563.72%
Building Inspection	810,668	341,506	469,162	137.38%
Risk Management	13,670,762	13,813,266	(142,504)	-1.03%
Economic Development	549,237	596,197	(46,960)	-7.88%
Ambulance	-	(8,220)	8,220	-100.00%
Public Transit	266,460	90,944	175,516	192.99%
Public Safety Levy	37,706	156,449	(118,743)	-75.90%
Capital Replacement	5,156,986	6,227,497	(1,070,511)	-17.19%
Street	8,753,691	6,860,709	1,892,982	27.59%
ARA	2,737,726	1,232,392	1,505,334	122.15%
Debt Service	439,829	371,506	68,323	18.39%
Capital Projects	(2,693,515)	(2,769,618)	76,103	-2.75%
Senior Center Endowment	51,259	50,900	359	0.71%
Library Trust	84,036	83,970	66	0.08%
<b>Totals</b>	<b>\$ 34,563,331</b>	<b>\$ 31,160,543</b>	<b>\$ 3,402,788</b>	<b>10.92%</b>

Business-type net position increased \$1,009,090 (0.56 percent) for the 2013-14 FY. Operating income for the Water and Sewer Funds was \$3,787,266. The net position decrease from nonoperating revenues and expenses totaled \$2,799,588, which includes \$3,037,357 in interest expense. Capital contributions from developer site improvements and development fees totaled \$1,573,238.



**Changes in Net Position: Proprietary Funds**

Fund	June 30, 2014	June 30, 2013	Increase (decrease)	Per cent Change
	Net Position	Net Position		
Water	\$ 71,848,379	\$ 71,365,514	\$ 482,865	0.68%
Sewer	108,818,536	108,504,184	314,352	0.29%
Central Services	(349,696)	(348,278)	(1,418)	0.41%
Public Works Services	(99,171)	(378,535)	279,364	73.80%
<b>Totals</b>	<b>\$ 180,218,048</b>	<b>\$ 179,142,885</b>	<b>\$ 1,075,163</b>	<b>0.60%</b>

For FY 2013-14 there was limited growth in the net position for the City's two enterprise funds; net position increased 0.68 percent in the Water Fund and 0.29 percent in the Sewer Fund.

The City utilizes two internal service funds: Central Services and Public Works Services. Because GASB 34 requires the City to book Compensated Absences and GASB 45 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 \$304,277 and Public Works Services \$617,913 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 (\$349,696) and Public Works Services (\$99,171) show that they are not operating at a sustainable level or at break-even.

**Overview of Financial 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.

**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 14.

**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, 2014, the City's governmental funds reported ending fund balances by category of:

Nonspendable	\$	165,726
Restricted		13,663,170
Committed		21,652,083
Unassigned		(917,648)
	\$	<u>34,563,331</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 71 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 14.

## 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 and sewer 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 27.

## 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 31.

### Supplementary Data.

The combining statements, referred to earlier in connection with nonmajor governmental funds, can be found starting on page 71.

### Statistical Information.

The City would like to direct the reader's attention to the Statistical Section, starting on page 112, 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 \$312,698,941 at the close of the fiscal year, an increase of 1.54 percent from the previous year. At fiscal year end, June 30, 2014, the City had \$230,519,554 invested in capital assets, net of related debt, and an unrestricted net asset balance of \$54,956,997.

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 (\$27,222,390, or 9 percent) represents resources that are subject to restrictions on how they may be used. For Governmental Activities, net position restricted for capital projects (\$11,524,065) and for revitalization programs (\$3,578,886) account for nearly all of the restricted net position.

#### Selected Financial Statistics:

Population	50,720
Assessed value per capita	\$ 66,231
Market value per capita	\$ 76,695
Long-term debt (bonds, notes, certificates of participation, capital leases)	\$ 100,920,391
Total long-term debt per capita	\$ 1,990
Total general obligation debt	\$ 1,335,000
General obligation debt per capita	\$ 26
General obligation debt per \$1,000 of assessed value	\$ 0.40
General obligation debt service for Fiscal Year 2013-14 per \$1,000 of assessed value	\$ 0.3974
Property taxes as a percentage of General Fund expenditures*	70%
Public safety expenditures as a percentage of General Fund expenditures	84%

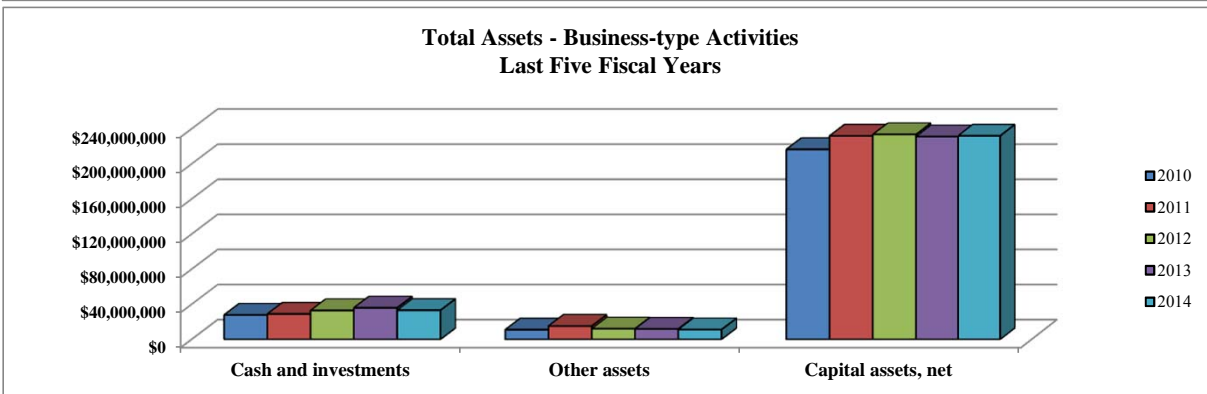
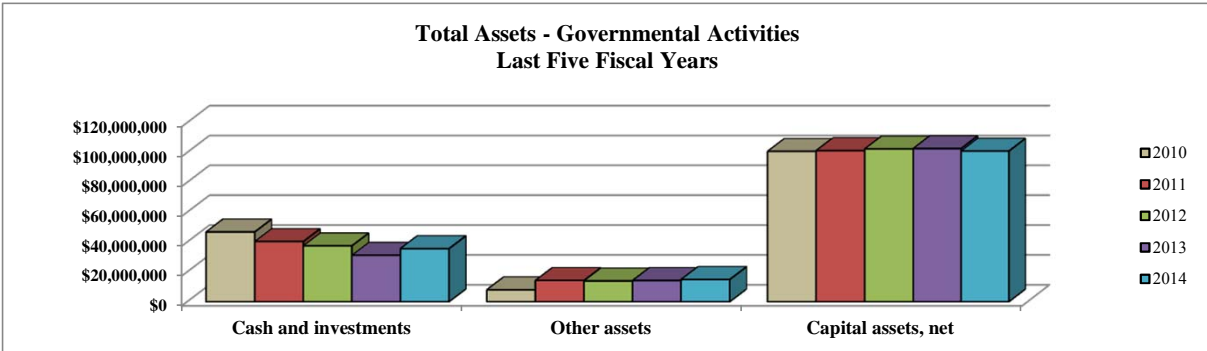
\*Property taxes from the public safety levy are recorded as tax receipts in the Public Safety Levy Fund. In order to accurately reflect the significance of property taxes in the General Fund, transfers into the General Fund from the Public Safety Levy Fund have been included in total General Fund revenues 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, 2014 and 2013**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Cash and investments	\$ 35,530,756	\$ 31,058,805	\$ 33,058,803	\$ 35,854,892	\$ 68,589,559	\$ 66,913,697
Other assets	14,850,991	14,154,183	11,012,217	11,722,092	25,863,208	25,876,275
Capital assets, net	100,851,553	102,553,009	231,840,892	230,976,494	332,692,445	333,529,503
<b>Total assets</b>	<b>151,233,300</b>	<b>147,765,997</b>	<b>275,911,912</b>	<b>278,553,478</b>	<b>427,145,212</b>	<b>426,319,475</b>
<b>Liabilities</b>						
Other liabilities	2,962,014	1,483,610	2,556,886	1,881,192	5,518,900	3,364,802
Long term debt outstanding	15,903,244	17,657,665	93,024,127	97,350,478	108,927,371	115,008,143
<b>Total liabilities</b>	<b>18,865,258</b>	<b>19,141,275</b>	<b>95,581,013</b>	<b>99,231,670</b>	<b>114,446,271</b>	<b>118,372,945</b>
<b>Net Position</b>						
Net Investment in capital assets	90,297,428	95,871,131	140,222,126	136,828,820	230,519,554	232,699,951
Restricted	16,359,363	11,852,482	10,863,027	13,514,952	27,222,390	25,367,434
Unrestricted	25,711,251	20,901,108	29,245,746	28,978,037	54,956,997	49,879,145
<b>Total Net Position</b>	<b>\$132,368,042</b>	<b>\$ 128,624,721</b>	<b>\$180,330,899</b>	<b>\$179,321,809</b>	<b>\$ 312,698,941</b>	<b>\$307,946,530</b>

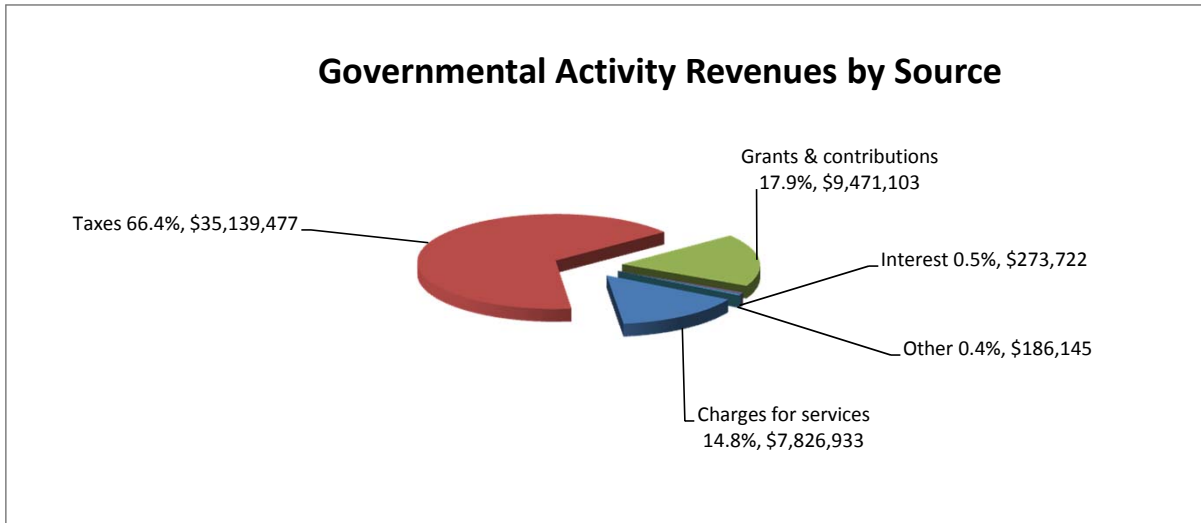
In the governmental activities, total assets increased by \$3,467,303 or 2.35 percent, while in the business-type activities, capital assets decreased \$864,398 (0.37 percent).

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 separate governmental and business-type activities. The City's net position increased by \$4,752,415 (1.54 percent) during the current fiscal year, primarily due to water/sewer services charge increases in anticipation of utility capital construction; and capital contributions from systems development fees (streets, parks, water, and sewer), grants, and developer site improvements.



**Table 2 - Statement of Activities Summary  
Governmental and Business-type Activities  
for the years ended June 30, 2014 and 2013**

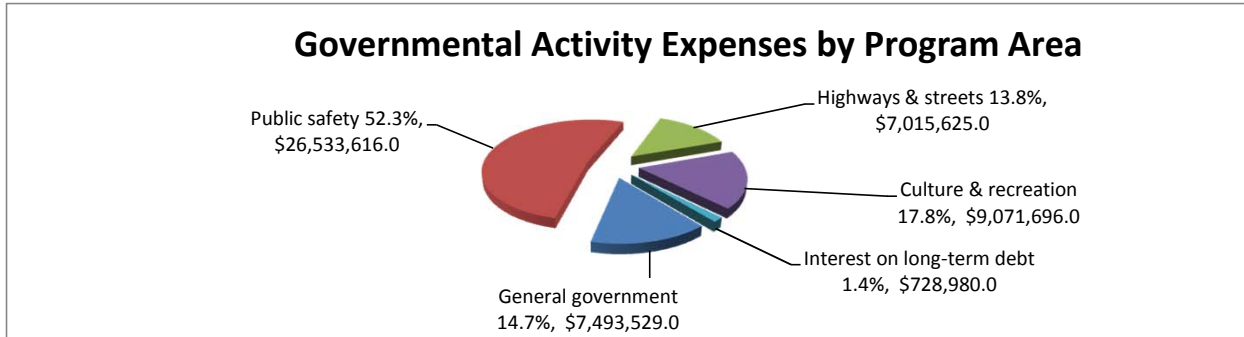
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 7,826,933	\$ 7,253,034	\$ 26,737,033	\$ 25,070,202	\$ 34,563,966	\$ 32,323,236
Grants and contributions:						
Operating	5,336,946	3,245,250	-	-	5,336,946	3,245,250
Capital	4,134,157	4,357,201	1,842,837	678,179	5,976,994	5,035,380
General revenues						
Taxes	35,139,477	33,082,932	2,298	12,205	35,141,775	33,095,137
Interest	273,722	401,725	237,294	264,875	511,016	666,600
Other	186,145	548,471	168,830	5,785,325	354,975	6,333,796
Total revenues	52,897,380	48,888,613	28,988,292	31,810,786	81,885,672	80,699,399
<b>EXPENSES</b>						
Governmental activities:						
General government	7,493,529	6,998,687	-	-	7,493,529	6,998,687
Public safety	26,533,616	26,998,857	-	-	26,533,616	26,998,857
Highways and streets	7,015,625	7,165,295	-	-	7,015,625	7,165,295
Culture and recreation	9,071,696	8,548,521	-	-	9,071,696	8,548,521
Interest on long-term debt	728,980	880,010	-	-	728,980	880,010
Business-type activities:						
Water	-	-	11,524,422	12,281,328	11,524,422	12,281,328
Sewer	-	-	14,765,389	14,114,463	14,765,389	14,114,463
Total expenses	50,843,446	50,591,370	26,289,811	26,395,791	77,133,257	76,987,161
Increase (Decrease) in net position before transfers	2,053,934	(1,702,757)	2,698,481	5,414,995	4,752,415	3,712,238
Transfers	1,689,391	1,025,651	(1,689,391)	(1,025,651)	-	-
Increase (Decrease) in net position	3,743,325	(677,106)	1,009,090	4,389,344	4,752,415	3,712,238
Beginning net position	128,624,717	129,301,827	179,321,809	174,932,465	307,946,526	304,234,292
Ending net position	\$132,368,042	\$ 128,624,721	\$180,330,899	\$179,321,809	\$ 312,698,941	\$307,946,530



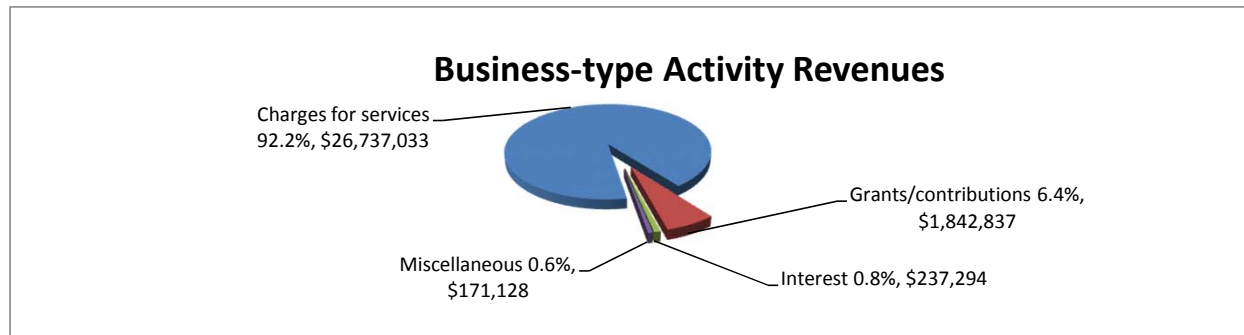


The previous chart indicates that 66.4 percent (\$35,139,477) of 2013-14 governmental activity revenues received by the City were taxes. Property taxes (\$27,203,259) represent the largest portion of total taxes received. Other major tax revenues were the City's share of state-wide fuel tax (\$2,913,483) and City privilege taxes for natural gas and electricity (\$2,966,949). The City also received \$1,251,981 for its share of state-imposed liquor and cigarette taxes and \$803,805 for City-imposed hotel/motel room taxes.

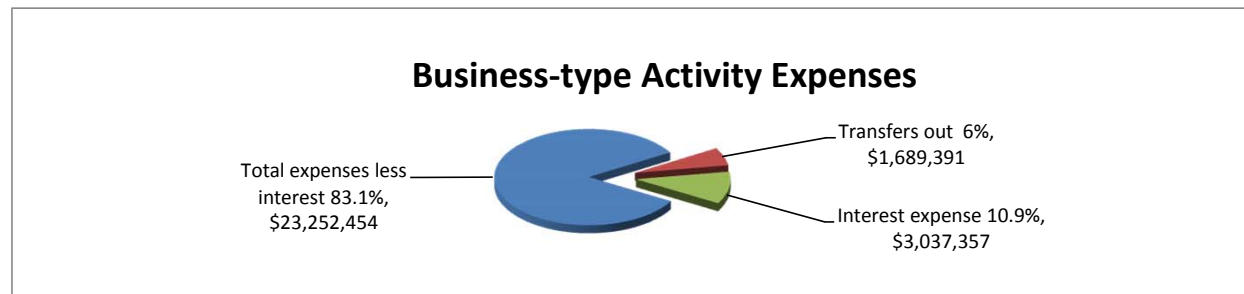
Grants and contributions accounted for 17.9 percent of governmental activity revenues. Major items included in the \$9,471,103 total for grants and contributions were: \$1,417,767 from the local rural fire protection districts; \$1,380,284 from City Building Division builder fees; and \$1,000,687 for Sewer and Water in-lieu-of Franchise Fees.



More than one-half of all governmental activity expenses were for public safety (52.3 percent). As an indication of the City's favorable debt position, interest on long-term debt accounted for only 1.4 percent of governmental activity total expenses. Management's intention was for the interest to decrease and so far it is following the plan.



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 92.2 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.



Operating expenses for the Water and Sewer Funds increased (1.08 percent) between 2012-13 and 2013-14 fiscal years, as compared to the previous two years, 2011-12 and 2012-13, where they increased by (8.2 percent).

**BUDGETARY HIGHLIGHTS**

The City Council approved 14 resolutions which changed the adopted 2013-14 budget by 0.27 percent (\$422,333). Appropriations in the General Fund were decreased by \$285,000. (-0.98 percent). In the General Fund, after eliminating the \$970,000 contingency, actual expenditures were 96 percent of the final budget, yielding a favorable budget variance of \$2,190,988. Of this total savings of \$2,190,988 the major contributors to the savings were: Contingency savings (\$970,000); Police (\$577,515); Planning (\$200,130); and Housing (\$133,960).

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2014, the City had \$332,692,445 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 44.

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

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land, land rights, & land improvements	\$ 12,316,850	\$ 12,282,594	\$ 6,288,313	\$ 6,220,084	\$ 18,605,163	\$ 18,502,678
Buildings and improvements	15,215,091	15,575,387	124,752,981	125,285,226	139,968,072	140,860,613
Intangible assets	743,967	783,967	-	-	743,967	783,967
Vehicles and equipment	4,792,602	3,814,052	1,172,528	1,082,734	5,965,130	4,896,786
Infrastructure	67,783,043	70,097,009	97,201,719	96,940,482	164,984,762	167,037,491
Construction in progress	-	-	2,425,351	1,447,968	2,425,351	1,447,968
	<u>\$100,851,553</u>	<u>\$ 102,553,009</u>	<u>\$231,840,892</u>	<u>\$230,976,494</u>	<u>\$ 332,692,445</u>	<u>\$333,529,503</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)**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Beginning Balance	\$102,553,009	\$ 102,295,064	\$230,976,494	\$234,411,362	\$ 333,529,503	\$336,706,426
Additions	4,615,532	6,616,395	8,344,972	4,916,070	12,960,504	11,532,465
Retirements	-	-	-	-	-	-
Depreciation	(6,316,988)	(6,358,450)	(7,480,574)	(8,350,938)	(13,797,562)	(14,709,388)
Ending balance	<u>\$100,851,553</u>	<u>\$ 102,553,009</u>	<u>\$231,840,892</u>	<u>\$230,976,494</u>	<u>\$ 332,692,445</u>	<u>\$333,529,503</u>

Governmental capital assets decreased by \$1,701,456 net of accumulated depreciation. Additions to capital assets equaled \$4,615,532 for the year including: \$1,908,137 for street and bridge projects, \$1,164,285 for fire equipment, \$437,502 for various City capital projects, including airport fencing, and \$162,042 for Parks and Recreation projects, including the Periwinkle path.

Additions to capital assets equaled \$8,344,972 for the year including: Business-type capital assets increased by \$864,398 net of accumulated depreciation. Additions to capital assets for the year include: \$3,437,332 for the Oak Creek water treatment plant and \$2,994,941 for Water System capital projects. Developer site improvement water lines, sewer lines, and storm drains amounted to \$1,175,876.

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

	2013-14	2012-013
Capital assets net of depreciation and related debt	\$230,519,554	\$ 232,677,551
Total net position	312,698,941	307,946,530
Ratio of capital assets net of related debt to total net position	<u>73.72%</u>	<u>75.56%</u>

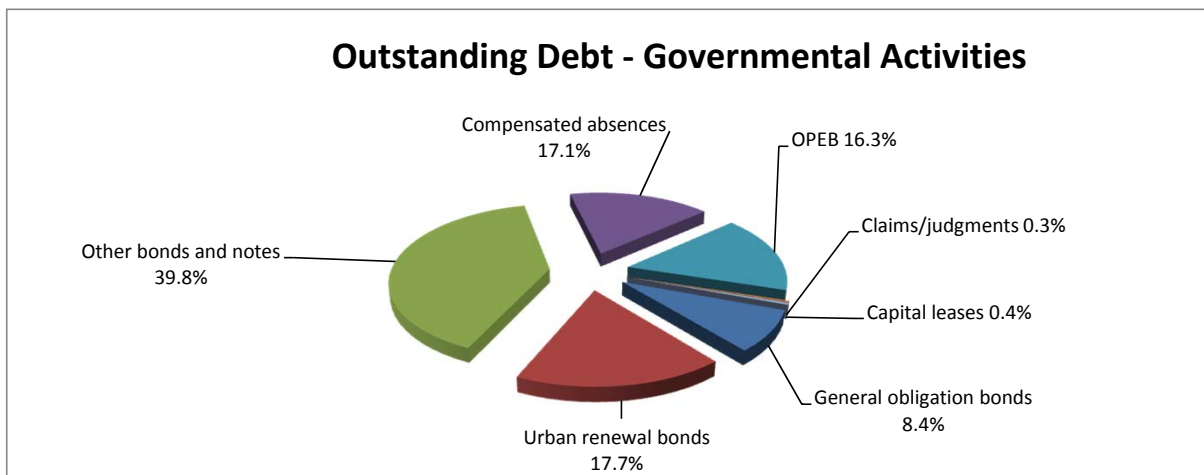
## Debt Outstanding

At June 30, 2014, the City had \$108,927,371 in debt outstanding compared to \$115,008,143 on June 30, 2013. Of the amount outstanding, \$8,006,980 is due within one year.

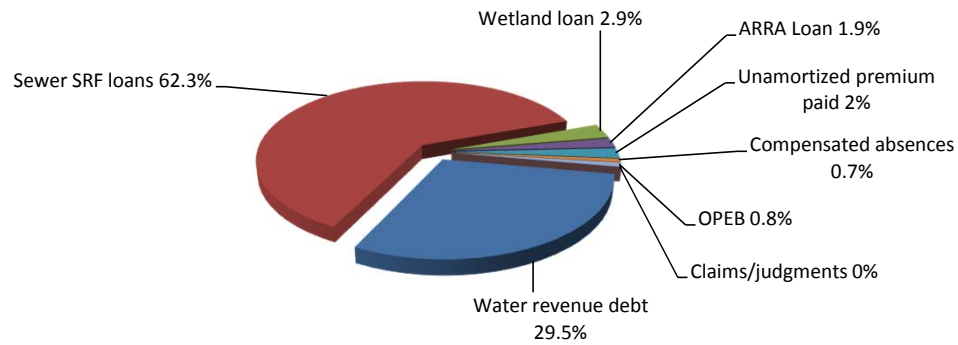
The debt consisted of outstanding bonds and certificates of participation, \$39,656,697; loans, \$62,444,953; unfunded compensated absences, \$3,328,884; claims and judgments, \$45,443; capital leases, \$71,241. and unfunded other postemployment benefits, \$3,380,153. The ratio of the City's capital assets, net of related debt, as compared to total net position is 74 percent. Details of long-term debt payable can be found beginning on page 51 in the notes to the basic financial statements.

**Table 5 - Outstanding Debt at Year End**

	June 30, 2014	June 30, 2013
<b>Governmental Activities</b>		
General obligation	\$ 1,335,000	\$ 2,590,000
Limited tax pension	5,314,003	5,415,689
General revenue	940,000	1,305,000
Oregon Economic Development Department note	71,881	102,341
CARA bonds	2,822,000	3,307,000
Other postemployment benefits	2,591,580	2,310,926
Unamortized debt issuance cost (net)	-	( 29,842)
Unamortized premium on debt issuance	-	28,112
Compensated absences	2,714,184	2,379,542
Claims and judgments	43,355	29,619
Capital leases	71,241	219,278
Sub-total	15,903,244	17,657,665
<b>Business-type Activities</b>		
Water revenue refunding bonds	27,400,000	28,405,000
Oregon DEQ State Revolving Fund loan	57,933,506	60,825,784
Wetland Loan	2,689,566	3,066,890
ARRA Loan	1,750,000	1,850,000
Other postemployment benefits	788,573	706,928
Unamortized premium on defeasance	1,845,694	1,979,422
Compensated absences	614,700	487,843
Claims and judgments	2,088	28,611
Sub-total	93,024,127	97,350,478
<b>Total</b>	<b>\$108,927,371</b>	<b>\$ 115,008,143</b>



## Outstanding Debt - Business-type Activities



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 \$115,492,044, which is well above the City's outstanding general obligation debt, \$1,335,000.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 51.

### 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 2013-14 totaled \$2,429,127.

At fiscal year end, Oregon's unemployment rate was 6.8 percent as of June 30, 2014. The unemployment rates for Linn and Benton Counties at the close of the fiscal year, June 30, 2014, were 8.4 percent and 5.5 percent respectively.

Management is anticipating costs of providing medical insurance coverage to employees will increase by approximately 18 percent in the next fiscal year. PERS will be calculated at 24 percent of monthly salaries.

In preparing the City-wide budget for 2014-15, the City Finance Department assembled assumption for the budget as follows: both the assessed value of property and interest income will increase by 1.0 percent. The Local Option Public Safety Levy for the budget will once again be impacted by property tax compression, resulting in an estimated reduction of \$1,470,237.

The 2014-15 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, 2014

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 35,511,029	33,058,803	\$ 68,569,832
Cash with fiscal agents	19,727	-	19,727
Internal balances	236,845	(236,845)	-
Receivables			
Property taxes	2,671,721	3,691	2,675,412
Accounts	1,370,254	5,991,472	7,361,726
Assessments	5,077,277	33,969	5,111,246
Interest	39,123	24,641	63,764
Loans, net of allowance for uncollectible loans	772,998	4,096,371	4,869,369
Inventories	109,475	1,098,918	1,208,393
Prepaid items	52,578	-	52,578
Restricted cash and investments	135,199	-	135,199
Prepaid pension contribution	4,385,521	-	4,385,521
Land and construction in progress	12,316,850	8,710,725	21,027,575
Other capital assets, net of depreciation	<u>88,534,703</u>	<u>223,130,167</u>	<u>311,664,870</u>
Total assets	<u>151,233,300</u>	<u>275,911,912</u>	<u>427,145,212</u>
<b>LIABILITIES</b>			
Accounts payable	2,681,781	1,384,074	4,065,855
Accrued interest payable	58,805	1,011,862	1,070,667
Refundable deposits and advances	221,428	160,950	382,378
Long-term obligations			
Due within one year	3,197,115	4,809,865	8,006,980
Due in more than one year	<u>12,706,129</u>	<u>88,214,262</u>	<u>100,920,391</u>
Total liabilities	<u>18,865,258</u>	<u>95,581,013</u>	<u>114,446,271</u>
<b>NET POSITION</b>			
Net investment in capital assets	90,297,428	140,222,126	230,519,554
Restricted for:			
Capital projects	11,524,065	3,847,927	15,371,992
Debt service	570,339	7,015,100	7,585,439
Grant programs	550,778	-	550,778
Revitalization programs	3,578,886	-	3,578,886
Other purposes - expendable	17,610	-	17,610
Other purposes - nonexpendable	117,685	-	117,685
Unrestricted	<u>25,711,251</u>	<u>29,245,746</u>	<u>54,956,997</u>
Total net position	<u>\$ 132,368,042</u>	<u>\$ 180,330,899</u>	<u>\$ 312,698,941</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, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental activities</b>				
General government	\$ 7,493,529	4,081,131	2,602,261	52,114
Public safety	26,533,616	2,693,877	1,995,777	617,342
Highways and streets	7,015,625	158,753	269,410	3,022,719
Culture and recreation	9,071,696	893,172	469,498	441,982
Interest on long-term obligations	728,980	-	-	-
Total governmental activities	<u>50,843,446</u>	<u>7,826,933</u>	<u>5,336,946</u>	<u>4,134,157</u>
<b>Business-type activities</b>				
Water	11,524,422	12,270,723	-	784,825
Sewer	14,765,389	14,466,310	-	1,058,012
Total business-type activities	<u>26,289,811</u>	<u>26,737,033</u>	<u>-</u>	<u>1,842,837</u>
Totals	<u><u>77,133,257</u></u>	<u><u>34,563,966</u></u>	<u><u>5,336,946</u></u>	<u><u>5,976,994</u></u>

**General revenues:**

- Property taxes used for general purposes
- Property taxes used for debt service
- Transient room taxes used for general purposes
- Motor fuel taxes
- Cigarette and alcoholic beverage taxes
- Privilege taxes
- Unrestricted investment earnings
- Miscellaneous

**Transfers**

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

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

Net (Expense) Revenue and  
Change in Net Position

Governmental Activities	Business- type Activities	Totals	
			<b>Governmental activities</b>
\$ (758,023)	\$ -	\$ (758,023)	General government
(21,226,620)	-	(21,226,620)	Public safety
(3,564,743)	-	(3,564,743)	Highways and streets
(7,267,044)	-	(7,267,044)	Culture and recreation
(728,980)	-	(728,980)	Interest on long-term obligations
<u>(33,545,410)</u>	<u>-</u>	<u>(33,545,410)</u>	Total governmental activities
			<b>Business-type activities</b>
-	1,531,126	1,531,126	Water
<u>-</u>	<u>758,933</u>	<u>758,933</u>	Sewer
<u>-</u>	<u>2,290,059</u>	<u>2,290,059</u>	Total business-type activities
<u>(33,545,410)</u>	<u>2,290,059</u>	<u>(31,255,351)</u>	Totals
			<b>General revenues:</b>
25,857,223	-	25,857,223	Property taxes used for general purposes
1,346,036	2,298	1,348,334	Property taxes used for debt service
803,805	-	803,805	Transient room taxes used for general purposes
2,913,483	-	2,913,483	Motor fuel taxes
1,251,981	-	1,251,981	Cigarette and alcoholic beverage taxes
2,966,949	-	2,966,949	Privilege taxes
273,722	237,294	511,016	Unrestricted investment earnings
186,145	168,830	354,975	Miscellaneous
<u>1,689,391</u>	<u>(1,689,391)</u>	<u>-</u>	<b>Transfers</b>
<u>37,288,735</u>	<u>(1,280,969)</u>	<u>36,007,766</u>	Total general revenues and transfers
3,743,325	1,009,090	4,752,415	Change in net position
<u>128,624,717</u>	<u>179,321,809</u>	<u>307,946,526</u>	Net position - beginning
<u>132,368,042</u>	<u>180,330,899</u>	<u>312,698,941</u>	Net position - ending

**CITY OF ALBANY, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2014

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 2,490,808	\$ 2,352,081	\$ 10,189,426	\$ 8,608,349	\$ 986,372	\$ 10,398,711	\$ 35,025,747
Cash with fiscal agents	-	-	-	-	-	19,727	19,727
Receivables:							
Property taxes	1,709,019	380,502	-	-	-	582,200	2,671,721
Accounts	691,808	69,601	29,412	1,212,895	-	461,539	2,465,255
Assessments	18,735	-	-	-	3,953,553	13,348	3,985,636
Interest	9,452	3,380	7,524	4,397	517	10,300	35,570
Loans, net of allowance for uncollectible loans	51,983	-	-	-	-	721,015	772,998
Prepaid items	9,764	36,781	-	-	-	1,496	48,041
Interfund loan receivable	-	-	3,458,977	-	-	-	3,458,977
Restricted cash and investments	-	-	-	-	-	135,199	135,199
<b>Total assets</b>	<b>\$ 4,981,569</b>	<b>\$ 2,842,345</b>	<b>\$ 13,685,339</b>	<b>\$ 9,825,641</b>	<b>\$ 4,940,442</b>	<b>\$ 12,343,535</b>	<b>\$ 48,618,871</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 715,840	\$ 427,874	\$ 14,577	\$ 947,560	\$ -	\$ 407,614	\$ 2,513,465
Deposits	(20,844)	-	-	1,000	221,428	2,425	204,009
Interfund loans payable	-	-	-	-	3,458,977	-	3,458,977
<b>Total liabilities</b>	<b>694,996</b>	<b>427,874</b>	<b>14,577</b>	<b>948,560</b>	<b>3,680,405</b>	<b>410,039</b>	<b>6,176,451</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	2,221,024	333,642	-	123,390	3,953,552	1,247,481	7,879,089
<b>FUND BALANCES</b>							
Nonspendable	9,764	36,781	-	-	-	119,181	165,726
Restricted	-	1,155,923	-	7,912,930	-	4,594,317	13,663,170
Committed	279,918	888,125	13,670,762	840,761	-	5,972,517	21,652,083
Unassigned	1,775,867	-	-	-	(2,693,515)	-	(917,648)
<b>Total fund balances</b>	<b>2,065,549</b>	<b>2,080,829</b>	<b>13,670,762</b>	<b>8,753,691</b>	<b>(2,693,515)</b>	<b>10,686,015</b>	<b>34,563,331</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,981,569</b>	<b>\$ 2,842,345</b>	<b>\$ 13,685,339</b>	<b>\$ 9,825,641</b>	<b>\$ 4,940,442</b>	<b>\$ 12,343,535</b>	<b>\$ 48,618,871</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, 2014

Total fund balances per Governmental Funds Balance Sheet (page 17)		\$ 34,563,331
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	12,316,850	
Other capital assets, net of depreciation	<u>88,534,703</u>	
Total capital asset adjustments		100,851,553
Other long-term assets are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		7,879,089
Inventories of materials and supplies are capitalized on the Statement of Net Position.		
		109,475
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.		
		(112,851)
Long-term liabilities, including bonds payable, notes payable, accrued interest, claims and judgments, 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	(10,554,125)	
Interest payable on long-term debt	(58,805)	
Claims and judgments	(43,355)	
Compensated absences	(2,407,821)	
Other postemployment benefits	<u>(2,243,970)</u>	
Total long-term obligations adjustments		(15,308,076)
Prepaid pension contribution		
		<u>4,385,521</u>
		<u>\$ 132,368,042</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, 2014

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 16,376,958	\$ 4,150,416	\$ -	\$ -	\$ -	\$ 6,085,350	\$ 26,612,724
Transient room	-	-	-	-	-	803,805	803,805
Assessment collections	-	-	-	-	17,724	140	17,864
Franchise fees, privilege taxes, licenses, and permits	4,389,573	6,250	-	646,524	-	1,460,410	6,502,757
Intergovernmental	2,915,857	10,803	-	5,049,014	14,481	2,527,149	10,517,304
Charges for services	1,067,752	798,306	-	-	-	4,216,275	6,082,333
Fines and forfeitures	3,123	-	-	-	-	-	3,123
Interest on investments	44,309	20,457	72,907	50,126	6,438	76,945	271,182
Miscellaneous	229,713	817,346	17,105	11,713	3,656	258,050	1,337,583
<b>Total revenues</b>	<b>25,027,285</b>	<b>5,803,578</b>	<b>90,012</b>	<b>5,757,377</b>	<b>42,299</b>	<b>15,428,124</b>	<b>52,148,675</b>
<b>EXPENDITURES</b>							
Current:							
General government	1,768,993	-	216,260	-	-	4,700,879	6,686,132
Public safety	22,500,140	-	-	-	-	3,094,952	25,595,092
Highways and streets	-	-	-	3,042,847	-	86,098	3,128,945
Culture and recreation	2,399,479	5,380,946	-	-	-	276,285	8,056,710
Debt service:							
Principal	-	-	-	-	-	2,237,146	2,237,146
Interest	-	-	-	-	-	755,175	755,175
Capital outlay	-	176,848	34,256	1,917,120	32,944	1,790,918	3,952,086
<b>Total expenditures</b>	<b>26,668,612</b>	<b>5,557,794</b>	<b>250,516</b>	<b>4,959,967</b>	<b>32,944</b>	<b>12,941,453</b>	<b>50,411,286</b>
Excess (deficiency) of revenues over expenditures	(1,641,327)	245,784	(160,504)	797,410	9,355	2,486,671	1,737,389
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	2,571,811	346,300	18,000	1,600,327	66,748	2,057,490	6,660,676
Transfers out	(1,211,551)	(194,500)	-	(504,755)	-	(3,084,471)	(4,995,277)
<b>Total other financing sources (uses)</b>	<b>1,360,260</b>	<b>151,800</b>	<b>18,000</b>	<b>1,095,572</b>	<b>66,748</b>	<b>(1,026,981)</b>	<b>1,665,399</b>
<b>Net change in fund balances</b>	<b>(281,067)</b>	<b>397,584</b>	<b>(142,504)</b>	<b>1,892,982</b>	<b>76,103</b>	<b>1,459,690</b>	<b>3,402,788</b>
Fund balance - beginning	2,346,616	1,683,245	13,813,266	6,860,709	(2,769,618)	9,226,325	31,160,543
<b>Fund balance - ending</b>	<b>\$ 2,065,549</b>	<b>\$ 2,080,829</b>	<b>\$ 13,670,762</b>	<b>\$ 8,753,691</b>	<b>\$ (2,693,515)</b>	<b>\$ 10,686,015</b>	<b>\$ 34,563,331</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, 2014

Net change in fund balances - total Governmental funds (page 19) \$ 3,402,788

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	4,271,367	
Depreciation for the current fiscal year	<u>(6,316,988)</u>	
Total capital outlay/depreciation adjustment		(2,045,621)

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. 23,029

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

Property taxes	591,744	
Capital asset donations	344,166	
Principal portion of loan receipts	(274,189)	
Other fees and charges	77,193	
Loans receivable	27,006	
Assessments	<u>(18,249)</u>	
Total revenue adjustments		747,671

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 issuance costs, 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. 2,385,183

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	(292,732)	
Other postemployment benefits	(245,808)	
Accrued interest on long-term obligations	28,425	
Amortization of premium and debt issuance costs	(1,730)	
Net pension asset amortization	(238,944)	
Pending insurance claims	<u>(14,720)</u>	
Total expense/expenditure adjustments		(765,509)

The net expense of certain activities of internal service funds is reported with governmental activities. 70,092

Transfer to Business-type activities for prepaid pension contribution amortization allocable to the Water and Sewer programs (74,308)

Change in net position of Governmental Activities (pages 15-16) \$ 3,743,325

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

**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUEGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 16,079,100	\$ 16,079,100	\$ 15,788,098	\$ (291,002)
Delinquent	520,000	520,000	588,860	68,860
Privilege tax: electric	2,223,600	2,223,600	2,326,164	102,564
Franchise fee: communications facilities	20,400	20,400	24,607	4,207
Franchise fee: telephone	140,700	140,700	141,175	475
Franchise fee: garbage collection	448,100	448,100	468,937	20,837
Privilege tax: natural gas	642,600	642,600	640,785	(1,815)
Franchise fee: cable television	530,400	530,400	560,333	29,933
Permit fees	1,000	1,000	300	(700)
Dog Permit fees	900	900	850	(50)
Licenses	7,000	7,000	10,596	3,596
Library fees	75,000	75,000	75,006	6
Planning fees	91,800	91,800	128,941	37,141
Alarm fees	14,000	14,000	11,879	(2,121)
DUII enforcement grant	16,900	16,900	4,400	(12,500)
Federal grants and assistance	-	4,900	-	(4,900)
State liquor taxes	683,400	683,400	707,813	24,413
State cigarette taxes	76,200	76,200	69,039	(7,161)
State revenue sharing	450,000	450,000	475,129	25,129
Conflagration response reimbursement	10,000	10,000	151,464	141,464
Workers' Compensation wage subsidy reimbursement	3,600	3,600	6,187	2,587
Linn County	10,000	10,000	9,240	(760)
Albany Rural Fire Protection District	980,500	980,500	983,655	3,155
North Albany Rural Fire Protection District	297,200	297,200	316,423	19,223
Palestine Rural Fire Protection District	142,100	142,100	117,689	(24,411)
Greater Albany Public Schools police grant	40,000	40,000	40,000	-
Linn County Victim Impact Panel Grant	7,000	7,000	-	(7,000)
OSFM/USAR Team Response Reimbursement	13,000	13,000	34,818	21,818
Charges for services	25,000	25,000	42,261	17,261
Space rental charges	415,000	415,000	436,200	21,200
Municipal Court fines	590,000	590,000	589,291	(709)
Parking violations	3,400	3,400	3,123	(277)
Nuisance vehicle administration fee	1,500	1,500	1,350	(150)
Dog control assessment	2,000	2,000	2,670	670
Gifts and donations	15,000	15,000	9,458	(5,542)
DARE program donations	-	-	1,388	1,388
Grass Abatement Fee Principal	300	300	-	(300)
Miscellaneous	50,000	50,000	76,361	26,361
Albany Economic Improvement District principal	31,800	31,800	30,917	(883)
Albany Economic Improvement District interest	100	100	1,055	955
Loan Repayment-Principal	-	-	94,251	94,251
Loan Repayment-Interest	13,400	13,400	12,263	(1,137)
Interest on investments	20,000	20,000	44,309	24,309
Total revenues	<u>24,692,000</u>	<u>24,696,900</u>	<u>25,027,285</u>	<u>330,385</u>

Continued on next page

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

**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUDGETARY COMPARISON STATEMENT, continued**  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Other financing sources</b>				
Transfer from Water Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Transfer from Public Safety Levy Fund	594,100	594,100	558,535	(35,565)
Transfer from Public Safety Levy Fund	988,800	988,800	881,114	(107,686)
Transfer from Public Safety Levy Fund	1,030,700	1,030,700	942,192	\$ (88,508)
Transfer from Sewer Fund	50,000	50,000	50,000	-
Transfer from Ambulance Fund	-	20,000	48,370	28,370
Transfer from Economic Development Fund	41,600	41,600	41,600	-
Total other financing sources	<u>2,755,200</u>	<u>2,775,200</u>	<u>2,571,811</u>	<u>(203,389)</u>
<b>Fund balance, beginning</b>				
Committed for Housing	125,700	125,700	176,067	50,367
Unassigned	<u>2,505,900</u>	<u>2,505,900</u>	<u>2,170,549</u>	<u>(335,351)</u>
Total Fund Balance, beginning	<u>2,631,600</u>	<u>2,631,600</u>	<u>2,346,616</u>	<u>(284,984)</u>
Amount available for appropriation	<u>\$ 30,078,800</u>	<u>\$ 30,103,700</u>	<u>29,945,712</u>	<u>\$ (157,988)</u>
<b>Expenditures</b>				
Nondepartmental:				
Materials and services	\$ 275,500	\$ 275,500	\$ 261,234	\$ 14,266
General operating contingency	1,234,600	970,000	-	970,000
Municipal Court	648,100	661,200	659,125	2,075
Code Enforcement	17,100	17,100	7,680	9,420
Fire Suppression	8,380,200	8,478,000	8,381,809	96,191
Public Safety Levy - Fire	1,030,700	1,028,900	999,861	29,039
Fire and Life Safety	896,000	784,800	711,467	73,333
Police	12,066,900	12,054,900	11,477,385	577,515
Public Safety Levy - Police	988,800	987,300	927,262	60,038
Planning	1,039,700	1,038,300	838,170	200,130
Housing	139,100	139,100	5,140	133,960
Library	<u>2,427,900</u>	<u>2,424,500</u>	<u>2,399,479</u>	<u>25,021</u>
Total expenditures	29,144,600	28,859,600	26,668,612	2,190,988
<b>Other financing uses</b>				
Transfers to other funds	<u>934,200</u>	<u>1,244,100</u>	<u>1,211,551</u>	<u>32,549</u>
Total expenditures and other financing uses	<u>\$ 30,078,800</u>	<u>\$ 30,103,700</u>	<u>27,880,163</u>	<u>\$ 2,223,537</u>
<b>Fund balance, ending</b>			<u>\$ 2,065,549</u>	

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

**CITY OF ALBANY, OREGON**  
**PARKS AND RECREATION FUND**  
**BUDGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Property Taxes - Current	\$ 4,019,700	\$ 4,019,700	\$ 4,003,261	\$ (16,439)
Property Taxes - Delinquent	106,000	106,000	147,155	41,155
Financed park system development charges				
Principal	3,000	3,000	17,273	14,273
Interest	100	100	1,490	1,390
Park system development charges	130,000	130,000	423,219	293,219
Street tree development fees	-	-	6,250	6,250
State Marine Board	7,600	7,600	7,600	-
WC Wage Subsidy	-	-	2,716	2,716
Agricultural lease payments	2,100	2,100	3,203	1,103
Charges for Services	-	-	15,000	15,000
Children/Youth/Family recreation fees	55,000	55,000	35,874	(19,126)
Children/Youth/Family sponsorships	6,000	6,000	4,742	(1,258)
Adult recreation fees	17,000	17,000	28,836	11,836
Swimming pool	78,000	78,000	63,590	(14,410)
Senior Center rental fees	18,000	18,000	17,597	(403)
Maple Lawn Preschool fees	71,000	71,000	69,177	(1,823)
Sports program fees	112,500	112,500	119,108	6,608
Waverly boat rentals	6,500	6,500	5,375	(1,125)
Park permits	5,000	5,000	21,157	16,157
Fitness program fees	33,500	33,500	15,194	(18,306)
Preschool materials and services fees	4,000	4,000	3,247	(753)
Senior program fees	10,000	10,000	8,311	(1,689)
Northwest Art and Air Festival fees	9,000	9,000	10,640	1,640
Hot air balloon rides	7,400	7,400	8,000	600
Senior newsletter	1,500	1,500	8,380	6,880
Gift shop	8,000	8,000	9,828	1,828
Trip	47,000	47,000	66,180	19,180
Merchandise sales - aquatics	3,000	3,000	2,281	(719)
Cool! Pool facility rental fees	7,500	7,500	10,273	2,773
Concession sales - aquatics	10,500	10,500	14,452	3,952
Concession sales - sports	3,500	3,500	2,356	(1,144)
Public arts	4,000	4,000	5,469	1,469
Swanson room rental fees	3,000	3,000	2,490	(510)
Track Club	2,500	2,500	4,897	2,397
Facility enhancement fee	5,500	5,500	6,145	645
ACP swimming pool	164,000	164,000	168,082	4,082
ACP facility rental fees	24,000	24,000	26,392	2,392
Sport Camp Fees	-	-	237	237
Tournament Rental Fees	6,500	6,500	7,262	762
Event Donations	-	-	200	200
Youth Program User Fees	3,500	3,500	2,535	(965)
Community Garden	500	500	250	(250)
Pool Room	900	900	844	(56)
River Rhythms Food Faire	6,300	6,300	11,076	4,776
NWAAF Food Vendors	11,000	11,000	17,540	6,540
Mondays at Monteith Food Vendors	3,300	3,300	3,146	(154)
River Rhythms Souvenir Sales	1,500	1,500	1,604	104
NWAAF Souvenir Sales	1,700	1,700	7,595	5,895
Trolley rental charges	2,000	2,000	900	(1,100)
River Rhythms Donations	15,000	15,000	13,885	(1,115)
NWAAF Donations	18,700	18,700	25,467	6,767
Mondays at Monteith Donations	2,000	2,000	2,021	21
July 4th Sponsorships	17,000	17,000	6,500	(10,500)
Gifts and donations	7,000	7,000	11,843	4,843
Monday night concert series	15,000	15,000	7,855	(7,145)
Senior Center sponsorships	8,000	8,000	5,250	(2,750)
Children's Performing Arts Series sponsorships	9,000	9,000	9,500	500

Continued on next page

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 (continued)**  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues, continued</b>				
River Rhythms sponsorships	\$ 57,000	\$ 57,000	\$ 55,917	\$ (1,083)
NWAAF sponsorships	87,000	87,000	92,981	5,981
Aquatic Sponsorship	3,500	3,500	3,500	-
Adult Rec & Fitness Sponsorships	1,000	1,000	288	(712)
Sports Sponsorship	2,500	2,500	2,200	(300)
Aquatics Donations	61,000	61,000	59,400	(1,600)
East Thornton Lake Donations	4,500	4,500	450	(4,050)
Foster Grandparent Sponsorships	3,000	3,000	1,927	(1,073)
Miscellaneous	5,000	5,000	63,132	58,043
Brochure advertising	1,500	1,500	2,451	951
General fundraising	600	600	125	(475)
Interest on investments	<u>5,100</u>	<u>5,100</u>	<u>20,457</u>	<u>15,357</u>
Total revenues	<u>5,346,000</u>	<u>5,346,000</u>	<u>5,803,578</u>	<u>457,578</u>
<b>Other financing sources</b>				
Transfer from General Fund	187,200	187,200	187,200	-
Transfer from Street Fund	80,000	80,000	80,000	-
Transfer from Economic Development Fund	79,100	79,100	79,100	-
Intrafund Transfer from Parks SDC Program	90,000	90,000	90,000	-
Intrafund Transfer from Parks Program	<u>85,000</u>	<u>85,000</u>	<u>50,000</u>	<u>(35,000)</u>
Total other financing sources	<u>521,300</u>	<u>521,300</u>	<u>486,300</u>	<u>(35,000)</u>
<b>Fund balance, beginning</b>	<u>1,204,500</u>	<u>1,204,500</u>	<u>1,683,245</u>	<u>478,745</u>
Amount available for appropriation	<u>\$ 7,071,800</u>	<u>\$ 7,071,800</u>	<u>7,973,123</u>	<u>\$ 901,323</u>
<b>Expenditures</b>				
Sports Programs	\$ 264,300	\$ 263,600	\$ 252,316	\$ 11,284
Children/Youth/Family Recreation Services	272,000	270,700	242,035	28,665
Resource Development/Marketing Services	325,400	323,600	299,588	24,012
Park Maintenance Services	1,948,500	1,943,500	1,810,999	132,501
Parks and Recreation Administration	1,219,500	1,213,200	1,202,843	10,357
Aquatic Services	785,800	783,600	745,494	38,106
Adult Recreation and Fitness Services	491,400	489,900	473,193	16,707
Performance and Cultural Arts	505,100	505,000	402,914	102,086
Park System Development Charge Projects	401,900	401,900	52,584	349,316
Senior Center Foundation	18,400	18,400	11,136	7,264
Parks Capital Improvement Program	175,000	175,000	64,692	110,308
Contingency	<u>310,000</u>	<u>313,500</u>	<u>-</u>	<u>313,500</u>
Total expenditures	<u>6,717,300</u>	<u>6,701,900</u>	<u>5,557,794</u>	<u>1,144,106</u>
<b>Other financing uses</b>				
Transfers to other funds	179,500	194,900	194,500	400
Intrafund transfers out	<u>175,000</u>	<u>175,000</u>	<u>140,000</u>	<u>(35,000)</u>
Total other financing uses	<u>354,500</u>	<u>369,900</u>	<u>334,500</u>	<u>35,400</u>
Total expenditures and other financing uses	<u>\$ 7,071,800</u>	<u>\$ 7,071,800</u>	<u>5,892,294</u>	<u>\$ 1,179,506</u>
<b>Fund balance, ending</b>			<u>\$ 2,080,829</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, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Miscellaneous	\$ -	\$ -	\$ 17,105	\$ 17,105
Interest on investments	<u>49,400</u>	<u>49,400</u>	<u>72,907</u>	<u>23,507</u>
Total revenues	<u>49,400</u>	<u>49,400</u>	<u>90,012</u>	<u>40,612</u>
 <b>Other financing sources</b>				
Transfers from Capital Projects Fund	470,000	470,000	-	(470,000)
Transfers from Building Inspection Fund	9,000	9,000	9,000	-
Transfers from General Fund	3,600	3,600	3,600	-
Transfers from Water Fund	2,700	2,700	2,700	-
Transfers from Sewer Fund	2,700	2,700	2,700	-
Intrafund Transfers	<u>-</u>	<u>8,700</u>	<u>8,669</u>	<u>(31)</u>
Total other financing sources	<u>488,000</u>	<u>496,700</u>	<u>26,669</u>	<u>(470,031)</u>
 <b>Fund balance, beginning</b>				
	<u>10,341,300</u>	<u>10,350,000</u>	<u>10,354,289</u>	<u>4,289</u>
Amount available for appropriation	<u>\$ 10,878,700</u>	<u>\$ 10,896,100</u>	<u>10,470,970</u>	<u>\$ (425,130)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Risk Management	\$ 1,540,200	\$ 1,475,200	\$ 175,216	\$ 1,299,984
Litigation Settlement Projects	<u>9,338,500</u>	<u>9,347,200</u>	<u>75,300</u>	<u>9,271,900</u>
Total expenditures	10,878,700	10,822,400	250,516	10,571,884
 <b>Other financing uses</b>				
Transfers to other funds	-	65,000	-	65,000
Intrafund transfers out	<u>-</u>	<u>8,700</u>	<u>8,669</u>	<u>31</u>
Total other financing uses	<u>-</u>	<u>73,700</u>	<u>8,669</u>	<u>65,031</u>
Total expenditures and other financing uses	<u>\$ 10,878,700</u>	<u>\$ 10,896,100</u>	<u>259,185</u>	<u>\$ 10,636,915</u>
 <b>Budgetary Fund Balance</b>			10,211,785	
Adjustment for Interfund Loan			<u>3,458,977</u>	
<b>Fund balance, ending</b>			<u>\$ 13,670,762</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, 2014

<b>Revenues</b>	<u>Original Budget</u>	<u>Final Budget</u>	Actual	<u>Over (Under)</u>
Financed transportation system development charges				
Principal	\$ 8,300	\$ 8,300	\$ 27,080	\$ 18,780
Interest	2,000	2,000	3,773	1,773
Financed improvement assurance fees				
Principal	15,000	15,000	1,540	(13,460)
Interest	1,200	1,200	337	(863)
Street connection fees	15,000	15,000	66,582	51,582
Transportation system development charges	236,800	236,800	457,273	220,473
Public facility construction permit	20,000	20,000	36,399	16,399
EPSC permit	35,000	35,000	53,540	18,540
State gasoline tax	2,800,000	2,800,000	2,913,483	113,483
Surface transportation program	1,965,000	1,965,000	2,135,531	170,531
Miscellaneous	3,500	3,500	11,713	8,213
Interest on investments	26,100	26,100	50,126	24,026
Total revenues	<u>5,127,900</u>	<u>5,127,900</u>	<u>5,757,377</u>	<u>629,477</u>
<b>Other financing sources</b>				
Transfer from Public Transit Fund	5,000	5,000	5,000	-
Transfer from Debt Service Fund	-	-	2,840	2,840
Transfer from Economic Development Fund	2,200	2,200	2,200	-
Transfer from Sewer Fund	494,800	512,300	502,882	(9,418)
Transfer from Water Fund	493,700	1,102,100	1,087,405	(14,695)
Intrafund Transfer	20,000	20,000	20,000	-
Total other financing sources	<u>1,015,700</u>	<u>1,641,600</u>	<u>1,620,327</u>	<u>(21,273)</u>
<b>Fund balance, beginning</b>	<u>6,643,400</u>	<u>6,643,400</u>	<u>6,860,709</u>	<u>217,309</u>
Amount available for appropriation	<u>\$ 12,787,000</u>	<u>\$ 13,412,900</u>	<u>14,238,413</u>	<u>\$ 825,513</u>
	<u>Original Budget</u>	<u>Final Budget</u>	Actual	<u>(Over) Under</u>
<b>Expenditures</b>				
Personnel services	\$ 821,200	\$ 821,200	\$ 758,733	\$ 62,467
Materials and services	2,380,800	2,378,900	2,284,114	94,786
Capital	9,001,600	9,591,200	1,917,120	7,674,080
Contingencies	57,900	96,100	-	96,100
Total expenditures	<u>12,261,500</u>	<u>12,887,400</u>	<u>4,959,967</u>	<u>7,927,433</u>
<b>Other financing uses</b>				
Transfers to other funds	505,500	505,500	504,755	745
Intrafund transfers out	20,000	20,000	20,000	-
Total other financing uses	<u>525,500</u>	<u>525,500</u>	<u>524,755</u>	<u>745</u>
Total expenditures and other financing uses	<u>\$ 12,787,000</u>	<u>\$ 13,412,900</u>	<u>5,484,722</u>	<u>\$ 7,928,178</u>
<b>Fund balance, ending</b>			<u>\$ 8,753,691</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, 2014

	Business-type Activities			Governmental Activities
	Water	Sewer	Totals	Internal
			Enterprise Funds	Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 12,635,429	\$ 19,565,026	\$ 32,200,455	\$ 1,343,630
Receivables:				
Property taxes	3,691	-	3,691	-
Accounts	1,593,477	4,397,995	5,991,472	-
Assessments receivable	-	33,969	33,969	1,364
Accrued interest	9,543	13,927	23,470	-
Inventories	734,635	364,283	1,098,918	-
Prepaid items	-	-	-	4,537
Total current assets	<u>14,976,775</u>	<u>24,375,200</u>	<u>39,351,975</u>	<u>1,349,531</u>
Noncurrent assets:				
Loans receivable	-	4,096,371	4,096,371	-
Capital assets (net of depreciation)	<u>87,596,815</u>	<u>144,147,803</u>	<u>231,744,618</u>	<u>96,274</u>
Total noncurrent assets	<u>87,596,815</u>	<u>148,244,174</u>	<u>235,840,989</u>	<u>96,274</u>
Total assets	<u>102,573,590</u>	<u>172,619,374</u>	<u>275,192,964</u>	<u>1,445,805</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	586,827	554,832	1,141,659	427,341
Compensated absences	55,764	62,642	118,406	342,127
Claims and judgments	522	522	1,044	-
Interest payable	437,956	573,906	1,011,862	-
Refundable deposits	160,950	809	161,759	-
Loans payable, current portion	-	3,472,742	3,472,742	-
Bonds payable, current portion	<u>1,028,728</u>	-	<u>1,028,728</u>	-
Total current liabilities	<u>2,270,747</u>	<u>4,665,453</u>	<u>6,936,200</u>	<u>769,468</u>
Long-term obligations				
Compensated absences	55,763	62,641	118,404	342,126
Claims and judgments	522	522	1,044	-
Other postemployment benefits	181,213	171,892	353,105	783,078
Loans payable - long-term portion	-	58,900,330	58,900,330	-
Bonds payable - long-term portion	<u>28,216,966</u>	-	<u>28,216,966</u>	-
Total long-term obligations	<u>28,454,464</u>	<u>59,135,385</u>	<u>87,589,849</u>	<u>1,125,204</u>
Total liabilities	<u>30,725,211</u>	<u>63,800,838</u>	<u>94,526,049</u>	<u>1,894,672</u>
<b>NET POSITION</b>				
Net investment in capital assets	58,351,121	81,774,731	140,125,852	96,274
Restricted for capital construction	1,157,994	2,689,933	3,847,927	-
Restricted for debt service	1,621,904	5,393,196	7,015,100	-
Unrestricted	<u>10,717,360</u>	<u>18,960,676</u>	<u>29,678,036</u>	<u>(545,141)</u>
Total net position	<u>\$ 71,848,379</u>	<u>\$ 108,818,536</u>	180,666,915	<u>\$ (448,867)</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.

(336,016)

Net position of business-type activities (page 16)

\$ 180,330,899

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, 2014

	Business-type Activities		Governmental Activities	
	Water	Sewer	Totals Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES:</b>				
Service charges and fees	\$ 12,096,883	\$ 14,320,218	\$ 26,417,101	\$ 12,612,288
Miscellaneous	227,685	530,376	758,061	42,808
Total operating revenues	<u>12,324,568</u>	<u>14,850,594</u>	<u>27,175,162</u>	<u>12,655,096</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	2,031,512	2,185,100	4,216,612	9,279,909
Contracted services	436,737	834,518	1,271,255	495,064
Operating supplies	660,933	372,022	1,032,955	1,186,181
Utilities	445,892	603,295	1,049,187	188,318
Depreciation and amortization	3,121,452	4,343,400	7,464,852	15,720
Repairs and maintenance	642,311	844,849	1,487,160	260,196
Charges for services	3,269,858	3,559,398	6,829,256	1,046,623
Miscellaneous	-	36,619	36,619	3,786
Total operating expenses	<u>10,608,695</u>	<u>12,779,201</u>	<u>23,387,896</u>	<u>12,475,797</u>
Operating income	<u>1,715,873</u>	<u>2,071,393</u>	<u>3,787,266</u>	<u>179,299</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Property taxes	2,298	-	2,298	-
Interest on investments	85,549	149,622	235,171	4,366
Miscellaneous	300	-	300	-
Interest	<u>(975,280)</u>	<u>(2,062,077)</u>	<u>(3,037,357)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(887,133)</u>	<u>(1,912,455)</u>	<u>(2,799,588)</u>	<u>4,366</u>
Income before capital contributions and transfers	828,740	158,938	987,678	183,665
Capital contributions	861,610	711,628	1,573,238	-
Transfers in	-	-	-	98,300
Transfers out	<u>(1,207,485)</u>	<u>(556,214)</u>	<u>(1,763,699)</u>	<u>(4,017)</u>
Change in net position	482,865	314,352	797,217	277,948
Net position - beginning	<u>71,365,514</u>	<u>108,504,184</u>	<u>-</u>	<u>(726,815)</u>
Net position - ending	<u>\$ 71,848,379</u>	<u>\$ 108,818,536</u>	<u>\$ -</u>	<u>\$ (448,867)</u>

Adjustment for the net effect of the current year activity  
between the internal service funds and the enterprise funds 211,873  
Change in net position of business-type activities (pages 15-16) \$ 1,009,090

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, 2014

	Business-type Activities			Governmental Activities
	Water	Sewer	Totals	Internal
			Enterprise Funds	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 12,706,562	\$ 14,769,769	\$ 27,476,331	\$ 12,657,895
Cash payments to suppliers of goods and services	(5,257,755)	(6,150,710)	(11,408,465)	(2,863,059)
Cash payments to employees for services	(2,017,732)	(2,129,872)	(4,147,604)	(9,063,660)
Other revenues	300	-	300	-
Net cash provided by operating activities	<u>5,431,375</u>	<u>6,489,187</u>	<u>11,920,562</u>	<u>731,176</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Property taxes	2,298	-	2,298	-
Transfers in	-	-	-	98,300
Transfers out	<u>(1,207,485)</u>	<u>(556,214)</u>	<u>(1,763,699)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,205,187)</u>	<u>(556,214)</u>	<u>(1,761,401)</u>	<u>98,300</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(2,994,941)	(4,449,041)	(7,443,982)	-
System development charges collected	475,534	196,716	672,250	-
Principal paid on loan	-	(3,369,602)	(3,369,602)	-
Principal paid on bonds	(1,005,000)	-	(1,005,000)	-
Payment from City of Millersburg	-	406,254	406,254	-
Interest paid on long-term debt	<u>(962,064)</u>	<u>(2,096,174)</u>	<u>(3,058,238)</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(4,486,471)</u>	<u>(9,311,847)</u>	<u>(13,798,318)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	<u>80,598</u>	<u>143,605</u>	<u>224,203</u>	<u>3,438</u>
Net increase (decrease) in cash and cash equivalents	(179,685)	(3,235,269)	(3,414,954)	832,914
<b>Cash and cash equivalents, July 1, 2013</b>	<u>12,815,114</u>	<u>22,800,295</u>	<u>35,615,409</u>	<u>510,716</u>
<b>Cash and cash equivalents, June 30, 2014</b>	<u>\$ 12,635,429</u>	<u>\$ 19,565,026</u>	<u>\$ 32,200,455</u>	<u>\$ 1,343,630</u>

Continued on next page

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, 2014

	Business-type Activities			Governmental Activities
	Water	Sewer	Totals	Internal
			Enterprise Funds	Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,715,873	\$ 2,071,393	\$ 3,787,266	\$ 179,299
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,121,452	4,343,400	7,464,852	15,720
Other revenues	300	-	300	
Changes in assets and liabilities:				
Receivables	352,261	(80,825)	271,436	2,799
Inventories	19,750	(45,488)	(25,738)	-
Prepaid items	-	-	-	(791)
Accounts payable	191,382	157,311	348,693	320,420
Compensated absences	(3,282)	36,785	33,503	135,263
Claims and judgments	(13,156)	(11,832)	(24,988)	(2,520)
Other postemployment benefits	17,062	18,443	35,505	80,986
Refundable deposits	29,733	-	29,733	-
Total adjustments	<u>3,715,502</u>	<u>4,417,794</u>	<u>8,133,296</u>	<u>551,877</u>
Net cash provided by operating activities	<u>\$ 5,431,375</u>	<u>\$ 6,489,187</u>	<u>\$ 11,920,562</u>	<u>\$ 731,176</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Amortization of bond issuance costs	<u>\$ 133,728</u>	<u>\$ -</u>	<u>\$ 133,728</u>	<u>\$ -</u>
Contribution of capital assets to government	<u>\$ 386,076</u>	<u>\$ 514,912</u>	<u>\$ 900,988</u>	<u>\$ -</u>

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

Knowledge is the eye of desire and can become the pilot of the soul.

Will Durant

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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 has 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 of the City of Albany 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 of Albany provide project management and administration. Its 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 Assets and the Statement of Activities.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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 consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information. 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, 2014

**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 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

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, 2014

**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.

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 this fund 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.

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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

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

**Cash and Investments**

The City's cash on hand and short-term investments are considered to be cash and investments. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, repurchase agreements, and the State Treasurer's Investment Pool.

It is the City's policy, as allowed by GASB Statement No. 31, *Accounting and Financial Reporting of Certain Investments and for External Investment Pools*, to report at amortized cost all short-term, highly liquid money market investments (including commercial paper, banker's acceptances, and U. S. Treasury and agency obligations) and participating interest-earning investment contracts with a remaining maturity at time of purchase of one year or less. Such investments are stated at amortized cost, increased by accretion of discounts and reduced by amortization of premiums, both computed by the straight-line method. Investments with a remaining maturity at time of purchase of more than one year are valued at fair value.

**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. Uncollected 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 uncollected 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, accounts receivable for user charges, property assessments, and interest.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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 project funds are recorded at the time the property owners are assessed for property improvements. Assessments receivable are offset by deferred revenues and, accordingly, have not been recorded as revenue.

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

Receivables in the proprietary funds are recorded as 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 assets are recorded at estimated fair market value at the date of donation.

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 pay benefits. No liability is reported for accumulated sick leave, as it does not vest when earned. Vacation pay is accrued as it is earned and is reported as a fund liability. All vacation pay 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, 2014

**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 Assets. 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. 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.

**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.”

Governmental fund balances are reported within one of the fund balance categories listed below:

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.

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.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

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

**Equity (continued)**

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.

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.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, 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 all funds in the proper category.

**New Accounting Pronouncements and Accounting Standards**

**GASB Statement No. 67, "Financial Reporting for Pension Plans"**

The objective of this statement is to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No 50, *Pension Disclosures*. This statement is effective for fiscal year ended June 30, 2014.

**GASB Statement No. 68, "Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27."**

This statement was issued to improve accounting and financial reporting by state and local governments for pensions. This statement replaces requirements of statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as requirements of statement No. 50, *Pension Disclosures*. This statement and statement No. 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due. This statement will be effective for fiscal year ending June 30, 2015.

The City, along with other local governments, participates in a cost-sharing multiple employer defined benefit public employee pension plan, noted as PERS. The requirement of this standard appear to have a significant impact over financial accounting and reporting for the City's participation in the PERS plan

Both Statement 67 and 68 will be monitored very closely because of the anticipated effects they will have on future financial statements.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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.

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 2013-14 was \$3,359,260,761. 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 budgets the following funds at the program level with the exception of contingency and transfers out:

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	

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

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

**Budgetary Information (continued)**

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

General	Permanent
Nondepartmental	Senior Center Endowment
Special Revenue	Enterprise
Grants	Water
Street	Sewer
Ambulance	
Public Safety Levy	

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, 2014, the City made supplemental budget changes as outlined in the following table by fund:

Fund	2013-14 Adopted Budget	2013-14 Final Budget	Changes
General	\$ 29,144,600	\$ 28,859,600	\$ (285,000)
Parks and Recreation	6,717,300	6,701,900	(15,400)
Risk Management	10,878,700	10,822,400	(56,300)
Street	12,261,500	12,887,400	625,900
Grants	2,926,900	3,462,933	536,033
Building Inspection	1,164,100	1,230,800	66,700
Economic Development	1,448,800	1,448,800	-
Ambulance	2,156,500	2,186,500	30,000
Public Transit	2,074,700	2,158,200	83,500
Albany Revitalization Agency	6,335,100	6,335,100	-
Debt Service	2,724,400	2,724,400	-
Capital Projects	675,800	745,800	70,000
Capital Replacement	6,763,200	6,730,400	(32,800)
Senior Center Endowment	200	200	-
Library Trust	84,100	84,100	-
Water	23,433,200	22,749,800	(683,400)
Sewer	35,673,100	35,655,600	(17,500)
Central Services	5,697,500	5,798,100	100,600
Public Works Services	7,349,600	7,349,600	-
	\$ 157,509,300	\$ 157,931,633	\$ 422,333



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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. No new funds were established in Fiscal Year 2013-14.

**Excess of Expenditures over Appropriations**

The City had one cost category where expenditures exceeded approved appropriations. As a whole, the Ambulance fund was within the adopted budget; however the Materials and Services category was overspent by \$10,688.

**Deficit Fund Equity**

The Capital Projects Fund ended the Fiscal Year 2013-14 with a deficit fund balance due to the interfund loans which financed the two Local Improvement District (LID) projects near the new Timber Ridge School. The assessment revenue from these two LID's was pledged to repay the loans. However, the City is considering alternate pay back methods due to delinquent payments of one of the property owners in the area.

**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 14).

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

Cash on hand	\$ 33,090
Cash with fiscal agents	19,727
Bank balances with financial institutions	(169,619)
State of Oregon Treasurer's short-term investment pool	39,794,911
Other investments	29,044,856
Interest accrued on investments at time of purchase	<u>1,793</u>
Total cash and investments	<u>\$ 68,724,758</u>

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

Cash and investments	\$ 68,569,832
Cash with fiscal agents	19,727
Restricted cash and investments	<u>135,199</u>
Total cash and investments	<u>\$ 68,724,758</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

Financial Institutions

Deposits with financial institutions are comprised of bank demand deposits and savings accounts. At year end, the carrying amount of the City's net balance was (\$169,619) and the bank balance was \$642,876.

**Investments**

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 Albany 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 carries all investments at amortized cost as allowed by GASB No. 31. The implementation of GASB No. 31 is and has been immaterial to the government-wide financial statements since fiscal year end June 30, 2007.

As of June 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (yrs)</u>	<u>Percent of Total Portfolio</u>
U.S. Government agency obligations:					
US Treasury Notes	AAA	\$ 5,984,179	\$ 6,006,096	2.71	9%
Federal Farm Credit Bank	AAA	4,985,626	4,997,450	1.85	7%
Federal Home Loan Mortgage Corporation	AAA	12,956,821	13,000,354	2.69	19%
Federal National Mortgage Association	AAA	5,116,230	5,073,350	2.21	7%
Oregon Short-term Fund	NR	39,794,911	39,794,911	0.00	58%
Accrued trust fees	-	2,000	2,000	N/A	N/A
Totals		<u>\$ 68,839,767</u>	<u>\$ 68,874,161</u>		<u>100%</u>
Portfolio weighted average maturity				<u>1.04</u>	

The Oregon Short-Term Fund 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, 2014

**3. DETAILED NOTES (continued)**

**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, 2014, was 1.04 years.

Credit and Concentration of Credit Risk

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

Diversification constraints of the City's investment policy are:

Issuer Type	Percent of Total Portfolio
U. S. Treasury obligations	100%
GSE-Agency Securities	100%
Per Issuer	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, 2014

**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, 2014, the City of Albany's bank balance of \$642,876 were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the City of Albany's name.

**Capital Assets**

Governmental Activities

Capital asset activity for the year ended June 30, 2014 was as follows:

	July 1, 2013 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2014 Balance
Non-depreciable capital assets				
Land	\$ 12,282,594	\$ 34,256	\$ -	\$ 12,316,850
Depreciable capital assets				
Buildings and improvements	21,062,318	23,270	-	21,085,588
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	13,279,165	1,633,011	(417,716)	14,494,460
Infrastructure	127,481,822	2,924,995	-	130,406,817
Total depreciable capital assets	<u>162,623,305</u>	<u>4,581,276</u>	<u>(417,716)</u>	<u>166,786,865</u>
Accumulated depreciation				
Buildings and improvements	(5,486,931)	(383,566)	-	(5,870,497)
Intangible asset	(16,033)	(40,000)	-	(56,033)
Vehicles and equipment	(9,465,113)	(654,461)	417,716	(9,701,858)
Infrastructure	(57,384,813)	(5,238,961)	-	(62,623,774)
Total accumulated depreciation	<u>(72,352,890)</u>	<u>(6,316,988)</u>	<u>417,716</u>	<u>(78,252,162)</u>
Depreciable capital assets net of depreciation	<u>90,270,415</u>	<u>(1,735,712)</u>	<u>-</u>	<u>88,534,703</u>
Governmental activities, capital assets, net	<u>\$ 102,553,009</u>	<u>\$ (1,701,456)</u>	<u>\$ -</u>	<u>\$ 100,851,553</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Capital Assets (continued)**

Governmental Activities (continued)

Depreciation expense for governmental activities has been charged as follows:

General government	\$ 1,014,982
Public safety	478,808
Highways and streets	3,908,402
Culture and recreation	<u>914,796</u>
Total depreciation for governmental activities	<u><u>\$ 6,316,988</u></u>

Business-type Activities

Capital asset activity for the year ended June 30, 2014 was as follows:

	July 1, 2013		Deletions, Transfers in, Transfers out	June 30, 2014
	<u>Balance</u>	<u>Additions</u>		<u>Balance</u>
Non-depreciable capital assets				
Land	\$ 6,216,055	\$ 69,319	\$ -	\$ 6,285,374
Construction in progress	<u>1,447,968</u>	<u>2,208,911</u>	<u>(1,231,528)</u>	<u>2,425,351</u>
Total non-depreciable capital assets	<u>7,664,023</u>	<u>2,278,230</u>	<u>(1,231,528)</u>	<u>8,710,725</u>
Depreciable capital assets				
Land rights	19,794	-	-	19,794
Land improvements	25,178	-	-	25,178
Buildings and improvements	152,016,372	3,463,082	-	155,479,454
Vehicles and equipment	7,509,499	320,780	-	7,830,279
Infrastructure	<u>143,679,504</u>	<u>2,282,880</u>	<u>1,231,528</u>	<u>147,193,912</u>
Total depreciable capital assets	<u>303,250,347</u>	<u>6,066,742</u>	<u>1,231,528</u>	<u>310,548,617</u>
Accumulated depreciation				
Land rights	(18,802)	(659)	-	(19,461)
Land improvements	(22,141)	(433)	-	(22,574)
Buildings and improvements	(26,731,146)	(3,995,327)	-	(30,726,473)
Vehicles and equipment	(6,426,765)	(220,724)	(10,262)	(6,657,751)
Infrastructure	<u>(46,739,022)</u>	<u>(3,216,950)</u>	<u>(36,219)</u>	<u>(49,992,191)</u>
Total accumulated depreciation	<u>(79,937,876)</u>	<u>(7,434,093)</u>	<u>(46,481)</u>	<u>(87,418,450)</u>
Depreciable capital assets net of depreciation	<u>223,312,471</u>	<u>(1,367,351)</u>	<u>1,185,047</u>	<u>223,130,167</u>
Business-type activities, capital assets, net	<u><u>\$ 230,976,494</u></u>	<u><u>\$ 910,879</u></u>	<u><u>\$ (46,481)</u></u>	<u><u>\$ 231,840,892</u></u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Capital Assets (continued)**

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

Water	\$ 3,105,100
Sewer	<u>4,328,993</u>
 Total depreciation for business-type activities	 <u>\$ 7,434,093</u>

**Restricted Net Position**

Total restricted net position of \$27,222,390 includes \$135,295 restricted for permanent endowments and \$18,950,878 restricted by enabling legislation as follows:

Governmental activities	\$ 15,102,951
Business-type activities	<u>3,847,927</u>
 Total	 <u>\$ 18,950,878</u>

**Assessment Liens Receivable**

Assessment liens receivable represent the uncollected amounts levied against property for the cost of local improvements. Total delinquent assessments receivable at June 30, 2014 amounted to \$1,328,673, which represented approximately 26 percent of the outstanding 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 sale rate plus 1.5 percent for financed assessments.

**Loans Receivable**

The listing which follows outlines the loans receivable as of June 30, 2014. The ARA loans have been restated to show the division of regular and forgivable loans.

	July 1, 2013 Balance	Increase	Decrease	June 30, 2014 Balance
Governmental Funds				
General	\$ 200,066	\$ -	\$ (148,083)	\$ 51,983
Economic Development	90,478	-	(26,929)	63,549
Albany Revitalization Agency (ARA) Regular loans	<u>756,566</u>	<u>21,990</u>	<u>(121,090)</u>	<u>657,466</u>
Total Governmental Funds	1,047,110	21,990	(296,102)	772,998
Enterprise Fund - Sewer	<u>4,502,625</u>	<u>-</u>	<u>(406,254)</u>	<u>4,096,371</u>
Total government-wide loans	<u>\$ 5,549,735</u>	<u>\$ 21,990</u>	<u>\$ (702,356)</u>	<u>\$ 4,869,369</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Community Development Block Grant Loans - General Fund

In 1982, the City received a nearly \$500,000 Community Development Block Grant which was used to finance loans for remodeling and repairs to owner-occupied homes. The loans are interest-free and are not due until ownership of the property changes. As of June 30, 2014, there were six loans outstanding with a total balance of \$51,983.

Community Development Loans - General Fund

In July, 2007, the City Council authorized a loan, not to exceed \$150,000, to the Albany Helping Hands Homeless Shelter to construct a second dormitory. The \$50,000 portion of the loan was interest free until July 31, 2008, at which time it was due. Interest accrues at the rate of nine percent per annum after that date. The \$100,000 portion of the loan was interest-free until January 1, 2009, at which time the loan was due. The actual amount of the loan was \$148,083. Interest accrues at the rate of nine percent per annum after that date. The loan is secured by a trust deed. During the year ended June 30, 2014, the loan was repaid in full.

Economic Development Fund

In 1995, the City received a \$441,137 loan from the Oregon Economic Development Department to make infrastructure improvements for the planned Target Distribution Center. Target is a wholly-owned subsidiary of the Dayton-Hudson Corporation. Dayton-Hudson Corporation agreed to reimburse the City for \$390,000 of the state loan. As of June 30, 2014, the balance of the receivable from the Dayton Hudson Corporation was \$63,549.

In August 2006, the City sold land near the Albany Municipal Airport to Bob G. Mitchell for \$315,000 in cash and a \$35,000 promissory note due January 9, 2009, at six percent interest. If the buyer meets the conditions outlined in the sale agreement regarding construction of a restaurant at the site, the promissory note will be cancelled. The \$35,000 promissory note has been offset with an allowance for uncollectible accounts.

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.

In December 2004, ARA approved a loan of \$82,500 to Allan and Jacqueline Swoboda to make improvements to property located in the urban renewal district. The loan was modified as of June 1, 2012 to a five-year amortization plan with interest accruing at the rate of four percent annually. The new modified loan and amount outstanding at June 30, 2014 is \$66,588 which consists of the original disbursement \$82,500 (which was disbursed before June 30, 2007) less repayments of \$15,912.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Albany Revitalization Area (ARA) Fund (continued)

In October 2006, ARA approved a ten-year loan of \$42,500 to Allan and Jacqueline Swoboda to make improvements to the Frager Building. The loan, with an annual interest rate of 6.9 percent, is secured by a trust deed. The first payment was due on January 19, 2012, in the amount of \$14,365 principal and interest, with four similar payments due after that. During the year ended June 30, 2014 the City loaned an additional \$21,990 for this project. As of June 30, 2014 the balance outstanding was \$64,490.

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. A total of \$112,612 has been received against these loans, leading to a June 30, 2014 outstanding balance of \$97,388.

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. The first of five payments (\$16,660.67, principal and interest) is due on August 11, 2014. Interest for the loan will accrue from the modification date until the loan is paid in full. As of June 30, 2014, \$148,000 of the approved loan amount had been disbursed.

In Fiscal Year 2012 ARA approved a three-year loan of \$235,000 to Albany Redevelopment, LLC to refinance existing debt and make further improvements to the structure known as the Woods Apartment Building. The loan, with an annual interest rate of 11 percent, is secured by a trust deed and personal guarantees of the husband and wife owners of the LLC. The first monthly payment was due on December 10, 2011, in the amount of \$2,238 principal and interest, with a total of 36 payments and a balloon payment due November 10, 2012. As of June 30, 2014, \$235,000 of the approved loan amount had been disbursed.

In May 2011, ARA approved a three-year loan of \$120,000 to Albany Redevelopment, for redevelopment of the historic Woods Apartment building. The loan, with an interest rate of 6 percent, is secured by a trust deed in second position behind ARA's 2012 loan (above), promissory note, and personal guarantees of the husband and wife owners of the corporation. The loan called for a balloon payment on May 10, 2014 on the principal and interest accrued over the 3 years. As of June 30, 2014, \$120,000 of the approved loan has been disbursed and remains outstanding.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Albany Revitalization Area (ARA) Fund (continued)

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 in the loans receivable as a balance due.

<u>Borrower</u>	<u>Loan Draws to Date</u>	<u>Forgiven</u>	<u>Balance yet to be forgiven</u>
Flinn Block LLC - Manley	\$ 74,000	\$ -	\$ 74,000
R3 Development - Mikesell	200,066	-	200,066
CADD Connection - Yamamoto	97,500	27,857	69,643
Albany Redevelopment - Ward	23,483	-	23,483
Edgewater Village	2,400,000	-	2,400,000
Poris , Linda	63,215	62,494	721
Albany Carousel	110,000	-	110,000
Catlin, Rich	10,000	8,000	2,000
Eaton, Emma and Jacho	25,000	10,000	15,000
Van Rossman, Robyn and Rusty	3,360	672	2,688
Vaughan, Timothy	28,900	5,780	23,120
Olivetti, Thad and Shannon	42,500	21,605	20,895
Innovative Woodland Square	705,861	-	705,861
	<u>\$ 3,783,885</u>	<u>\$ 136,408</u>	<u>\$ 3,647,477</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 90 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 \$1,047,628. During the Fiscal Year 2013-14, Millersburg paid \$426,336 against the loan. The loan balance will 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. As of June 30, 2014, Millersburg's loan balance was \$4,096,371.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Deferred Inflows**

Governmental funds report deferred 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 deferred revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent property taxes receivable	
General	\$ 1,518,413
Parks and Recreation	322,498
Nonmajor governmental	512,978
Accounts receivable	640,901
Assessments receivable	4,111,301
Community development loans	51,983
Economic development loans	<u>721,015</u>
Total unavailable revenue	<u>\$ 7,879,089</u>

**Construction Commitments**

The City has active construction projects as of June 30, 2014 as follows:

<u>Capital Projects</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental Activities		
North Albany Road-Quarry to RR tracks	\$ 508,994	\$ 2,881,006
Main Street Rehab	987,724	1,193,221
Water, Main and Geary Street Rehab	164,911	220,089
Water		
Zone 1 Distribution	585,783	7,748
LT2 Improvements	480,709	19,291
Vine WTP Filter Controls	214,559	35,441
Powers and Oak Grove East Waterline	23,841	296,159
Sewer		
Oak Creek Pump Station and Force Main	3,437,333	920
WRF Solids Handling Improvements	25,751	474,249

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Capital Leases**

The City has entered into lease agreements as lessee for financing the acquisition of capital 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 a capital lease are as follows:

	Governmental Activities
Machinery and equipment	\$ 71,241

The future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

<u>Years ending June 30,</u>	Governmental Activities
2014	\$ 68,610
2015	8,785
Total minimum lease payments	77,395
Less: amount representing interest	(6,154)
Present value of minimum lease payments	\$ 71,241

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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 the current portions due for each issue.

	Beginning Balance July 1, 2013	Increase	Decrease	Ending Balance June 30, 2014	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds, Series 2007 Refunding	\$ 2,590,000	\$ -	\$ 1,255,000	\$ 1,335,000	\$ 1,335,000
Limited tax pension obligations, Series 2002	5,415,689	-	101,686	5,314,003	105,020
General revenue obligations, Series 2004	1,305,000	-	365,000	940,000	140,000
Urban Renewal Bonds 2007 CARA Series A Tax-exempt	2,822,000	-	-	2,822,000	126,000
2007 CARA Series B Taxable	485,000	-	485,000	-	-
Notes payable OEDD-Target Infrastructure	102,341	-	30,460	71,881	35,774
Subtotal	12,720,030	-	2,237,146	10,482,884	1,741,794
Other postemployment benefits	2,310,926	280,654	-	2,591,580	-
Unamortized debt issuance costs (net)	(29,842)	-	(29,842)	-	-
Unamortized premium on debt issuance	28,112	-	28,112	-	-
Compensated absences	2,379,542	2,898,813	2,564,171	2,714,184	1,357,093
Claims and judgments	29,619	43,355	29,619	43,355	29,618
Capital leases	219,278	-	148,037	71,241	68,610
Total Governmental Activities	<u>17,657,665</u>	<u>3,222,822</u>	<u>4,977,243</u>	<u>15,903,244</u>	<u>3,197,115</u>
<b>Business-type Activities</b>					
Water revenue bonds 2013 Water Refunding Bonds	28,405,000	-	1,005,000	27,400,000	895,000
Loans payable 2007 SRF Loan - WWTP	60,825,784	-	2,892,278	57,933,506	2,980,325
2009 Wetland Loan	3,066,890	-	377,324	2,689,566	392,417
2012 SRF Loan	1,850,000	-	100,000	1,750,000	100,000
Subtotal	94,147,674	-	4,374,602	89,773,072	4,367,742
Other postemployment benefits	706,928	81,645	-	788,573	-
Unamortized premium on debt issuance	1,979,422	-	133,728	1,845,694	133,728
Compensated absences	487,843	625,332	498,475	614,700	307,351
Claims and judgments	28,611	2,088	28,611	2,088	1,044
Total Business-type Activities	<u>97,350,478</u>	<u>709,065</u>	<u>5,035,416</u>	<u>93,024,127</u>	<u>4,809,865</u>
Totals	<u>\$ 115,008,143</u>	<u>\$ 3,931,887</u>	<u>\$ 10,012,659</u>	<u>\$ 108,927,371</u>	<u>\$ 8,006,980</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**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 \$306,363 are included in the above totals for governmental activities. For governmental activities compensated absences are generally liquidated by the fund in which they were incurred, including the General, Parks and Recreation, Building Inspection, Street, Ambulance, 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 \$8,335,000 in general obligation bonds in March 2007, to refinance all of the City's outstanding General Obligation Bonds, Series 1996, and a portion of the City's General Obligation Bonds, Series 1999 that financed capital construction. The interest rate is four percent for the nine-year bonds. Final maturity is June 1, 2015. The balance outstanding at June 30, 2014, is \$1,355,000. Annual debt service requirements to maturity for general obligation bonds are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,335,000	\$ 53,400	\$ 1,388,400

**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 funds resources including property taxes. Interest rates range from two 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, 2014, is \$5,314,003. Annual debt service requirements to maturity for the limited tax pension obligations are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 105,020	\$ 480,218	\$ 585,238
2016	107,498	507,740	615,238
2017	109,483	535,755	645,238
2018	111,140	564,098	675,238
2019	111,257	593,980	705,237
2020-2024	2,434,605	1,635,534	4,070,138
2025-2029	<u>2,335,000</u>	<u>454,841</u>	<u>2,789,839</u>
Totals	<u>\$ 5,314,003</u>	<u>\$ 4,772,166</u>	<u>\$ 10,086,166</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Governmental Activities (continued)

**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, 2014, is \$940,000. Annual debt service requirements to maturity for the general revenue obligations are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 140,000	\$ 39,454	\$ 179,454
2016	145,000	34,554	179,554
2017	155,000	27,304	182,304
2018	160,000	19,554	179,554
2019	165,000	13,394	178,394
2020	<u>175,000</u>	<u>7,000</u>	<u>182,000</u>
Totals	<u>\$ 940,000</u>	<u>\$ 141,260</u>	<u>\$ 1,081,260</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, 2014, is \$2,822,000. Annual debt service requirements to maturity for urban renewal bonds are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 126,000	\$ 136,867	\$ 262,867
2016	333,000	130,756	463,756
2017	349,000	114,605	463,605
2018	366,000	97,679	463,679
2019	383,000	79,928	462,928
2020-2022	<u>1,265,000</u>	<u>124,645</u>	<u>1,389,645</u>
Totals	<u>\$ 2,822,000</u>	<u>\$ 684,480</u>	<u>\$ 3,506,480</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Governmental Activities (continued)

**Notes Payable**

In 1995, the City borrowed \$441,137 from the Oregon Economic Development Department, Special Public Works Fund, to finance infrastructure (water, sewer, and street) improvements in the Linn-Benton Business Park to serve a 650,000-square-foot Target Stores Inc. regional distribution center. Dayton-Hudson Corporation DBA Target Stores, Inc. is responsible for \$390,000. The remaining balance, \$51,137, is payable by the City from resources of the Economic Development Fund. The interest rate is 5.47 percent for the 20-year note. Final maturity is December 15, 2015. The balance outstanding at June 30, 2014, is \$71,881 (Dayton-Hudson Corporation, \$63,549; City, \$8,332). Annual debt service requirements to maturity for governmental activities notes payable are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 35,774	\$ 4,134	\$ 39,908
2016	36,107	2,077	38,184
Totals	<u>\$ 71,881</u>	<u>\$ 6,211</u>	<u>\$ 78,092</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 covered by City pledging its full faith and credit and taxing powers of the City 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 5 percent for the 20-year bonds. Final maturity is August 1, 2033. The balance outstanding of the bonds at June 30, 2014, is \$27,400,000.

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 895,000	\$ 1,033,194	\$ 1,928,194
2016	935,000	996,594	1,931,594
2017	975,000	958,394	1,933,394
2018	1,020,000	918,494	1,938,494
2019	1,060,000	876,894	1,936,894
2020-2024	5,965,000	3,661,270	9,626,270
2025-2029	7,450,000	2,201,245	9,651,245
2030-2034	9,100,000	725,162	9,825,162
Totals	<u>\$ 27,400,000</u>	<u>\$ 11,371,247</u>	<u>\$ 38,771,247</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Business-type Activities (continued)

**Loans Payable**

The City was approved for two loans totaling \$69,000,000 from the Clean Water State Revolving Fund 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 Millersburg. The loan payment schedule includes a 0.5% loan fee, effectively increasing the loan rates to 3.40 percent and 3.64 percent respectively. As of June 30, 2014, the balance outstanding is \$57,933,506. The final maturity date is October 1, 2029.

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 2,980,325	\$ 1,873,595	\$ 4,855,935
2016	3,071,056	1,912,795	4,985,867
2017	3,164,554	1,803,943	4,970,514
2018	3,260,904	1,691,770	4,954,692
2019	3,360,192	1,576,178	4,938,389
2020-2024	18,399,552	6,019,813	24,419,365
2024-2029	21,377,446	2,553,045	23,930,491
2029-2030	<u>2,319,477</u>	<u>46,662</u>	<u>2,366,139</u>
Totals	<u>\$ 57,933,506</u>	<u>\$ 17,477,801</u>	<u>\$ 75,411,307</u>

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. As of June 30, 2014, the balance outstanding is \$2,689,566.

For the Year Ending June 30,	Principal	Interest	Total
2015	\$ 392,417	\$ 107,583	\$ 500,000
2016	408,114	91,886	500,000
2017	424,439	75,561	500,000
2018	441,416	58,584	500,000
2019	459,073	40,927	500,000
2020-2021	<u>564,107</u>	<u>26,031</u>	<u>590,138</u>
Totals	<u>\$ 2,689,566</u>	<u>\$ 400,572</u>	<u>\$ 3,090,138</u>



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Long-term Obligations (continued)**

Business-type Activities (continued)

**Loans Payable (continued)**

The City of Albany has received a four million dollar 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 partnered with the City and they forwarded to City of Albany their four million dollar 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, 2014 has been adjusted to \$1,750,000. 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
2015	\$ 100,000	\$ 4,375	\$ 104,375
2016	100,000	8,250	108,250
2017	100,000	7,750	107,750
2018	100,000	7,250	107,250
2019	100,000	6,750	106,750
2020-2024	500,000	26,250	526,250
2025-2029	500,000	13,750	513,750
2030-2032	250,000	2,250	252,250
Totals	<u>\$ 1,750,000</u>	<u>\$ 76,625</u>	<u>\$ 1,826,625</u>

**Defeased Bonds**

In prior years, the City defeased all or a portion of the 1994 City Hall Certificates of Participation; the Street Reconstruction General Obligation Bonds, Series 1999 and the 2003 Water and Revenue Refunding Bonds by placing cash and investments in escrow in such amounts and at such interest rates that the required debt service will be fully paid off when first callable. The balances outstanding of defeased bonds for the governmental activities was \$595,000; for the business-type activities \$31,255,000 for a total outstanding balance of defeased bonds of \$31,850,000 at June 30, 2014.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Interfund Transfers**

Transfers out	Transfers In							Total
	General	Parks and Recreation	Risk Management	Street	Capital Projects	Nonmajor Governmental	Internal Service Funds	
Governmental funds								
General	\$ -	\$ 187,200	\$ -	\$ -	\$ -	\$ 1,024,351	\$ -	\$ 1,211,551
Parks and Recreation	-	-	-	-	-	194,500	-	194,500
Street	-	80,000	-	-	-	424,755	-	504,755
Nonmajor governmental funds	<u>2,471,811</u>	<u>79,100</u>	<u>18,000</u>	<u>10,040</u>	<u>-</u>	<u>407,220</u>	<u>98,300</u>	<u>3,084,471</u>
Total governmental funds	<u>2,471,811</u>	<u>346,300</u>	<u>18,000</u>	<u>10,040</u>	<u>-</u>	<u>2,050,826</u>	<u>98,300</u>	<u>4,995,277</u>
Proprietary funds								
Water	50,000	-	-	1,087,405	66,748	3,332	-	1,207,485
Sewer	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>502,882</u>	<u>-</u>	<u>3,332</u>	<u>-</u>	<u>556,214</u>
Total proprietary funds	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>1,590,287</u>	<u>66,748</u>	<u>6,664</u>	<u>-</u>	<u>1,763,699</u>
Total transfers	<u>\$ 2,571,811</u>	<u>\$ 346,300</u>	<u>\$ 18,000</u>	<u>\$ 1,600,327</u>	<u>\$ 66,748</u>	<u>\$ 2,057,490</u>	<u>\$ 98,300</u>	<u>\$ 6,758,976</u>
Interfund Loans:								
Governmental funds								
Risk Management - receivable								\$ 3,458,977
Capital Projects - payable								<u>(3,458,977)</u>
Total interfund loans								<u>\$ -</u>

Additionally, the internal service funds transferred equipment to the governmental activities with a net value of \$4,017.

**Governmental Funds**

**Transfers from General Fund**

Transfers out of the General Fund totaled \$1,211,551 for Fiscal Year 2013-14. 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. \$440,000 was transferred to the Public Transit Fund to support operation of the City's transit systems. The General Fund share of the debt service requirement for the 2004 Revenue Obligations, \$258,250, was transferred to the Debt Service Fund. The amount of \$46,183 was transferred to the Building Inspection Fund for the ADA Code Enforcement program. \$279,918 was transferred to the Grants Fund for housing programs.

**Transfers from Parks and Recreation Fund**

Parks and Recreation transfers out totaled \$194,500 for the Parks and Recreation Fund share of the debt service requirement for the 2004 Revenue Obligations.

**Transfers from Street Fund**

A total of \$504,755 was transferred from the Street Fund and the transfers were \$80,000 transferred to Parks and Recreation for the Urban Forestry program and \$424,755 was transferred to the Grants Fund.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**3. DETAILED NOTES (continued)**

**Interfund Transfers (continued)**

Governmental Funds (continued)

**Transfers from Other Governmental Funds**

**Public Safety Levy Fund**

The amount of \$558,535 was transferred to the General Fund to offset inflationary costs in the Fire Suppression and Police programs. Other transfers included \$171,000 to the Ambulance Fund for operational costs, \$881,114 to the General Fund for the Public Safety Levy - Police program, and \$942,192 to the General Fund for the Public Safety Levy - Fire program.

**Central Albany Redevelopment Area**

To support the cost of personnel, \$119,600 was transferred to the Economic Development Fund.

**Ambulance Fund**

The Ambulance Fund was closed out at the end of the year with a residual \$48,370 transferred to the General Fund.

**Capital Replacement Fund**

\$76,000 was transferred to the Public Transit Fund for equipment replacement.

**Economic Development Fund**

Total transfers of \$270,820 included \$98,300 to the Central Services Fund (Internal Service), \$41,600 to the General Fund for Fire and Police programs and \$130,920 to the Grants Fund.

**Others**

The Building Inspection Fund transferred \$9,000 to the Economic Development Fund, Public Transit transferred \$5,000 to the Capital Projects Fund and the Debt Service Fund transferred \$2,840 to the Street Fund.

**Proprietary Funds**

**Transfers from Water Fund**

Public Works is now transferring the Water In-Lieu-Of Franchise fees through interfund transfers. The amount of \$497,805 was transferred to the Street Fund as its In-Lieu-Of revenue. Other transfers included \$589,600 to the Street Fund for capital projects, \$50,000 to the General Fund, \$66,748 to the Capital Projects Fund, and \$3,332 to other funds.

**Transfer from Sewer Fund**

This year Public Works is transferring the Sewer In-Lieu of Franchise fees through interfund transfers. The amount of \$502,882 was transferred to the Streets fund as its In-Lieu of revenue. Other transfers included \$50,000 to the General Fund and \$3,332 to other funds.

**Interfund Loans**

The loan of \$3,458,997 from the Risk Management fund to 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, 2014

**3. DETAILED NOTES (continued)**

**Governmental Fund Balances - GASB 54**

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

<b>Fund Balances</b>	<b>General</b>	<b>Parks and Recreation</b>	<b>Risk Management</b>	<b>Street</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Nonspendable:</b>							
Prepaid	\$ 9,764	\$ 36,781	\$ -	\$ -	\$ -	\$ 1,496	\$ 48,041
Permanent fund principal	-	-	-	-	-	117,685	117,685
	<u>9,764</u>	<u>36,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,181</u>	<u>165,726</u>
<b>Restricted for:</b>							
Park and Recreation SDC's	-	1,138,032	-	-	-	-	1,138,032
Senior Center Foundation	-	17,891	-	-	-	-	17,891
Building Inspection	-	-	-	-	-	731,477	731,477
Electrical Inspection	-	-	-	-	-	79,191	79,191
Public Safety Levy	-	-	-	-	-	37,706	37,706
Street Capital & Restoration	-	-	-	3,227,727	-	-	3,227,727
North Albany Frontage Fee	-	-	-	487,686	-	-	487,686
Transportation SDC Projects	-	-	-	4,190,309	-	-	4,190,309
ADA Capital Projects	-	-	-	7,208	-	-	7,208
Albany Revitalization Agency	-	-	-	-	-	2,737,726	2,737,726
2002 Limited Tax Pension Bonds	-	-	-	-	-	312,395	312,395
2004 Revenue Obligations	-	-	-	-	-	171	171
2007 GO Refunding Bonds	-	-	-	-	-	127,263	127,263
Library Programs	-	-	-	-	-	4,609	4,609
Grants Fund	-	-	-	-	-	550,778	550,778
Parks and Recreation Programs	-	-	-	-	-	13,001	13,001
	<u>-</u>	<u>1,155,923</u>	<u>-</u>	<u>7,912,930</u>	<u>-</u>	<u>4,594,317</u>	<u>13,663,170</u>
<b>Committed for:</b>							
Community Development Housing	279,918	-	-	-	-	-	279,918
Park and Recreation Operations	-	888,125	-	-	-	-	888,125
ADA Code Enforcement	-	-	-	-	-	2	2
Risk Management Reserve	-	-	1,305,802	-	-	-	1,305,802
SVC Litigation Projects	-	-	12,364,960	-	-	-	12,364,960
Street Operations	-	-	-	246,161	-	-	246,161
Street Capital and Restoration	-	-	-	506,900	-	-	506,900
Transportation SDC Projects	-	-	-	82,700	-	-	82,700
ADA Capital Projects	-	-	-	5,000	-	-	5,000
Economic Development	-	-	-	-	-	223,842	223,842
Albany Municipal Airport	-	-	-	-	-	325,229	325,229
Albany Transit	-	-	-	-	-	256,254	256,254
Paratransit System	-	-	-	-	-	10,206	10,206
Equipment Replacement	-	-	-	-	-	2,654,882	2,654,882
City Facilities Replacement	-	-	-	-	-	122,410	122,410
General Fund Facilities Maintenance	-	-	-	-	-	156,701	156,701
IT Equipment Replacement	-	-	-	-	-	1,227,469	1,227,469
Public Works Facilities	-	-	-	-	-	995,522	995,522
	<u>279,918</u>	<u>888,125</u>	<u>13,670,762</u>	<u>840,761</u>	<u>-</u>	<u>5,972,517</u>	<u>21,652,083</u>
<b>Unassigned:</b>							
General Fund	1,775,867	-	-	-	-	-	1,775,867
City Facilities Replacement	-	-	-	-	(2,693,515)	-	(2,693,515)
	<u>1,775,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,693,515)</u>	<u>-</u>	<u>(917,648)</u>
<b>Total Fund Balances</b>	<u>\$ 2,065,549</u>	<u>\$ 2,080,829</u>	<u>\$ 13,670,762</u>	<u>\$ 8,753,691</u>	<u>\$ (2,693,515)</u>	<u>\$ 10,686,015</u>	<u>\$ 34,563,331</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION**

**Pension Plan**

Employers that participate in cost-sharing multiple-employer defined benefit pension plans measure and disclose an amount for annual pension costs on the accrual basis of accounting, regardless of the amount recognized as pension expense/expenditures on the modified accrual basis. The Annual Required Contribution (ARC), defined as the employer's required contributions for the year, is calculated in accordance with certain parameters. The parameters include requirements for the frequency and timing of actuarial evaluations, as well as for the actuarial methods and assumptions that are acceptable for financial reporting.

When the methods and assumptions used in determining a plan's funding requirements meet the parameters, the same methods and assumptions are reported by both a plan and its participating employers. A Net Pension Obligation (NPO) is defined as the cumulative difference between the annual pension cost and the employer's contribution to a plan, including pension liability or asset at transition, if any.

**Plan Description**

The City's defined pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. The City is a participating employer in the state of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer retirement system that acts as a common investment and administrative agent for governmental units in the State of Oregon. All City full-time employees and part-time employees scheduled to work in excess of 600 hours for the fiscal year are eligible to participate in PERS.

Benefits generally vest after five years of continuous service. Retirement is allowed at age 58, but retirement is generally available after 55 with reduced benefits. These benefit provisions are established by state statutes, and contributions are made at an actuarially determined rate by the Public Employees Retirement Board. The Oregon Public Employees Retirement System, a component unit of the state of Oregon, issues a comprehensive annual report which may be obtained by writing to Public Employees Retirement System, P.O. Box 73, Portland, Oregon 97207-0073.

**Funding Policy**

In response to increasing PERS costs to state and local governments, the 72nd Oregon Legislature created the Oregon Public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003 become part of OPSRP unless membership was previously established in PERS. OPSRP is a hybrid (defined contribution/defined benefit) pension plan with two components: the Pension Program (defined benefit) and the Individual Account Program (defined contribution). A defined benefit plan is benefit-based and uses predictable criteria such as pension determined by salary times length of service times a factor. A defined contribution plan has no guarantees. At retirement, the member receives the contributions plus any earnings or losses that have accrued.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

Funding Policy (continued)

Members of PERS as of August 29, 2003, retained their existing PERS accounts, but beginning on January 1, 2004, member contributions were deposited in the member's Individual Account Program rather than the member's PERS account. OPSRP is administered by PERS. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS review purposes. The Oregon Investment Council will invest plan assets.

In March, 2002, the City of Albany, along with other cities, counties, and special districts, issued \$228,615,266 of limited tax pension obligations. The City's share of the debt was \$6,851,826. Net proceeds of the issuance were used to finance a portion of the City's estimated unfunded actuarial liability (UAL) with the Oregon Public Employees Retirement System to effect a reduction in the City's rates. The amount, listed as "Prepaid pension contribution" on the Statement of Net Assets, is being amortized over the term of the debt based on the rate reduction benefit that the City receives annually.

Annual Pension Cost

Employer contributions are required by state statute and made at actuarially determined rates as adopted by the Public Employees Retirement Board. Covered employees are required by state statute to contribute six percent of their annual salary to the system, but the employer is allowed to make any or all of the employees' contribution in addition to the required employer contribution. Since Fiscal Year 1980-81, the City has elected to contribute the six percent "pick-up" in lieu of a six percent pay increase.

In addition, the City contributed \$5,073,296 based on actuarially determined requirements. OPSRP legislation calls for all employers to be pooled for the purposes of calculating contribution rates. For the City, OPSRP rates are 9.58 percent for general service employees and 12.31 percent for police and fire employees. The rate for PERS Tier I and Tier II employees is 14.79 percent. The decrease in rates is noted below in the APC cost and contribution for this fiscal year.

Three-year Trend Information:

Year Ended June 30,	<u>Employer Contributions</u>		
	Annual Pension Cost (APC)	Amount of APC Contributed	Percentage of APC Contributed
2012	\$ 5,419,121	\$ 5,419,121	100%
2013	4,942,671	4,942,671	100%
2014	5,073,296	5,073,296	100%

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

Prepaid Pension Cost

The City's prepaid pension contribution is being amortized over a period of 25 years. The City's prepaid pension contribution and amortization as of and for the year ended June 30, 2014, was as follows:

Prepaid pension contributions, beginning of year	\$ 4,698,773
Decrease in prepaid pension contributions	<u>(313,252)</u>
Prepaid pension contributions, end of year	<u>\$ 4,385,521</u>

Asset Valuation Method

The fair market value of all PERS assets, reduced by the sum of all member contribution accounts (member reserves) and the value of all benefits currently being paid (benefit reserves), is allocated to all participating employers in proportion to the funds in each employer's account (employer reserves).

Economic Assumptions

Significant actuarial assumptions used in the calculation included (a) consumer price inflation rate of 2.75 percent per year, (b) an assumed earnings rate of 7.75 percent net of investment and administrative expenses, (c) wage growth of 3.75 percent annually, and (d) post-retirement benefit increases ranging from 6.1 percent in 2014 to 4.7 percent in 2083.

**Other Post-Employment Benefits**

For the year ended June 30, 2008, the City implemented the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (GASB 45). This pronouncement requires the City to report a net other post-employment benefit obligation (NOPEBO) as of June 30, 2008. The City has implemented GASB 45 on a prospective basis. The NOPEBO is, in general, the cumulative difference between the actuarially required contributions and the actual contributions since August 1, 2006.

Plan Description and Benefits Provided

The City provides other post-employment benefits (OPEB) for employees, retirees, spouses, and dependents through a single employer defined contribution plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees are allowed to continue, at the retiree's expense, coverage under the group health insurance plan of the City until age 65. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for the coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. The City does not pay for any retiree OPEB under GASB 45.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

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

Membership

The City's membership in the plan at August 1, 2012 (the date of the last actuarial valuation), consisted of the following:

Active employees		371
Retirees, spouses or dependents		79
Total		450

Funding Policy and 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:

	<u>Employee</u>	<u>Employee + Child(ren)</u>	<u>Employee + Spouse</u>	<u>Employee + Family</u>
Pacific Source	\$ 563.47	\$ 995.17	\$ 1,213.40	\$ 1,633.75
ODS Dental	56.33	117.19	99.71	160.60
Willamette Dental	36.13	63.92	78.12	105.19
ODS Vision	10.45	19.83	18.56	27.92
 <u>Fire Union</u>		<u>Employee</u>	<u>Two-Party</u>	<u>Family</u>
Blue Classic, medical only		524.50	1,101.20	1,521.90
Blue Classic, medical/dental/vision		591.00	1,224.40	1,734.20
 <u>Fire Union COBRA &amp; Retiree</u>		<u>Employee</u>	<u>Two-Party</u>	<u>Family</u>
Blue Classic Medical		\$ 524.50	\$ 1,101.20	\$ 1,521.90
Blue Classic Medical/Dental/Vision		591.00	1,224.40	1,734.20

The City has not established an irrevocable trust to accumulate assets to fund the cost of the OPEB obligation that arises from the implicit subsidy.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

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

Annual OPEB Cost and Net OPEB Obligation

The City had its first actuarial valuation performed as of August 1, 2006 to determine the unfunded accrued actuarial liability (UAAL), annual required contribution (ARC), and NOPEBO as of that date. The ARC is equal to the normal cost plus an amount to amortize the UAAL as a level percent of payroll over 15 years. The annual OPEB cost, as of June 30, 2014, is equal to the ARC as follows:

Normal cost	\$ 331,903
Amortization of UAAL	<u>670,103</u>
Annual required contribution	<u>\$ 1,001,196</u>

The net OPEB obligation as of June 30, 2014 was calculated as follows:

Annual required contribution	\$ 1,001,196
Interest on prior year Net OPEB	105,625
Adjustment to ARC	(362,870)
Contributions made	<u>(381,652)</u>
Increase in net OPEB obligation	362,299
Net OPEB obligation at beginning of year	<u>3,017,854</u>
Net OPEB obligation at end of year	<u>\$ 3,380,153</u>

The NOPEBO is allocated between the Governmental Activities and Business-Type Activities in the following amounts, \$2,591,580 and \$788,573, respectively.

The City's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2014 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 858,996	45.52%	\$ 2,523,983
June 30, 2013	896,924	44.94%	3,017,854
June 30, 2014	743,951	51.30%	3,380,153

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

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

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents information about the actuarial value of plan assets and the unfunded actuarial liability.

As of August 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$5,399,990, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$5,399,990.

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAL/ Payroll</u>
August 1, 2006	\$ -	\$ 4,144,477	\$ 4,144,477	0.00%	\$ 23,268,266	17.81%
August 1, 2008	-	5,182,523	5,182,523	0.00%	26,380,078	19.65%
August 1, 2010	-	6,337,576	6,337,576	0.00%	26,237,320	24.15%
August 1, 2012	-	5,399,990	5,399,990	0.00%	26,016,697	20.76%

Actuarial Methods and Assumptions

Actuarial valuations will be performed every two years for the City's plan. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and include the types of benefits provided at the time of each valuation and historical patterns of sharing benefit costs between employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarially accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the August 1, 2012, actuarial valuation, the Projected Unit Credit Cost Method was used to determine contribution levels comprised of normal cost and amortized payments.

The inflation rate used for the 2012 valuation is an assumed rate of 2.75 percent.

The discount rate for unfunded liabilities is 3.5 percent, based on the expected long-term annual investment returns for Oregon's Local Government Investment Pool and comparable investment vehicles.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

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

Actuarial Methods and Assumptions (continued)

The health cost trend is 6.5 percent in the 2013 year and will vary from 5.50 percent to 6.75 percent depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2018. Health cost trend affects both the projected health care costs and the projected health care premiums. Dental costs were segregated out, and the projected increase will be 5.25 percent per year.

The annual payroll increases are 3.75 percent compounded annually for the purposes of amortizing the UAAL. These assumptions are based on the Oregon PERS valuation assumptions as of December 31, 2011.

It is assumed that 55 percent of active members will elect coverage upon retirement until age 65. Seventy percent of male members and 35 percent of female members who elect coverage upon retirement are also assumed to elect spouse coverage until the spouse reaches age 65.

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a period of 10 years. The amortization is "open" which means that on each valuation date, the amortization amount is recalculated assuming 10 years worth of future payments.

**Risk Management**

In February 1996, GASB issued Statement No. 30 (GASB No. 30), *Risk Financing Omnibus*, which amends GASB Statement No. 10 to require inclusion of specific, incremental claim adjustment expenses and estimated recoveries in the determination of the liability of unpaid claims. GASB No. 30 also requires disclosure of whether other claim adjustment expenses are included in the liability for unpaid claims.

The City participates in self-insurance pools of City/County Insurance Services for general, auto, and workers' compensation liability with self-insurance retention limits per occurrence. The pool pays all claims up to \$2,000,000 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 \$5,000,000. 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. At June 30, 2014, amounts accrued as liabilities for Fiscal Year 2013-14 were \$45,443; all other years deductible has been met.

Amounts estimated to be payable, based on the estimated ultimate loss and actual claims incurred as of the balance sheet date, including "incurred but not reported" (IBNR) claims, are accounted for in the City's general-purpose financial statements as Claims and Judgments in the various operating funds.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2014

**4. OTHER INFORMATION (continued)**

**Risk Management (continued)**

Premium expenses and liabilities are reduced by amounts recovered or expected to be recovered through excess insurance. The following table shows claims liability in the current and previous fiscal years.

	Fiscal Year Ended 6/30/14	Fiscal Year Ended 6/30/13
Unpaid claims, beginning of fiscal year	\$ 58,230	\$ 34,554
Incurred claims (including IBNR's)	117,537	452,405
Actuarial adjustment	102,623	(203,208)
Claim payments	<u>(232,947)</u>	<u>(225,521)</u>
Unpaid claims, end of fiscal year	<u>\$ 45,443</u>	<u>\$ 58,230</u>

**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 City 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. The agreement specifies that the land and improvements constituting the regional fueling facility shall be owned by Linn County and that 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, 2014, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$384,187. 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, 2014

**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, 2014

**4. OTHER INFORMATION (continued)**

**Intergovernmental Agreements (continued)**

Wastewater Treatment Facility (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.

## **SUPPLEMENTARY DATA**

This section includes:

- Combining statements for nonmajor governmental funds and nonmajor proprietary funds.
- Budget comparison schedules for all funds, except General, Street, Parks and Recreation, and Risk Management
- Schedules relating to:
  - Capital assets used in the operation of Governmental funds
  - Debt principal and interest transactions
  - Property taxes

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

June 30, 2014

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
<b>ASSETS</b>					
Cash and investments	\$ 4,787,178	\$ 400,382	\$ 5,211,151	\$ -	\$ 10,398,711
Cash with fiscal agents	-	19,727	-	-	19,727
Receivables:					
Property taxes	448,678	133,522	-	-	582,200
Accounts	458,179	3,360	-	-	461,539
Assessments	-	13,348	-	-	13,348
Interest	6,479	-	3,725	96	10,300
Loans	721,015	-	-	-	721,015
Prepaid items	1,496	-	-	-	1,496
Restricted cash and investments	-	-	-	135,199	135,199
Total assets	<u>\$ 6,423,025</u>	<u>\$ 570,339</u>	<u>\$ 5,214,876</u>	<u>\$ 135,295</u>	<u>\$ 12,343,535</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 349,724	\$ -	\$ 57,890	\$ -	\$ 407,614
Deposits	2,425	-	-	-	2,425
Total liabilities	<u>352,149</u>	<u>-</u>	<u>57,890</u>	<u>-</u>	<u>410,039</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>1,116,971</u>	<u>130,510</u>	<u>-</u>	<u>-</u>	<u>1,247,481</u>
<b>FUND BALANCES</b>					
Nonspendable	1,496	-	-	117,685	119,181
Restricted	4,136,878	439,829	-	17,610	4,594,317
Committed	<u>815,531</u>	<u>-</u>	<u>5,156,986</u>	<u>-</u>	<u>5,972,517</u>
Total fund balances	<u>4,953,905</u>	<u>439,829</u>	<u>5,156,986</u>	<u>135,295</u>	<u>10,686,015</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,423,025</u>	<u>\$ 570,339</u>	<u>\$ 5,214,876</u>	<u>\$ 135,295</u>	<u>\$ 12,343,535</u>



**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
<b>REVENUES</b>					
Property taxes	\$ 4,770,198	\$1,315,152	\$ -	\$ -	\$ 6,085,350
Transient room taxes	803,805	-	-	-	803,805
Assessment collections	-	140	-	-	140
Franchise fees, privilege taxes, licenses, and permits	1,460,410	-	-	-	1,460,410
Intragovernmental	2,527,149	-	-	-	2,527,149
Charges for services	2,535,089	624,786	1,056,400	-	4,216,275
Interest on investments	29,309	10,249	36,438	949	76,945
Miscellaneous	211,488	-	46,562	-	258,050
Total revenues	<u>12,337,448</u>	<u>1,950,327</u>	<u>1,139,400</u>	<u>949</u>	<u>15,428,124</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,837,469	500	862,910	-	4,700,879
Public safety	3,094,952	-	-	-	3,094,952
Highway and streets	86,098	-	-	-	86,098
Culture and recreation	275,761	-	-	524	276,285
Debt service:					
Principal	515,460	1,721,686	-	-	2,237,146
Interest	145,447	609,728	-	-	755,175
Capital outlay	509,517	-	1,281,401	-	1,790,918
Total expenditures	<u>8,464,704</u>	<u>2,331,914</u>	<u>2,144,311</u>	<u>524</u>	<u>12,941,453</u>
Excess (deficiency) of revenues over expenditures	<u>3,872,744</u>	<u>(381,587)</u>	<u>(1,004,911)</u>	<u>425</u>	<u>2,486,671</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,594,340	452,750	10,400	-	2,057,490
Transfers out	<u>(3,005,631)</u>	<u>(2,840)</u>	<u>(76,000)</u>	<u>-</u>	<u>(3,084,471)</u>
Total other financing sources (uses)	<u>(1,411,291)</u>	<u>449,910</u>	<u>(65,600)</u>	<u>-</u>	<u>(1,026,981)</u>
Net change in fund balances	2,461,453	68,323	(1,070,511)	425	1,459,690
Net position, July 1, 2013	<u>2,492,452</u>	<u>371,506</u>	<u>6,227,497</u>	<u>134,870</u>	<u>9,226,325</u>
Net position, June 30, 2014	<u>\$ 4,953,905</u>	<u>\$ 439,829</u>	<u>\$ 5,156,986</u>	<u>\$ 135,295</u>	<u>\$ 10,686,015</u>

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

June 30, 2014

	<u>Grants</u>	<u>Building Inspection</u>	<u>Economic Development</u>	<u>Public Transit</u>	<u>Public Safety Levy</u>
<b>ASSETS</b>					
Cash and investments	\$ 545,737	\$ 931,865	\$ 578,759	\$ 43,768	\$ 9,627
Receivables:					
Property taxes	-	-	-	-	238,962
Accounts	91,309	-	19,746	282,241	-
Interest	672	464	344	303	1,379
Loans	-	-	63,549	-	-
Prepaid items	1,330	-	166	-	-
Total assets	<u>\$ 639,048</u>	<u>\$ 932,329</u>	<u>\$ 662,564</u>	<u>\$ 326,312</u>	<u>\$ 249,968</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 86,940	\$ 121,661	\$ 47,778	\$ 59,427	\$ -
Deposits	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>425</u>	<u>-</u>
Total liabilities	<u>86,940</u>	<u>121,661</u>	<u>49,778</u>	<u>59,852</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>63,549</u>	<u>-</u>	<u>212,262</u>
<b>FUND BALANCES</b>					
Nonspendable	1,330	-	166	-	-
Restricted	550,778	810,668	-	-	37,706
Committed	<u>-</u>	<u>-</u>	<u>549,071</u>	<u>266,460</u>	<u>-</u>
Total fund balances	<u>552,108</u>	<u>810,668</u>	<u>549,237</u>	<u>266,460</u>	<u>37,706</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 639,048</u>	<u>\$ 932,329</u>	<u>\$ 662,564</u>	<u>\$ 326,312</u>	<u>\$ 249,968</u>

Albany	
Revitalization	
Agency	Totals
<u>          </u>	<u>          </u>

\$ 2,677,422	\$ 4,787,178
209,716	448,678
64,883	458,179
3,317	6,479
657,466	721,015
-	1,496
<u>\$ 3,612,804</u>	<u>\$ 6,423,025</u>

**ASSETS**  
Cash and investments  
Receivables:  
    Property taxes  
    Accounts  
    Interest  
    Loans  
Prepaid items  
Total assets

\$ 33,918	\$ 349,724
<u>-</u>	<u>2,425</u>
<u>33,918</u>	<u>352,149</u>

**LIABILITIES**  
Accounts payable  
Deposits  
Total liabilities

<u>841,160</u>	<u>1,116,971</u>
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**DEFERRED INFLOWS OF RESOURCES**  
Unavailable revenue

-	1,496
2,737,726	4,136,878
<u>-</u>	<u>815,531</u>
<u>2,737,726</u>	<u>4,953,905</u>

**FUND BALANCES**  
Nonspendable  
Restricted  
Committed  
Total fund balances

<u>\$ 3,612,804</u>	<u>\$ 6,423,025</u>
---------------------	---------------------

Total liabilities, deferred inflows of resources  
and fund balances

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended June 30, 2014

	<u>Grants</u>	<u>Building Inspection</u>	<u>Economic Development</u>	<u>Ambulance</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Transient room taxes	-	-	803,805	-
Licenses and fees	-	1,460,410	-	-
Intragovernmental	1,404,282	-	-	-
Charges for services	-	101,513	281,514	2,057,619
Interest on investments	2,488	3,698	3,923	281
Miscellaneous	6,824	4,153	32,132	2,352
Total revenues	<u>1,413,594</u>	<u>1,569,774</u>	<u>1,121,374</u>	<u>2,060,252</u>
<b>EXPENDITURES</b>				
Current:				
General government	59,150	1,135,459	971,782	-
Public safety	920,290	-	-	2,174,662
Highways and streets	86,098	-	-	-
Culture and recreation	275,761	-	-	-
Debt service:				
Principal	-	-	30,460	-
Interest	-	-	5,886	-
Capital outlay	347,264	-	8,986	-
Total expenditures	<u>1,688,563</u>	<u>1,135,459</u>	<u>1,017,114</u>	<u>2,174,662</u>
Excess (deficiency) of revenues over expenditures	<u>(274,969)</u>	<u>434,315</u>	<u>104,260</u>	<u>(114,410)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	743,893	43,847	119,600	171,000
Transfers out	-	(9,000)	(270,820)	(48,370)
Total other financing sources (uses)	<u>743,893</u>	<u>34,847</u>	<u>(151,220)</u>	<u>122,630</u>
Net change in fund balances	468,924	469,162	(46,960)	8,220
Fund balances - beginning	83,184	341,506	596,197	(8,220)
Fund balances - ending	<u>\$ 552,108</u>	<u>\$ 810,668</u>	<u>\$ 549,237</u>	<u>\$ -</u>

	Albany			
Public Transit	Public Safety Levy	Revitalization Agency	Totals	
\$ -	\$ 2,429,127	\$ 2,341,071	\$ 4,770,198	<b>REVENUES</b>
-	-	-	803,805	Property taxes
-	-	-	1,460,410	Transient room taxes
1,122,867	-	-	2,527,149	Licenses and fees
94,443	-	-	2,535,089	Intragovernmental
(753)	4,971	14,701	29,309	Charges for services
4,055	-	161,972	211,488	Interest on investments
<u>1,220,612</u>	<u>2,434,098</u>	<u>2,517,744</u>	<u>12,337,448</u>	Miscellaneous
				Total revenues
				<b>EXPENDITURES</b>
1,475,978	-	195,100	3,837,469	Current:
-	-	-	3,094,952	General government
-	-	-	86,098	Public safety
-	-	-	275,761	Highways and streets
				Culture and recreation
				Debt service:
-	-	485,000	515,460	Principal
-	-	139,561	145,447	Interest
80,118	-	73,149	509,517	Capital outlay
<u>1,556,096</u>	<u>-</u>	<u>892,810</u>	<u>8,464,704</u>	Total expenditures
<u>(335,484)</u>	<u>2,434,098</u>	<u>1,624,934</u>	<u>3,872,744</u>	Excess (deficiency) of revenues over expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>
516,000	-	-	1,594,340	Transfers in
<u>(5,000)</u>	<u>(2,552,841)</u>	<u>(119,600)</u>	<u>(3,005,631)</u>	Transfers out
<u>511,000</u>	<u>(2,552,841)</u>	<u>(119,600)</u>	<u>(1,411,291)</u>	Total other financing sources (uses)
175,516	(118,743)	1,505,334	2,461,453	Net change in fund balances
90,944	156,449	1,232,392	2,492,452	Fund balances - beginning
<u>\$ 266,460</u>	<u>\$ 37,706</u>	<u>\$ 2,737,726</u>	<u>\$ 4,953,905</u>	Fund balances - ending

**CITY OF ALBANY, OREGON**  
**GRANTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Non-Medical Medicaid	\$ 13,800	\$ 13,800	\$ 6,774	\$ (7,026)
Bureau of Justice	6,900	6,900	2,925	(3,975)
Federal Aviation Administration	344,900	344,900	255,894	(89,006)
Federal Emergency Management	412,500	412,500	(20,064)	(432,564)
Department of Energy	-	-	(16)	(16)
Community Development Block Grant	340,000	402,400	48,458	(353,942)
State of Oregon	283,800	283,800	266,685	(17,115)
Foster Grandparent Grant	147,600	147,600	116,021	(31,579)
Federal Grants and Assistance	7,500	7,500	6,742	(758)
Oregon Community Foundation	81,000	81,000	-	(81,000)
Oregon Emergency Management	634,900	756,333	657,146	(99,187)
Brownsfield Redevelopment Grant	-	60,000	21,306	(38,694)
Department of Justice Equitable Sharing	-	-	9,911	9,911
Community and Policing Grants	-	2,500	2,500	-
Albany Library Foundation	30,000	30,000	30,000	-
Gifts and donations	15,000	15,000	6,824	(8,176)
Interest on investments	900	900	2,488	1,588
<b>Total revenues</b>	<u>2,318,800</u>	<u>2,565,133</u>	<u>1,413,594</u>	<u>(1,151,539)</u>
<b>Other financing sources</b>				
Transfer from General Fund	-	289,700	279,918	(9,782)
Transfer from Economic Development Fund	47,900	47,900	39,220	(8,680)
Transfer from Street Fund	425,500	425,500	424,755	(745)
<b>Total other financing sources</b>	<u>473,400</u>	<u>763,100</u>	<u>743,893</u>	<u>(19,207)</u>
<b>Fund balance, beginning</b>	<u>134,700</u>	<u>134,700</u>	<u>83,184</u>	<u>(51,516)</u>
Amount available for appropriation	<u>\$ 2,926,900</u>	<u>\$ 3,462,933</u>	<u>2,240,671</u>	<u>\$ (1,222,262)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 699,600	\$ 699,600	\$ 628,221	\$ 71,379
Materials and services	1,041,000	1,577,033	713,078	863,955
Capital	1,186,300	1,186,300	347,264	839,036
<b>Total expenditures</b>	<u>\$ 2,926,900</u>	<u>\$ 3,462,933</u>	<u>1,688,563</u>	<u>\$ 1,774,370</u>
<b>Fund balance, ending</b>			<u>\$ 552,108</u>	

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Building permit surcharge	\$ 70,000	\$ 70,000	\$ 104,999	\$ 34,999
Master electrical permit	1,000	1,000	1,775	775
Electrical minor labels	3,000	3,000	6,000	3,000
Residential building permits	317,200	331,200	493,027	161,827
Commercial building permits	410,600	463,300	596,584	133,284
Land use plan review fee	5,000	5,000	6,440	1,440
Manufactured home set-up fees	1,000	1,000	3,335	2,335
Fire sprinkler permits	14,000	14,000	31,841	17,841
Parking lot permits	10,000	10,000	9,630	(370)
Residential electrical permits	104,400	104,400	167,090	62,690
Fire alarm permits	5,000	5,000	8,890	3,890
Sign permits	2,600	2,600	4,526	1,926
Document imaging fees	17,000	17,000	24,712	7,712
Electrical Document Imaging	3,000	3,000	1,561	(1,439)
Charges for Services	25,000	25,000	101,513	76,513
Miscellaneous	500	500	4,153	3,653
Interest on investments	1,600	1,600	3,698	2,098
Total revenues	<u>990,900</u>	<u>1,057,600</u>	<u>1,569,774</u>	<u>512,174</u>
<b>Other financing sources</b>				
Transfer from General Fund	65,000	65,000	42,583	(22,417)
Transfer from Water Fund	2,500	2,500	632	(1,868)
Transfer from Sewer Fund	2,500	2,500	632	(1,868)
Intrafund Transfer from Building Inspection	27,500	27,500	6,950	(20,550)
Total other financing sources	<u>97,500</u>	<u>97,500</u>	<u>50,797</u>	<u>(46,703)</u>
<b>Fund balance, beginning</b>	<u>112,200</u>	<u>112,200</u>	<u>341,506</u>	<u>229,306</u>
Amount available for appropriation	<u>\$ 1,200,600</u>	<u>\$ 1,267,300</u>	<u>1,962,077</u>	<u>\$ 694,777</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Building Inspection	\$ 967,900	\$ 1,020,600	\$ 979,842	\$ 40,758
Electrical Permit Program	132,400	146,400	139,437	6,963
ADA Code Enforcement	63,800	63,800	16,180	47,620
Total expenditures	<u>1,164,100</u>	<u>1,230,800</u>	<u>1,135,459</u>	<u>95,341</u>
<b>Other financing uses</b>				
Transfers to other funds	9,000	9,000	9,000	-
Intrafund Transfers out to ADA Enforcement Program	27,500	27,500	6,950	20,550
Total other financing sources	<u>36,500</u>	<u>36,500</u>	<u>15,950</u>	<u>20,550</u>
Total expenditures and other financing uses	<u>\$ 1,200,600</u>	<u>\$ 1,267,300</u>	<u>1,151,409</u>	<u>\$ 115,891</u>
<b>Fund balance, ending</b>			<u>\$ 810,668</u>	

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Transient room tax	\$ 766,800	\$ 766,800	\$ 803,805	\$ 37,005
Airport fuel	185,500	185,500	197,868	12,368
Airport tie down rentals	600	600	300	(300)
Airport lease	45,000	45,000	44,946	(54)
Fixed base operator	-	-	10,200	10,200
Space rental	28,200	28,200	28,200	-
Dayton Hudson Corp. (Target)	32,200	32,200	32,132	(68)
Interest on investments	2,800	2,800	3,923	1,123
Total revenues	<u>1,061,100</u>	<u>1,061,100</u>	<u>1,121,374</u>	<u>60,274</u>
<b>Other financing sources</b>				
Transfer from Albany Revitalization Agency Fund	119,600	119,600	119,600	-
Intrafund Transfer from Economic Development	4,200	4,200	4,200	-
Intrafund Transfer from Transient Room Tax Program	65,600	65,600	65,600	-
Total other financing sources	189,400	189,400	189,400	-
<b>Fund balance, beginning</b>	<u>547,600</u>	<u>547,600</u>	<u>596,197</u>	<u>48,597</u>
Amount available for appropriation	<u>\$ 1,798,100</u>	<u>\$ 1,798,100</u>	<u>1,906,971</u>	<u>\$ 108,871</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Target Utilities	36,400	36,400	36,346	\$ 54
Economic Development Activity	824,000	823,800	692,168	131,632
Albany Airport	444,600	444,600	279,614	164,986
Albany Airport Capital Projects	144,000	144,000	8,986	135,014
Total expenditures	<u>1,449,000</u>	<u>1,448,800</u>	1,017,114	<u>431,686</u>
<b>Other financing uses</b>				
Transfers out to other funds	279,300	279,500	270,820	8,680
Intrafund transfers out	69,800	69,800	69,800	-
Total other financing sources	<u>349,100</u>	<u>349,300</u>	<u>340,620</u>	<u>8,680</u>
Total expenditures and other financing uses	<u>\$ 1,798,100</u>	<u>\$ 1,798,100</u>	<u>1,357,734</u>	<u>\$ 440,366</u>
<b>Fund balance, ending</b>			<u>\$ 549,237</u>	



**CITY OF ALBANY, OREGON**  
**AMBULANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Ambulance service fees	\$ 1,800,000	\$ 1,850,000	\$ 1,892,576	\$ 42,576
Ambulance subscription fees	165,000	165,000	165,043	43
Miscellaneous	-	-	2,352	2,352
Interest on investments	500	500	281	(219)
Total revenues	1,965,500	2,015,500	2,060,252	44,752
<b>Other financing sources</b>				
Transfer from Public Safety Levy Fund	171,000	171,000	171,000	-
<b>Fund balance, beginning</b>	20,000	20,000	(8,220)	(28,220)
Amount available for appropriation	<u>\$ 2,156,500</u>	<u>\$ 2,206,500</u>	<u>2,223,032</u>	<u>\$ 16,532</u>
<b>Expenditures</b>	Original Actual	Final Actual	Actual	(Over) Under
Personnel services	\$ 1,874,700	\$ 1,904,700	\$ 1,882,174	\$ 22,526
Materials and services	281,800	281,800	292,488	(10,688)
Total expenditures	2,156,500	2,186,500	2,174,662	11,838
<b>Other financing uses</b>				
Transfers out to other funds	-	20,000	48,370	(28,370)
Total expenditures and other financing uses	<u>\$ 2,156,500</u>	<u>\$ 2,206,500</u>	<u>2,223,032</u>	<u>\$ (16,532)</u>
<b>Fund balance, ending</b>			<u>\$ -</u>	

**CITY OF ALBANY, OREGON**  
**PUBLIC TRANSIT FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
State Operating Match Grant	\$ 9,600	\$ 9,600	\$ 8,002	\$ (1,598)
FTA Section 5307 grant	605,800	605,800	543,473	(62,327)
FTA grant 5310	267,800	348,500	327,032	(21,468)
FTA grant 5309	304,000	304,000	-	(304,000)
Workers' Comp wage subsidy	-	-	2,888	2,888
City of Millersburg	3,000	3,000	560	(2,440)
Local funds	-	-	12,000	12,000
Oregon cigarette tax transit grant - Linn County	4,000	4,000	-	(4,000)
Oregon cigarette tax transit grant - Benton County	8,000	8,000	8,000	-
OSU Pass Program	1,100	1,100	1,100	-
LBCC Pass Program	18,900	18,900	18,900	-
LBCC Partnership	102,000	102,000	101,800	(200)
OSU Partnership	102,000	102,000	102,000	-
Advertising	8,000	8,000	4,911	(3,089)
Bus fares	47,000	47,000	62,658	15,658
Call-a-Ride	41,500	41,500	26,874	(14,626)
Gifts and donations	300	300	300	-
Miscellaneous	500	500	867	367
Interest on investments	200	200	(753)	(953)
Total revenues	<u>1,523,700</u>	<u>1,604,400</u>	<u>1,220,612</u>	<u>(383,788)</u>
<b>Other financing sources</b>				
Transfer from General Fund	440,000	440,000	440,000	-
Transfer from Capital Replacement Fund	76,000	76,000	76,000	-
Total other financing sources	<u>516,000</u>	<u>516,000</u>	<u>516,000</u>	<u>-</u>
<b>Fund balance, beginning</b>	<u>40,000</u>	<u>42,800</u>	<u>90,944</u>	<u>48,144</u>
Amount available for appropriation	<u>\$ 2,079,700</u>	<u>\$ 2,163,200</u>	<u>1,827,556</u>	<u>\$ (335,644)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Albany Transit System	\$ 667,600	\$ 667,600	\$ 570,045	\$ 97,555
Transit Loop System	951,500	951,500	494,914	456,586
Paratransit System	455,600	539,100	491,137	47,963
Total expenditures	<u>2,074,700</u>	<u>2,158,200</u>	<u>1,556,096</u>	<u>602,104</u>
<b>Other financing uses</b>				
Transfers out to other funds	5,000	5,000	5,000	-
	<u>\$ 2,079,700</u>	<u>\$ 2,163,200</u>	<u>1,561,096</u>	<u>\$ 602,104</u>
<b>Fund balance, ending</b>			<u>\$ 266,460</u>	

**CITY OF ALBANY, OREGON**  
**PUBLIC SAFETY LEVY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Revenues</b>				
Property taxes				
Current	\$ 2,532,700	\$ 2,532,700	\$ 2,346,501	\$ (186,199)
Delinquent	100,000	100,000	82,626	(17,374)
Interest on investments	<u>400</u>	<u>400</u>	<u>4,971</u>	<u>4,571</u>
Total revenues	2,633,100	2,633,100	2,434,098	(199,002)
<b>Fund balance, beginning</b>	<u>151,500</u>	<u>151,500</u>	<u>156,449</u>	<u>4,949</u>
Amount available for appropriation	<u>\$ 2,784,600</u>	<u>\$ 2,784,600</u>	<u>2,590,547</u>	<u>\$ (194,053)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
<b>Other financing uses</b>				
Transfers out	<u>\$ 2,784,600</u>	<u>\$ 2,784,600</u>	<u>2,552,841</u>	<u>\$ 231,759</u>
<b>Fund balance, ending</b>			<u>\$ 37,706</u>	

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Property taxes - current	\$ 2,306,100	\$ 2,306,100	\$ 2,266,703	\$ (39,397)
Property taxes - delinquent	40,000	40,000	74,368	34,368
Miscellaneous	-	-	45	45
Loan repayment-principal	49,400	49,400	126,867	77,467
Loan repayment-interest	12,000	12,000	35,060	23,060
Interest on investments	5,500	5,500	14,701	9,201
Total revenues	<u>2,413,000</u>	<u>2,413,000</u>	<u>2,517,744</u>	<u>104,744</u>
<b>Other financing sources</b>				
Issuance of short-term debt	3,030,000	3,030,000	-	(3,030,000)
<b>Fund balance, beginning</b>	<u>1,011,700</u>	<u>1,011,700</u>	<u>1,232,392</u>	<u>220,692</u>
Amount available for appropriation	<u>\$ 6,454,700</u>	<u>\$ 6,454,700</u>	<u>3,750,136</u>	<u>\$ (2,704,564)</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
ARA	4,757,100	4,757,100	268,249	\$ 4,488,851
ARA Debt Service	1,578,000	1,578,000	624,561	953,439
Total expenditures	6,335,100	6,335,100	892,810	5,442,290
<b>Other financing uses</b>				
Transfers to other funds	119,600	119,600	119,600	-
Total expenditures and other financing uses	<u>\$ 6,454,700</u>	<u>\$ 6,454,700</u>	<u>1,012,410</u>	<u>\$ 5,442,290</u>
<b>Fund balance, ending</b>			<u>\$ 2,737,726</u>	

**CITY OF ALBANY, OREGON**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Property taxes - current	\$ 1,358,600	\$ 1,358,600	\$ 1,260,448	\$ (98,152)
Property taxes - delinquent	30,000	30,000	54,704	24,704
Charges for services	555,300	555,300	624,786	69,486
Bonded assessment collections:				
Principal	-	-	140	140
Interest	-	-	40	40
Interest on investments	<u>5,400</u>	<u>5,400</u>	<u>10,209</u>	<u>4,809</u>
Total revenues	<u>1,949,300</u>	<u>1,949,300</u>	<u>1,950,327</u>	<u>1,027</u>
<b>Other financing sources</b>				
Transfer from Parks and Recreation Fund	194,900	194,900	194,500	(400)
Transfer from General Fund	<u>258,600</u>	<u>258,600</u>	<u>258,250</u>	<u>(350)</u>
Total other financing sources	<u>453,500</u>	<u>453,500</u>	<u>452,750</u>	<u>(750)</u>
<b>Fund balance, beginning</b>	<u>324,300</u>	<u>324,300</u>	<u>371,506</u>	<u>47,206</u>
Amount available for appropriation	<u>\$ 2,727,100</u>	<u>\$ 2,727,100</u>	<u>2,774,583</u>	<u>\$ 47,483</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
2002 Limited Tax Pension Obligations (PERS)	\$ 730,600	\$ 730,600	\$ 555,235	\$ 175,365
2004 Revenue Obligations	417,900	417,900	417,729	171
2007 General Obligation Refunding Bonds	<u>1,575,900</u>	<u>1,575,900</u>	<u>1,358,950</u>	<u>216,950</u>
Total expenditures	<u>2,724,400</u>	<u>2,724,400</u>	<u>2,331,914</u>	<u>392,486</u>
<b>Other financing uses</b>				
Transfers to other funds	<u>2,700</u>	<u>2,700</u>	<u>2,840</u>	<u>(140)</u>
<b>Fund balance, ending</b>	<u>\$ 2,727,100</u>	<u>\$ 2,727,100</u>	<u>2,334,754</u>	<u>\$ 392,346</u>
			<u>\$ 439,829</u>	

**CITY OF ALBANY, OREGON**  
**CAPITAL PROJECTS FUND - A Major Fund**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Federal Transportation Equity Act (TEA) Grant	\$ 20,000	\$ 20,000	\$ 14,481	\$ (5,519)
Charges for Services				
Financed Principal	25,000	25,000	17,724	(7,276)
Unfinanced Principal	245,000	245,000	-	(245,000)
Interest	10,000	10,000	3,656	(6,344)
Interest	225,000	225,000	-	(225,000)
Interest on investments	1,300	1,300	6,438	5,138
Total revenues	526,300	526,300	42,299	(484,001)
<b>Other financing sources</b>				
Transfer from Water Fund	-	75,000	66,748	(8,252)
<b>Fund balance, beginning</b>	619,500	629,500	689,359	59,859
Amount available for appropriation	<u>\$ 1,145,800</u>	<u>\$ 1,230,800</u>	<u>798,406</u>	<u>\$ (432,394)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
LID Construction Projects	\$ 530,500	\$ 605,500	\$ 13,085	\$ 592,415
Albany Station Pathway	120,300	120,300	6,069	114,231
North Albany Park & Ride	25,000	20,000	13,790	6,210
Total expenditures	675,800	745,800	32,944	712,856
<b>Other financing uses</b>				
Repayment of Interfund Loan to Risk Management Fund	470,000	485,000	-	485,000
Total expenditures and other financing uses	<u>\$ 1,145,800</u>	<u>\$ 1,230,800</u>	<u>32,944</u>	<u>\$ 1,197,856</u>
<b>Budgetary Fund Balance</b>			765,462	
Adjustment for Interfund Loan from Risk Management			(3,458,977)	
<b>Fund Balance, ending</b>			<u>\$ (2,693,515)</u>	

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

For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Equipment replacement charges	\$ 599,000	\$ 566,200	\$ 606,400	\$ 40,200
Departmental Charges	75,000	75,000	375,000	300,000
Phone system charges	75,000	75,000	75,000	-
Miscellaneous	15,000	15,000	46,562	31,562
Interest on investments	<u>30,000</u>	<u>30,000</u>	<u>36,438</u>	<u>6,438</u>
Total revenues	794,000	761,200	1,139,400	378,200
<b>Other financing sources</b>				
Transfer from Economic Development Fund	10,400	10,400	10,400	-
<b>Fund balance, beginning</b>	<u>6,034,800</u>	<u>6,034,800</u>	<u>6,227,497</u>	<u>192,697</u>
Amount available for appropriation	<u>\$ 6,839,200</u>	<u>\$ 6,806,400</u>	<u>7,377,297</u>	<u>\$ 570,897</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Equipment Replacement	\$ 3,440,600	\$ 3,440,600	\$ 1,393,311	\$ 2,047,289
City Facilities Replacement	256,900	256,900	88,959	167,941
General Fund Building Maintenance Projects	204,700	204,700	42,188	162,512
Information Technology Equipment Replacement	2,074,600	2,041,800	596,583	1,445,217
Public Works Facilities Replacement	<u>786,400</u>	<u>786,400</u>	<u>23,270</u>	<u>763,130</u>
Total expenditures	6,763,200	6,730,400	2,144,311	4,586,089
<b>Other financing uses</b>				
Transfers to other funds	<u>76,000</u>	<u>76,000</u>	<u>76,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 6,839,200</u>	<u>\$ 6,806,400</u>	<u>2,220,311</u>	<u>\$ 4,586,089</u>
<b>Fund Balance, ending</b>			<u>\$ 5,156,986</u>	

**CITY OF ALBANY, OREGON  
COMBINING BALANCE SHEET  
PERMANENT FUNDS**

June 30, 2014

	Senior Center Endowment	Library Trust	Totals
<b>ASSETS</b>			
Interest receivable	\$ 36	\$ 60	\$ 96
Restricted cash and investments	51,223	83,976	135,199
Total assets	\$ 51,259	\$ 84,036	\$ 135,295
 <b>FUND BALANCES</b>			
Nonspendable	38,258	79,427	117,685
Restricted - Library Programs	-	4,609	4,609
Restricted - Parks and Recreation Programs	13,001	-	13,001
Total fund balances	51,259	84,036	135,295
Total liabilities and fund balances	\$ 51,259	\$ 84,036	\$ 135,295



**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**PERMANENT FUNDS**  
For the Year Ended June 30, 2014

	<u>Senior Center Endowment</u>	<u>Library Trust</u>	<u>Totals</u>
<b>REVENUES</b>			
Interest on investments	\$ 359	\$ 590	\$ 949
<b>EXPENDITURES</b>			
Culture and recreation	<u>-</u>	<u>524</u>	<u>524</u>
Net change in fund balances	359	66	425
Fund balance - beginning	<u>50,900</u>	<u>83,970</u>	<u>134,870</u>
Fund balance - ending	<u>\$ 51,259</u>	<u>\$ 84,036</u>	<u>\$ 135,295</u>

**CITY OF ALBANY, OREGON**  
**SENIOR CENTER ENDOWMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2014

<b>Revenues</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Gifts and donations	\$ 100	\$ 100	\$ -	\$ (100)
Interest on investments	<u>200</u>	<u>200</u>	<u>359</u>	<u>159</u>
Total revenues	300	300	359	59
<b>Fund balance, beginning</b>	<u>50,600</u>	<u>50,600</u>	<u>50,900</u>	<u>300</u>
Amount available for appropriation	<u>\$ 50,900</u>	<u>\$ 50,900</u>	<u>51,259</u>	<u>\$ 359</u>

<b>Expenditures</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
Materials and services	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 200</u>
<b>Fund Balance, ending</b>	<u>\$ 50,700</u>	<u>\$ 50,700</u>	<u>\$ 51,259</u>	<u>\$ 559</u>

**CITY OF ALBANY, OREGON**  
**LIBRARY TRUST FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Interest on investments	\$ 600	\$ 600	\$ 590	\$ (10)
<b>Fund balance, beginning</b>	83,500	83,500	83,970	470
 Amount available for appropriation	 \$ 84,100	 \$ 84,100	 84,560	 \$ 460
 <b>Expenditures</b>				(Over) Under
V. O. Torney Trust	\$ 13,100	\$ 13,100	\$ -	\$ 13,100
Manela Trust	71,000	71,000	524	70,476
Total expenditures	\$ 84,100	\$ 84,100	524	\$ 83,576
<b>Fund Balance, ending</b>			\$ 84,036	

**CITY OF ALBANY, OREGON**  
**WATER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Property taxes:				
Delinquent	\$ -	\$ -	\$ 2,298	\$ 2,298
Water service				
Water service charges	11,224,300	11,224,300	11,315,745	91,445
Water service charges-Millersburg	200,000	200,000	278,681	78,681
Dumbeck Water District	57,900	57,900	57,820	(80)
North Albany capital charges	101,700	101,700	101,700	-
Collection agency payments	1,000	1,000	10,137	9,137
Charges for services				
City of Lebanon	50,000	50,000	77,000	27,000
Hydropower	70,000	70,000	120,343	50,343
Equipment replacement charges	176,900	176,900	176,900	-
Financed system development charges				
Principal	3,800	3,800	15,965	12,165
Interest	300	300	1,404	1,104
Water expansion				
Public facility construction permits	6,000	6,000	18,651	12,651
Water connection fees	15,000	15,000	78,189	63,189
Water systems development charges	223,000	223,000	381,380	158,380
Water service installation fee	60,000	60,000	122,909	62,909
Workers' Comp Wage Subsidy	-	-	3,947	3,947
Miscellaneous	6,000	6,000	126,983	120,983
Interest on investments	50,400	50,400	85,549	35,149
Total revenues	12,246,300	12,246,300	12,975,601	729,301
<b>Other financing sources</b>				
Intrafund Transfer from Water SDC Improvement Projects	432,200	432,200	432,200	-
<b>Fund balance, beginning</b>	10,062,100	10,062,100	10,964,008	901,908
<b>Fund balance, beginning, designated for debt service</b>	1,673,700	1,673,700	1,680,215	6,515
<b>Total fund balance, beginning</b>	11,735,800	11,735,800	12,644,223	908,423
Amount available for appropriation	\$ 24,414,300	\$ 24,414,300	26,052,024	\$ 1,637,724
<b>Expenditures</b>				
Personnel services	\$ 2,255,700	\$ 2,255,700	\$ 2,017,732	\$ 237,968
Materials and services	5,794,800	5,792,400	5,346,699	445,701
Capital	11,311,300	10,646,700	3,097,379	7,549,321
Debt service	3,567,100	3,567,100	1,967,064	1,600,036
Contingencies	504,300	487,900	-	487,900
Total expenditures	23,433,200	22,749,800	12,428,874	10,320,926
<b>Other financing uses</b>				
Transfers out	981,100	1,664,500	1,639,685	24,815
Total expenditures and other financing uses	\$ 24,414,300	\$ 24,414,300	14,068,559	\$ 10,345,741
<b>Budgetary fund balance, ending</b>			\$ 11,983,465	

**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, 2014

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance/ Net Position</u>
Totals from prior page	\$ 12,975,601	\$ 12,428,874	\$ 11,983,465
<b>Reconciling items</b>			
June 30, 2014, asset and liability balances:			
Capital assets, net	-	-	87,596,815
Accounts receivable	-	-	1,510,898
Unamortized issue costs/loss on defeasance	-	-	(1,845,694)
Inventory balance	-	-	734,635
Salaries, withholdings, and vacations payable	-	-	(111,527)
Claims and judgments	-	-	(1,044)
OPEB payable	-	-	(181,213)
Interest payable	-	-	(437,956)
Bonds payable	-	-	(27,400,000)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	(87,352)	-	-
<b>Adjustments to current year expenses</b>			
Interest paid on long-term obligations	-	(962,064)	-
Eliminate principal paid on long-term obligations	-	(1,005,000)	-
Change in compensated absences liability	-	(3,282)	-
Change in OPEB obligation	-	17,062	-
Depreciation and amortization	-	3,121,452	-
Expenditures capitalized	-	(2,994,941)	-
Changes in inventories	-	19,750	-
Changes in insurance liability	-	(13,156)	-
<b>Other adjustments</b>			
Nonoperating revenues			
Property taxes	(2,298)	-	-
Interest on investments	(85,549)	-	-
Miscellaneous	(300)	-	-
Capital contributions	(475,534)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 33)	<u>\$ 12,324,568</u>	<u>\$ 10,608,695</u>	<u>\$ 71,848,379</u>

**CITY OF ALBANY, OREGON**  
**SEWER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Sewer service charges				
Albany sewer service charges	\$ 13,633,000	\$ 13,633,000	\$ 13,787,142	\$ 154,142
Charges collected through property taxes	30,000	30,000	38,356	8,356
Collection agency payments	1,000	1,000	11,110	10,110
Financed system development charges:				
Principal	16,200	16,200	31,949	15,749
Interest	3,000	3,000	5,535	2,535
Financed assessments				
Principal	25,000	25,000	8,196	(16,804)
Interest	8,000	8,000	490	(7,510)
Financed connection fees				
Principal	800	800	99,434	98,634
Interest	100	100	10,414	10,314
Sewer oversizing and expansion				
Public facility construction permits	2,000	2,000	16,297	14,297
Sewer system development charges:	302,200	302,200	511,151	208,951
General Sewer connection Fees	15,000	15,000	5,406	(9,594)
Storm Drain connection Fees	2,500	2,500	36,168	33,668
Sewer connection fees	-	-	7,192	7,192
Storm drain plan review/inspection fees	2,000	2,000	15,628	13,628
Charges for services				
Equipment replacement charges	83,600	83,600	83,600	-
Millersburg operation and maintenance charges:	110,000	110,000	158,608	48,608
Wah Chang operation and maintenance charges	100,000	100,000	102,759	2,759
City of Millersburg	406,300	406,300	406,254	(46)
Miscellaneous	30,000	30,000	21,951	(8,049)
Interest on investments	87,700	87,700	149,622	61,922
Total revenues	<u>14,858,400</u>	<u>14,858,400</u>	<u>15,507,262</u>	<u>648,862</u>
<b>Fund balance, beginning</b>	<u>21,364,700</u>	<u>21,364,700</u>	<u>22,493,841</u>	<u>1,129,141</u>
Amount available for appropriation	<u>\$ 36,223,100</u>	<u>\$ 36,223,100</u>	<u>38,001,103</u>	<u>\$ 1,778,003</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 2,422,100	\$ 2,422,100	\$ 2,129,872	\$ 292,228
Materials and services	6,472,200	6,469,800	6,271,402	198,398
Capital	15,407,900	15,407,900	4,449,041	10,958,859
Debt service	10,864,900	10,864,900	5,502,395	5,362,505
Contingencies	506,000	490,900	-	490,900
Total expenditures	<u>35,673,100</u>	<u>35,655,600</u>	<u>18,352,710</u>	<u>17,302,890</u>
<b>Other financing uses</b>				
Transfers out to other funds	550,000	567,500	556,214	11,286
Total other financing uses	<u>550,000</u>	<u>567,500</u>	<u>556,214</u>	<u>11,286</u>
Total expenditures and other financing uses	<u>\$ 36,223,100</u>	<u>\$ 36,223,100</u>	<u>18,908,924</u>	<u>\$ 17,314,176</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 19,092,179</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, 2014

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 15,507,262	\$ 18,352,710	\$ 19,092,179
<b>Reconciling items</b>			
June 30, 2014, asset and liability balances:			
Capital assets, net	-	-	144,147,803
Accounts receivable	-	-	4,363,097
Loans receivable	-	-	4,096,371
Inventory	-	-	364,283
Salaries, withholdings, and vacations payable	-	-	(125,283)
Claims and judgments	-	-	(1,044)
OPEB payable	-	-	(171,892)
Interest payable	-	-	(573,906)
Bonds payable	-	-	(62,373,072)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	95,924	-	-
<b>Adjustments to current year expenses</b>			
Expenditures capitalized	-	(4,449,041)	-
Change in inventory	-	(45,488)	-
Interest expense	-	(2,096,174)	-
Change in compensated absences liability	-	36,785	-
Change in OPEB obligation	-	18,443	-
Loan principal	-	(3,369,602)	-
Depreciation and amortization	-	4,343,400	-
Changes in insurance liability	-	(11,832)	-
<b>Other adjustments</b>			
Nonoperating revenues			
Interest on investments	(149,622)	-	-
Capital contributions	(196,716)	-	-
Millersburg loan reclassification	(406,254)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 14,850,594</u>	<u>\$ 12,779,201</u>	<u>\$ 108,818,536</u>
Changes in Fund Net Position of Proprietary Funds (page 33)			

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

June 30, 2014

	Central Services	Public Works Services	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 485,282	\$ 858,348	\$ 1,343,630
Accrued interest	193	1,171	1,364
Prepaid items	<u>4,537</u>	<u>-</u>	<u>4,537</u>
Total current assets	490,012	859,519	1,349,531
Noncurrent assets:			
Capital assets (net of depreciation)	<u>-</u>	<u>96,274</u>	<u>96,274</u>
Total assets	<u>490,012</u>	<u>955,793</u>	<u>1,445,805</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	185,735	241,606	427,341
Compensated absences	<u>153,182</u>	<u>188,945</u>	<u>342,127</u>
Total current liabilities	<u>338,917</u>	<u>430,551</u>	<u>769,468</u>
Long-term debt obligations			
Compensated absences	153,181	188,945	342,126
Other postemployment benefits	<u>347,610</u>	<u>435,468</u>	<u>783,078</u>
Total long-term debt obligations	<u>500,791</u>	<u>624,413</u>	<u>1,125,204</u>
Total liabilities	<u>839,708</u>	<u>1,054,964</u>	<u>1,894,672</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	96,274	96,274
Unrestricted	<u>(349,696)</u>	<u>(195,445)</u>	<u>(545,141)</u>
Total net position	<u>\$ (349,696)</u>	<u>\$ (99,171)</u>	<u>\$ (448,867)</u>



**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2014

	Central Services	Public Works Services	Totals
<b>OPERATING REVENUES</b>			
Service charges and fees	\$ 5,459,548	\$ 7,152,740	\$ 12,612,288
Miscellaneous	41,516	1,292	42,808
Total operating revenues	<u>5,501,064</u>	<u>7,154,032</u>	<u>12,655,096</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	3,974,516	5,305,393	9,279,909
Contracted services	225,645	269,419	495,064
Operating supplies	655,255	530,926	1,186,181
Utilities	95,839	92,479	188,318
Depreciation	-	15,720	15,720
Repairs and maintenance	155,099	105,097	260,196
Charges for services	488,867	557,756	1,046,623
Miscellaneous	3,786	-	3,786
Total operating expenses	<u>5,599,007</u>	<u>6,876,790</u>	<u>12,475,797</u>
Operating income (loss)	(97,943)	277,242	179,299
<b>NONOPERATING REVENUES:</b>			
Interest on investments	<u>2,243</u>	<u>2,123</u>	<u>4,366</u>
Income before transfers	(95,700)	279,365	183,665
Transfers in	98,300	-	98,300
Transfers out	<u>(4,017)</u>	<u>-</u>	<u>(4,017)</u>
Change in net position	(1,417)	279,365	277,948
Net position - beginning	<u>(348,279)</u>	<u>(378,536)</u>	<u>(726,815)</u>
Net position - ending	<u>\$ (349,696)</u>	<u>\$ (99,171)</u>	<u>\$ (448,867)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2014

	Central Services	Public Works Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,503,499	\$ 7,154,396	\$ 12,657,895
Cash payments to suppliers of goods and services	(1,492,157)	(1,370,902)	(2,863,059)
Cash payments to employees for services	(3,897,761)	(5,165,899)	(9,063,660)
Net cash provided by operating activities	113,581	617,595	731,176
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	98,300	-	98,300
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	2,168	1,270	3,438
Net increase in cash and cash equivalents	214,049	618,865	832,914
<b>Cash and cash equivalents, July 1, 2013</b>	<b>271,233</b>	<b>239,483</b>	<b>510,716</b>
<b>Cash and cash equivalents, June 30, 2014</b>	<b>\$ 485,282</b>	<b>\$ 858,348</b>	<b>\$ 1,343,630</b>
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (97,943)	\$ 277,242	\$ 179,299
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	15,720	15,720
Changes in assets and liabilities:			
Accounts receivable	2,435	364	2,799
Prepaid items	(2,681)	1,890	(791)
Accounts payable	135,999	184,421	320,420
Compensated absences	41,909	93,354	135,263
Claims and judgments	(984)	(1,536)	(2,520)
Other postemployment benefits	34,846	46,140	80,986
Total adjustments	211,524	340,353	551,877
Net cash provided by operating activities	\$ 113,581	\$ 617,595	\$ 731,176

**CITY OF ALBANY, OREGON**  
**CENTRAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Workers' Compensation Wage Subsidy	\$ -	\$ -	\$ 2,587	\$ 2,587
Building maintenance charges	699,400	709,000	709,000	-
Administrative services charges	3,075,000	3,075,000	3,075,100	100
Information technology charges	1,226,500	1,226,500	1,222,166	(4,334)
GIS services charge	364,300	364,300	364,300	-
Permit Tracking services charge	86,300	86,300	86,300	-
GIS information sales	300	300	95	(205)
Miscellaneous	40,000	40,000	41,516	1,516
Interest on investments	4,000	4,000	2,243	(1,757)
Total revenues	<u>5,495,800</u>	<u>5,505,400</u>	<u>5,503,307</u>	<u>(2,093)</u>
<b>Other financing source</b>				
Transfer from Economic Development Fund	98,300	98,300	98,300	-
Transfer from Risk Management Fund	-	65,000	-	(65,000)
Total other financing sources	<u>98,300</u>	<u>163,300</u>	<u>98,300</u>	<u>(65,000)</u>
<b>Fund balance, beginning</b>	<u>103,400</u>	<u>129,400</u>	<u>225,906</u>	<u>96,506</u>
Amount available for appropriation	<u>\$ 5,697,500</u>	<u>\$ 5,798,100</u>	<u>5,827,513</u>	<u>\$ 29,413</u>

<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Council and Nondepartmental	\$ 252,400	\$ 252,400	\$ 246,549	\$ 5,851
City Manager's Office	1,068,600	1,068,600	1,028,720	39,880
Information Technology Services	1,256,500	1,271,500	1,253,289	18,211
Human Resources	612,200	612,200	563,916	48,284
Facilities Maintenance	699,400	709,000	627,014	81,986
Finance	1,319,600	1,395,600	1,360,975	34,625
GIS Services	400,600	400,600	355,363	45,237
Permit Tracking Services	88,200	88,200	87,410	790
Total expenditures	<u>\$ 5,697,500</u>	<u>\$ 5,798,100</u>	<u>5,523,236</u>	<u>\$ 274,864</u>
<b>Budgetary fund balance</b>			<u>\$ 304,277</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 100.

**CITY OF ALBANY, OREGON**  
**PUBLIC WORKS SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2014

<b>Revenues:</b>	Original Budget	Final Budget	Actual	Over (Under)
Charges for services - Water	\$ 2,438,400	\$ 2,438,400	\$ 2,401,549	\$ (36,851)
Charges for services - Sewer	2,988,900	2,988,900	2,834,750	(154,150)
Charges for services - Streets	641,400	641,400	689,991	48,591
Charges for services - Airport	13,000	13,000	11,860	(1,140)
Charges for services - Transit	63,200	63,200	55,369	(7,831)
Charges for services - Building Inspection	-	-	61,480	61,480
Charges for services - Construction in Progress	1,204,700	1,204,700	1,097,741	(106,959)
Miscellaneous	-	-	1,292	1,292
Interest	-	-	2,123	2,123
Total revenues	<u>7,349,600</u>	<u>7,349,600</u>	7,156,155	(193,445)
<b>Fund balance, beginning</b>	-	-	184,870	184,870
Amount available for appropriation	<u>\$ 7,349,600</u>	<u>\$ 7,349,600</u>	<u>7,341,025</u>	<u>\$ (8,575)</u>

<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Public Works Administration	\$ 759,300	\$ 759,300	\$ 737,769	\$ 21,531
Engineering Services	2,727,800	2,727,800	2,411,339	316,461
Operations Administration	796,800	796,800	735,784	61,016
Water Quality Control Services	375,500	375,500	356,583	18,917
Public Works Customer Service	1,189,800	1,189,800	1,096,542	93,258
Facilities and Maintenance Engineering	<u>1,500,400</u>	<u>1,500,400</u>	<u>1,385,095</u>	<u>115,305</u>
Total expenditures	<u>\$ 7,349,600</u>	<u>\$ 7,349,600</u>	<u>6,723,112</u>	<u>\$ 626,488</u>
<b>Budgetary fund balance</b>			<u>\$ 617,913</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 100.

**CITY OF ALBANY, OREGON**  
**INTERNAL SERVICE FUNDS**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
For the Year Ended June 30, 2014

	Central Services	Public Works Service	Totals
<b><u>REVENUES</u></b>			
Total revenues from Schedule of Revenues and Expenditures - Budget and Actual (pages 98 and 99)	\$5,503,307	\$7,156,155	\$ 12,659,462
<b>Reconciling item:</b>			
Interest on investments	(2,243)	(2,123)	(4,366)
Operating revenues from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 96)	\$5,501,064	\$7,154,032	\$ 12,655,096
<b><u>EXPENDITURES</u></b>			
Total expenditures from Schedule of Revenues and Expenditures - Budget and Actual (pages 98 and 99)	\$5,523,236	\$6,723,112	\$ 12,246,348
<b>Reconciling item:</b>			
Depreciation	-	15,720	15,720
Change in compensated absences liability	41,909	93,354	135,263
Change in insurance liability	(984)	(1,536)	(2,520)
Change in OPEB obligation	34,846	46,140	80,986
Operating expenses from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 96)	\$5,599,007	\$6,876,790	\$ 12,475,797
<b><u>FUND BALANCE</u></b>			
Fund balance from Schedule of Revenues and Expenditures - Budget and Actual (pages 98 and 99)	\$ 304,277	\$ 617,913	\$ 922,190
<b>Reconciling item:</b>			
Capital assets, net	-	96,274	96,274
Compensated absences liability	(306,363)	(377,890)	(684,253)
OPEB obligation	(347,610)	(435,468)	(783,078)
Net Position from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 96)	\$ (349,696)	\$ (99,171)	\$ (448,867)

A good head and a good heart are always a formidable combination.

Nelson Mandela

**Capital Assets Used in the Operation  
of Governmental Funds**

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE**  
as of June 30, 2014

<b>Governmental capital assets</b>	
Land	\$ 12,316,850
Buildings	21,085,588
Intangible asset	800,000
Vehicles and Equipment	14,494,460
Infrastructure	<u>130,406,817</u>
 Total governmental capital assets	 <u>\$ 179,103,715</u>
 <b>Investment in capital assets from:</b>	
Balance as of June 30, 1993	\$ 5,022,808
Capital project funds:	
General obligation bonds	12,187,430
Certificates of participation	4,835,762
Federal grants	24,997,835
State grants	2,603,485
Transfer from General Fund	2,401,493
Transfer from special revenue funds	1,843,043
Other sources	700,967
General Fund	8,721,374
Special revenue funds	64,429,773
Local improvement districts	16,031,018
Urban renewal districts	4,257,080
Donations	<u>31,071,647</u>
 Total investment in governmental capital assets	 <u>\$ 179,103,715</u>



**CITY OF ALBANY, OREGON**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS**  
for the fiscal year ended June 30, 2014

	Balances July 1, 2013	Additions	Deletions, Transfers out, Transfers in	Balances June 30, 2014
<b><u>CAPITAL ASSETS</u></b>				
Land	\$ 12,282,594	\$ 34,256	\$ -	\$ 12,316,850
Buildings and improvements	21,062,318	23,270	-	21,085,588
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	13,279,165	1,633,011	(417,716)	14,494,460
Infrastructure	<u>127,481,822</u>	<u>2,924,995</u>	<u>-</u>	<u>130,406,817</u>
Total capital assets	<u>\$ 174,905,899</u>	<u>\$ 4,615,532</u>	<u>\$ (417,716)</u>	<u>\$ 179,103,715</u>

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY**  
as of June 30, 2014

	Land	Buildings and Improvements	Intangible Asset	Vehicles and Equipment	Infrastructure	Total
<b>Function and Activity:</b>						
<b>General Government:</b>						
Building Maintenance	\$ -	\$ -	\$ -	\$ 154,823	\$ -	\$ 154,823
Building Inspection	-	-	-	28,192	-	28,192
General Fund	3,097,452	6,452,491	-	600,752	15,323,403	25,474,098
Airport Maintenance	33,510	68,215	-	17,687	3,746,154	3,865,566
Public Transit	-	-	-	1,806,953	-	1,806,953
<b>Total general government</b>	<u>3,130,962</u>	<u>6,520,706</u>	<u>-</u>	<u>2,608,407</u>	<u>19,069,557</u>	<u>31,329,632</u>
<b>Public Safety:</b>						
Municipal Court	-	-	-	23,571	-	23,571
Police	869,088	1,318,228	-	2,423,117	-	4,610,433
Fire	153,027	4,377,955	-	5,191,239	-	9,722,221
Ambulance	-	-	-	1,024,305	-	1,024,305
<b>Total public safety</b>	<u>1,022,115</u>	<u>5,696,183</u>	<u>-</u>	<u>8,662,232</u>	<u>-</u>	<u>15,380,530</u>
<b>Culture and Recreation:</b>						
Library	653,570	6,839,299	-	343,148	-	7,836,017
Parks and Recreation	6,211,138	1,742,330	800,000	1,614,662	13,102,246	23,470,376
<b>Total culture and recreation</b>	<u>6,864,708</u>	<u>8,581,629</u>	<u>800,000</u>	<u>1,957,810</u>	<u>13,102,246</u>	<u>31,306,393</u>
<b>Highways and Streets:</b>						
Street Maintenance	1,299,065	287,070	-	1,266,011	98,235,014	101,087,160
<b>Total capital assets</b>	<u>\$ 12,316,850</u>	<u>\$ 21,085,588</u>	<u>\$ 800,000</u>	<u>\$ 14,494,460</u>	<u>\$ 130,406,817</u>	<u>\$ 179,103,715</u>

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
for the fiscal year ended June 30, 2014

<u>Function and Activity:</u>	<u>Capital Assets</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions,</u> <u>Transfers in,</u> <u>Transfers out</u>	<u>Capital Assets</u> <u>June 30, 2014</u>
<b>General Government:</b>				
Building Maintenance	\$ 154,823	\$ -	\$ -	\$ 154,823
Building Inspection	28,192	-	-	28,192
General Fund	24,963,447	510,651	385,907	25,860,005
Airport Maintenance	3,856,579	8,987	-	3,865,566
Public Transit	<u>1,783,389</u>	<u>23,564</u>	<u>-</u>	<u>1,806,953</u>
 Total general government	 <u>30,786,430</u>	 <u>543,202</u>	 <u>385,907</u>	 <u>31,715,539</u>
<b>Public Safety:</b>				
Municipal Court	23,571	-	-	23,571
Police	3,563,620	223,113	-	3,786,733
Fire	9,253,959	1,198,541	(292,486)	10,160,014
Ambulance	<u>1,149,535</u>	<u>-</u>	<u>(125,230)</u>	<u>1,024,305</u>
 Total public safety	 <u>13,990,685</u>	 <u>1,421,654</u>	 <u>(417,716)</u>	 <u>14,994,623</u>
<b>Culture and Recreation:</b>				
Library	7,836,017	-	-	7,836,017
Parks and Recreation	<u>23,213,410</u>	<u>256,966</u>	<u>-</u>	<u>23,470,376</u>
 Total culture and recreation	 <u>31,049,427</u>	 <u>256,966</u>	 <u>-</u>	 <u>31,306,393</u>
<b>Highways and Streets:</b>				
Street Maintenance	<u>98,693,450</u>	<u>2,393,710</u>	<u>-</u>	<u>101,087,160</u>
 <b>Total capital assets</b>	 <u>\$ 174,519,992</u>	 <u>\$ 4,615,532</u>	 <u>\$ (31,809)</u>	 <u>\$ 179,103,715</u>

Discipline is the bridge between goals and accomplishment.

Jim Rohn

## **OTHER FINANCIAL SCHEDULES**

Debt Principal Transactions

Debt Interest Transactions

Future Debt Principal and Interest Requirements – Governmental Activities

Future Debt Principal and Interest Requirements – Business-type Activities

Property Tax Transactions and Outstanding Balances

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS**  
for the fiscal year ended June 30, 2014

	Interest Rate	Date of Issue	Years of Maturity	Outstanding July 1, 2013	Matured/ Paid off During Year	Outstanding June 30, 2014
<b>GOVERNMENTAL ACTIVITIES</b>						
2007 General Obligation Refunding	4.00	06/01/07	2007-2015	\$ 2,590,000	\$ 1,255,000	\$ 1,335,000
2002 Limited Tax Pension Obligations	2.00-7.36	03/15/02	2002-2028	5,415,689	101,686	5,314,003
2004 General Revenue Obligations	2.50-4.00	12/15/04	2006-2020	1,305,000	365,000	940,000
2007 Series A CARA Tax-Exempt	4.85	10/15/07	2008-2022	2,822,000	-	2,822,000
2007 Series B CARA Taxable	6.25	10/15/07	2008-2015	485,000	485,000	-
1992 OEDD Notes Payable (1)	5.47	12/01/95	2015-2016	<u>102,341</u>	<u>30,460</u>	<u>71,881</u>
Total governmental activities				<u>\$ 12,720,030</u>	<u>\$ 2,237,146</u>	<u>\$ 10,482,884</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
2013 Water Refunding Bonds	3.125-5.00	08/01/33	2013-2033	\$ 28,405,000	\$ 1,005,000	\$ 27,400,000
2007 Oregon DEQ SRF Notes Payable (2)	3.40-3.64	09/21/06	2007-2030	60,825,784	2,892,278	57,933,506
2009 Wetland Loans Payable	4.00	12/21/09	2010-2020	3,066,890	377,324	2,689,566
2012 SRF/ARRA Loan	4.00	02/01/12	2031-2032	<u>1,850,000</u>	<u>100,000</u>	<u>1,750,000</u>
Total business-type activities				<u>\$ 94,147,674</u>	<u>\$ 4,374,602</u>	<u>\$ 89,773,072</u>

(1) Oregon Economic Development Department

(2) Department of Environmental Quality State Revolving Fund Loans

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF DEBT INTEREST TRANSACTIONS**  
for the fiscal year ended June 30, 2014

	Interest Rate	Date of Issue	Years of Maturity	Total Required Payments July 1, 2013	Interest Retired During Year	Total Required Payments June 30, 2014
<b>GOVERNMENTAL ACTIVITIES</b>						
2007 General Obligation Refunding	4.00	06/01/07	2007-2015	\$ 157,000	\$ 103,600	\$ 53,400
2002 Limited Tax Pension Obligations	2.00-7.36	03/15/02	2002-2028	5,225,715	453,549	4,772,166
2004 General Revenue Obligations	2.50-4.00	12/15/04	2006-2020	193,487	52,227	141,260
2007 Series A CARA Tax-Exempt	4.85	10/15/07	2008-2022	821,347	136,867	684,480
2007 Series B CARA Taxable	6.25	10/15/07	2008-2015	42,125	42,125	-
1992 OEDD Notes Payable (1)	5.47	12/01/95	2015-2016	<u>12,097</u>	<u>5,886</u>	<u>6,211</u>
Total governmental activities				<u>\$ 6,451,771</u>	<u>\$ 794,254</u>	<u>\$ 5,657,517</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
2013 Water Refunding Bonds	3.125-5.00	08/01/33	2013-2033	\$ 12,333,311	\$ 962,064	\$ 11,371,247
2007 Oregon DEQ SRF Notes Payable (2)	3.40-3.64	09/21/06	2007-2030	19,446,674	1,968,873	17,477,801
2009 Wetland Loans Payable	4.00	12/21/09	2010-2020	523,248	122,676	400,572
2012 SRF/ARRA Loan	4.00	02/01/12	2031-2032	<u>81,250</u>	<u>4,625</u>	<u>76,625</u>
Total business-type activities				<u>\$ 32,384,483</u>	<u>\$ 3,058,238</u>	<u>\$ 29,326,245</u>

(1) Oregon Economic Development Department

(2) Department of Environmental Quality State Revolving Fund Loans

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF FUTURE DEBT PRINCIPAL AND INTEREST REQUIREMENTS**  
**GOVERNMENTAL ACTIVITIES**  
June 30, 2014

Years of Maturity	Total Requirements			General Obligation Refunding Series 2007		2002 Limited Tax Pension Obligations	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2014-2015	\$ 1,741,794	\$ 714,073	\$ 2,455,867	\$ 1,335,000	\$ 53,400	\$ 105,020	\$ 480,218
2015-2016	621,606	675,127	1,296,733	-	-	107,499	507,740
2016-2017	613,483	677,665	1,291,148	-	-	109,483	535,755
2017-2018	637,140	681,331	1,318,471	-	-	111,140	564,098
2018-2019	659,257	687,302	1,346,559	-	-	111,257	593,980
2019-2020	736,604	648,986	1,385,590	-	-	159,604	580,634
2020-2021	881,000	357,640	1,238,640	-	-	460,000	315,785
2021-2022	972,000	305,712	1,277,712	-	-	530,000	284,275
2022-2023	600,000	247,970	847,970	-	-	600,000	247,970
2023-2024	685,000	206,870	891,870	-	-	685,000	206,870
2024-2025	-	159,947	159,947	-	-	-	159,947
2025-2026	865,000	159,947	1,024,947	-	-	865,000	159,947
2026-2027	970,000	100,695	1,070,695	-	-	970,000	100,695
2027-2028	500,000	34,252	534,252	-	-	500,000	34,252
	<u>\$ 10,482,884</u>	<u>\$ 5,657,517</u>	<u>\$ 16,140,401</u>	<u>\$ 1,335,000</u>	<u>\$ 53,400</u>	<u>\$ 5,314,003</u>	<u>\$ 4,772,166</u>



2004 General Revenue Obligations		Albany Revitalization Agency 2007 Series A Tax-Exempt Bonds		Oregon Economic Development Department Notes Payable		Years of Maturity
Principal	Interest	Principal	Interest	Principal	Interest	
\$ 140,000	\$ 39,454	\$ 126,000	\$ 136,867	\$ 35,774	\$ 4,134	2014-2015
145,000	34,554	333,000	130,756	36,107	2,077	2015-2016
155,000	27,304	349,000	114,606	-	-	2016-2017
160,000	19,554	366,000	97,679	-	-	2017-2018
165,000	13,394	383,000	79,928	-	-	2018-2019
175,000	7,000	402,000	61,352	-	-	2019-2020
-	-	421,000	41,855	-	-	2020-2021
-	-	442,000	21,437	-	-	2021-2022
-	-	-	-	-	-	2022-2023
-	-	-	-	-	-	2023-2024
-	-	-	-	-	-	2024-2025
-	-	-	-	-	-	2025-2026
-	-	-	-	-	-	2026-2027
-	-	-	-	-	-	2027-2028
<u>\$ 940,000</u>	<u>\$ 141,260</u>	<u>\$ 2,822,000</u>	<u>\$ 684,480</u>	<u>\$ 71,881</u>	<u>\$ 6,211</u>	

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF FUTURE DEBT PRINCIPAL AND INTEREST REQUIREMENTS**  
**BUSINESS-TYPE ACTIVITIES**  
June 30, 2014

Years of Maturity	Total Requirements			2013 Water Refunding Bond		2007 Oregon DEQ State Revolving Fund Notes	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2014-2015	\$ 4,367,742	\$ 3,018,747	\$ 7,386,489	\$ 895,000	\$ 1,033,194	\$ 2,980,325	\$ 1,873,595
2015-2016	4,514,170	3,009,525	7,523,695	935,000	996,594	3,071,056	1,912,795
2016-2017	4,663,993	2,845,648	7,509,641	975,000	958,394	3,164,554	1,803,943
2017-2018	4,822,320	2,676,098	7,498,418	1,020,000	918,494	3,260,904	1,691,770
2018-2019	4,979,265	2,500,749	7,480,014	1,060,000	876,894	3,360,192	1,576,178
2019-2020	5,139,944	2,319,569	7,459,513	1,100,000	833,694	3,462,508	1,457,061
2020-2021	4,894,615	2,126,723	7,021,338	1,140,000	783,194	3,567,944	1,334,312
2021-2022	4,971,596	1,943,864	6,915,460	1,195,000	730,794	3,676,596	1,207,820
2022-2023	5,128,561	1,764,316	6,892,877	1,240,000	682,094	3,788,561	1,077,472
2023-2024	5,293,943	1,578,892	6,872,835	1,290,000	631,494	3,903,943	943,148
2024-2025	5,467,843	1,380,546	6,848,389	1,345,000	572,069	4,022,843	804,727
2025-2026	5,665,371	1,168,280	6,833,651	1,420,000	502,944	4,145,371	662,086
2026-2027	5,871,636	955,288	6,826,924	1,500,000	437,444	4,271,636	515,094
2027-2028	6,061,754	742,111	6,803,865	1,560,000	376,244	4,401,754	363,617
2028-2029	6,260,842	521,815	6,782,657	1,625,000	312,544	4,535,842	207,521
2029-2030	4,124,477	302,381	4,426,858	1,705,000	254,469	2,319,477	46,662
2030-2031	1,860,000	203,244	2,063,244	1,760,000	202,494	-	-
2031-2032	1,865,000	147,984	2,012,984	1,815,000	147,734	-	-
2032-2033	1,875,000	90,078	1,965,078	1,875,000	90,078	-	-
2033-2034	1,945,000	30,387	1,975,387	1,945,000	30,387	-	-
	<u>\$ 89,773,072</u>	<u>\$ 29,326,245</u>	<u>\$ 119,099,317</u>	<u>\$ 27,400,000</u>	<u>\$ 11,371,247</u>	<u>\$ 57,933,506</u>	<u>\$ 17,477,801</u>

2010 Wetlands Loans		2012 SRF ARRA Loan		Years of Maturity
Principal	Interest	Principal	Interest	
\$ 392,417	\$ 107,583	\$ 100,000	\$ 4,375	2014-2015
408,114	91,886	100,000	8,250	2015-2016
424,439	75,561	100,000	7,750	2016-2017
441,416	58,584	100,000	7,250	2017-2018
459,073	40,927	100,000	6,750	2018-2019
477,436	22,564	100,000	6,250	2019-2020
86,671	3,467	100,000	5,750	2020-2021
-	-	100,000	5,250	2021-2022
-	-	100,000	4,750	2022-2023
-	-	100,000	4,250	2023-2024
-	-	100,000	3,750	2024-2025
-	-	100,000	3,250	2025-2026
-	-	100,000	2,750	2026-2027
-	-	100,000	2,250	2027-2028
-	-	100,000	1,750	2028-2029
-	-	100,000	1,250	2029-2030
-	-	100,000	750	2030-2031
-	-	50,000	250	2031-2032
-	-	-	-	2032-2033
-	-	-	-	2033-2034
<u>\$2,689,566</u>	<u>\$ 400,572</u>	<u>\$ 1,750,000</u>	<u>\$ 76,625</u>	

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
for the year ended June 30, 2014

Tax Year	Taxes Receivable June 30, 2013	Levy as extended by assessor	Collections	Discounts & Adjustments	Taxes Receivable June 30, 2014
2013-14	\$ -	\$ 27,562,841	\$(25,488,065)	\$ (984,759)	\$ 1,090,017
2012-13	955,785	-	(463,437)	175,803	668,151
2011-12	547,254	-	(248,195)	169,459	468,518
2010-11	366,231	-	(243,723)	153,255	275,763
2009-10	141,368	-	(139,316)	123,574	125,626
2008-09	22,827	-	(14,067)	3,117	11,877
2007-08	13,344	-	(9,032)	1,598	5,910
2006-07	270	-	-	(270)	-
and prior	29,315	-	(6,889)	3,433	25,859
	<u>\$ 2,076,394</u>	<u>\$ 27,562,841</u>	<u>\$(26,612,724)</u>	<u>\$ (354,790)</u>	<u>\$ 2,671,721</u>

**SUMMARY OF COLLECTIONS AND BALANCES RECEIVABLE**

Governmental funds		
General	\$ 16,376,958	\$ 1,709,019
Special Revenue		
Parks and Recreation	4,150,416	380,502
Public Safety Levy	2,429,127	238,962
Albany Revitalization Agency	2,341,071	209,716
Debt Service	1,315,152	133,522
Total governmental funds	<u>26,612,724</u>	<u>2,671,721</u>
Proprietary fund		
Water	2,298	3,691
Totals	<u>\$ 26,615,022</u>	<u>\$ 2,675,412</u>

**RECONCILIATION OF TAX COLLECTIONS TO THE STATEMENT OF ACTIVITIES**

	Collections from Above	Tax Accrual Net Change	Statement of Activities
General	\$ 16,376,958	\$ 392,867	\$ 16,769,825
Parks and Recreation	4,150,416	59,457	4,209,873
Public Safety Levy	2,429,127	56,991	2,486,118
Albany Revitalization Agency	2,341,071	50,336	2,391,407
Debt Service	1,315,152	30,884	1,346,036
Water	2,298		2,298
Totals	<u>\$ 26,615,022</u>	<u>\$ 590,535</u>	<u>\$ 27,205,557</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 has changed over time.

## **REVENUE CAPACITY**

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

## **DEBT CAPACITY**

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

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

## **OPERATING INFORMATION**

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

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

	2005	2006	2007	2008	2009
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 64,678,843	\$ 72,113,680	\$ 77,816,952	\$ 80,243,676	\$ 86,710,887
Restricted	9,358,060	15,878,361	13,984,682	17,874,256	15,077,460
Unrestricted	18,067,214	14,336,075	15,195,602	12,538,211	8,520,075
Total governmental activities net position	<u>92,104,117</u>	<u>102,328,116</u>	<u>106,997,236</u>	<u>110,656,143</u>	<u>110,308,422</u>
<b>Business-type activities</b>					
Net investment in capital assets	84,900,880	91,009,502	102,945,424	106,681,579	125,267,350
Restricted	15,860,141	14,984,960	14,764,342	8,494,861	5,372,200
Unrestricted	17,514,640	17,976,644	17,780,223	27,975,161	26,596,746
Total business-type activities net position	<u>118,275,661</u>	<u>123,971,106</u>	<u>135,489,989</u>	<u>143,151,601</u>	<u>157,236,296</u>
<b>Total City of Albany</b>					
Net investment in capital assets	149,579,723	163,123,182	180,762,376	186,925,255	211,978,237
Restricted	25,218,201	30,863,321	28,749,024	26,369,117	20,449,660
Unrestricted	35,581,854	32,312,719	32,975,825	40,513,372	35,116,821
Total net position	<u>\$ 210,379,778</u>	<u>\$ 226,299,222</u>	<u>\$ 242,487,225</u>	<u>\$ 253,807,744</u>	<u>\$ 267,544,718</u>

Over the last ten years the net position of governmental activities increased by just over 44 percent (\$40,264,000). Included in program revenues are \$11,590,000 of capital contributions in the form of systems development charges, connection fees, improvement assurance fees, and site improvements.

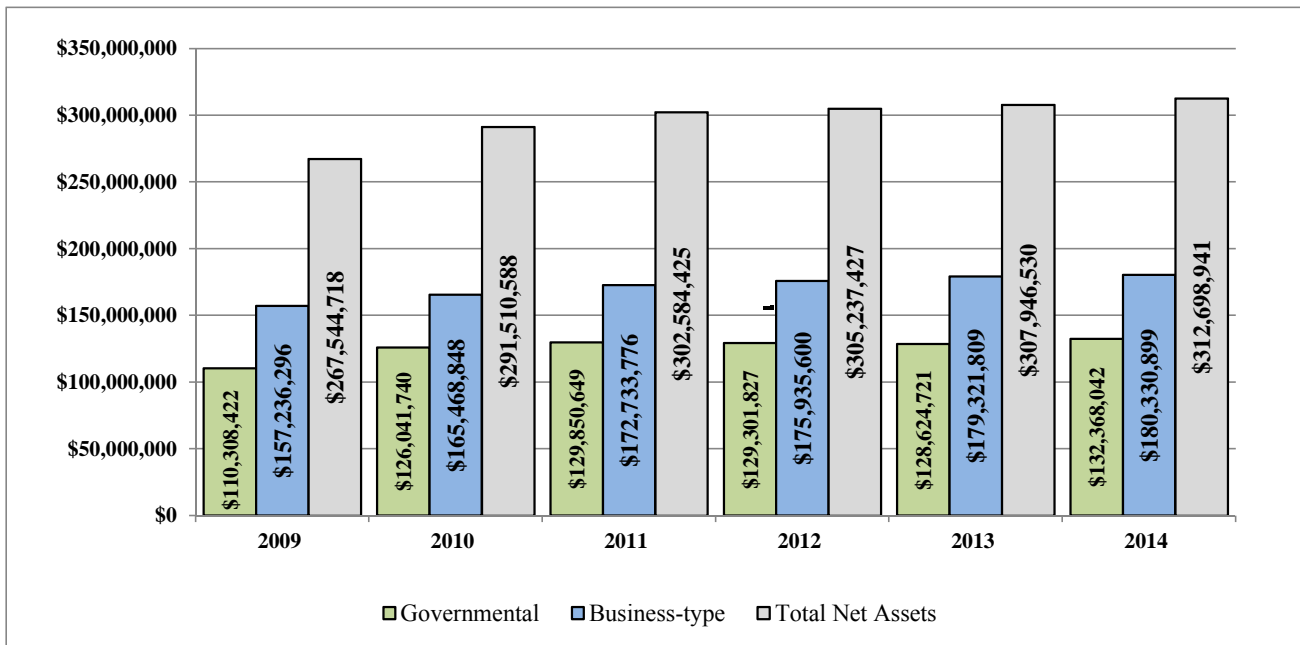
During the same time frame (ten years), the net position of the business-type activities have increased by 52 percent (\$62,055,000). The two major components of the increase have been operating income (\$55,037,000) and capital contributions (\$45,090,000), which consists of development fees (systems 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 2005-2014 Comprehensive Annual Financial Reports

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

2010	2011	2012	2013	2014	
					<b>Governmental Activities</b>
\$ 90,807,172	\$ 93,826,390	\$ 96,500,517	\$ 95,848,731	\$ 90,297,428	Net investment in capital assets
16,512,436	18,879,050	13,190,170	11,874,882	16,359,363	Restricted
18,722,132	17,145,209	19,611,140	20,901,108	25,711,251	Unrestricted
<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>	Total governmental activities net position
					<b>Business-type activities</b>
127,645,184	130,139,819	134,559,041	136,828,820	\$ 140,222,126	Net investment in capital assets
25,649,567	19,785,270	14,445,758	13,514,952	10,863,027	Restricted
12,174,097	22,808,687	26,930,801	28,978,037	29,245,746	Unrestricted
<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>	Total business-type activities net position
					<b>Total City of Albany</b>
218,452,356	223,966,209	231,059,558	232,677,551	230,519,554	Net investment in capital assets
42,162,003	38,664,320	27,635,928	25,389,834	27,222,390	Restricted
30,896,229	39,953,896	45,538,806	49,879,145	54,956,997	Unrestricted
<u>\$ 291,510,588</u>	<u>\$ 302,584,425</u>	<u>\$ 304,234,292</u>	<u>\$ 307,946,530</u>	<u>\$ 312,698,941</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)

	2005	2006	2007	2008	2009
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,808,302	\$ 5,799,062	6,468,368	8,791,969	7,813,659
Public safety	17,344,947	18,484,074	21,156,907	22,831,077	25,723,911
Highways and streets	5,056,827	5,605,789	6,489,273	6,717,357	6,794,651
Culture and recreation	5,905,119	6,387,685	7,222,964	7,542,294	8,238,041
Interest on long-term debt	1,190,214	1,224,183	1,138,930	1,171,934	1,202,841
Total governmental activities expenses	<u>34,305,409</u>	<u>37,500,793</u>	<u>42,476,442</u>	<u>47,054,631</u>	<u>49,773,103</u>
Business-type activities					
Water	6,946,851	9,494,225	11,253,334	11,495,380	11,445,203
Sewer	7,436,459	7,952,494	8,829,900	9,317,599	9,516,905
Total business-type activities expenses	<u>14,383,310</u>	<u>17,446,719</u>	<u>20,083,234</u>	<u>20,812,979</u>	<u>20,962,108</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	593,253	1,646,172	2,924,139	3,184,952	4,055,717
Public Safety	2,328,749	2,505,120	2,607,728	2,776,588	2,902,915
Highways and Streets	-	-	-	-	-
Culture and recreation	559,477	714,453	728,316	818,626	789,184
Operating grants and contributions	5,583,570	8,964,353	6,566,201	5,242,275	4,705,458
Capital grants and contributions	11,708,909	5,896,271	5,438,422	7,418,560	4,767,440
Total governmental activities program revenues	<u>20,773,958</u>	<u>19,726,369</u>	<u>18,264,806</u>	<u>19,441,001</u>	<u>17,220,714</u>
Business-type activities					
Water	17,456,186	13,071,306	14,096,457	13,241,504	12,906,796
Sewer	10,927,340	12,750,140	14,334,830	12,035,561	20,012,557
Total business-type activities program revenues	<u>28,383,526</u>	<u>25,821,446</u>	<u>28,431,287</u>	<u>25,277,065</u>	<u>32,919,353</u>
Total program revenues	<u>49,157,484</u>	<u>45,547,815</u>	<u>46,696,093</u>	<u>44,718,066</u>	<u>50,140,067</u>
<b>General Revenues</b>					
Governmental activities:					
Taxes:					
Property taxes used for general purposes	17,105,625	18,275,628	19,691,258	20,009,812	21,133,841
Property taxes used for debt service	1,063,905	1,113,145	951,815	2,174,926	2,317,806
Transient room taxes used for general purposes	299,200	354,502	459,569	510,037	478,150
Transient room taxes used for debt service	251,204	256,014	241,343	231,083	196,594
Motor fuel	2,119,250	2,170,883	2,152,446	2,056,995	2,674,179
Cigarette and alcoholic beverage	497,499	545,979	867,362	995,174	1,023,060
Privilege	2,099,290	2,268,032	2,480,090	2,717,412	2,759,292
Contributions to permanent funds	3,042	2,414	923	295	133
Grants and contributions not restricted to specific programs	60,390	169,251	59,305	124,421	107,027
Unrestricted interest earnings	467,924	1,303,367	1,745,218	1,738,924	981,571
Premium on debt issuance	50,244	-	-	-	-
Miscellaneous	-	153,912	130,653	431,229	329,267
Total governmental activities general revenues	<u>24,017,573</u>	<u>26,613,127</u>	<u>28,779,982</u>	<u>30,990,308</u>	<u>32,000,920</u>
(Loss) on disposal of capital assets	-	-	-	-	-
Transfers	1,027,456	373,918	490,975	282,229	203,748
Total governmental activities	<u>25,045,029</u>	<u>26,987,045</u>	<u>29,270,957</u>	<u>31,272,537</u>	<u>32,204,668</u>



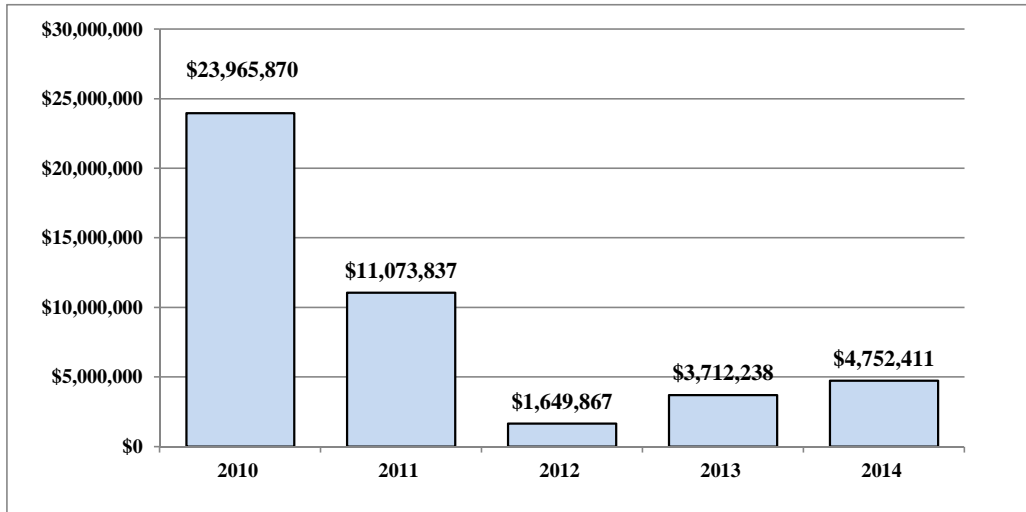
Schedule 2  
**CITY OF ALBANY, OREGON**  
**CHANGE IN NET POSITION**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

2010	2011	2012	2013	2014	
					<b>Expenses</b>
					Governmental activities:
9,227,210	5,512,747	5,282,341	6,998,687	7,493,529	General government
26,364,368	27,512,458	27,832,589	26,998,857	26,533,616	Public safety
6,927,620	7,098,212	5,964,162	7,165,295	7,015,625	Highways and streets
8,372,888	8,035,033	9,300,151	8,548,521	9,071,696	Culture and recreation
1,138,531	1,074,180	972,088	880,010	728,980	Interest on long-term debt
<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>	Total governmental activities expenses
					Business-type activities
11,252,016	11,239,646	10,970,041	12,662,635	11,524,422	Water
10,119,746	12,210,391	14,201,008	14,188,865	14,765,389	Sewer
<u>21,371,762</u>	<u>23,450,037</u>	<u>25,171,049</u>	<u>26,851,500</u>	<u>26,289,811</u>	Total business-type activities expenses
					<b>Program Revenues</b>
					Governmental activities:
					Charges for services:
2,796,623	2,817,789	2,699,581	3,509,363	4,081,131	General Government
3,247,298	3,303,862	3,174,653	2,562,519	2,693,877	Public Safety
-	-	110,792	-	158,753	Highways and Streets
1,012,384	912,904	908,153	1,181,152	893,172	Culture and recreation
5,385,159	4,354,299	5,245,587	3,245,250	5,336,946	Operating grants and contributions
4,629,070	7,433,911	2,613,592	4,357,201	4,134,157	Capital grants and contributions
<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>	Total governmental activities program revenues
					Business-type activities
12,003,928	11,520,604	11,873,787	12,338,047	13,055,548	Water
13,637,347	13,094,616	13,687,284	13,410,334	15,524,322	Sewer
<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 business-type activities 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>	Total program revenues
					<b>General Revenues</b>
					Governmental activities:
					Taxes:
21,816,218	22,430,005	22,540,932	22,159,102	25,857,223	Property taxes used for general purposes
3,099,335	3,849,690	3,303,218	3,430,326	1,346,036	Property taxes used for debt service
382,054	655,879	715,865	754,585	803,805	Transient room taxes used for general purposes
213,174	-	-	-	-	Transient room taxes used for debt service
2,029,262	2,365,624	2,746,350	2,764,402	2,913,483	Motor fuel
624,444	651,683	699,755	1,213,099	1,251,981	Cigarette and alcoholic beverage
2,570,602	2,680,877	2,901,489	2,761,418	2,966,949	Privilege
160	-	-	-	-	Contributions to permanent funds
-	-	-	-	-	Grants and contributions not restricted to specific programs
605,921	360,650	232,122	401,725	273,722	Unrestricted interest earnings
-	-	-	-	-	Premium on debt issuance
18,871,796	196,111	490,535	548,471	186,145	Miscellaneous
<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>	Total governmental activities general revenues
-	-	-	-	-	(Loss) on disposal of capital assets
480,438	1,028,256	419,885	1,025,651	1,689,391	Transfers
<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>	Total governmental activities

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

	2005	2006	2007	2008	2009
<b>General Revenues, continued</b>					
Business-type activities					
Property taxes used for debt service	782,683	759,865	753,308	824,530	813,948
Unrestricted investment earnings	488,123	1,240,546	1,506,557	1,428,407	853,758
Gain on disposal of real property	-	-	-	319,069	-
Miscellaneous	455,720	687,743	653,135	907,749	663,492
Total business-type activities general revenues	<u>1,726,526</u>	<u>2,688,154</u>	<u>2,913,000</u>	<u>3,479,755</u>	<u>2,331,198</u>
Transfers	<u>(1,027,456)</u>	<u>(373,918)</u>	<u>(490,975)</u>	<u>(282,229)</u>	<u>(203,748)</u>
Total business-type activities	<u>699,070</u>	<u>2,314,236</u>	<u>2,422,025</u>	<u>3,197,526</u>	<u>2,127,450</u>
<b>Change in Net Position</b>					
Governmental activities	11,513,578	9,212,621	5,059,321	3,658,907	(347,721)
Business-type activities	14,699,286	10,688,963	10,770,078	7,661,612	14,084,695
Total Change in net position	<u>26,212,864</u>	<u>19,901,584</u>	<u>15,829,399</u>	<u>11,320,519</u>	<u>13,736,974</u>
Net position - beginning	183,882,240	210,379,778	226,299,222	242,487,225	253,807,744
Prior period adjustments	284,674	(3,982,140)	358,604	-	-
Net position - ending	<u>\$210,379,778</u>	<u>\$ 226,299,222</u>	<u>\$242,487,225</u>	<u>\$253,807,744</u>	<u>\$267,544,718</u>

**Change in Net Position**  
last five years

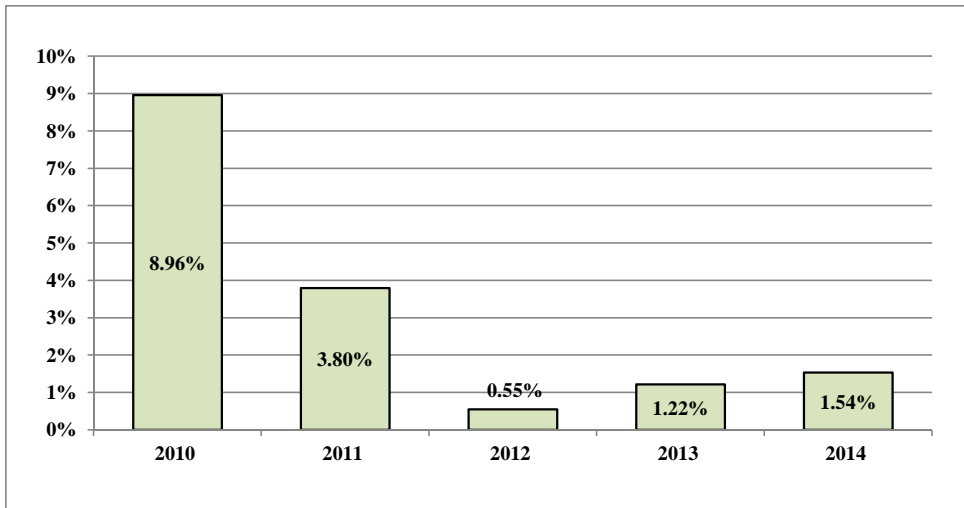


Source: City of Albany 2005-2014 Comprehensive Annual Financial Reports

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

2010	2011	2012	2013	2014	
					<b>General Revenues, continued</b>
					Business-type activities
660,343	(2,852)	8,655	12,205	2,298	Property taxes used for debt service
623,298	272,181	224,922	264,875	237,294	Unrestricted investment earnings
-	-	-	-	-	Gain on disposal of real property
3,159,835	6,858,672	2,998,110	5,785,325	168,830	Miscellaneous
4,443,476	7,128,001	3,231,687	6,062,405	408,422	Total business-type activities general revenues
(480,438)	(1,028,256)	(419,885)	(1,025,651)	(1,689,391)	Transfers
3,963,038	6,099,745	2,811,802	5,036,754	(1,280,969)	Total business-type activities
					<b>Change in Net Position</b>
15,733,321	3,808,910	(548,822)	(677,106)	3,743,325	Governmental activities
8,232,551	7,264,928	3,201,824	4,389,344	1,009,090	Business-type activities
23,965,872	11,073,838	2,653,002	3,712,238	4,752,415	Total Change in net position
267,544,716	291,510,587	302,584,425	304,234,292	307,946,526	Net position - beginning
-	-	(1,003,135)	-	-	Prior period adjustments
<u>\$291,510,588</u>	<u>\$302,584,425</u>	<u>\$304,234,292</u>	<u>\$307,946,530</u>	<u>\$312,698,941</u>	Net position - ending

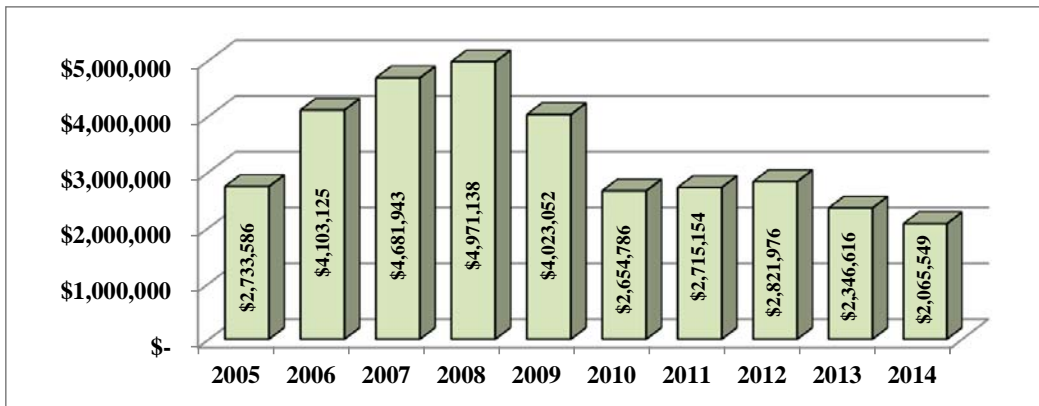
**Year to Year Percentage Change in Net Position**  
 last five years



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

	2005	2006	2007	2008	2009
<b>General Fund</b>					
Unreserved	\$ 2,733,586	\$ 4,103,125	\$ 4,681,943	\$ 4,971,138	\$ 4,023,052
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<u>2,733,586</u>	<u>4,103,125</u>	<u>4,681,943</u>	<u>4,971,138</u>	<u>4,023,052</u>
<b>All other governmental funds</b>					
Reserved for:					
Capital projects	8,248,404	15,591,619	9,515,787	10,555,792	7,853,494
Debt service	2,877,865	2,865,706	1,220,782	1,176,797	931,686
Library programs	90,474	8,437	11,799	11,688	11,464
Parks & Recreation programs	12,036	11,848	11,675	11,874	11,079
Perpetual care	111,585	115,189	115,834	117,502	117,502
Unreserved, reported in:					
Special revenue funds	8,744,939	8,338,206	15,714,635	16,884,061	14,190,275
Capital project fund	3,169,042	-	-	1,109,238	488,673
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>23,254,345</u>	<u>26,931,005</u>	<u>26,590,512</u>	<u>29,866,952</u>	<u>23,604,173</u>
<b>Total fund balances of governmental funds</b>	<u>\$ 25,987,931</u>	<u>\$ 31,034,130</u>	<u>\$ 31,272,455</u>	<u>\$ 34,838,090</u>	<u>\$ 27,627,225</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 2005-2014 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)

2010	2011	2012	2013	2014	
					<b>General Fund</b>
\$ 2,654,786	\$ -	\$ -	\$ -	\$ -	Unreserved
-	65,245	62,147	101,672	9,764	Nonspendable
-	185,139	165,567	176,067	279,918	Committed
-	2,464,770	2,594,262	2,068,877	1,775,867	Unassigned
<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>	Total General Fund
					<b>All other governmental funds</b>
					Reserved for:
7,879,049	-	-	-	-	Capital projects
874,973	-	-	-	-	Debt service
7,265	-	-	-	-	Library programs
11,733	-	-	-	-	Parks & Recreation programs
117,500	-	-	-	-	Perpetual care
					Unreserved, reported in:
30,682,955	-	-	-	-	Special revenue funds
(2,046,965)	-	-	-	-	Capital projects fund
-	130,860	118,130	135,077	155,962	Nonspendable
-	14,739,849	10,972,119	9,537,754	13,663,170	Restricted
-	23,279,884	21,519,026	21,919,612	21,372,165	Committed
-	(2,782,392)	(298,795)	(2,778,516)	(2,693,515)	Unassigned
<u>37,526,510</u>	<u>35,368,201</u>	<u>32,310,480</u>	<u>28,813,927</u>	<u>32,497,782</u>	Total all other governmental funds
<u>\$ 40,181,296</u>	<u>\$ 38,083,355</u>	<u>\$ 35,132,456</u>	<u>\$ 31,160,543</u>	<u>\$ 34,563,331</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
2005	\$ 2,733,586	-
2006	4,103,125	50.10%
2007	4,681,943	14.11%
2008	4,971,138	6.18%
2009	4,023,052	-19.07%
2010	2,654,786	-34.01%
2011	2,464,770	-7.16%
2012	2,594,262	5.25%
2013	2,068,877	-20.25%
2014	1,775,867	-14.16%

The General Fund unreserved fund balance has decreased by -35.04 percent over the last ten years. The 2013-14 unassigned fund balance of \$1,775,867 is 6.66 percent of total expenditures before transfers out, and 5.9 percent of the total General Fund 2013-14 budget.

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

	2005	2006	2007	2008	2009
<b>Revenues</b>					
Taxes	\$ 18,460,938	\$ 20,225,202	\$ 21,369,433	\$ 22,857,443	\$ 23,723,701
Special assessments	2,812,677	752,013	284,316	92,321	82,653
Franchise fees, privilege taxes, licenses, and permits	7,988,856	7,637,192	8,173,745	7,752,797	6,654,711
Intergovernmental	12,317,895	6,643,124	7,160,835	8,303,684	7,124,187
Charges for services	3,698,501	3,722,670	4,184,394	4,608,381	5,599,253
Fines and forfeitures	545,296	581,972	730,232	988,983	927,897
Gifts and donations	3,042	3,178,018	4,119	2,008,320	-
Interest on investments	624,257	1,265,344	1,677,487	1,717,615	964,613
Miscellaneous	764,322	653,788	1,308,177	1,168,815	2,776,430
Total revenues	<u>47,215,784</u>	<u>44,659,323</u>	<u>44,892,738</u>	<u>49,498,359</u>	<u>47,853,445</u>
<b>Expenditures</b>					
General government	4,934,984	5,260,948	6,286,630	8,472,015	8,223,631
Public safety	16,809,154	18,302,131	20,586,681	22,040,875	23,932,216
Highways and streets	2,768,538	3,103,766	3,499,426	3,864,623	3,651,135
Culture and recreation	5,831,360	6,093,309	6,646,681	6,768,031	7,349,399
Capital outlay	13,033,514	7,871,125	4,685,842	6,183,849	9,541,626
Debt service					
Principal	2,876,939	1,328,965	3,288,914	2,900,558	3,854,453
Interest	1,201,415	1,181,496	1,342,964	1,203,625	1,170,493
Total expenditures	<u>47,455,904</u>	<u>43,141,740</u>	<u>46,337,138</u>	<u>51,433,576</u>	<u>57,722,953</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(240,120)</u>	<u>1,517,583</u>	<u>(1,444,400)</u>	<u>(1,935,217)</u>	<u>(9,869,508)</u>
<b>Other financing sources (uses)</b>					
Debt issuance	3,720,000	1,459,399	9,065,000	5,051,998	2,102,500
Premium on debt issuance	50,244	-	121,060	-	-
Payment to escrow agent for refunded bonds	-	-	(8,200,000)	-	-
Capital lease	162,060	151,360	98,493	74,362	352,395
Transfers in	6,968,005	14,248,234	6,261,817	5,994,473	5,869,492
Transfers out	(5,207,075)	(13,341,755)	(5,663,645)	(5,619,981)	(5,665,744)
Total other financing sources (uses)	<u>5,693,234</u>	<u>2,517,238</u>	<u>1,682,725</u>	<u>5,500,852</u>	<u>2,658,643</u>
Prior period adjustments	-	(81,293)	1,011,378	-	-
Net change in fund balances	<u>\$ 5,453,114</u>	<u>\$ 3,953,528</u>	<u>\$ 1,249,703</u>	<u>\$ 3,565,635</u>	<u>\$ (7,210,865)</u>

Notes: In Fiscal Year 2004-05, the City issued \$1,700,000 in revenue obligations to refund the 1994 City Hall certificates of participation. In Fiscal Year 2006-07, the City issued \$8,335,000 in General Obligation (GO) Refunding bonds to refund the 1996 GO bonds and advance refund the 1999 GO bonds.

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

Total debt service expenditures	\$ 4,078,354	\$ 2,510,461	\$ 4,631,878	\$ 4,104,183	\$ 5,024,946
Total noncapital expenditures	<u>34,422,390</u>	<u>35,270,615</u>	<u>41,651,296</u>	<u>45,249,727</u>	<u>48,181,327</u>
Ratio of total debt service expenditures less refundings to total noncapital expenditures	<u>11.85%</u>	<u>7.12%</u>	<u>11.12%</u>	<u>9.07%</u>	<u>10.43%</u>

Source: City of Albany 2005-2014 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)

2010	2011	2012	2013	2014	
					<b>Revenues</b>
\$ 25,163,569	\$ 26,932,006	\$ 26,567,049	\$ 26,566,424	\$ 27,416,529	Taxes
64,604	42,830	47,734	28,863	17,864	Special assessments
					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	Gifts and donations
-	-	-	-	-	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
65,593,303	49,278,254	48,451,216	48,745,219	52,148,675	
					<b>Expenditures</b>
9,002,393	5,916,136	5,444,422	7,064,448	6,686,132	General government
24,225,530	25,218,770	25,643,030	24,762,823	25,595,092	Public safety
3,599,042	3,553,451	3,483,170	3,472,264	3,128,945	Highways and streets
7,569,933	7,078,644	8,475,037	7,608,139	8,056,710	Culture and recreation
8,135,811	5,975,749	5,800,086	6,226,543	3,952,086	Capital outlay
					Debt service
1,908,434	3,585,926	2,017,524	3,905,432	2,237,146	Principal
1,112,461	1,075,775	958,731	870,010	755,175	Interest
55,553,604	52,404,451	51,822,000	53,909,659	50,411,286	Total expenditures
10,039,699	(3,126,197)	(3,370,784)	(5,164,440)	1,737,389	Excess (deficiency) of revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
1,958,800	-	-	-	-	Debt issuance
-	-	-	-	-	Premium on debt issuance
-	-	-	-	-	Payment to escrow agent for refunded bonds
75,139	-	-	166,876	-	Capital lease
5,836,489	10,705,097	10,417,617	4,960,950	6,660,676	Transfers in
(5,356,051)	(9,676,841)	(9,997,732)	(3,935,299)	(4,995,277)	Transfers out
2,514,377	1,028,256	419,885	1,192,527	1,665,399	Total other financing sources (uses)
-	-	-	-	-	Prior period adjustments
\$ 12,554,076	\$ (2,097,941)	\$ (2,950,899)	\$ (3,971,913)	\$ 3,402,788	Net change in fund balances
\$ 1,320,895	\$ 4,661,701	\$ 2,976,255	\$ 4,775,442	\$ 2,992,321	Total debt service expenditures
47,417,793	46,428,702	46,021,914	47,848,488	46,139,919	Total noncapital expenditures
2.79%	10.04%	6.47%	9.98%	6.49%	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
2005	Linn	1,913,454,224	8.04	34,121,937	1,947,576,161	2,333,811,851	83.45%
	Benton	395,736,624	8.04	-	395,736,624	472,209,130	83.81%
	Total	2,309,190,848		34,121,937	2,343,312,785	2,806,020,981	83.51%
2006	Linn	2,061,601,036	8.09	41,571,478	2,103,172,514	2,505,957,967	83.93%
	Benton	428,648,082	7.96	-	428,648,082	517,706,517	82.80%
	Total	2,490,249,118		41,571,478	2,531,820,596	3,023,664,484	83.73%
2007	Linn	2,202,687,502	8.02	50,945,385	2,253,632,887	2,887,626,123	78.04%
	Benton	454,804,642	7.78	-	454,804,642	664,234,567	68.47%
	Total	2,657,492,144		50,945,385	2,708,437,529	3,551,860,690	76.25%
2008	Linn	2,323,996,912	8.04	62,008,472	2,386,005,384	3,241,435,594	73.61%
	Benton	487,155,971	7.86	-	487,155,971	718,378,931	67.81%
	Total	2,811,152,883		62,008,472	2,873,161,355	3,959,814,525	72.56%
2009	Linn	2,429,035,563	8.04	83,900,206	2,512,935,769	3,426,321,654	73.34%
	Benton	526,917,483	7.84	-	526,917,483	825,153,887	63.86%
	Total	2,955,953,046		83,900,206	3,039,853,252	4,251,475,541	71.50%
2010	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%
2011	Linn	2,618,801,545	7.81	101,564,871	2,720,366,416	3,275,687,464	83.05%
	Benton	578,241,790	7.81	-	578,241,790	781,904,703	73.95%
	Total	3,197,043,335		101,564,871	3,298,608,206	4,057,592,167	81.29%
2012	Linn	2,648,804,108	7.52	111,196,690	2,760,000,798	3,201,432,516	86.21%
	Benton	617,297,378	7.52	-	617,297,378	728,220,462	84.77%
	Total	3,266,101,486		111,196,690	3,377,298,176	3,929,652,978	85.94%
2013	Linn	2,638,629,357	7.50	123,803,553	2,762,432,910	3,087,680,619	93.48%
	Benton	636,151,862	7.97	-	636,151,862	742,624,187	85.66%
	Total	3,274,781,219		123,803,553	3,398,584,772	3,830,304,806	88.73%
2014	Linn	2,690,866,895	7.66	135,999,495	2,826,866,390	3,117,569,985	90.68%
	Benton	668,393,866	7.92	-	668,393,866	772,422,707	86.53%
	Total	3,359,260,761		135,999,495	3,495,260,256	3,889,992,692	89.85%

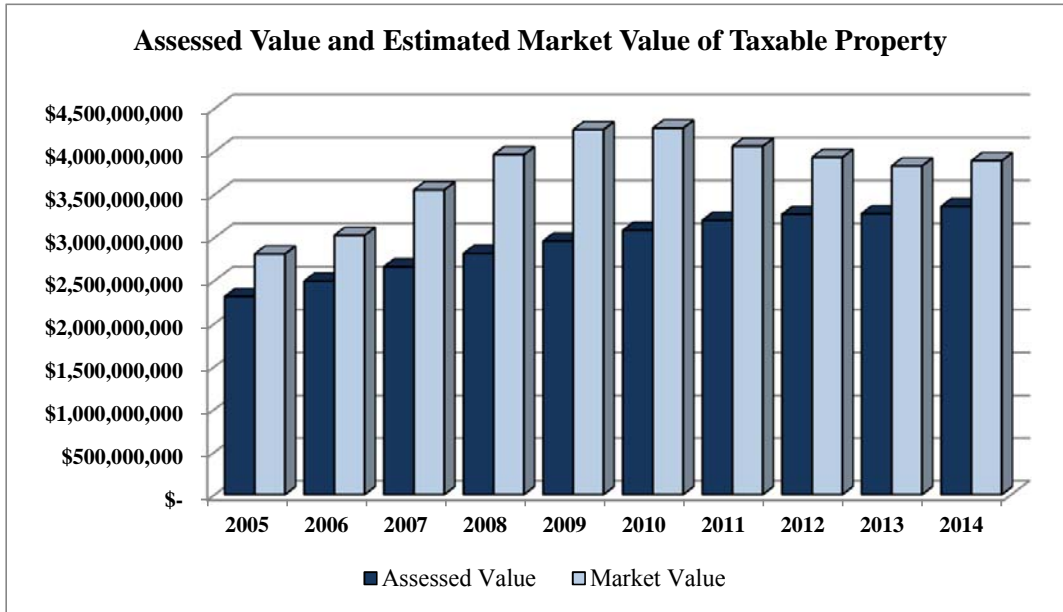
(1) Does not include the assessed value of the urban renewal district.

(2) Urban renewal district incremental amount.

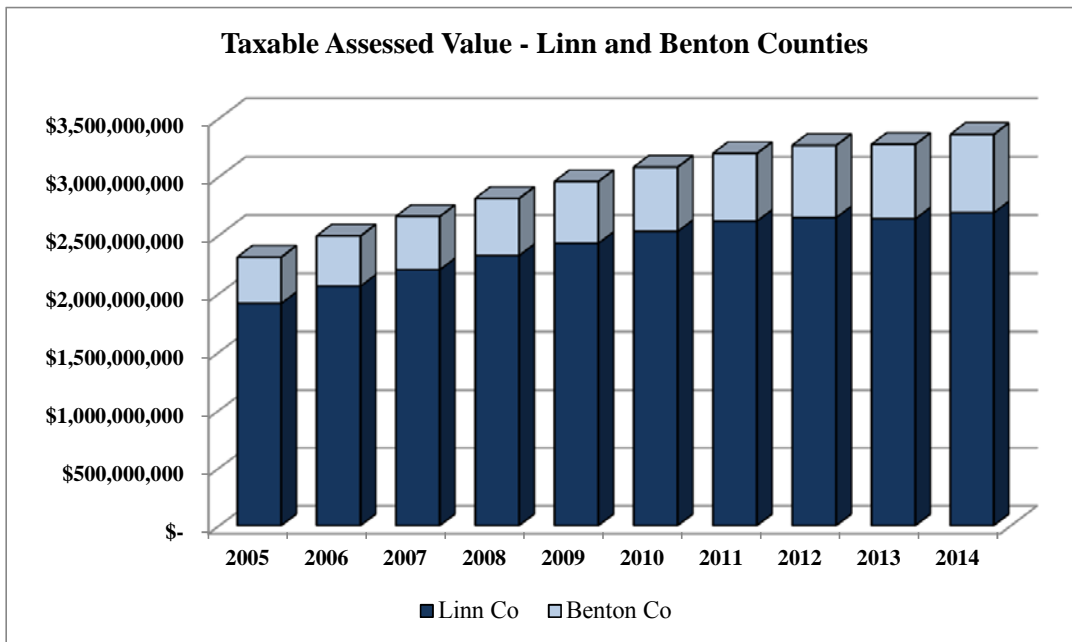
Source: Linn and Benton Counties Tax Assessor



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

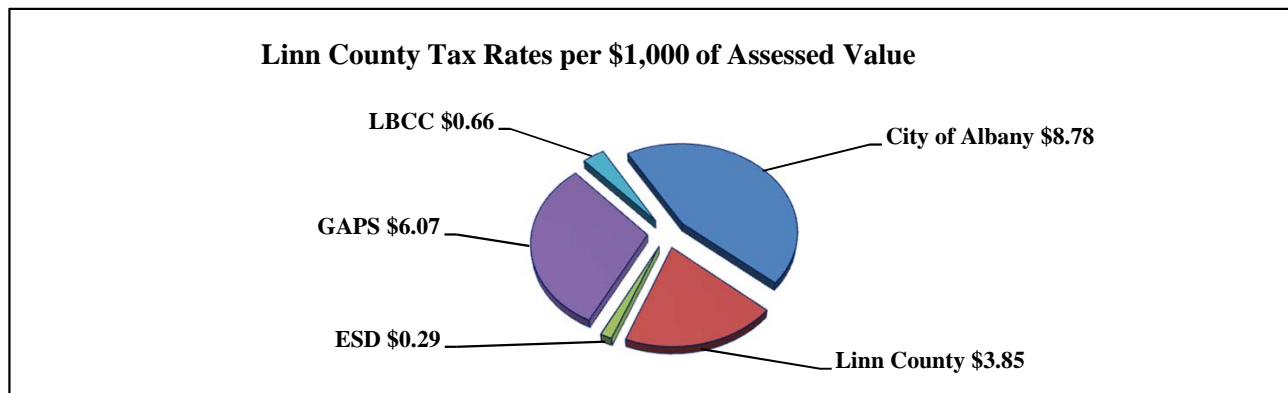


The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 89.85 percent of market value, leaving a \$394,732,436 gap. Current economic conditions will have an effect on the market value of properties, but the extent of the effect is not known at this time.



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

Fiscal Year Ended June 30,	County	City of Albany Direct Rates					Total Direct Rate
		Basic Rate	Local Option Public Safety Levy	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	
2005	Linn	6.40	0.95	0.69	8.04	0.20	8.24
	Benton	6.40	0.95	0.69	8.04	0.15	8.19
2006	Linn	6.40	0.95	0.74	8.09	0.27	8.36
	Benton	6.35	0.88	0.73	7.96	0.21	8.17
2007	Linn	6.40	0.95	0.67	8.02	0.30	8.32
	Benton	6.28	0.93	0.66	7.87	0.23	8.10
2008	Linn	6.40	0.95	0.69	8.04	0.42	8.46
	Benton	6.26	0.93	0.67	7.86	0.26	8.12
2009	Linn	6.40	0.95	0.69	8.04	0.42	8.46
	Benton	6.25	0.95	0.64	7.84	0.33	8.17
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	0.60	8.58



(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

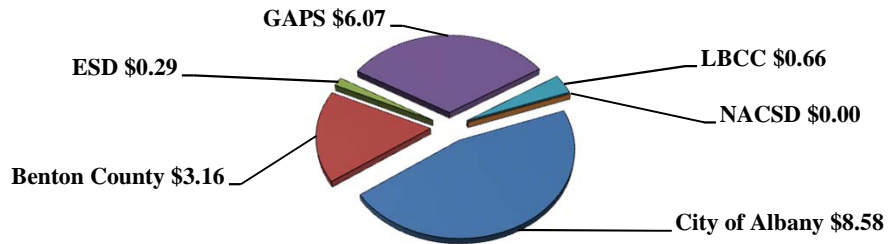
Source: Linn and Benton County Tax Assessors

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	North Albany County Service District	Total Direct & Overlapping Rates
3.43	-	-	0.30	4.96	0.68	-	17.61
-	2.49	-	0.30	4.89	0.67	0.35	16.89
3.31	-	-	0.30	4.84	0.67	-	17.48
-	2.54	-	0.30	4.84	0.67	0.33	16.85
3.60	-	-	0.30	6.03	0.66	-	18.91
-	2.51	-	0.30	6.03	0.66	0.31	17.91
3.60	-	-	0.30	6.03	0.66	-	19.05
-	2.51	-	0.30	6.03	0.66	0.29	17.91
3.51	-	-	0.30	6.03	0.66	-	18.96
-	3.16	-	0.30	6.03	0.50	0.18	18.34
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	-	19.04
-	2.94	-	0.29	5.98	0.66	-	17.88
3.86	-	0.05	0.29	5.97	0.65	-	19.06
-	3.02	-	0.29	5.97	0.65	-	17.98
3.85	-	0.05	0.29	6.07	0.66	-	19.70
-	3.16	-	0.29	6.07	0.66	-	18.76

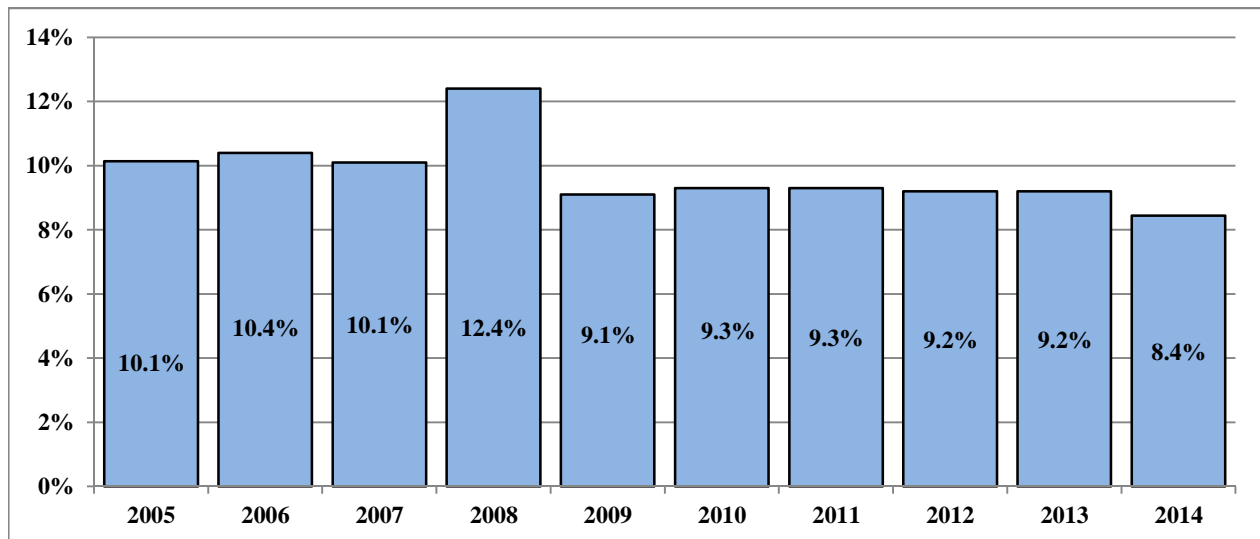
**Benton County Tax Rates per \$1,000 of Assessed Value**



Schedule 7  
**CITY OF ALBANY, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Fiscal Years 2004-2005 and 2013-2014

Taxpayer	2013-2014		% of Total Taxable Assessed Value	2004-2005		% of Total Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Dayton Hudson Corporation	\$ 72,289,300	1	2.07%	\$ 73,260,270	1	3.14%
Comcast Corporation	31,906,400	2	0.91%	-	-	0.00%
Oregon Freeze Dry Foods, Inc.	33,713,530	3	0.96%	24,413,820	3	1.05%
Oregon Metallurgical Corporation	29,555,690	4	0.85%	-	-	-
Pacific Cast Technologies	27,724,790	5	0.79%	16,805,820	6	0.72%
Waverly Land Management	24,698,230	6	0.71%	22,622,280	4	0.97%
Pacificorp (PP&L)	20,468,000	7	0.59%	-	-	-
Metropolitan Life Insurance	18,476,780	8	0.53%	15,935,380	7	0.68%
Northwest Natural Gas	18,957,100	9	0.54%	-	-	-
Wal-Mart Real Estate	17,127,460	10	0.49%	-	-	-
Alvac	-	-	-	29,094,420	2	1.25%
Wells Fargo Bank (1)	-	-	-	17,684,860	5	0.76%
National Frozen Foods	-	-	-	12,980,230	8	0.56%
Eugene Freezing & Storage	-	-	-	12,026,400	9	0.52%
Nationwide Health Properties	-	-	-	11,331,840	10	0.49%
<b>Total</b>	<b>\$ 294,917,280</b>		<b>8.44%</b>	<b>\$ 236,155,320</b>		<b>10.14%</b>
Total taxable assessed value, all properties	<u>\$ 3,495,260,256</u>			<u>\$ 2,343,312,785</u>		

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



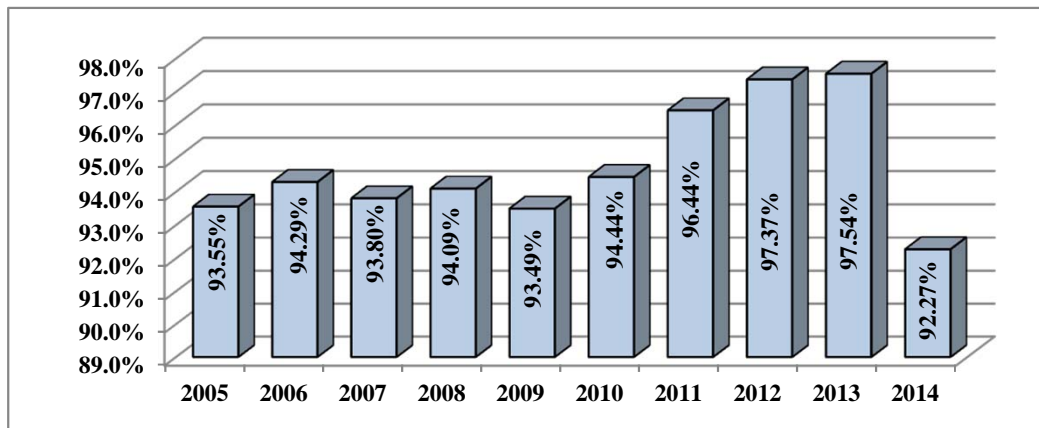
Source: Linn and Benton County Tax Assessors

(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
2005	19,312,644	18,066,785	93.55%	650,735	18,717,520	96.92%
2006	20,740,111	19,555,255	94.29%	662,008	20,217,263	97.48%
2007	22,142,401	20,770,157	93.80%	764,316	21,534,473	97.25%
2008	23,648,423	22,251,321	94.09%	695,711	22,947,032	97.03%
2009	24,835,283	23,217,769	93.49%	846,805	24,064,574	96.90%
2010	25,742,434	24,311,929	94.44%	1,047,195	25,359,124	98.51%
2011	27,273,089	26,303,489	96.44%	1,312,314	27,615,803	101.26%
2012	26,575,455	25,877,086	97.37%	1,259,668	27,136,754	102.11%
2013	26,473,672	25,822,827	97.54%	463,437	26,286,264	99.29%
2014	27,562,841	25,431,964	92.27%	-	25,431,964	92.27%

**Percentage of Taxes Collected in the Year Assessed**



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 94.8 percent of the levy as extended by the assessors.

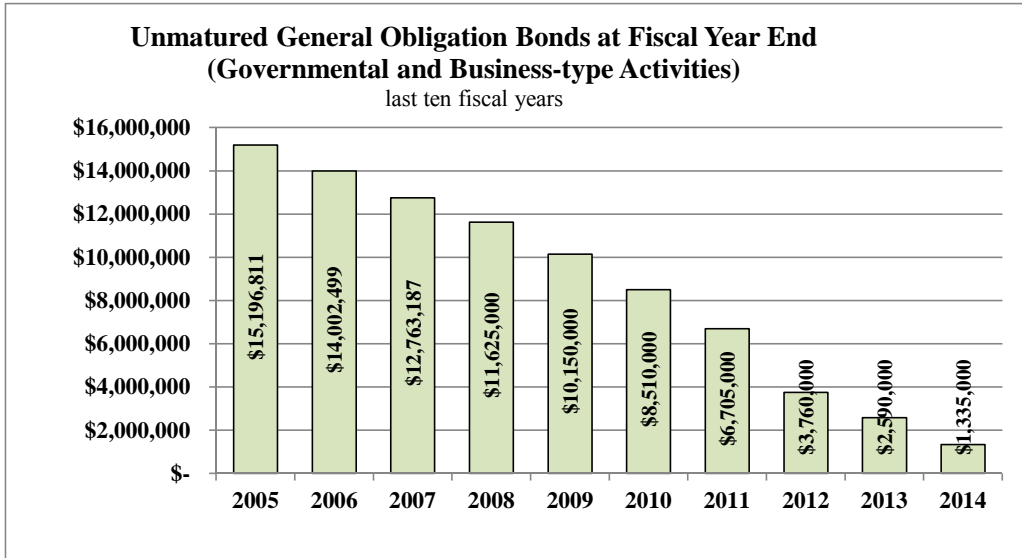
There are three ways in which property tax revenue can be adversely affected by a slowdown in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be 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 2014-15 revenues. The tax collection rate will also be a factor in the preparation of the 2015-16 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	Special Assessment Debt (1)	Revenue Bonds	Limited Tax Pension Obligations	Certificates of Participation	General Revenue Obligations	Urban Renewal (UR) TIF Bonds( 2)	Notes Payable	Capital Leases
2005	10,845,000	2,341,549	1,410,000	6,813,236	1,850,000	-	-	320,132	-
2006	10,290,000	2,097,840	1,230,000	6,783,389	-	3,720,000	-	301,749	162,060
2007	9,710,000	1,841,385	1,030,000	6,739,431	-	3,490,000	-	1,742,596	205,218
2008	9,235,000	467,043	830,000	6,683,781	-	3,265,000	-	1,648,674	190,248
2009	8,520,000	404,666	630,000	6,618,738	-	2,960,000	4,547,000	235,536	453,629
2010	7,675,000	339,099	420,000	6,545,507	-	2,645,000	4,328,000	211,381	557,626
2011	6,705,000	270,179	210,000	6,463,368	-	2,325,000	6,053,800	187,008	389,730
2012	3,760,000	-	-	5,513,557	-	1,660,000	5,548,200	132,505	242,042
2013	2,590,000	-	-	5,415,689	-	1,305,000	3,307,000	102,341	219,278
2014	1,335,000	-	-	5,314,001	-	940,000	2,822,000	71,881	71,241



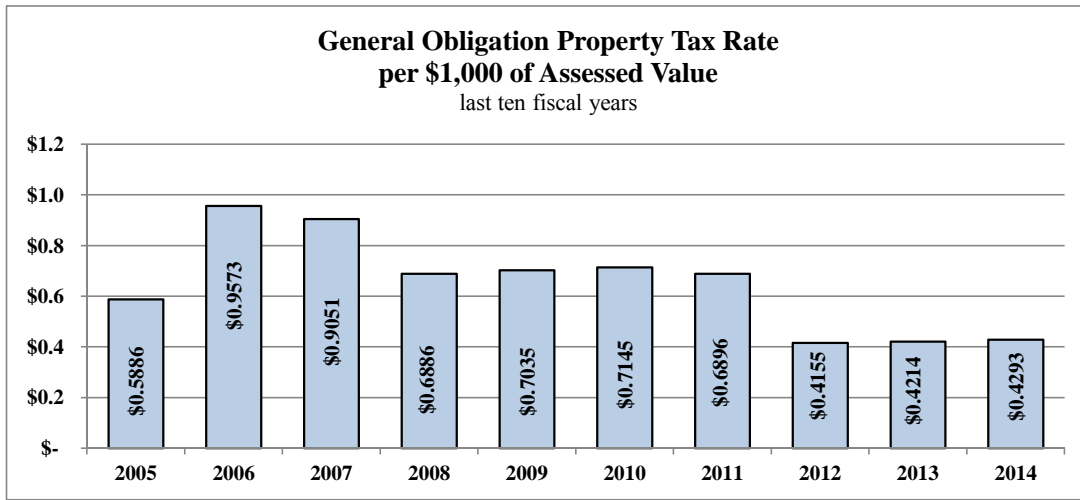
As the above chart indicates, there has been a nearly linear reduction in the amount of the outstanding general obligation debt over the last ten years. The trend will continue as the existing bonds approach retirement. The City plans to replace the bonds with construction bonds for a new Police and Fire Station subject to voter approval.

- (1) Special assessment debt with governmental commitment
- (2) TIF-Tax Increment Financing
- (3) Includes \$57,933,506 State of Oregon Revolving Fund loan for the new sewage treatment plant
- (4) 2003 Water Revenue bonds defeased and replaced with 2013 Water Refunding Bonds

Source: City of Albany 2005-2014 Comprehensive Annual Financial Reports

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

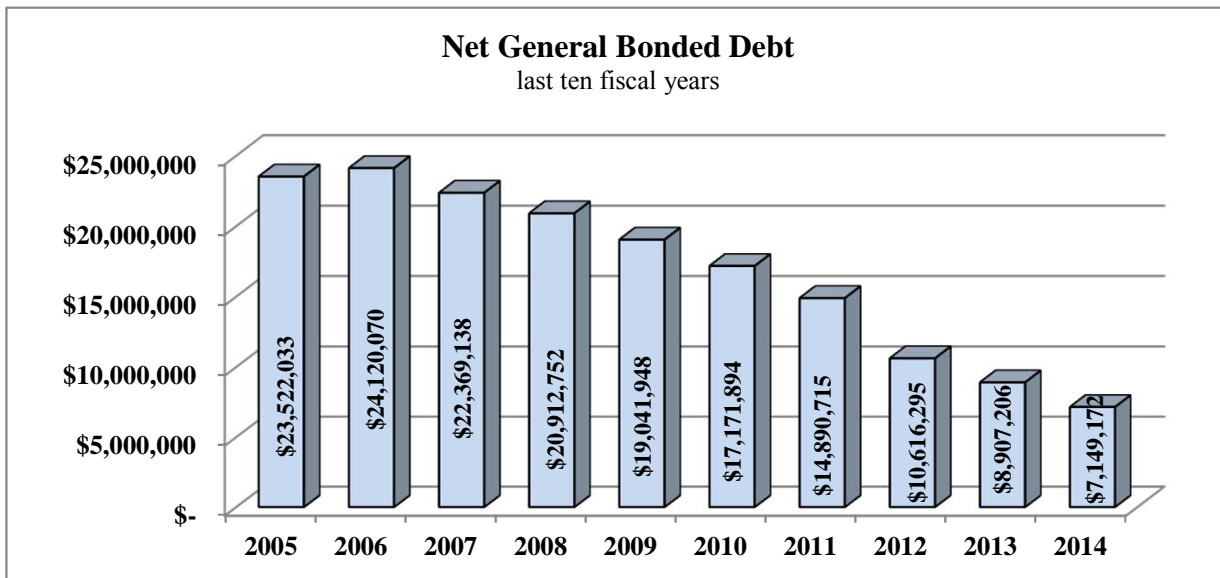
BUSINESS-TYPE ACTIVITIES							
General Obligation Bonds	Water Revenue Bonds (4)	Sewer Revenue Bonds	Certificates of Participation	Notes Payable (3)	Total Outstanding Debt	% of Personal Income	Debt per Capita
4,351,811	40,192,681	2,699,857	504,589	1,288,641	72,617,496	1.81%	1,066
3,712,499	38,987,677	2,278,559	452,819	1,127,561	71,144,153	1.64%	983
3,053,187	37,767,673	1,852,261	398,162	966,481	68,796,394	2.83%	1,666
2,390,000	36,790,000	1,475,000	340,458	30,063,744	93,378,948	2.64%	1,616
1,630,000	35,510,000	1,000,000	279,583	47,923,068	110,712,220	2.50%	1,517
835,000	34,200,000	505,000	215,267	55,399,277	113,876,157	3.20%	2,003
-	32,855,000	-	147,365	73,114,000	128,720,450	3.76%	2,332
-	30,840,000	-	-	69,012,321	116,708,625	3.32%	2,310
-	28,405,000	-	-	65,742,674	107,086,982	2.91%	2,112
-	27,400,000	-	-	62,373,072	100,327,195	n/a	1,978



The average annual increase in assessed value over the ten-year period is just under six percent, with a high of 7.84 percent in 2006 and a low of 0.27 percent in 2013. Beginning with the 2012-13 Fiscal Year, assuming a modest one percent annual increase in assessed value and no new general obligation debt, the property tax rate per \$1,000 of assessed value will remain around \$0.42 per \$1,000 until all current general obligation debt is retired at the end of Fiscal Year 2014-15.

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
2005	44,030	2,309,190,848	15,196,811	6,813,236	1,850,000	-
2006	45,360	2,490,249,118	14,002,499	6,783,389	-	3,720,000
2007	46,610	2,657,492,114	12,763,187	6,739,431	-	3,490,000
2008	47,470	2,811,152,883	11,625,000	6,683,781	-	3,265,000
2009	49,165	2,955,953,046	10,150,000	6,618,738	-	2,960,000
2010	49,530	3,080,261,259	8,510,000	6,545,507	-	2,645,000
2011	50,325	3,197,043,335	6,705,000	6,463,368	-	2,325,000
2012	50,520	3,252,729,392	3,760,000	5,513,557	-	1,660,000
2013	50,710	3,274,781,219	2,590,000	5,415,689	-	1,305,000
2014	50,720	3,359,260,761	1,335,000	5,314,001	-	940,000



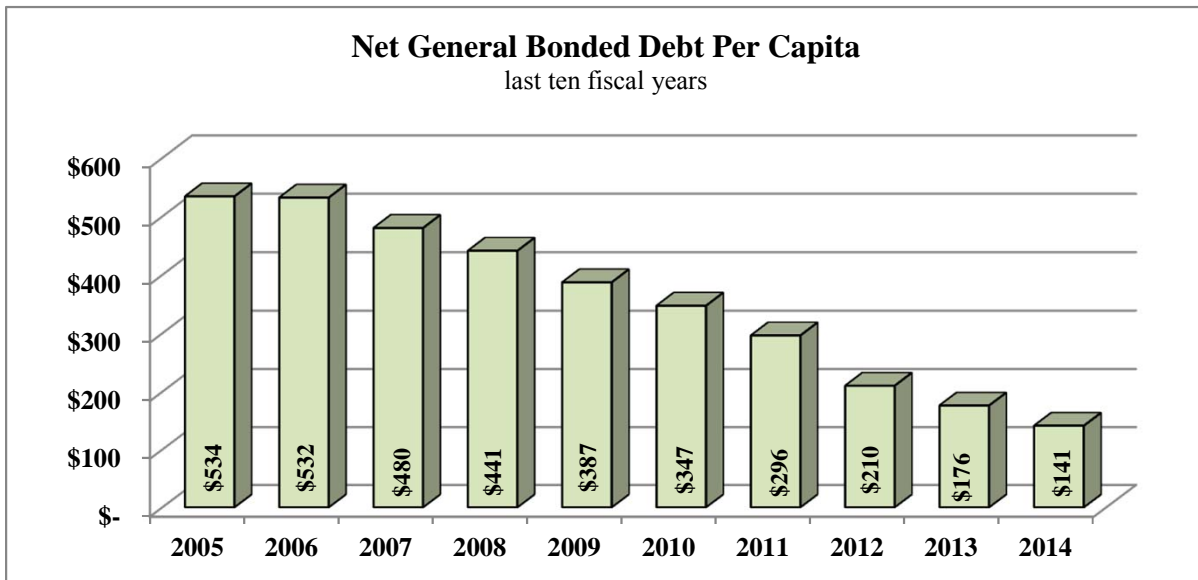
- (1) General bonded debt includes general obligation bonds and other bonded debt financed with any general governmental resources excluding special assessment bonds.
- (2) In March 1999, \$9,850,000 of general obligation bonds were issued to finance the reconstruction of four major arterial roads within the City.
- (3) \$127,607 available for General Obligation Debt. \$312,397 available for the Limited Tax Pension Bonds.

Source: City of Albany 2005-2014 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

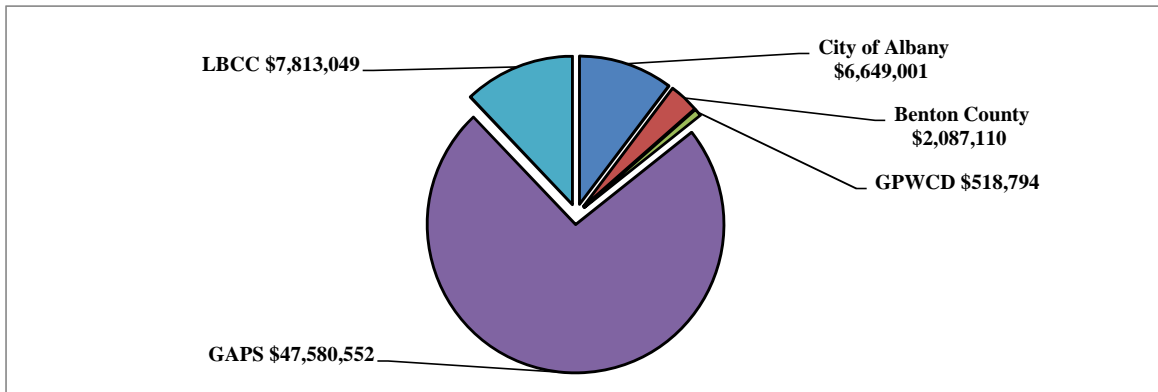
Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
338,014	\$ 23,522,033	1.0186%	\$ 534.23	0.87%
385,818	24,120,070	0.9686%	531.75	0.87%
623,480	22,369,138	0.8417%	479.92	0.77%
661,029	20,912,752	0.7439%	440.55	0.71%
686,790	19,041,948	0.6442%	387.31	0.59%
528,613	17,171,894	0.5575%	346.70	0.53%
602,653	14,890,715	0.4658%	295.89	0.44%
317,262	10,616,295	0.3264%	210.14	0.30%
403,483	8,907,206	0.2720%	175.65	0.24%
439,829	7,149,172	0.2128%	140.95	n/a



Schedule 11  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**  
as of June 30, 2014

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)	\$ 6,649,001	100.0000%	\$ 6,649,001
<b>OVERLAPPING DEBT</b>			
Benton County	17,277,834	12.0797%	2,087,110
Grand Prairie Water Control District (GPWCD)	674,471	76.9187%	518,794
Greater Albany Public School (GAPS) District 8J	64,684,050	73.5584%	47,580,552
Linn Benton Community College (LBCC)	34,258,893	22.8059%	7,813,049
Total overlapping debt	116,895,248		57,999,505
Total direct and overlapping debt	\$ 123,544,249		\$ 64,648,506

**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

2007 General Obligation Bonds	\$ 1,335,000
2002 Limited Tax Pension Obligations	5,314,001
Total City of Albany net outstanding debt - bonded	6,649,001

(3) Remaining City of Albany net outstanding debt

2004 General Revenue Obligations	940,000
2007 CARA Series A (Taxable) & B (Tax-exempt) UR Bonds	2,822,000
OEDD - Target Notes Payable	71,881
2013 Capital Leases for City of Albany Police Cars	71,241
Total Remaining City of Albany net outstanding debt	3,905,122
Grand Total of City of Albany net outstanding debt	\$ 10,554,123

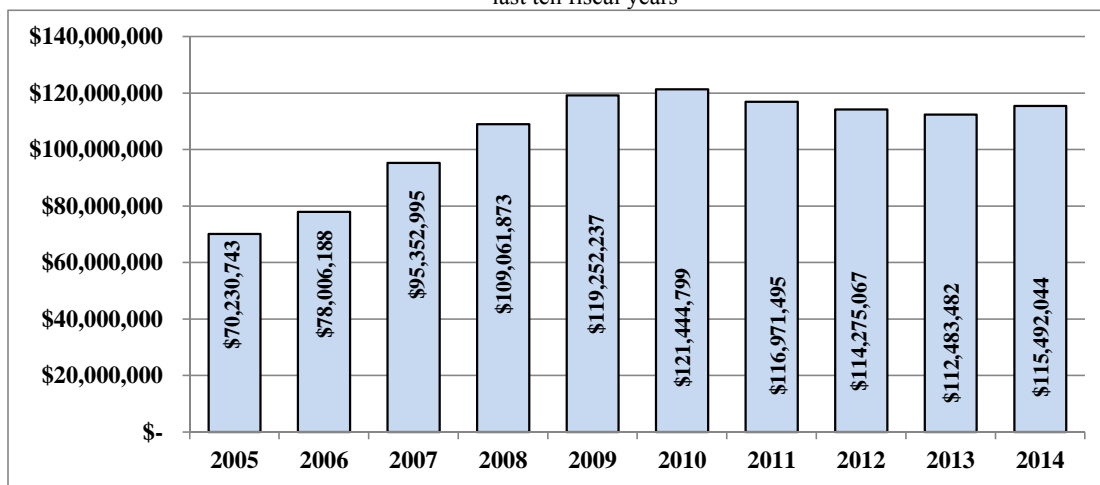
Start where you are. Use what you have. Do what you can.

Arthur Ashe

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

	2005	2006	2007	2008
Debt limitation	\$ 83,847,424	\$ 90,355,908	\$ 106,555,821	\$ 118,794,436
Total net debt applicable to limitation	13,616,681	12,349,720	11,202,826	9,732,563
Legal debt margin	<u>\$ 70,230,743</u>	<u>\$ 78,006,188</u>	<u>\$ 95,352,995</u>	<u>\$ 109,061,873</u>
Ratio of net debt applicable to the debt limitation	<u>16.24%</u>	<u>13.67%</u>	<u>10.51%</u>	<u>8.19%</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 64.45 percent (\$45,261,301) over the last ten years. During the same period, the City's true cash value increased by 38.63 percent (\$1,083,971,711) and the City's general obligation debt decreased by 92.05 percent (\$13,989,074). Current economic conditions will have an effect on the legal debt margin.

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

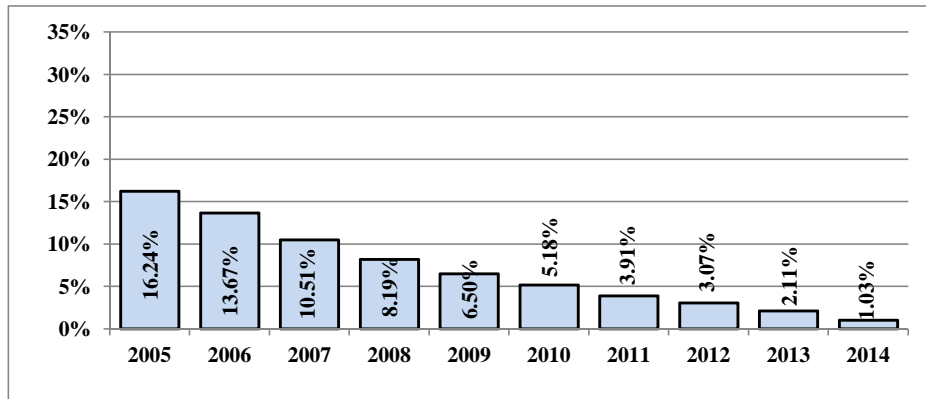
Schedule 12  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 Last Ten Fiscal Years

2009	2010	2011	2012	2013	2014	
\$127,544,266	\$128,080,822	\$121,727,765	\$ 117,889,589	\$114,909,144	\$ 116,699,781	Debt limitation
8,292,029	6,636,023	4,756,270	3,614,522	2,425,662	1,207,737	Total net debt applicable to limitation
<u>\$119,252,237</u>	<u>\$121,444,799</u>	<u>\$116,971,495</u>	<u>\$ 114,275,067</u>	<u>\$112,483,482</u>	<u>\$ 115,492,044</u>	Legal debt margin
<u>6.50%</u>	<u>5.18%</u>	<u>3.91%</u>	<u>3.07%</u>	<u>2.11%</u>	<u>1.03%</u>	Ratio of net debt applicable to the debt limitation

**Legal debt margin calculation for Fiscal Year**

True cash value	\$ 3,889,992,692
General obligation debt limit - 3% of true cash value	<u>3%</u>
General obligation debt limit	116,699,781
Gross general obligation bonded debt principal	
2007 General Obligation Refunding Bonds	1,335,000
Less: Debt service monies available	
Debt Service Fund:	
2007 GO Refunding bonds	<u>127,263</u>
Net debt subject to the three percent limitation	<u>1,207,737</u>
Legal debt margin	<u>\$ 115,492,044</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:		Net Available Resources	Debt Service			Coverage Percentage
		Operating Expenses	Depreciation		Principal	Interest	Total	
2005	10,726,171	6,778,877	1,359,107	5,306,401	1,266,770	1,796,347	3,063,117	173.24%
2006	11,081,731	8,305,444	1,754,196	4,530,483	1,284,657	1,769,010	3,053,667	148.36%
2007	12,145,427	9,378,920	2,049,219	4,815,726	1,307,704	1,741,163	3,048,867	157.95%
2008	12,127,657	9,896,712	2,124,833	4,355,778	1,340,875	1,693,492	3,034,367	143.55%
2009	12,496,597	9,635,861	2,191,108	5,051,844	1,374,316	1,625,302	2,999,618	168.42%
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%

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

**Sewer Revenue Debt Coverage requirement equals 105%)**

Fiscal Year Ended June 30,	Operating Revenues	Less:		Net Available Resources	Debt Service			Coverage Percentage
		Operating Expenses	Depreciation		Principal	Interest	Total	
2005	7,572,603	7,344,017	1,967,278	2,195,864	445,000	64,431	509,431	431.04%
2006	8,745,070	7,975,160	2,057,449	2,827,359	450,000	57,373	507,373	557.25%
2007	9,685,266	8,736,409	2,130,168	3,079,025	465,000	331,354	796,354	386.64%
2008	10,842,503	9,414,548	2,186,620	3,614,575	636,080	1,379,442	2,015,522	179.34%
2009	11,310,398	9,335,578	2,188,811	4,163,631	656,080	1,351,712	2,007,792	207.37%
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%

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.

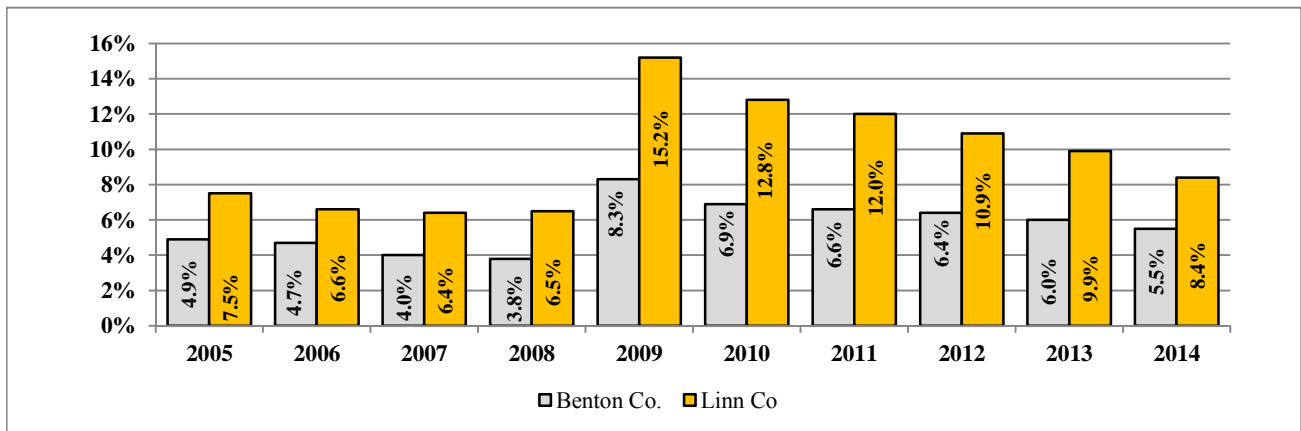
Source: City of Albany 2005-2014 Comprehensive Annual Financial Reports

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.
2005	44,030	106,350	2,694,909,000	25,340	8,721	7.5%	4.9%
2006	45,360	107,150	2,756,969,500	25,730	8,972	6.6%	4.7%
2007	46,610	108,250	2,913,657,000	26,916	9,169	6.4%	4.0%
2008	47,470	109,320	2,942,457,120	26,916	9,100	6.5%	3.8%
2009	49,165	110,815	3,243,887,495	29,273	9,197	15.2%	8.3%
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	n/a	n/a	9,925	8.4%	5.5%

Over the last ten years, the City's population has increased by 15.19 percent (6,690). From 2005 to 2014 per capita personal income has risen by 18.72 percent (\$4,743) in the Albany-Lebanon micropolitan statistical area. Albany's city boundaries span two counties: Linn County (population 43,808) and Benton County (population 6,912). As of Fiscal Year 2012-13 (per capita data lags one year), per capita personal income was \$30,984 for Linn County, \$39,880 for Benton County, and \$40,233 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District increased by 13.81 percent (1,204 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 (2013 is the most current data available)
- (3) Greater Albany Public School District 8J
- (4) State of Oregon, Employment Department

Problems are not stop signs; they are guidelines.

Robert H. Schuller

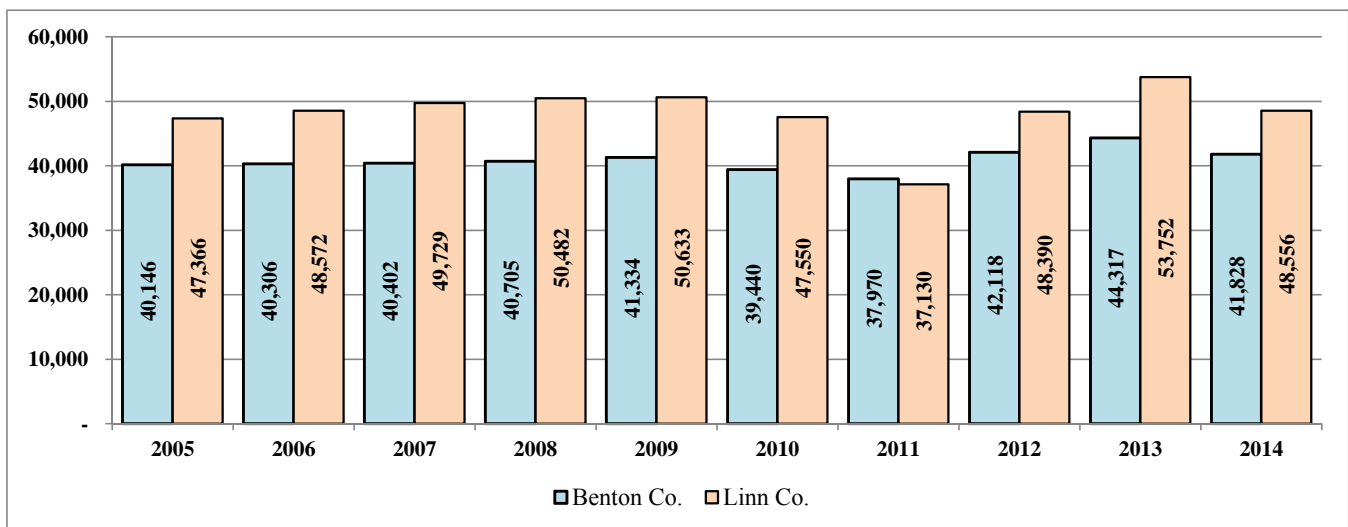


Schedule 15  
**CITY OF ALBANY, OREGON**  
**ALBANY AREA PRINCIPAL EMPLOYERS**  
for the Fiscal Years ended June 30, 2005, and June 30, 2014

Employer	June 30, 2014			June 30, 2005		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	9,240	1	9.42%	9,091	1	10.43%
Samaritan Health Services (Albany General Hospital - 1998)	-	-	-	-	-	-
Hewlett Packard	5,000	2	5.10%	870	6	1.00%
Greater Albany Public School District 8J	2,000	3	2.04%	3,430	2	3.93%
Linn Benton Community College	983	4	1.00%	952	5	1.09%
Linn County	941	5	0.96%	1,069	4	1.23%
ATI Wah Chang (Teledyne Wah Chang - 1997) (1)	857	6	0.87%	-	-	0.00%
Dayton-Hudson Corporation (Target)	650	7	0.66%	574	8	0.66%
City of Albany	635	8	0.65%	782	9	0.90%
Express Personnel	390	9	0.40%	-	-	-
Alvac Albany	300	10	0.31%	-	-	-
Weyerhaeuser	-	-	-	1,199	3	1.38%
National Frozen Foods	-	-	-	795	7	0.91%
Totals	20,996		21.41%	19,193		22.02%
Total employment in Linn and Benton Counties	98,069			87,174		

(1) ATI was not listed in the FY 2004-05 CAFR, although it was one of the principal employers in this area.

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



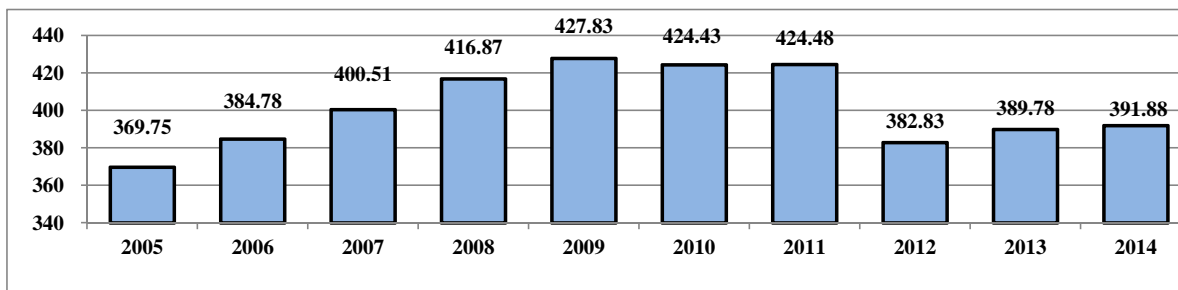
The percentage of top ten employers to total jobs for Linn and Benton Counties has been quite stable over the ten-year period, with a low of 21.41 percent in 2014 and a high of 23.96 percent in 2013. Total employment in Benton and Linn Counties has increased by 12.5 percent (2,641 jobs) over the last 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	2005	2006	2007	2008	2009
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government					
Building Maintenance	2.00	-	-	-	-
Economic Development	-	1.00	3.77	3.00	1.00
Public Transit	5.75	5.75	9.34	10.18	11.68
Planning	7.50	8.50	8.50	9.00	9.50
Building Inspection	9.25	12.00	12.00	14.50	14.00
Electrical Permit Program	1.25	1.50	1.50	1.50	1.50
Total General Government	25.75	28.75	35.10	38.18	37.68
Public Safety					
Fire	76.00	76.00	75.00	78.00	80.00
Police	86.25	87.00	92.00	93.25	94.25
Municipal Court	4.05	4.05	4.05	5.13	5.38
Total Public Safety	166.30	167.05	171.05	176.38	179.63
Highways and Streets					
Street Fund	10.65	8.00	10.20	8.00	8.00
Airport	-	-	-	-	-
Total Highways and Streets	10.65	8.00	10.20	8.00	8.00
Culture and Recreation					
Parks & Recreation	26.36	29.94	30.98	31.98	35.95
Library	20.04	20.04	20.04	20.23	21.98
Total Culture and Recreation	46.40	49.98	51.01	52.21	57.93
Total Governmental Activities	249.10	253.78	267.36	274.77	283.23
<b>BUSINESS-TYPE ACTIVITIES</b>					
Enterprise					
Water	27.04	20.50	28.21	22.50	23.50
Sewer	26.31	21.50	29.59	21.50	21.50
Total Enterprise	53.35	42.00	57.80	44.00	45.00
Internal Service					
Central Services	35.30	37.00	40.60	44.10	43.60
Public Works Services	26.00	52.00	34.75	54.00	56.00
Equipment Maintenance	6.00	-	-	-	-
Total Internal Service	67.30	89.00	75.35	98.10	99.60
Total Business-type Activities	120.65	131.00	133.15	142.10	144.60
Grand Total - All Full-time Equivalents	369.75	384.78	400.51	416.87	427.83

**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

2010	2011	2012	2013	2014	
					<b>GOVERNMENTAL ACTIVITIES</b>
-	-	-	-	-	General Government
1.00	1.00	1.00	1.00	2.00	Building Maintenance
10.68	10.35	10.63	10.63	11.30	Economic Development
9.50	9.50	7.50	8.25	6.10	Public Transit
14.00	14.00	7.50	5.75	5.75	Planning
1.50	1.50	0.75	0.75	0.75	Building Inspection
					Electrical Permit Program
<u>36.68</u>	<u>36.35</u>	<u>27.38</u>	<u>26.38</u>	<u>25.90</u>	Total General Government
					Public Safety
79.60	79.60	73.60	79.20	78.40	Fire
94.25	94.25	87.75	87.88	87.88	Police
5.38	5.38	4.38	4.38	4.38	Municipal Court
<u>179.23</u>	<u>179.23</u>	<u>165.73</u>	<u>171.45</u>	<u>170.65</u>	Total Public Safety
					Highways and Streets
8.00	8.00	7.45	7.45	7.45	Street Fund
0.50	0.45	0.10	0.10	0.10	Airport
<u>8.50</u>	<u>8.45</u>	<u>7.55</u>	<u>7.55</u>	<u>7.55</u>	Total Highways and Streets
					Culture and Recreation
35.95	35.95	26.43	26.53	26.65	Parks & Recreation
21.98	21.78	20.90	20.93	20.93	Library
<u>57.93</u>	<u>57.73</u>	<u>47.33</u>	<u>47.45</u>	<u>47.58</u>	Total Culture and Recreation
<u>281.83</u>	<u>281.30</u>	<u>247.98</u>	<u>252.83</u>	<u>251.68</u>	Total Governmental Activities
					<b>BUSINESS-TYPE ACTIVITIES</b>
					Enterprise
22.50	23.50	22.50	21.50	21.50	Water
21.50	21.50	22.50	23.50	23.50	Sewer
<u>44.00</u>	<u>45.00</u>	<u>45.00</u>	<u>45.00</u>	<u>45.00</u>	Total Enterprise
					Internal Service
43.60	43.80	39.85	40.95	41.20	Central Services
55.00	54.38	50.00	51.00	54.00	Public Works Services
-	-	-	-	-	Equipment Maintenance
<u>98.60</u>	<u>98.18</u>	<u>89.85</u>	<u>91.95</u>	<u>95.20</u>	Total Internal Service
<u>142.60</u>	<u>143.18</u>	<u>134.85</u>	<u>136.95</u>	<u>140.20</u>	Total Business-type Activities
<u>424.43</u>	<u>424.48</u>	<u>382.83</u>	<u>389.78</u>	<u>391.88</u>	Grand Total - All Full-time Equivalents

Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 1999
2005	369.75	-	-
2006	384.78	4.06%	4.06%
2007	400.51	4.09%	8.32%
2008	416.87	4.08%	12.74%
2009	427.83	2.63%	15.71%
2010	424.43	-0.79%	14.79%
2011	424.48	0.01%	14.80%
2012	382.83	-9.81%	3.54%
2013	389.78	1.82%	5.42%
2014	391.88	0.54%	5.98%

The average annual rate of change over ten year period is 2.91%.

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

Function	2005	2006	2007	2008	2009
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>General Government</b>					
Planning and Community Development					
Number of planning applications	167	161	150	181	96
Total permits issued	4,736	4,574	4,200	3,285	2,535
New construction permits issued	617	476	430	33	177
Single-family permits issued	558	417	400	186	97
Electrical permits issued	1,558	1,423	1,600	1,158	990
Building Maintenance					
Square footage of buildings maintained	167,020	167,020	217,020	220,000	220,000
Work orders completed	1,649	1,680	1,804	1,417	2,002
Public Transit					
Total number of riders	69,973	72,936	75,000	177,305	205,220
Total annual route miles	72,879	80,153	80,400	264,591	241,359
<b>Public Safety</b>					
Municipal Court					
Number of warrants issued	2,265	1,892	2,500	1,487	1,584
Case numbers issued	4,866	6,202	4,900	8,174	8,834
Police					
Total arrests	3,763	4,374	3,800	4,406	4,227
Traffic citations issued	3,536	5,862	7,500	11,303	6,097
Animal and abandoned vehicle calls	3,365	3,160	3,300	2,304	2,401
Fire					
Total calls for emergency fire and EMS services	5,594	5,995	6,200	6,407	6,410
Full response structure fires	82	71	88	60	85
<b>Highways and Streets</b>					
Street Fund					
Miles of streets slurry-sealed annually	6	5	8	6	6
Customer service work order/complaint responses	735	540	600	540	720
Miles of painted paving marking	48	48	48	46	46
<b>Culture and Recreation</b>					
Parks & Recreation					
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	95,000	106,500	108,900	111,700	112,150
Annual performance series and Northwest Art and Air Festival attendance	103,300	85,000	102,000	103,091	102,011
Library					
Total number of library items borrowed	584,862	578,595	600,000	609,273	696,327
Total number of reference questions	27,863	36,541	35,000	31,080	38,860
<b>BUSINESS-TYPE ACTIVITIES</b>					
Sewer					
Dry tons of biosolids applied annually	648	681	650	637	599
Millions of gallons of wastewater treated annually	2,352	3,010	2,830	3,156	2,708
Sewer line locate requests	4,298	4,000	4,400	3,471	2,979
Water					
Millions of gallons of water treated annually	2,644	1,645	1,650	3,068	2,911
Miles of water pipe maintained annually	234	245	255	270	271
Number of fire hydrants maintained in the water system	1,550	1,670	1,670	1,891	1,953

Source: City of Albany annual budget

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

2010	2011	2012	2013	2014	
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>General Government</b>					
					Planning and Community Development
108	134	143	62	132	Number of planning applications
2,245	1,939	1,939	2,189	2,332	Total permits issued
192	11	6	418	5	New construction permits issued
156	76	80	128	141	Single-family permits issued
878	755	751	816	905	Electrical permits issued
<b>Building Maintenance</b>					
206,780	206,780	233,780	233,780	296,233	Square footage of buildings maintained
2,228	2,250	2,203	2,001	1,886	Work orders completed
<b>Public Transit</b>					
218,511	228,663	237,424	234,186	231,224	Total number of riders
252,097	262,990	260,222	275,977	287,257	Total annual route miles
<b>Public Safety</b>					
<b>Municipal Court</b>					
1,347	1,398	1,680	1,777	2,516	Number of warrants issued
6,202	4,900	3,891	3,671	5,079	Case numbers issued
<b>Police</b>					
3,548	2,731	3,453	3,609	4,777	Total arrests
5,851	4,681	4,120	3,315	3,907	Traffic citations issued
2,484	1,496	2,266	2,320	2,288	Animal and abandoned vehicle calls
<b>Fire</b>					
6,049	6,388	6,432	6,448	7,133	Total calls for emergency fire and EMS services
67	91	113	53	49	Full response structure fires
<b>Highways and Streets</b>					
<b>Street Fund</b>					
-	-	-	-	-	Miles of streets slurry-sealed annually
554	541	509	492	461	Customer service work order/complaint responses
52	51	65	55	57	Miles of painted paving marking
<b>Culture and Recreation</b>					
<b>Parks &amp; Recreation</b>					
172,630	184,154	187,261	186,401	188,102	Number of participants in classes, Senior Center activities, sports programs, and aquatic programs
99,100	118,700	121,104	123,200	122,206	Annual performance series and Northwest Art and Air Festival attendance
<b>Library</b>					
773,960	780,188	700,619	709,004	685,781	Total number of library items borrowed
44,297	41,043	42,766	34,435	33,338	Total number of reference questions
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Sewer</b>					
121	-	-	9	25	Dry tons of biosolids applied annually
2,697	3,300	3,094	2,842	2,900	Millions of gallons of wastewater treated annually
2,836	4,307	3,319	2,920	3,458	Sewer line locate requests
<b>Water</b>					
2,847	2,865	2,449	2,755	2,660	Millions of gallons of water treated annually
281	283	290	292	282	Miles of water pipe maintained annually
1,992	1,877	2,025	1,914	1,740	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	2005	2006	2007	2008	2009
<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	157	157	158	160	160
Miles of unimproved streets	20	28	28	28	28
Miles of gravel streets	8	8	8	8	8
<b>Culture and Recreation</b>					
Parks & Recreation					
Number of developed park sites	29	30	33	31	33
Acres of developed park land	621	603	612	772	735
Library					
Number of libraries	2	2	2	2	2
Number of volumes	152,200	154,611	160,562	169,217	184,573
<b>BUSINESS-TYPE ACTIVITIES</b>					
Enterprise					
Sewer					
Miles of sanitary sewer lines	210	212	217	219	222
Miles of storm sewer lines (12 inches or larger)	92	97	100	105	117
Number of sewer hookups	15,494	15,372	15,870	15,900	17,330
Water					
Miles of water lines	267	267	271	274	279
Number of water hookups	15,953	16,161	16,467	16,662	16,662
Number of water treatment plants	1	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

2010	2011	2012	2013	2014	
					<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>
163	165	165	166	166	Miles of improved streets
28	36	36	35	35	Miles of unimproved streets
8	8	8	8	n/a	Miles of gravel streets
					<b>Culture and Recreation</b>
					<b>Parks &amp; Recreation</b>
33	33	36	36	36	Number of developed park sites
424	564	564	564	564	Acres of developed park land
					<b>Library</b>
2	2	2	2	2	Number of libraries
213,059	210,071	210,071	242,966	250,944	Number of volumes
					<b>BUSINESS-TYPE ACTIVITIES</b>
					<b>Enterprise</b>
					<b>Sewer</b>
227	223	223	223	230	Miles of sanitary sewer lines
120	151	151	104	104	Miles of storm sewer lines (12 inches or larger)
15,848	15,712	15,912	17,586	16,556	Number of sewer hookups
					<b>Water</b>
286	283	290	292	276	Miles of water lines
17,114	17,463	17,551	18,320	18,000	Number of water hookups
2	2	2	2	2	Number of water treatment plants

We are constantly working towards the highest level of compliance possible.

Mike Davidson



## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE  
 MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

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, 2014, and have issued our report thereon dated December 31, 2014.

**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).

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

**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:

Expenditures in excess of appropriations occurred as follows:

<u>Fund/ Appropriation Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Ambulance - Materials and services	\$ 281,800	\$ 292,488	\$ (10,688)

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

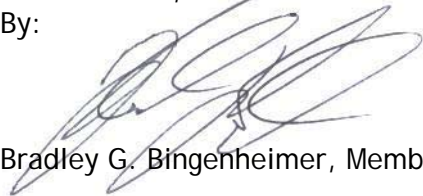
In planning and performing our audit, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion 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. Deficiencies in internal control, if any, were communicated separately.

**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  
December 31, 2014

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 standard 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 31, 2014.

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

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

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

**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  
December 31, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, **CITY OF ALBANY**, complied, in all material respects, with the type 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, 2014.

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

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 (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 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 a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 31, 2014

CITY OF ALBANY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

**Section I Summary of Auditors' Results**

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***Financial Statements***

Type of auditor's report issued: *Unmodified*

Internal controls over financial reporting:  
Material weakness(es) identified? No  
Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

***Federal awards***

Internal control over major federal programs:  
Material weakness(es) identified? No  
Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? No

Identification of major federal programs:

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit - Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as a low-risk auditee: Yes

**Section II - Financial Statement Findings**

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None

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

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None



CITY OF ALBANY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

<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>
<i>Department of Housing and Urban Development</i>			
Community Development Block Gran	14.218	B-14-MC-41-0011	\$ 48,458
<i>Department of the Interior</i>			
<b>National Park Service</b>			
<i>Passed through Oregon Department of Parks and Recreation</i>			
Historic Preservation Fund Grants-In-Aic	15.904	OR12-01	10,894
<i>Department of Justice</i>			
<b>Bureau of Justice Assistance</b>			
Bulletproof Vest Partnership Program	16.607		2,925
<i>Department of Transportation</i>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program	20.106	3-41-0001-012-2012	255,894
<b>Federal Highway Administration</b>			
Highway Planning and Construction	20.205		20,550
<b>Federal Transit Administration</b>			
Formula Grants - Urbanized Area Formla	20.507		543,473
<i>Passed through Linn County, Oregon</i>			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		327,032
<b>National Highway Traffic Safety Administration</b>			
<i>Passed through Oregon Association of Chiefs of Police</i>			
Highway Safety Cluster			
State and Community Highway Safety	20.600		2,050
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		2,350
Subtotal Highway Safety Cluster			4,400
<b>Pipeline and Hazardous Materials Safety Administration</b>			
<i>Passed through Oregon State Police</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grant	20.703		11,013
Total Department of Transportation			1,162,362
<i>Environmental Protection Agency</i>			
<i>Passed through the Oregon Department of Environmental Quality</i>			
Capitalization Grants for Clean Water State Revolving Fund:	66.458		6,742
<i>General Services Administration</i>			
<i>Passed through the Oregon Department of Administrative Services</i>			
Donation/Sale of Federal Surplus Property	39.003		87

Continued on next page

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<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>
<i>Corporation for National and Community Service</i>			
Foster Grandparent Program	94.011	12SFPOR002	\$ 116,021
<i>Department of Homeland Security</i>			
Staffing for Adequate Fire and Emergency Response (SAFER	97.083	EMW-2011-FH-01079	591,848
<i>Passed through Oregon Military Department</i>			
Disaster Grants - Public Assistance	97.036		28,900
State Homeland Security Program	97.073		64,206
Total Department of Homeland Security			684,954
Total Expenditures of Federal Awards			\$ 2,032,443

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards is a summary of the City's federal award program presented on the modified accrual basis of accounting in accordance with generally accepted accounting principle.