



CITY OF ALBANY, OREGON

*FY 2014-2015*

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# Comprehensive Annual Financial Report

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*For the year ended June 30, 2015*



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**City of Albany, Oregon**

**Comprehensive Annual Financial Report**

**for the Fiscal Year Ended**

**June 30, 2015**

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

**Wes Hare, City Manager**

**Stewart Taylor, Finance Director**

**Prepared by:**

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

**City of Albany, Oregon**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2015**  
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## Introductory Section

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# City of Albany, Oregon

333 Broadalbin Street SW

Albany, Oregon 97321

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

Council Members, Administrative Staff and Principal Finance Staff  
June 30, 2015

## Council Members

<u>Ward</u>	<u>Council</u>	<u>Years of Service</u>	<u>Term Expires</u>
	Sharon Konopa, Mayor	19	December 31, 2016
I	Dick Olsen	17	December 31, 2018
I	Floyd Collins	8	December 31, 2016
II	Bill Coburn	7	December 31, 2016
II	Ray Kopczynski	4	December 31, 2018
III	Bessie Johnson	13	December 31, 2018
III	Rich Kellum	2	December 31, 2016

## Administrative Staff

		<u>Years in this Position</u>	<u>Years of Service with the City of Albany</u>
City Manager	Wes Hare	10	10
Finance Director	Stewart Taylor	8	8
Economic Development / Urban Renewal	Kate Porsche	2	9
Public Works (Ops), Interim	Chris Bailey	1	12
Public Works (Eng/CD), Interim	Jeff Blaine	1	13
Parks and Recreation Director	Ed Hodney	12	12
Library Director	Ed Gallagher	11	16
Police Chief	Mario Lattanzio	2	2
Fire Chief	John Bradner	7	26
Information Technology Director	Jorge Salinas	10	10
Human Resources Director	David Shaw	11	11

## Principal Finance Staff

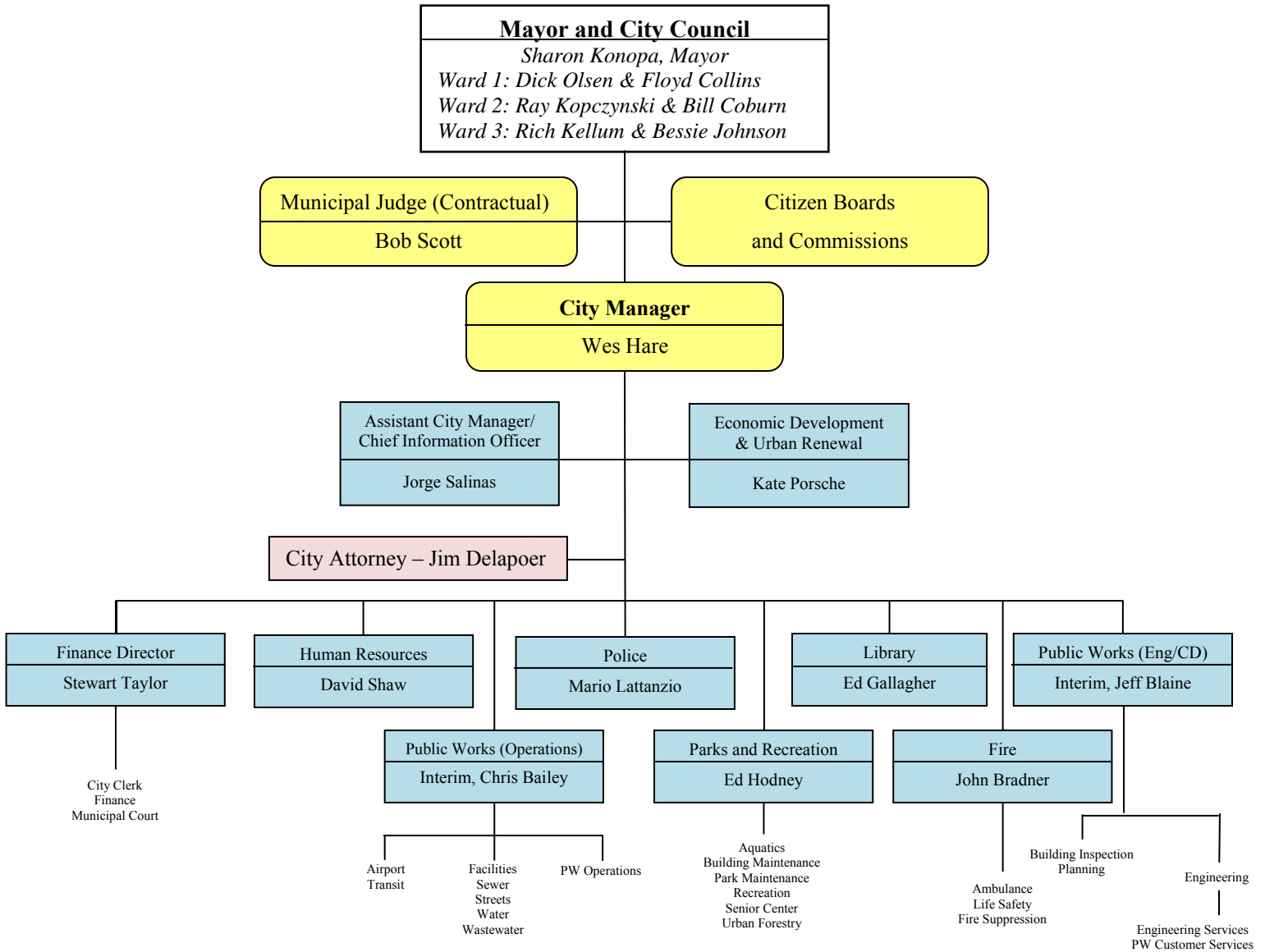
Finance Director  
Stewart Taylor

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

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December 30, 2015

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 (FY), 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, 2015, 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 164.

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 2015

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**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**  
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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 51,270, Albany is the state's 11th largest city. The City's boundaries span Linn and Benton Counties with a population of 44,124 in Linn County and 7,146 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 ten 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 17,300 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 1,120 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, 2015, the unemployment rates for Linn County and Benton County were 7.3 percent and 4.6 percent, respectively. These rates were 8.4 percent and 5.5 percent for June 30, 2014. Linn County's jobless rate ranked 26th of Oregon's 36 counties. Benton County's jobless rate of 5.5 percent was the third 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 increased by 1.6 percent from \$3.83 billion to \$3.89 billion in the last fiscal year.

In May 2012, Albany voters approved the Public Safety Operating Levy effective July 1, 2013. At \$1.15/1000 of assessed valuation, this fire year 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 FY 2015, 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 Officer**

*City Bridges*, the City's monthly electronic newsletter, continues to be sent to subscribers via email on the last Tuesday of each month. The August 25, 2015, issue, was sent to 17,314 recipients; about 2,385 of those opened at least one story. The City also maintains 16 Facebook pages, six 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. Social media channels connect with residents who may not use more traditional methods of communication. 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 1,666 likes; the most popular page is River Rhythms, with 4,733 likes. The main Twitter account has 1,065 followers.

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

### **Economic Development**

The City entered into a unique community-wide workforce development partnership with Albany-area businesses, industries, and Linn-Benton Community College (LBCC). The City agreed to fund \$2.9 million for technical training and equipment at LBCC. The funds will be used to purchase equipment for the creation and enhancement of one-year certificates and 2-year degree programs. The specialty skills training will include non-

destructive testing, titanium welding, machine tooling and mechatronics. The funding was provided in response to identified needs for skilled labor.

### **Police**

An \$18 million dollar bond measure for new police and fire stations was approved by Albany residents in the May 2015 election. David Evans and Associates, Inc., was selected as the Project Owner's Representative to provide professional, technical, and expert project management services to oversee the preliminary design contract and construction of both the Police and Fire Station projects. Police Department staff and Mackenzie staff began work on design components of the new police facility. Construction is scheduled to begin in May 2016. This project is ongoing.

The Department, along with the Linn County Sheriff's Office and Albany Fire Department, selected a vendor for a new computer-aided dispatch, mobile reporting, and records management system. This new software and service will replace a 25+ year old system and eliminate the need for multiple add-on systems. The improved system will allow the Department to streamline work processes, provide integrated and reliable access to comprehensive data, and leverage current technology to improve efficiency, data sharing, and user functionality.

The Administrative Services Supervisor position was restored to full-time status following the retirement of a part-time temporary Administrative Services Supervisor employee.

### **Community Development**

#### **Building**

The Building Division processed permits with over \$81 million permit valuation from a wide variety of new construction and building alterations.

- New and altered commercial buildings accounted for approximately \$21 million, or 26%, of the total valuation.
- In 2014 there were 171 apartments units which increased in 2015 to 221 units accounting for approximately \$30 million, or 37%, of the total.
- In 2014 there were 156 permits for single-family-homes/duplexes and manufactured homes but the total decreased in 2015 to only 134 units accounting for approximately \$27 million, or 34 %, of the total valuation. This included 117 new single family residences, 5 duplexes, and 12 manufactured homes. The average permit value per dwelling of new residences has increased from \$168,000 in 2011 to \$220,000 in 2015.
- Other miscellaneous permits accounted for approximately 3% of the total valuation. The Building Department issued an additional 1,310 permits, (electrical, fire sprinklers, etc.) not based on value that are not included in the \$81million figure.

#### **Planning**

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



- In FY 2015 the Planning Division reached a decision on 56 planning applications. The CLG grant provided two historic home rehabilitation grants. A total of \$498,461 in CDBG funds were used to serve 311 low-income Albany residents with job skills training, infant abuse prevention, G.E.D. testing, at-risk youth outreach and shelter acquisition, shelter for victims of domestic violence and women with children, transitional housing for homeless residents, housing rehabilitation, and small business development. CDBG Funds also replaced a 1,200-foot stretch of Periwinkle Path north of Queen Avenue. The Planning Division completed the process for the Community Assistance Visit for the City's participation in the National Flood Insurance Program, completed the annual recertification to maintain the City's current Class 6 rating and participation in the Community Rating System (CRS), and updated the Flood Hazard Section of the Natural Hazard Mitigation Plan.
- The Planning 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.

## **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.

### **Engineering**

In addition to ongoing pipe replacement and major maintenance projects, staff designed and saw several significant projects through construction. The most significant project completed in FY 2015 was the Main Street Roundabout. Construction on North Albany Road was also initiated and, once complete, will provide needed road restoration, safe pedestrian and bicycle facilities, emergency access to North Albany during flood events, and a much needed water transmission main to the Broadway Reservoir.

The Engineering Division continues to make substantial progress on stormwater management efforts. Albany's Post-Construction Stormwater Quality Standards became effective January 1, 2015, and staff continues efforts to update the citywide stormwater master plan. Staff is also working with the Department of Environmental Quality on development of a new NPDES MS4 Phase II permit which the City anticipates being required to obtain in 2016.

### **Water Operations**

The City successfully completed our Water System Survey conducted by the Oregon Health Authority (OHA) once every three years. The OHA survey found no significant deficiencies within the water treatment and distribution systems. Water staff have also continued successful compliance with all water quality regulations including the Long Term Enhanced Surface Water Treatment Rule which placed significant requirements on operation of the Vine Street water treatment plant.

### **Wastewater Operations**

The Wastewater Collections group completed the initial assessment of every sanitary sewer pipe segment within Albany's 220 mile gravity sewer system using nationally accepted standards for inspection, televising, and documenting pipe condition. This condition assessment informs routine maintenance tasks and the development of the Sewer portion of the Capital Improvement Program.

In the spring of 2015, over 3.6 acres of emergent wetland areas were planted at Talking Water Gardens in an on-going effort to maximize vegetation coverage of the wetland cells. These replanting efforts have increased vegetation coverage from 25% to 65% cover over the last three years.

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

The IT Department was able to absorb the Graphics & Web Specialist position and continue to provide these services to all departments.

In collaboration with the City Manager's office IT staff developed and deployed a Limited English Proficiency plan (LEP) that now is used in multiple departments throughout the city.

IT successfully migrated the City's financial dashboard from a home grown application to a more visual application. This work was accomplished through a partnership with Socrata Inc. Additionally, we upgraded multiple applications and systems throughout the city including email server, document management and Police/Fire systems.

The Geographic Information Systems division completed the 2015 aerial mapping project and updated our systems with current information on properties within the City of Albany.

IT staff successfully completed the first year of the Strategic Energy Management (SEM) program, and reduced energy related operating costs by \$84,578.

### **Human Resources**

The Human Resources Department received and processed 2,428 applications for approximately 48 vacant positions. The Department also processed 95 applications for state and/or federal Family Medical Leave, including 20 requests for bereavement leave under the Oregon Family Leave Act. The Department processed 789 Personnel Action Forms. Additionally, the Human Resources Department reviewed 26 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 (full time equivalent). The Department also began negotiations with the American Federation for State, County and Municipal Employees (AFSCME) for a successor collective bargaining agreement. Negotiations are continuing.

### **Finance**

The City was recognized by the Government Finance Officers Association (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, 2015, 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 2015, 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, 2015. 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.

### **New Accounting Statement Implemented**

With this audit report, the City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*. Summarized briefly, this statement requires government agencies to now record its relative share of pension related amounts in its statement of net position and statement of activities. Previously, these pension related amounts were only disclosed in the notes to the financial statements. Accordingly, there are new line items in the financial statements with terminology to include net pension asset, net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense.

These audited amounts were provided to the City by the actuaries of the Oregon Public Employees Retirement System (OPERS) and are now reflected in the City's statement of net position and statement of activities for fiscal year ended June 30, 2015. This new guidance also requires the restatement of the prior year net position. The notes to the basic financial statements and management's discussion and analysis contain further information about the effects of implementing this statement.

### **Awards**

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. 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 31 consecutive years (1984-2014). 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

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Government Finance Officers Association

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**City of Albany  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF ALBANY** as of and for the year ended June 30, 2015, 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, 2015, 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 and the required supplementary information on pages 86 and 87 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*

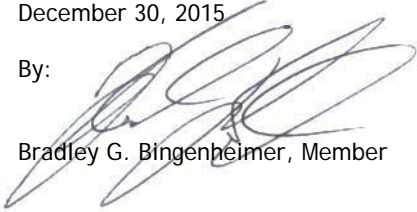
In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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 30, 2015, 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 30, 2015

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, 2015. 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 128).

## **Financial Highlights**

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$309,963,254 (net position). Of this amount, \$52,356,790 (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 \$33,330,797, a decrease of \$1,232,534 from the previous year. The General Fund ending fund balance increased by \$616,358, which included a prior period adjustment of \$(70,285), to \$2,681,907. In the General Fund, the ratio of ending fund balance to total expenditures less capital is 9.06 percent.

The Parks and Recreation ending fund balance increased by \$218,203 (10.49 percent) over prior year. The department had significant increases in sponsorships for fireworks, Summer Sounds, River Rhythms, and the Northwest Art and Air Festival. In addition, programs such as adult recreation, trips, pool fees, and park rentals generated substantially more revenues than predicted.

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, 2015, the ending fund balance had decreased from \$13,670,762 to \$12,472,648 (-8.76 percent).

The Street Fund ending fund balance decreased by \$2,964,247 (-33.86 percent). A large construction project in North Albany was started in FY 2015.

The Street Fund ending fund balance of \$5,789,444 includes \$3,523,750 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 \$126,877 (18.42 percent) to \$(2,566,638). Significant capital projects concluded were the airport fencing project, fire station repairs, and the Belmont culvert project.

In the non-major funds there are a few items which should be noted. The Building Fund ending fund balance increased from \$350,146 to \$1,160,814, an increase of 43.19 percent. The increase can be attributed to an upturn of home building in the area.

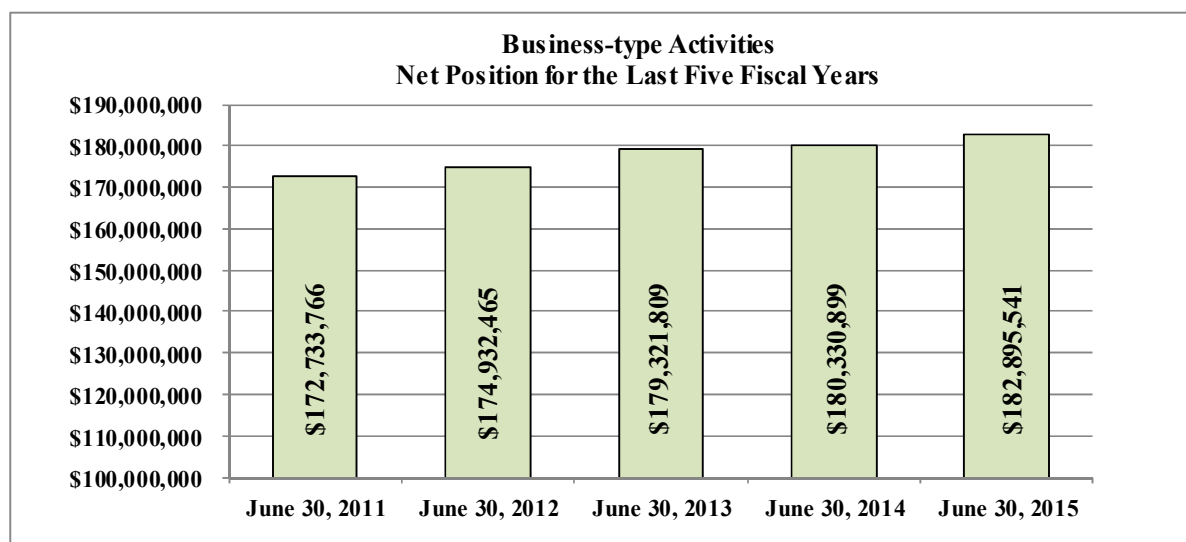
In the Public Safety Levy Fund, the ending fund balance increased by \$34,580 to \$72,286, an increase of 91.71 percent. Compression was less than budgeted, resulting in more property tax revenue. Please refer to the Oregon State Department of Revenue for details.

The Albany Revitalization Agency (ARA) ending fund balance increased \$1,172,634 (42.83 percent) for two main reasons: the 2007b bonds were paid off in FY 2014, resulting in no FY 2015 payments, and expenditures by the board remained low during the year.

## Governmental Funds: Changes in Fund Balance

Fund	2015 Fund Balance	2014 Fund Balance	Increase (decrease)	Per cent Change
General Fund	\$ 2,681,907	\$ 2,065,549	\$ 616,358	29.84%
Parks & Recreation	2,299,032	2,080,829	218,203	10.49%
Grants	534,386	552,108	(17,722)	-3.21%
Building Inspection	1,160,814	810,668	350,146	43.19%
Risk Management	12,472,648	13,670,762	(1,198,114)	-8.76%
Economic Development	745,339	549,237	196,102	35.70%
Public Transit	244,153	266,460	(22,307)	-8.37%
Public Safety Levy	72,286	37,706	34,580	91.71%
Capital Replacement	5,690,226	5,156,986	533,240	10.34%
Street	5,789,444	8,753,691	(2,964,247)	-33.86%
ARA	3,910,360	2,737,726	1,172,634	42.83%
Debt Service	161,728	439,829	(278,101)	-63.23%
Capital Projects	(2,566,638)	(2,693,515)	126,877	-4.71%
Senior Center Endowment	51,627	51,259	368	0.72%
Library Trust	83,485	84,036	(551)	-0.66%
<b>Totals</b>	<b>\$ 33,330,797</b>	<b>\$ 34,563,331</b>	<b>\$(1,232,534)</b>	<b>-3.57%</b>

Business-type net position increased \$2,564,644 (1.63 percent) for the 2014-2015 Fiscal Year. Operating income for the Water and Sewer Funds was \$5,995,475. The net of non-operating revenues and expenses totaled \$(2,570,075), which includes \$2,904,724 in debt interest expense. Capital contributions from developer site improvements and development fees totaled \$2,075,172.



### Changes in Net Position: Proprietary Funds

Fund	2015 Net Position	2014 Net Position	Increase (decrease)	Per cent Change
Water	\$ 73,531,000	\$ 71,848,379	\$ 1,682,621	2.34%
Sewer	110,636,444	108,818,536	1,817,908	1.67%
Central Services	(648,082)	(349,696)	(298,386)	85.33%
Public Works Services	(1,150,734)	(99,171)	(1,051,563)	-1060.35%
<b>Totals</b>	<b>\$ 182,368,628</b>	<b>\$ 180,218,048</b>	<b>\$ 2,150,580</b>	<b>1.19%</b>

For Fiscal Year 2015 there was limited growth in the net position for the City's two enterprise funds; net position increased 2.34 percent in the Water Fund and 1.67 percent in the Sewer Fund. The net position for each fund reflects prior period restatements related to the new pension-related GASB pronouncement.

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. GASB 68, which has changed the way pensions are recorded required a prior period restatement, contributing to a lower net position. However, at the true area of operations, the Budget to Actual financials, the ending fund balance for both the Central Services, \$490,788, and Public Works Services, \$179,765, 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 \$(648,082) and Public Works Services \$(1,150,734) show that they are not operating at a sustainable level or at break-even.

### Overview of the Finance Statements

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

The City adopted Government Accounting Standard Board (GASB) 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27* during FY 2015. GASB Statement 68 established accounting and financial reporting standards for employers, including reporting of the net pension asset or liability on the statement of net position, and deferred inflows and outflows associated with investment, economic and demographic gains and losses associated with pension plans. GASB Statement 68 also provides guidance related to the calculation of pension expense (income). Implementation required restatement of ending fund balances for FY 2014, which are reflected as prior period adjustments on the financial statements.

### Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

- Nonspendable - includes items not immediately converted to cash, such as prepaid items or inventories.
- Restricted - includes items that are restricted by external creditors, grantors, or contributors or by legal provisions.



- Committed - includes items committed by City Council formal resolutions.
- Assigned - includes items assigned for specific uses, authorized by the Director of Finance.
- Unassigned - this is the residual classification used for those balances not assigned to another category or for a negative balance.

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

At June 30, 2015, the City's governmental funds reported ending fund balances by category of:

Nonspendable	\$ 179,176
Restricted	12,565,772
Committed	20,480,214
Assigned	-
Unassigned	105,635
	<u>\$ 33,330,797</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 88 of this report.

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

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

### **Proprietary Funds**

The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The City uses enterprise funds to account for its water 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 30.

### Notes to the Basic Financial Statements

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

### Supplementary Data

The combining statements, referred to earlier in connection with nonmajor governmental funds, can be found starting on page 88.

### Statistical Information

The City would like to direct the reader's attention to the Statistical Section, starting on page 132, 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 \$309,963,254 at the close of the fiscal year, a decrease of .88 percent from the previous year. At fiscal year end, June 30, 2015, the City had \$235,817,426 invested in capital assets, net of related debt, and an unrestricted net position balance of \$52,356,790.

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 (\$21,789,038 or 7.1 percent) represents resources that are subject to restrictions on how they may be used. For Governmental Activities, net position restricted for capital projects (\$4,928,317) and for revitalization programs \$3,910,360) account for nearly all of the restricted net position.

### Selected Financial Statistics:

Population		51,270
Assessed value per capita	\$	69,248
Market value per capita	\$	82,600
Long-term debt (bonds, notes, certificates of participation, capital leases)	\$	94,209,745
Total long-term debt per capita	\$	1,838
Total general obligation debt**	\$	-
General obligation debt per capita**	\$	-
General obligation debt per \$1,000 of assessed value**	\$	-
General obligation debt service for Fiscal Year 2015 per \$1,000 of assessed value**	\$	-
Property taxes as a percentage of General Fund expenditures*		101%
Public safety expenditures as a percentage of General Fund expenditures		86%

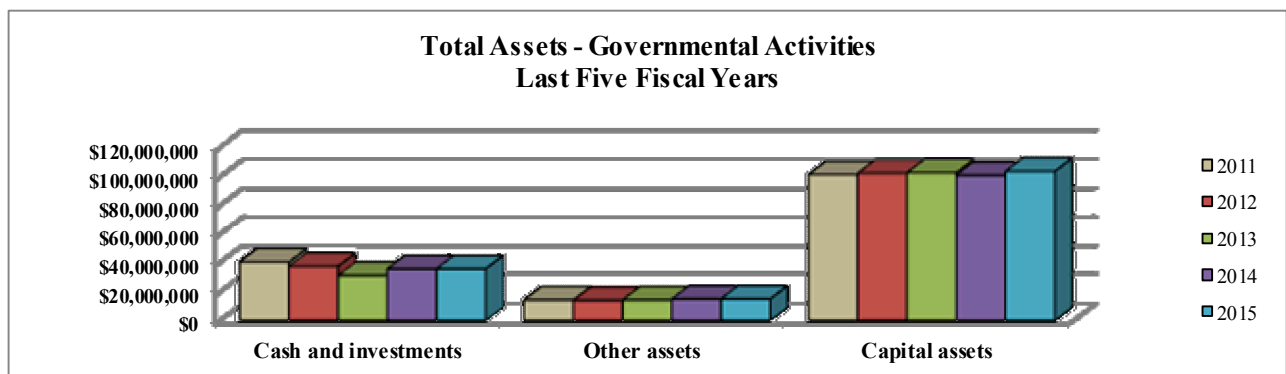
\*Property taxes from the public safety levy are recorded as tax receipts in the Public Safety Levy Fund. In order to accurately reflect the significance of property taxes in the General Fund, transfers into the General Fund from the Public Safety Levy Fund have been included in total General Fund revenues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

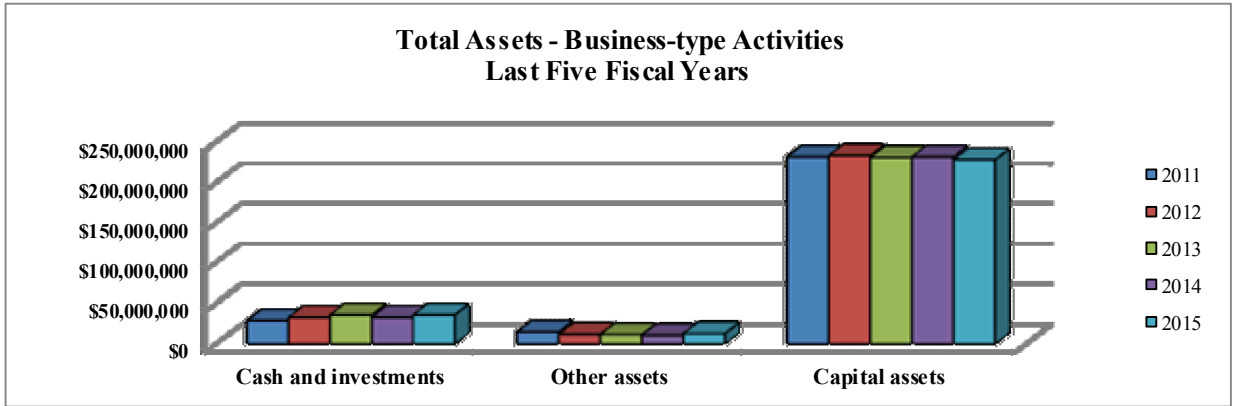
\*\*Current general obligation debt was paid off in the 2014-2015 fiscal year. New bonds were issued in 2015-2016, and those will be reflected in next year's numbers.

**Table 1 - Net Position Summary  
Governmental and Business-type Activities  
for the years ended June 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Cash and investments	\$ 35,672,630	\$ 35,530,756	\$ 36,022,476	\$ 33,058,803	\$ 71,695,106	\$ 68,589,559
Other assets	14,926,726	14,850,991	13,061,041	11,012,217	27,987,767	25,863,208
Capital assets	103,624,034	100,851,553	228,115,103	231,840,892	331,739,137	332,692,445
<b>Total assets</b>	<b>154,223,390</b>	<b>151,233,300</b>	<b>277,198,620</b>	<b>275,911,912</b>	<b>431,422,010</b>	<b>427,145,212</b>
Deferred Outflows of Resources	2,587,202	-	832,112	-	3,419,314	-
Other liabilities	3,081,357	2,962,014	2,431,652	2,556,886	5,513,009	5,518,900
Long term debt outstanding	14,375,273	15,903,244	88,751,953	93,024,127	103,127,226	108,927,371
<b>Total liabilities</b>	<b>17,456,630</b>	<b>18,865,258</b>	<b>91,183,605</b>	<b>95,581,013</b>	<b>108,640,235</b>	<b>114,446,271</b>
Deferred Inflows of Resources	12,286,249	-	3,951,586	-	16,237,835	-
Net Position:						
Net Investment in capital assets,	94,819,619	90,297,428	140,997,807	140,222,126	235,817,426	230,519,554
Restricted	11,071,442	16,359,363	10,717,596	10,863,027	21,789,038	27,222,390
Unrestricted	21,176,652	25,711,251	31,180,138	29,245,746	52,356,790	54,956,997
<b>Total Net Position</b>	<b>\$ 127,067,713</b>	<b>\$ 132,368,042</b>	<b>\$ 182,895,541</b>	<b>\$ 180,330,899</b>	<b>\$ 309,963,254</b>	<b>\$ 312,698,941</b>

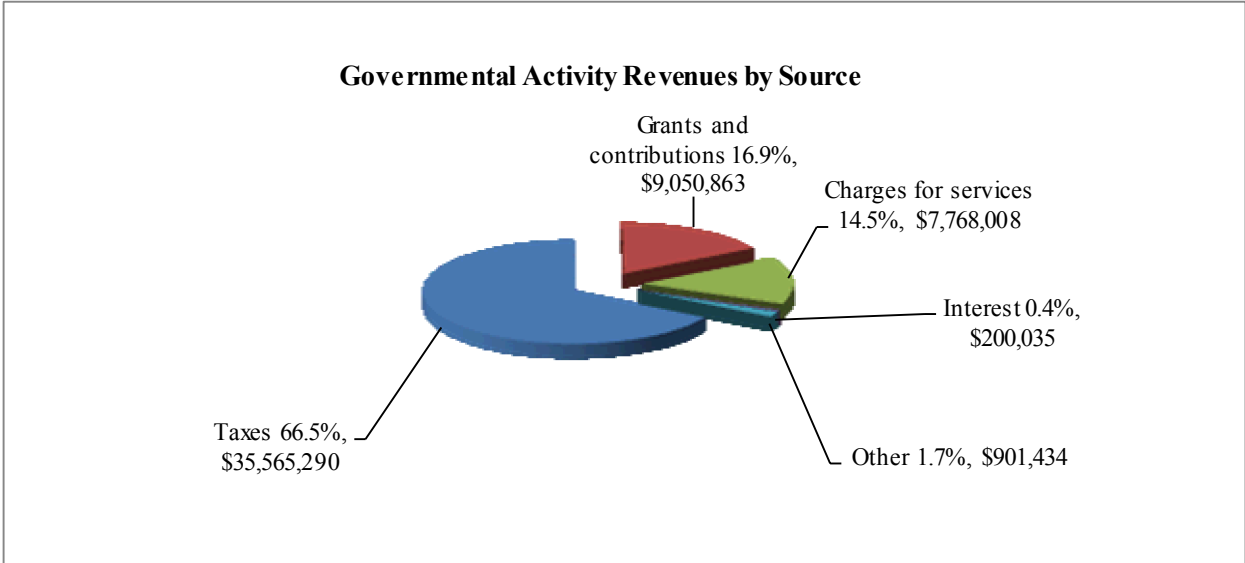
At the end of the fiscal year, the City had positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities. The City's net position decreased by \$2,735,685 (-1.16 percent) during the current fiscal year, 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.





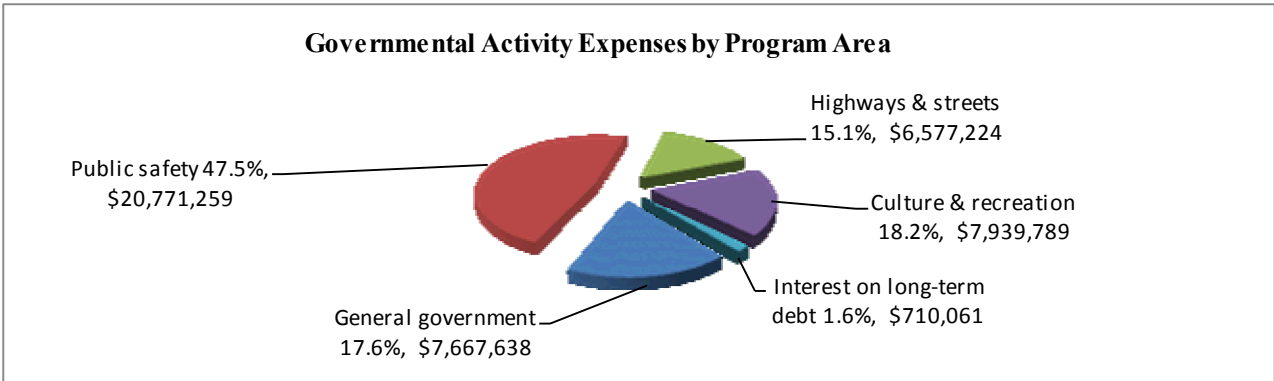
**Table 2 - Statement of Activities Summary  
Governmental and Business-type Activities  
for the years ended June 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 7,768,008	\$ 7,826,933	\$ 27,694,246	\$ 26,737,033	\$ 35,462,254	\$ 34,563,966
Grants and contributions:						
Operating	5,591,657	5,336,946	-	-	5,591,657	5,336,946
Capital	3,459,206	4,134,157	2,809,181	1,842,837	6,268,387	5,976,994
General revenues						
Taxes	35,565,290	35,139,477	3,588	2,298	35,568,878	35,141,775
Interest	200,035	273,722	332,210	237,294	532,245	511,016
Other	901,434	186,145	62,372	168,830	963,806	354,975
Total revenues	\$ 53,485,630	\$ 52,897,380	\$ 30,901,597	\$ 28,988,292	\$ 84,387,227	\$ 81,885,672
<b>EXPENSES</b>						
Governmental activities:						
General government	7,667,638	7,493,529	-	-	7,667,638	7,493,529
Public safety	20,771,259	26,533,616	-	-	20,771,259	26,533,616
Highways and streets	6,577,224	7,015,625	-	-	6,577,224	7,015,625
Culture and recreation	7,939,789	9,071,696	-	-	7,939,789	9,071,696
Interest on long-term debt	710,061	728,980	-	-	710,061	728,980
Business-type activities:						
Water	-	-	10,329,623	11,524,422	10,329,623	11,524,422
Sewer	-	-	13,890,720	14,765,389	13,890,720	14,765,389
Total expenses	\$ 43,665,971	\$ 50,843,446	\$ 24,220,343	\$ 26,289,811	\$ 67,886,314	\$ 77,133,257
Increase (Decrease) in net position before transfers	9,819,659	2,053,934	6,681,254	2,698,481	16,500,913	4,752,415
Transfers	1,083,453	1,689,391	(1,083,453)	(1,689,391)	-	-
Increase (Decrease) in net position	10,903,112	3,743,325	5,597,801	1,009,090	16,500,913	4,752,415
Beginning net position	132,368,042	128,624,717	180,330,897	179,321,809	312,698,939	307,946,526
Prior period adjustment	(16,203,441)	-	(3,033,157)	-	(19,236,598)	-
Ending net position	\$ 127,067,713	\$ 132,368,042	\$ 182,895,541	\$ 180,330,899	\$ 309,963,254	\$ 312,698,941

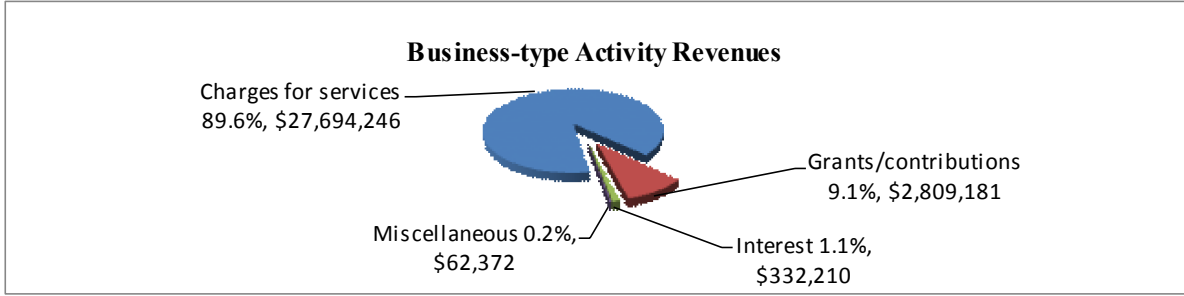


The previous chart indicates that 66.5 percent (\$35,565,290) of 2014-15 governmental activity revenues received by the City were taxes. Property taxes (\$27,452,523) represent the largest portion of total taxes received. Other major tax revenues were the City's share of state-wide fuel tax (\$2,899,968) and City privilege taxes for natural gas and electricity (\$2,984,718). The City also received \$1,300,909 for its share of state-imposed liquor and cigarette taxes and \$927,172 for City-imposed hotel/motel room taxes.

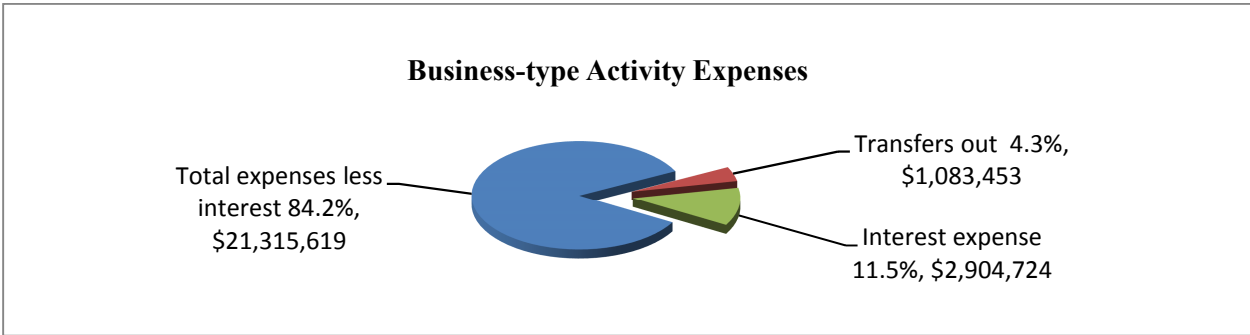
Grants and contributions accounted for 14.5 percent of governmental activity revenues. Major items included in the \$7,768,008 total for grants and contributions were: \$1,540,408 from Streets and Parks SDC fees; \$1,473,085 from the local rural fire protection districts; \$1,376,921 from FTA section grants; \$1,368,682 from City Building Division builder fees; and \$1,078,053 for Sewer and Water in-lieu-of Franchise Fees.



Almost one-half of all governmental activity expenses were for public safety (47.5 percent). As an indication of the City's favorable debt position, interest on long-term debt accounted for only 1.6 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 90.1 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 decreased 5.6 percent between 2013-14 and 2014-15 fiscal years, as compared to the previous two years, 2012-13 and 2013-14, where they increased by 1.1 percent.

In the governmental activities, total assets increased by \$2,990,090 or 1.98 percent, while in the business-type activities, capital assets decreased \$3,725,789 (1.6 percent).

**Budgetary Highlights**

The City Council approved 13 resolutions which changed the adopted 2014-15 budget by 0.07 percent, or \$123,400. Appropriations in the General Fund increased by 33,000 (0.10 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 \$2,342,386. Contributors to the savings: Contingency savings (\$1,161,400); Police (\$627,245); and Fire Emergency Services (\$186,071).

**Capital Assets and Debt Administration**

**Capital Assets**

As of June 30, 2015, the City had \$331,739,137 invested in capital assets as reflected in the table below. Additional information concerning capital assets can be found in the notes to the basic financial statements, starting on page 48.

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

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land, land rights, & land improvements	\$ 13,495,010	\$ 12,316,850	\$ 6,332,517	\$ 6,288,313	\$ 19,827,527	\$ 18,605,163
Buildings and improvements	14,952,428	15,215,091	120,900,747	124,752,981	135,853,175	139,968,072
Intangible assets	703,967	743,967	-	-	703,967	743,967
Vehicles and equipment	5,054,978	4,792,602	1,122,446	1,172,528	6,177,424	5,965,130
Infrastructure	69,039,834	67,783,043	96,203,721	97,201,719	165,243,555	164,984,762
Construction in progress	377,817	-	3,555,672	2,425,351	3,933,489	2,425,351
	<u>\$ 103,624,034</u>	<u>\$ 100,851,553</u>	<u>\$ 228,115,103</u>	<u>\$ 231,840,892</u>	<u>\$ 331,739,137</u>	<u>\$ 332,692,445</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	
	2015	2014	2015	2014	2015	2014
Beginning Balance	\$ 100,851,553	\$ 102,553,009	\$ 231,840,892	\$ 230,976,494	\$ 332,692,445	\$ 333,529,503
Additions	9,116,292	4,615,532	3,899,030	8,344,972	13,015,322	12,960,504
Retirements	-	-	-	-	-	-
Depreciation	(6,343,811)	(6,316,988)	(7,624,819)	(7,480,574)	(13,968,630)	(13,797,562)
Ending balance	<u>\$ 103,624,034</u>	<u>\$ 100,851,553</u>	<u>\$ 228,115,103</u>	<u>\$ 231,840,892</u>	<u>\$ 331,739,137</u>	<u>\$ 332,692,445</u>

Governmental capital assets increased by \$2,772,481 net of accumulated depreciation. Additions to capital assets equaled \$9,116,293 for the year including: \$5,451,777 for various City capital projects, including projects in North Albany, \$123,951 in site improvement projects, and \$1,178,160 for land acquisition for the fire station.

Business-type capital assets decreased by \$3,725,789 net of accumulated depreciation. Additions to capital assets for the year include: \$853,804 for sewer line replacement and repair and \$1,130,321 in water lines projects. Developer site improvement water lines, sewer lines, and storm drains amounted to \$741,747.

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

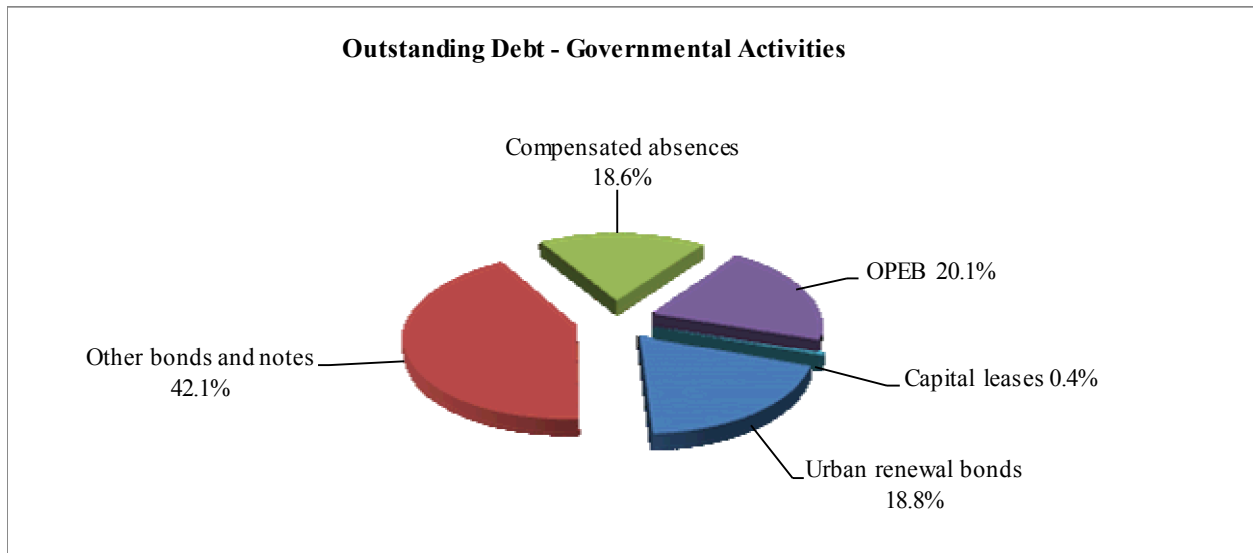
	2015	2014
Capital assets net of depreciation and related debt	\$ 235,817,426	\$ 230,519,554
Total net position	309,963,254	312,698,941
Ratio of capital assets net of related debt to total net position	<u>76.08%</u>	<u>73.72%</u>

### Debt Outstanding

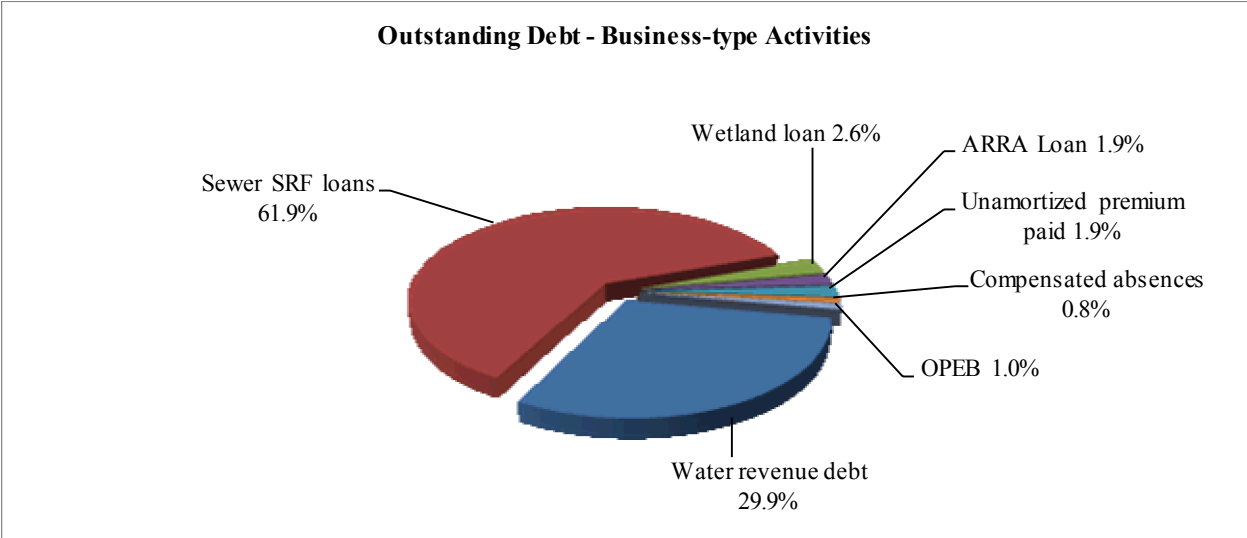
At June 30, 2015, the City had \$103,127,226 in debt outstanding compared to \$108,927,371 on June 30, 2014. Of the amount outstanding, \$7,073,980 is due within one year. The debt consisted of outstanding bonds and certificates of participation, \$35,209,983; loans, \$58,936,437; unfunded compensated absences, \$3,428,929; capital leases, \$63,325, and unfunded other postemployment benefits, \$3,776,586. Details of long-term debt payable can be found beginning on page 56 in the notes to the basic financial statements.

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

	June 30, 2015	June 30, 2014
<b>Governmental Activities</b>		
General obligation	\$ -	\$ 1,335,000
Special assessment debt with governmental commitment	-	-
Limited tax pension	5,208,983	5,314,003
Revenue	-	-
General revenue	800,000	940,000
Oregon Economic Development Department note	36,107	71,881
CARA revenue note	-	-
CARA bonds	2,696,000	2,822,000
CARA Note	-	-
Other postemployment benefits	2,894,850	2,591,580
Compensated absences	2,676,008	2,714,184
Claims and judgments	-	43,355
Capital leases	63,325	71,241
<b>Sub-total</b>	<b>14,375,273</b>	<b>15,903,244</b>
<b>Business-type Activities</b>		
Water revenue	26,505,000	27,400,000
Oregon DEQ State Revolving Fund loan	54,953,181	57,933,506
Wetland Loan	2,297,149	2,689,566
ARRA Loan	1,650,000	1,750,000
Other postemployment benefits	881,736	788,573
Unamortized premium on defeasance	1,711,965	1,845,694
Compensated absences	752,921	614,700
Claims and judgments	-	2,088
<b>Sub-total</b>	<b>88,751,952</b>	<b>93,024,127</b>
<b>Total</b>	<b>\$ 103,127,225</b>	<b>\$ 108,927,371</b>







Oregon Revised Statutes, Chapter 287, provides for a debt limit of three percent of the true cash value of all property within the City. The current debt limitation for the City's general obligation debt is \$127,047,736, and the City currently has no outstanding general obligation debt.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 56.

**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 FY 2015 totaled \$2,455,503.

At fiscal year end, Oregon's unemployment rate was 5.5 percent as of June 30, 2015. The unemployment rates for Linn and Benton Counties at the close of the fiscal year, June 30, 2014, were 7.3 percent and 4.6 percent, respectively.

In order to drive down the costs of providing medical insurance coverage to employees, the City is exploring alternative plans that will likely result in no cost change in the next fiscal year. PERS will be calculated at 24 percent of monthly salaries.

In August 2015, the City issued \$18 million in General Obligation Bonds to provide funding for the construction of public safety facilities. The bonds bear interest rates from 3.0 to 5.0 percent and will be redeemed over the next 20 years with tax revenues.

In preparing the City-wide budget for FY 2016, the City Finance Department assembled assumption for the budget as follows: interest income will increase by 1.0 percent and the assessed value of property will increase by 3.0 percent. The Local Option Public Safety Levy for the budget will once again be impacted by property tax compression. The City's permanent tax rate will be \$6.3984/\$1,000 valuation.

The FY 2016 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, 2015

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 35,672,630	36,022,476	\$ 71,695,106
Cash with fiscal agents	17,277	-	17,277
Internal balances	121,169	(121,169)	-
Receivables			
Property taxes	2,605,100	34,143	2,639,243
Accounts	1,496,526	5,521,417	7,017,943
Assessments	3,373,174	-	3,373,174
Interest	18,539	13,928	32,467
Loans, net of allowance for uncollectible loans	663,025	4,592,498	5,255,523
Inventories	107,434	976,219	1,083,653
Prepaid items	34,022	-	34,022
Restricted cash and investments	135,251	-	135,251
Net pension asset	6,355,209	2,044,005	8,399,214
Land and construction in progress	13,495,010	9,886,017	23,381,027
Other capital assets, net of depreciation	<u>90,129,024</u>	<u>218,229,086</u>	<u>308,358,110</u>
Total assets	<u>154,223,390</u>	<u>277,198,620</u>	<u>431,422,010</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	<u>2,587,202</u>	<u>832,112</u>	<u>3,419,314</u>
<b>LIABILITIES</b>			
Accounts payable	2,890,742	1,220,423	4,111,165
Accrued interest payable	54,045	1,031,566	1,085,611
Refundable deposits and advances	136,570	179,663	316,233
Long-term obligations			
Due within one year	2,049,621	5,024,359	7,073,980
Due in more than one year	<u>12,325,652</u>	<u>83,727,594</u>	<u>96,053,246</u>
Total liabilities	<u>17,456,630</u>	<u>91,183,605</u>	<u>108,640,235</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	<u>12,286,249</u>	<u>3,951,586</u>	<u>16,237,835</u>
<b>NET POSITION</b>			
Net investment in capital assets	94,819,619	140,997,807	235,817,426
Restricted for:			
Capital projects	4,928,317	5,018,841	9,947,158
Debt service	335,279	5,698,755	6,034,034
Grant programs	533,686	-	533,686
Revitalization programs	3,910,360	-	3,910,360
Other purposes - expendable	1,233,100	-	1,233,100
Other purposes - nonexpendable	130,700	-	130,700
Unrestricted	<u>21,176,652</u>	<u>31,180,138</u>	<u>52,356,790</u>
Total net position	<u>\$ 127,067,713</u>	<u>\$ 182,895,541</u>	<u>\$ 309,963,254</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, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental activities</b>				
General government	\$ 7,667,638	\$ 3,487,011	\$ 3,052,506	\$ -
Public safety	20,771,259	3,150,776	1,958,328	409,633
Highways and streets	6,577,224	134,615	20,133	2,717,694
Culture and recreation	7,939,789	995,606	560,690	331,879
Interest on long-term obligations	710,061	-	-	-
Total governmental activities	<u>43,665,971</u>	<u>7,768,008</u>	<u>5,591,657</u>	<u>3,459,206</u>
<b>Business-type activities</b>				
Water	10,329,623	12,811,745	-	1,008,464
Sewer	13,890,720	14,882,501	-	1,800,717
Total business-type activities	<u>24,220,343</u>	<u>27,694,246</u>	<u>-</u>	<u>2,809,181</u>
Totals	<u>\$ 67,886,314</u>	<u>\$ 35,462,254</u>	<u>\$ 5,591,657</u>	<u>\$ 6,268,387</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

Prior period adjustments

Net position - ending

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

Net (Expense) Revenue and  
Change in Net Position

Governmental Activities	Business- type Activities	Totals	
			<b>Governmental activities</b>
\$ (1,128,121)	\$ -	\$ (1,128,121)	General government
(15,252,522)	-	(15,252,522)	Public safety
(3,704,782)	-	(3,704,782)	Highways and streets
(6,051,614)	-	(6,051,614)	Culture and recreation
(710,061)	-	(710,061)	Interest on long-term obligations
<u>(26,847,100)</u>	<u>-</u>	<u>(26,847,100)</u>	Total governmental activities
			<b>Business-type activities</b>
-	3,490,586	3,490,586	Water
<u>-</u>	<u>2,792,498</u>	<u>2,792,498</u>	Sewer
<u>-</u>	<u>6,283,084</u>	<u>6,283,084</u>	Total business-type activities
<u>(26,847,100)</u>	<u>6,283,084</u>	<u>(20,564,016)</u>	Totals
			<b>General revenues:</b>
26,146,965	-	26,146,965	Property taxes used for general purposes
1,305,558	3,588	1,309,146	Property taxes used for debt service
927,172	-	927,172	Transient room taxes used for general purposes
2,899,968	-	2,899,968	Motor fuel taxes
1,300,909	-	1,300,909	Cigarette and alcoholic beverage taxes
2,984,718	-	2,984,718	Privilege taxes
200,035	332,210	532,245	Unrestricted investment earnings
901,434	62,372	963,806	Miscellaneous
<u>1,083,453</u>	<u>(1,083,453)</u>	<u>-</u>	<b>Transfers</b>
<u>37,750,212</u>	<u>(685,283)</u>	<u>37,064,929</u>	Total general revenues and transfers
10,903,112	5,597,801	16,500,913	Change in net position
132,368,042	180,330,897	312,698,939	Net position - beginning
<u>(16,203,441)</u>	<u>(3,033,157)</u>	<u>(19,236,598)</u>	Prior period adjustments
<u>\$ 127,067,713</u>	<u>\$ 182,895,541</u>	<u>\$ 309,963,254</u>	Net position - ending

**CITY OF ALBANY, OREGON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2015

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 3,160,477	\$ 2,554,388	\$ 9,053,917	\$ 7,241,323	\$ 1,080,057	\$ 11,960,431	\$ 35,050,593
Cash with fiscal agents	-	-	-	-	-	17,277	17,277
Receivables:							
Property taxes	1,588,196	390,929	-	-	-	625,975	2,605,100
Accounts	665,079	7,869	-	21,302	-	802,135	1,496,385
Assessments	10,545	-	-	13,024	3,349,605	-	3,373,174
Interest	2,020	1,379	2,912	2,564	255	9,093	18,223
Loans, net of allowance for uncollectible loans	51,983	-	-	-	-	611,042	663,025
Prepaid items	9,634	19,409	-	-	-	2,156	31,199
Interfund loan receivable	-	-	3,458,977	-	-	-	3,458,977
Restricted cash and investments	-	-	-	-	-	135,251	135,251
<b>Total assets</b>	<u>\$ 5,487,934</u>	<u>\$ 2,973,974</u>	<u>\$ 12,515,806</u>	<u>\$ 7,278,213</u>	<u>\$ 4,429,917</u>	<u>\$ 14,163,360</u>	<u>\$ 46,849,204</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 600,048	\$ 300,615	\$ 43,158	\$ 1,453,542	\$ 51,410	\$ 304,004	\$ 2,752,777
Deposits	-	-	-	1,000	136,570	2,435	140,005
Interfund loans payable	-	-	-	-	3,458,977	-	3,458,977
<b>Total liabilities</b>	<u>600,048</u>	<u>300,615</u>	<u>43,158</u>	<u>1,454,542</u>	<u>3,646,957</u>	<u>306,439</u>	<u>6,351,759</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	<u>2,205,979</u>	<u>374,327</u>	<u>-</u>	<u>34,227</u>	<u>3,349,598</u>	<u>1,202,517</u>	<u>7,166,648</u>
<b>FUND BALANCES</b>							
Nonspendable	9,634	19,409	-	-	-	150,133	179,176
Restricted	-	1,464,591	-	5,275,172	-	5,826,009	12,565,772
Committed	-	815,032	12,472,648	514,272	-	6,678,262	20,480,214
Unassigned	<u>2,672,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,566,638)</u>	<u>-</u>	<u>105,635</u>
<b>Total fund balances</b>	<u>2,681,907</u>	<u>2,299,032</u>	<u>12,472,648</u>	<u>5,789,444</u>	<u>(2,566,638)</u>	<u>12,654,404</u>	<u>33,330,797</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 5,487,934</u>	<u>\$ 2,973,974</u>	<u>\$ 12,515,806</u>	<u>\$ 7,278,213</u>	<u>\$ 4,429,917</u>	<u>\$ 14,163,360</u>	<u>\$ 46,849,204</u>

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, 2015

Total fund balances per Governmental Funds Balance Sheet (page 20)		\$ 33,330,797
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	13,495,010	
Other capital assets, net of depreciation	<u>90,129,024</u>	
Total capital asset adjustments		103,624,034
Other long-term assets are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		7,166,648
Net pension asset		5,582,958
Deferred outflows of resources		2,272,819
Inventories of materials and supplies are capitalized on the Statement of Net Position.		107,434
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.		
		(526,912)
Long-term liabilities, including bonds payable, notes payable, accrued interest, deferred inflows of resources, compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term obligations	(8,804,416)	
Interest payable on long-term debt	(54,045)	
Deferred inflow - pension related	(10,793,291)	
Compensated absences	(2,327,554)	
Other postemployment benefits	<u>(2,510,759)</u>	
Total long-term obligations adjustments		<u>(24,490,065)</u>
		<u>\$ 127,067,713</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, 2015

	General	Parks and Recreation	Risk Management	Street	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$ 17,068,823	\$ 4,256,772	\$ -	\$ -	\$ -	\$ 6,033,249	\$ 27,358,844
Transient room	-	-	-	-	-	927,172	927,172
Assessment collections	-	-	-	611	817,235	-	817,846
Franchise fees, privilege taxes, licenses, and permits	4,471,689	250	-	1,331,502	-	1,414,285	7,217,726
Intergovernmental	2,963,617	8,707	-	2,899,968	320	3,459,492	9,332,104
Charges for services	3,392,567	859,497	-	-	-	1,675,746	5,927,810
Fines and forfeitures	3,127	-	-	-	-	-	3,127
Interest on investments	21,345	13,660	48,897	42,699	5,175	65,661	197,437
Miscellaneous	100,086	731,786	25,527	2,186	31,173	268,968	1,159,726
<b>Total revenues</b>	<b>28,021,254</b>	<b>5,870,672</b>	<b>74,424</b>	<b>4,276,966</b>	<b>853,903</b>	<b>13,844,573</b>	<b>52,941,792</b>
<b>EXPENDITURES</b>							
Current:							
General government	1,798,523	-	294,706	-	41,472	5,409,730	7,544,431
Public safety	25,400,900	-	-	-	-	596,515	25,997,415
Highways and streets	-	-	-	2,944,502	-	36,297	2,980,799
Culture and recreation	2,383,203	5,725,483	-	-	-	260,216	8,368,902
Debt service:							
Principal	-	-	-	-	-	1,741,794	1,741,794
Interest	-	-	-	-	-	714,071	714,071
Capital outlay	111,893	104,886	1,178,159	4,815,396	40,522	1,675,231	7,926,087
<b>Total expenditures</b>	<b>29,694,519</b>	<b>5,830,369</b>	<b>1,472,865</b>	<b>7,759,898</b>	<b>81,994</b>	<b>10,433,854</b>	<b>55,273,499</b>
Excess (deficiency) of revenues over expenditures	(1,673,265)	40,303	(1,398,441)	(3,482,932)	771,909	3,410,719	(2,331,707)
<b>OTHER FINANCING SOURCES (USES)</b>							
Capital lease	86,005	-	-	-	-	-	86,005
Transfers in	2,970,400	358,000	700,327	1,098,685	-	1,449,831	6,577,243
Transfers out	(696,497)	(180,100)	(500,000)	(580,000)	(645,032)	(2,892,161)	(5,493,790)
<b>Total other financing sources (uses)</b>	<b>2,359,908</b>	<b>177,900</b>	<b>200,327</b>	<b>518,685</b>	<b>(645,032)</b>	<b>(1,442,330)</b>	<b>1,169,458</b>
Net change in fund balances	686,643	218,203	(1,198,114)	(2,964,247)	126,877	1,968,389	(1,162,249)
Fund balance - beginning	2,065,549	2,080,829	13,670,762	8,753,691	(2,693,515)	10,686,015	34,563,331
Prior period adjustment	(70,285)	-	-	-	-	-	(70,285)
<b>Fund balance - ending</b>	<b>\$ 2,681,907</b>	<b>\$ 2,299,032</b>	<b>\$ 12,472,648</b>	<b>\$ 5,789,444</b>	<b>\$ (2,566,638)</b>	<b>\$ 12,654,404</b>	<b>\$ 33,330,797</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, 2015

Net change in fund balances - total Governmental funds (page 22) \$ (1,162,249)

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	7,884,371	
Depreciation for the current fiscal year	<u>(6,343,812)</u>	
 Total capital outlay/depreciation adjustment		 1,540,559

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. (2,041)

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

Property taxes	93,754	
Capital asset donations	1,231,951	
Principal portion of loan receipts	(88,672)	
Other fees and charges	<u>(717,522)</u>	
 Total revenue adjustments		 519,511

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,749,710

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	80,267	
Claims and judgments	43,355	
Other postemployment benefits	(266,789)	
Accrued interest on long-term obligations	4,760	
Pension expense	<u>7,382,581</u>	
 Total expense/expenditure adjustments		 7,244,174

The net expense of certain activities of internal service funds is reported with governmental activities. 1,013,448

Change in net position of Governmental Activities (pages 18-19) \$ 10,903,112

**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUEGETARY COMPARISON STATEMENT**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 16,576,300	\$ 16,576,300	\$ 16,406,772	\$ (169,528)
Delinquent	448,900	448,900	662,051	213,151
Privilege tax: electric	2,320,000	2,320,000	2,329,364	9,364
Franchise fee: communications facilities	19,300	19,300	43,982	24,682
Franchise fee: telephone	140,600	140,600	98,749	(41,851)
Franchise fee: garbage collection	479,000	479,000	420,509	(58,491)
Privilege tax: natural gas	657,500	657,500	655,354	(2,146)
Franchise fee: cable television	552,000	552,000	590,070	38,070
Permit fees	1,000	1,000	75	(925)
Dog Permit fees	900	900	700	(200)
Licenses	7,000	7,000	8,928	1,928
Library fees	66,800	66,800	75,242	8,442
Planning fees	118,000	118,000	233,985	115,985
Alarm fees	12,600	12,600	14,431	1,831
Medical Marijuana Facility Permit	-	-	300	300
DUII enforcement grant	5,800	5,800	10,288	4,488
Federal grants and assistance	-	30,000	-	(30,000)
State liquor taxes	659,300	659,300	735,210	75,910
State cigarette taxes	71,200	71,200	68,286	(2,914)
State revenue sharing	466,800	466,800	497,413	30,613
Conflagration response reimbursement	75,700	75,700	60,486	(15,214)
Workers' Compensation wage subsidy reimbursement	6,100	6,100	34,244	28,144
Overtime Reimbursement - DEA	-	-	7,948	7,948
Linn County	13,500	13,500	17,579	4,079
Albany Rural Fire Protection District	972,700	972,700	979,044	6,344
North Albany Rural Fire Protection District	325,900	325,900	332,060	6,160
Palestine Rural Fire Protection District	161,600	161,600	161,981	381
Greater Albany Public Schools police grant	40,000	40,000	40,000	-
Linn County Victim Impact Panel Grant	-	3,000	3,000	-
State Department of Forestry	-	-	1,897	1,897
OSFM/USAR Team Response Reimbursement	32,900	32,900	14,181	(18,719)
Charges for services	84,000	84,000	-	(84,000)
Ambulance Service Fees	1,850,000	1,850,000	2,200,718	350,718
FireMed Fees	170,000	170,000	188,435	18,435
Space rental charges	297,200	297,200	297,300	100
Municipal Court fines	576,000	576,000	706,114	130,114
Parking violations	3,400	3,400	3,127	(273)
Nuisance vehicle administration fee	1,500	1,500	600	(900)
Dog control assessment	2,000	2,000	3,751	1,751
Gifts and donations	10,400	10,400	6,335	(4,065)
DARE program donations	-	-	925	925
Grass Abatement Fee Principal	300	300	-	(300)
Miscellaneous	65,000	65,000	47,113	(17,887)
Albany Economic Improvement District principal	31,800	31,800	35,587	3,787
Albany Economic Improvement District interest	700	700	5,775	5,075
Interest on investments	20,100	20,100	21,345	1,245
Total revenues	<u>27,343,800</u>	<u>27,376,800</u>	<u>28,021,254</u>	<u>644,454</u>

Continued on next page

**CITY OF ALBANY, OREGON**  
**GENERAL FUND**  
**BUDGETARY COMPARISON STATEMENT, continued**  
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under)
<b>Other financing sources</b>				
Transfer from Public Safety Levy Fund	\$ 2,422,600	\$ 2,422,600	\$ 2,422,600	\$ -
Transfer from Street Fund	500,000	500,000	500,000	-
Transfer from Economic Development Fund	<u>47,800</u>	<u>47,800</u>	<u>47,800</u>	-
Total other financing sources	<u>2,970,400</u>	<u>2,970,400</u>	<u>2,970,400</u>	-
<b>Fund balance, beginning</b>				
Unassigned	2,305,100	2,305,100	2,065,549	(239,551)
Prior period adjustment	-	-	(70,285)	(70,285)
Total Fund Balance, beginning	<u>2,305,100</u>	<u>2,305,100</u>	<u>1,995,264</u>	<u>(309,836)</u>
Amount available for appropriation	<u>\$ 32,619,300</u>	<u>\$ 32,652,300</u>	<u>32,986,918</u>	<u>\$ 334,618</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Nondepartmental:				
Materials and services	\$ 276,100	\$ 276,100	\$ 269,568	\$ 6,532
General operating contingency	1,262,100	1,161,400	-	1,161,400
Municipal Court	673,800	699,300	704,106	(4,806)
Code Enforcement	17,000	17,000	7,856	9,144
Public Safety Levy - Fire	1,061,300	1,062,100	1,023,974	38,126
Fire and Life Safety	698,200	698,800	654,699	44,101
Fire Emergency Services	11,063,100	11,125,000	10,938,929	186,071
Police	12,454,800	12,496,200	11,868,955	627,245
Public Safety Levy - Police	995,500	996,300	937,011	59,289
Planning	897,400	898,200	820,213	77,987
Library	<u>2,518,600</u>	<u>2,520,500</u>	<u>2,383,203</u>	<u>137,297</u>
Total expenditures	31,917,900	31,950,900	29,608,514	2,342,386
<b>Other financing uses</b>				
Transfers to other funds	<u>701,400</u>	<u>701,400</u>	<u>696,497</u>	<u>4,903</u>
Total expenditures and other financing uses	<u>\$ 32,619,300</u>	<u>\$ 32,652,300</u>	<u>30,305,011</u>	<u>\$ 2,347,289</u>
<b>Fund balance, ending</b>			<u>\$ 2,681,907</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, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Property Taxes - Current	\$ 4,121,500	\$ 4,144,100	\$ 4,101,682	\$ (42,418)
Property Taxes - Delinquent	88,000	88,000	155,090	67,090
Financed park system development charges				
Principal	500	500	982	482
Interest	500	500	883	383
Park system development charges	250,000	250,000	333,197	83,197
Street tree development fees	-	-	250	250
State Marine Board	7,600	7,600	7,600	-
WC Wage Subsidy	2,500	2,500	-	(2,500)
Agricultural lease payments	2,100	2,100	1,107	(993)
Charges for Services	15,000	15,000	15,000	-
Children/Youth/Family recreation fees	55,000	55,000	69,811	14,811
Children/Youth/Family sponsorships	6,000	6,000	6,000	-
Adult recreation fees	37,000	37,000	42,364	5,364
Swimming pool	70,000	70,000	96,082	26,082
Senior Center rental fees	16,000	16,000	16,907	907
Maple Lawn Preschool fees	79,000	79,000	78,743	(257)
Sports program fees	112,500	112,500	119,498	6,998
Waverly boat rentals	6,000	6,000	5,805	(195)
Park permits	7,000	7,000	21,955	14,955
Preschool materials and services fees	4,400	4,400	3,864	(536)
Senior program fees	8,000	8,000	4,865	(3,135)
Northwest Art and Air Festival fees	9,000	9,000	9,840	840
Hot air balloon rides	7,400	7,400	11,200	3,800
Senior newsletter	1,500	1,500	11,738	10,238
Gift shop	8,000	8,000	10,712	2,712
Trip	47,000	47,000	63,813	16,813
Merchandise sales - aquatics	3,000	3,000	2,759	(241)
Cool! Pool facility rental fees	7,600	7,600	12,497	4,897
Concession sales - aquatics	12,000	12,000	16,860	4,860
Concession sales - sports	3,000	3,000	2,162	(838)
Public arts	4,000	4,000	1,549	(2,451)
Swanson room rental fees	3,200	3,200	3,200	-
Track Club	2,500	2,500	2,736	236
Facility enhancement fee	5,500	5,500	6,440	940
ACP swimming pool	164,000	164,000	159,997	(4,003)
ACP facility rental fees	23,000	23,000	24,285	1,285
Tournament Rental Fees	5,500	5,500	6,526	1,026
Youth Program User Fees	3,500	3,500	-	(3,500)
Community Garden	-	-	450	450
Pool Room	900	900	792	(108)
River Rhythms Food Faire	6,300	6,300	17,500	11,200
NWAAF Food Vendors	11,000	11,000	11,683	683
Mondays at Monteith Food Vendors	2,500	2,500	1,324	(1,176)
River Rhythms Souvenir Sales	2,000	2,000	1,497	(503)
NWAAF Souvenir Sales	7,000	7,000	9,997	2,997
Summer Sounds - Food Vendors	-	-	400	400
Trolley rental charges	2,000	2,000	150	(1,850)
River Rhythms Donations	15,000	15,000	14,188	(812)
NWAAF Donations	21,000	21,000	22,693	1,693
Mondays at Monteith Donations	2,000	2,000	1,952	(48)
July 4th Sponsorships	17,000	17,000	21,000	4,000
Lumber to Legacy Program Revenues	-	-	25,245	25,245
Summer Sounds - Donations	-	-	120	120
Summer Sounds - Sponsorships	-	-	9,793	9,793
Gifts and donations	11,200	11,200	8,184	(3,016)
Monday night concert series	15,000	15,000	(2,000)	(17,000)
Senior Center sponsorships	8,000	8,000	2,681	(5,319)
Children's Performing Arts Series sponsorships	10,000	10,000	9,900	(100)

Continued on next page

**CITY OF ALBANY, OREGON**  
**PARKS AND RECREATION FUND**  
**BUDGETARY COMPARISON STATEMENT (continued)**  
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues, continued</b>				
River Rhythms sponsorships	\$ 60,000	\$ 60,000	\$ 71,502	\$ 11,502
NWAAF sponsorships	90,000	90,000	107,600	17,600
Aquatic Sponsorship	3,500	3,500	-	(3,500)
Adult Rec & Fitness Sponsorships	1,000	1,000	-	(1,000)
Sports Sponsorship	1,500	1,500	2,200	700
Aquatics Donations	61,500	61,500	61,028	(472)
East Thornton Lake Donations	500	500	40	(460)
Foster Grandparent Sponsorships	5,000	5,000	1,753	(3,247)
Albany GEMS	-	-	9,818	9,818
Miscellaneous	5,000	5,000	14,493	9,404
Brochure advertising	1,500	1,500	3,030	1,530
General fundraising	300	300	-	(300)
Interest on investments	11,100	11,100	13,660	2,560
Total revenues	<u>5,570,100</u>	<u>5,592,700</u>	<u>5,870,672</u>	<u>277,972</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	90,800	90,800	90,800	-
Intrafund Transfer from Parks SDC Program	50,000	50,000	-	(50,000)
Intrafund Transfer from Parks Program	118,000	118,000	8,900	(109,100)
Total other financing sources	<u>526,000</u>	<u>526,000</u>	<u>366,900</u>	<u>(159,100)</u>
<b>Fund balance, beginning</b>	<u>1,564,600</u>	<u>1,545,200</u>	<u>2,080,829</u>	<u>535,629</u>
Amount available for appropriation	<u>\$ 7,660,700</u>	<u>\$ 7,663,900</u>	<u>8,318,401</u>	<u>\$ 654,501</u>
<b>Expenditures</b>				
Sports Programs	\$ 267,500	\$ 272,500	\$ 263,605	\$ 8,895
Children/Youth/Family Recreation Services	278,100	278,100	271,149	6,951
Resource Development/Marketing Services	355,600	355,600	343,568	12,032
Park Maintenance Services	1,915,700	1,945,700	1,905,207	40,493
Parks and Recreation Administration	1,209,400	1,212,500	1,178,344	34,156
Aquatic Services	796,400	814,400	791,312	23,088
Adult Recreation and Fitness Services	502,300	502,300	436,527	65,773
Performance and Cultural Arts	548,500	548,500	537,024	11,476
Park System Development Charge Projects	930,500	930,600	78,217	852,383
Senior Center Foundation	15,600	15,600	16,421	(821)
Parks Capital Improvement Program	168,000	168,000	8,995	159,005
Contingency	325,000	325,000	-	325,000
Total expenditures	<u>7,312,600</u>	<u>7,368,800</u>	<u>5,830,369</u>	<u>1,538,431</u>
<b>Other financing uses</b>				
Transfers to other funds	180,100	180,100	180,100	-
Intrafund transfers out	168,000	115,000	8,900	(106,100)
Total other financing uses	<u>348,100</u>	<u>295,100</u>	<u>189,000</u>	<u>106,100</u>
Total expenditures and other financing uses	<u>\$ 7,660,700</u>	<u>\$ 7,663,900</u>	<u>6,019,369</u>	<u>\$ 1,644,531</u>
<b>Fund balance, ending</b>			<u>\$ 2,299,032</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, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Miscellaneous	\$ -	\$ -	\$ 25,527	\$ 25,527
Interest on investments	<u>46,200</u>	<u>46,200</u>	<u>48,897</u>	<u>2,697</u>
Total revenues	<u>46,200</u>	<u>46,200</u>	<u>74,424</u>	<u>28,224</u>
<b>Other financing sources</b>				
Transfers from Capital Projects Fund	632,000	632,000	632,000	-
Transfers from Building Inspection Fund	9,000	9,000	59,327	50,327
Transfers from General Fund	3,600	3,600	3,600	-
Transfers from Water Fund	2,700	2,700	2,700	-
Transfers from Sewer Fund	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>-</u>
Total other financing sources	<u>650,000</u>	<u>650,000</u>	<u>700,327</u>	<u>50,327</u>
<b>Fund balance, beginning</b>	<u>10,347,600</u>	<u>10,347,600</u>	<u>10,211,785</u>	<u>(135,815)</u>
Amount available for appropriation	<u>\$ 11,043,800</u>	<u>\$ 11,043,800</u>	<u>10,986,536</u>	<u>\$ (57,264)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Risk Management	\$ 1,455,900	\$ 1,455,900	\$ 77,973	\$ 1,377,927
Litigation Settlement Projects	<u>9,087,900</u>	<u>9,087,900</u>	<u>1,394,892</u>	<u>7,693,008</u>
Total expenditures	10,543,800	10,543,800	1,472,865	9,070,935
<b>Other financing uses</b>				
Transfers to other funds	<u>500,000</u>	<u>500,000</u>	500,000	-
Total other financing uses	<u>500,000</u>	<u>500,000</u>	500,000	-
Total expenditures and other financing uses	<u>\$ 11,043,800</u>	<u>\$ 11,043,800</u>	<u>1,972,865</u>	<u>\$ 9,070,935</u>
 			9,013,671	
<b>Budgetary Fund Balance</b>			9,013,671	
Adjustment for Interfund Loan			<u>3,458,977</u>	
<b>Fund balance, ending</b>			<u>\$ 12,472,648</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, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Financed transportation system development charges				
Principal	\$ 7,300	\$ 7,300	\$ 100,039	\$ 92,739
Interest	2,700	2,700	3,185	485
Financed improvement assurance fees				
Principal	1,600	1,600	1,682	82
Interest	400	400	195	(205)
Bonded Assessments				
Principal	-	-	113	113
Interest	-	-	498	498
Street connection fees	15,000	15,000	53,992	38,992
Transportation system development charges	282,000	282,000	1,105,307	823,307
Public facility construction permit	20,000	20,000	23,887	3,887
EPSC permit	50,000	50,000	43,215	(6,785)
State gasoline tax	2,800,000	2,800,000	2,899,968	99,968
Surface transportation program	1,956,000	1,956,000	-	(1,956,000)
Miscellaneous	1,500	1,500	2,186	686
Interest on investments	39,600	39,600	42,699	3,099
Total revenues	<u>5,176,100</u>	<u>5,176,100</u>	<u>4,276,966</u>	<u>(899,134)</u>
<b>Other financing sources</b>				
Transfer from Public Transit Fund	5,000	5,000	5,000	-
Transfer from Economic Development Fund	2,600	2,600	2,600	-
Transfer from Sewer Fund	544,100	574,100	560,083	(14,017)
Transfer from Water Fund	507,400	527,400	517,970	(9,430)
Transfer from Capital Projects Fund	0	13,100	13,032	(68)
Intrafund Transfer	20,000	20,000	20,000	-
Total other financing sources	<u>1,079,100</u>	<u>1,142,200</u>	<u>1,118,685</u>	<u>(23,515)</u>
<b>Fund balance, beginning</b>	<u>7,733,300</u>	<u>7,736,100</u>	<u>8,753,691</u>	<u>1,017,591</u>
Amount available for appropriation	<u>\$ 13,988,500</u>	<u>\$ 14,054,400</u>	<u>14,149,342</u>	<u>\$ 94,942</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Personnel services	\$ 867,600	\$ 867,600	\$ 784,335	\$ 83,265
Materials and services	2,443,600	2,446,400	2,160,167	286,233
Capital	9,859,800	9,922,900	4,815,396	5,107,504
Contingencies	217,500	217,500	-	217,500
Total expenditures	<u>13,388,500</u>	<u>13,454,400</u>	<u>7,759,898</u>	<u>5,694,502</u>
<b>Other financing uses</b>				
Transfers to other funds	580,000	580,000	580,000	-
Intrafund transfers out	20,000	20,000	20,000	-
Total other financing uses	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 13,988,500</u>	<u>\$ 14,054,400</u>	<u>8,359,898</u>	<u>\$ 5,694,502</u>
<b>Fund balance, ending</b>			<u>\$ 5,789,444</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, 2015

	Business-type Activities			Governmental Activities
	Water	Sewer	Totals Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 14,625,784	\$ 21,030,220	\$ 35,656,004	\$ 988,510
Receivables:				
Property taxes	34,143	-	34,143	-
Accounts	1,649,907	3,871,449	5,521,356	202
Assessments receivable	-	-	-	1,507
Accrued interest	7,170	5,567	12,737	-
Inventories	637,406	338,813	976,219	-
Prepaid items	-	-	-	2,823
Total current assets	<u>16,954,410</u>	<u>25,246,049</u>	<u>42,200,459</u>	<u>993,042</u>
Noncurrent assets:				
Net pension asset	441,448	457,540	898,988	1,917,267
Loans receivable	-	4,592,498	4,592,498	-
Capital assets (net of depreciation)	<u>86,507,038</u>	<u>141,527,511</u>	<u>228,034,549</u>	<u>80,554</u>
Total noncurrent assets	<u>86,948,486</u>	<u>146,577,549</u>	<u>233,526,035</u>	<u>1,997,821</u>
Total assets	<u>103,902,896</u>	<u>171,823,598</u>	<u>275,726,494</u>	<u>2,990,863</u>
<b>Deferred Outflows of Resources</b>				
Pension related items	<u>179,713</u>	<u>186,264</u>	<u>365,977</u>	<u>780,518</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	500,990	531,474	1,032,464	322,489
Compensated absences	89,048	127,642	216,690	333,999
Interest payable	423,039	608,527	1,031,566	-
Refundable deposits	178,854	809	179,663	-
Loans payable, current portion	-	3,579,170	3,579,170	-
Bonds payable, current portion	<u>1,068,728</u>	<u>-</u>	<u>1,068,728</u>	<u>-</u>
Total current liabilities	<u>2,260,659</u>	<u>4,847,622</u>	<u>7,108,281</u>	<u>656,488</u>
Long-term obligations				
Compensated absences	89,048	127,640	216,688	333,998
Other postemployment benefits	200,232	192,454	392,686	873,141
Loans payable - long-term portion	-	55,321,160	55,321,160	-
Bonds payable - long-term portion	<u>27,148,238</u>	<u>-</u>	<u>27,148,238</u>	<u>-</u>
Total long-term obligations	<u>27,437,518</u>	<u>55,641,254</u>	<u>83,078,772</u>	<u>1,207,139</u>
Total liabilities	<u>29,698,177</u>	<u>60,488,876</u>	<u>90,187,053</u>	<u>1,863,627</u>
<b>Deferred Outflows of Resources</b>				
Pension related items	<u>853,432</u>	<u>884,542</u>	<u>1,737,974</u>	<u>3,706,570</u>
<b>Net Position</b>				
Net investment in capital assets	58,290,072	82,627,181	140,917,253	80,554
Restricted for capital construction	1,194,062	3,824,779	5,018,841	-
Restricted for debt service	1,632,354	4,066,401	5,698,755	-
Unrestricted	<u>12,414,512</u>	<u>20,118,083</u>	<u>32,532,595</u>	<u>(1,879,370)</u>
Total net position	<u>\$ 73,531,000</u>	<u>\$ 110,636,444</u>	<u>184,167,444</u>	<u>\$ (1,798,816)</u>
Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.			<u>(1,271,903)</u>	
Net position of business-type activities (page 19)			<u>\$ 182,895,541</u>	

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



**CITY OF ALBANY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2015

	Business-type Activities			Governmental Activities
	Water	Sewer	Totals	Internal
			Enterprise Funds	Service Funds
<b>OPERATING REVENUES:</b>				
Service charges and fees	\$ 12,657,903	\$ 14,802,023	\$ 27,459,926	\$ 12,333,465
Miscellaneous	157,167	872,479	1,029,646	50,066
Total operating revenues	<u>12,815,070</u>	<u>15,674,502</u>	<u>28,489,572</u>	<u>12,383,531</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	1,599,104	1,720,429	3,319,533	7,034,669
Contracted services	451,298	913,811	1,365,109	461,350
Operating supplies	794,517	600,530	1,395,047	1,167,125
Utilities	491,412	514,130	1,005,542	178,395
Depreciation and amortization	3,035,520	4,573,578	7,609,098	15,720
Repairs and maintenance	549,739	794,254	1,343,993	219,659
Charges for services	3,090,939	3,328,304	6,419,243	1,113,512
Miscellaneous	-	36,532	36,532	3,589
Total operating expenses	<u>10,012,529</u>	<u>12,481,568</u>	<u>22,494,097</u>	<u>10,194,019</u>
Operating income	<u>2,802,541</u>	<u>3,192,934</u>	<u>5,995,475</u>	<u>2,189,512</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Property taxes	3,588	-	3,588	-
Interest on investments	67,666	262,334	330,000	4,618
Miscellaneous	-	1,061	1,061	-
Interest	(884,549)	(2,020,175)	(2,904,724)	-
Total nonoperating revenues (expenses)	<u>(813,295)</u>	<u>(1,756,780)</u>	<u>(2,570,075)</u>	<u>4,618</u>
Income before capital contributions and transfers	1,989,246	1,436,154	3,425,400	2,194,130
Capital contributions	1,030,067	1,045,105	2,075,172	-
Transfers out	(520,670)	(562,783)	(1,083,453)	-
Change in net position	2,498,643	1,918,476	4,417,119	2,194,130
Prior period restatement	(816,019)	(100,568)		(3,544,079)
Net position - beginning	<u>71,848,379</u>	<u>108,818,536</u>		<u>(448,867)</u>
Net position - ending	<u>\$ 73,531,000</u>	<u>\$ 110,636,444</u>		<u>\$ (1,798,816)</u>

Adjustment for the net effect of the current year activity  
between the internal service funds and the enterprise funds 1,180,682  
Change in net position of business-type activities (pages 18-19) \$ 5,597,801

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, 2015

	Business-type Activities			Governmental Activities
	Water	Sewer	Totals	Internal
			Enterprise Funds	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 12,746,091	\$ 16,235,017	\$ 28,981,108	\$ 12,383,674
Cash payments to suppliers of goods and services	(5,367,035)	(6,185,971)	(11,553,006)	(3,246,768)
Cash payments to employees for services	(2,041,501)	(2,112,254)	(4,153,755)	(9,496,156)
Other revenues	-	1,061	1,061	-
Net cash provided by (used in) operating activities	<u>5,337,555</u>	<u>7,937,853</u>	<u>13,275,408</u>	<u>(359,250)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Property taxes	3,588	-	3,588	-
Transfers in	-	-	-	-
Transfers out	(520,670)	(562,783)	(1,083,453)	-
Net cash (used in) noncapital financing activities	<u>(517,082)</u>	<u>(562,783)</u>	<u>(1,079,865)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(1,343,751)	(1,211,539)	(2,555,290)	-
System development charges collected	428,075	303,358	731,433	-
Principal paid on loan	-	(3,472,742)	(3,472,742)	-
Principal paid on bonds	(895,000)	-	(895,000)	-
Payment from City of Millersburg	-	249,070	249,070	-
Interest paid on long-term debt	(1,033,194)	(1,985,553)	(3,018,747)	-
Net cash (used in) capital and related financing activities	<u>(2,843,870)</u>	<u>(6,117,406)</u>	<u>(8,961,276)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	13,752	207,530	221,282	4,130
Net increase (decrease) in cash and cash equivalents	1,990,355	1,465,194	3,455,549	(355,120)
<b>Cash and cash equivalents, July 1, 2014</b>	<u>12,635,429</u>	<u>19,565,026</u>	<u>32,200,455</u>	<u>1,343,630</u>
<b>Cash and cash equivalents, June 30, 2015</b>	<u>\$ 14,625,784</u>	<u>\$ 21,030,220</u>	<u>\$ 35,656,004</u>	<u>\$ 988,510</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, 2015

	Business-type Activities			Governmental
				Activities
	Water	Sewer	Totals Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 2,802,541	\$ 3,192,934	\$ 5,995,475	\$ 2,189,512
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,035,520	4,573,578	7,609,098	15,720
Other revenues	-	1,061	1,061	-
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Receivables	(86,883)	560,515	473,632	143
Inventories	97,229	25,470	122,699	-
Prepaid items	-	-	-	1,714
Net pension asset	(1,435,298)	(1,487,618)	(2,922,916)	(6,233,689)
Deferred outflows of resources	(1,882)	(1,951)	(3,833)	(8,175)
Accounts payable	(85,837)	(23,358)	(109,195)	(104,852)
Compensated absences	122,332	192,640	314,972	(16,256)
Claims and adjustments	(522)	(522)	(1,044)	-
Other postemployment benefits	19,019	20,562	39,581	90,063
Refundable deposits	17,904	-	17,904	-
Deferred inflows of resources	853,432	884,542	1,737,974	3,706,570
Total adjustments	<u>2,535,014</u>	<u>4,744,919</u>	<u>7,279,933</u>	<u>(2,548,762)</u>
Net cash provided by operating activities	<u>\$ 5,337,555</u>	<u>\$ 7,937,853</u>	<u>\$ 13,275,408</u>	<u>\$ (359,250)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Contribution of capital assets to government	<u>\$ 601,992</u>	<u>\$ 741,747</u>	<u>\$ 1,343,739</u>	<u>\$ -</u>

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

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**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015

**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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

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

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

expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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, 2015

**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, 2015

**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, 2015

**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, 2015

**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.

**Deferred Outflows/Inflows of Resources**

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

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

**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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

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

**Equity (continued)**

- 3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

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

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.

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

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

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

**Budgetary Information (continued)**

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

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 2014-15 was \$3,550,360,778. 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

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

**Budgetary Information (continued)**

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

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

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

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.

**Excess of Expenditures over Appropriations**

The City had two cost categories where expenditures exceeded approved appropriations. As a whole, both the General Fund and the Parks and Recreation Fund were within the adopted budget; however Municipal Court and the Senior Center Foundation both overspent.

	<u>Actual</u>	<u>Appropriation</u>	<u>Variance</u>
General Fund - Municipal Court	\$ 704,106	\$ 699,300	\$ (4,806)
Parks and Recreation - Senior Center Foundation	15,600	16,421	(821)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

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

**Budgetary Information (continued)**

During the fiscal year ended June 30, 2015, the City made supplemental budget changes as outlined by fund in the following table:

<u>Fund</u>	2014-15 <u>Original Budget</u>	2014-15 <u>Final Budget</u>	<u>Changes</u>
General	\$ 32,619,300	\$ 32,652,300	\$ 33,000
Parks and Recreation	7,660,700	7,663,900	3,200
Risk Management	11,043,800	11,043,800	-
Street	13,988,500	14,054,400	65,900
Grants	2,821,400	2,880,800	59,400
Building Inspection	1,640,900	1,641,400	500
Economic Development	1,894,600	1,895,100	500
Public Safety Levy	2,422,600	2,422,600	-
Public Transit	2,678,800	2,679,900	1,100
Albany Revitalization Agency	7,750,700	7,750,700	-
Debt Service	2,314,900	2,314,900	-
Capital Projects	1,327,600	1,345,500	17,900
Capital Replacement	7,209,300	6,946,100	(263,200)
Senior Center Endowment	51,300	51,300	-
Library Trust	84,100	84,100	-
Water	24,598,200	24,603,200	5,000
Sewer	34,392,300	34,537,800	145,500
Central Services	5,779,800	5,829,200	49,400
Public Works Services	7,700,500	7,705,700	5,200
	<u>\$ 167,979,300</u>	<u>\$ 168,102,700</u>	<u>\$ 123,400</u>

Expenditure appropriations may not legally be overspent, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted. The City currently uses encumbrances which lapse at the close of the fiscal year. No new funds were established in FY 2015.

**Deficit Fund Equity**

The Capital Projects Fund ended FY 2015 with a deficit fund balance due to interfund loans which financed the two Local Improvement District (LID) projects near the new Timber Ridge School. The assessment revenue from these two LIDs 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES**

**Cash and Investments**

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

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

Cash on hand	\$ 33,090
Cash with fiscal agents	17,277
Bank balances with financial institutions	(1,274,589)
State of Oregon Treasurer's short-term investment pool	40,002,161
Other investments	33,000,000
Interest accrued on investments at time of purchase and unamortized premiums and discounts	<u>69,695</u>
Total cash and investments	<u>\$ 71,847,634</u>

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

Cash and investments	\$ 71,695,106
Cash with fiscal agents	17,277
Restricted cash and investments	<u>135,251</u>
Total cash and investments	<u>\$ 71,847,634</u>

**Financial Institutions**

Deposits with financial institutions are comprised of bank demand deposits and savings accounts. At year end, the carrying amount of the City's net balance was \$(1,274,589) and the bank balance was \$308,560.

**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.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Cash and Investments (continued)**

As of June 30, 2015, 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	\$ 5,999,878	\$ 6,026,730	1.76	8%
Federal Home Loan Mortgage Corporation	AAA	14,977,476	15,057,260	2.09	21%
Federal National Mortgage Association	AAA	10,055,477	10,068,450	1.53	14%
Corporate Bonds					
Berkshire Hathaway	AA2	2,036,864	2,038,900	1.59	3%
Oregon Short-term Fund	NR	<u>40,002,161</u>	<u>40,002,161</u>	<u>0.00</u>	<u>55%</u>
Totals		<u>\$ 73,071,856</u>	<u>\$ 73,193,501</u>		<u>100%</u>
Portfolio weighted average maturity				<u>0.83</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.

**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, 2015, was 0.83 years.

**Credit and Concentration of Credit Risk**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Cash and investments (continued)**

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.

**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, 2015, the City of Albany's bank balance of \$308,560 was exposed to custodial credit risk as it was collateralized with securities held by the pledging financial institution's agent but not in the City of Albany's name.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Capital Assets**

Governmental Activities

Capital asset activity for the year ended June 30, 2015 was as follows:

	July 1, 2014 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2015 Balance
Non-depreciable capital assets				
Land	\$ 12,316,850	\$ 1,178,160	\$ -	\$ 13,495,010
Construction in progress	-	20,122	(20,122)	-
Total non-depreciable capital assets	<u>12,316,850</u>	<u>1,198,282</u>	<u>(20,122)</u>	<u>13,495,010</u>
Depreciable capital assets				
Buildings and improvements	21,085,588	108,760	-	21,194,348
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	14,494,460	1,027,807		15,522,267
Infrastructure	<u>130,406,817</u>	<u>6,781,444</u>	<u>20,122</u>	<u>137,208,383</u>
Total depreciable capital assets	<u>166,786,865</u>	<u>7,918,011</u>	<u>20,122</u>	<u>174,724,998</u>
Accumulated depreciation				
Buildings and improvements	(5,870,497)	(371,423)		(6,241,920)
Intangible asset	(56,033)	(40,000)	-	(96,033)
Vehicles and equipment	(9,701,858)	(765,431)	-	(10,467,289)
Infrastructure	<u>(62,623,774)</u>	<u>(5,166,958)</u>	<u>-</u>	<u>(67,790,732)</u>
Total accumulated depreciation	<u>(78,252,162)</u>	<u>(6,343,812)</u>	<u>-</u>	<u>(84,595,974)</u>
Depreciable capital assets net of depreciation	<u>88,534,703</u>	<u>1,574,199</u>	<u>20,122</u>	<u>90,129,024</u>
Governmental activities, capital assets, net	<u>\$ 100,851,553</u>	<u>\$ 2,772,481</u>	<u>\$ -</u>	<u>\$ 103,624,034</u>

Depreciation expense for governmental activities has been charged as follows:

General government	\$ 1,066,610
Public safety	509,275
Highways and streets	3,925,063
Culture and recreation	<u>842,864</u>
 Total depreciation for governmental activities	 <u><u>\$ 6,343,812</u></u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Capital Assets (continued)**

Business-type Activities

Capital asset activity for the year ended June 30, 2015 was as follows:

	July 1, 2014 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2015 Balance
Non-depreciable capital assets				
Land	\$ 6,285,374	\$ 44,972	\$ -	\$ 6,330,346
Construction in progress	<u>2,425,351</u>	<u>1,130,320</u>	<u>-</u>	<u>3,555,671</u>
Total non-depreciable capital assets	<u>8,710,725</u>	<u>1,175,292</u>	<u>-</u>	<u>9,886,017</u>
Depreciable capital assets				
Land rights	19,794	-	-	19,794
Land improvements	25,178	-	-	25,178
Buildings and improvements	155,479,454	259,272	-	155,738,726
Vehicles and equipment	7,830,279	166,061	-	7,996,340
Infrastructure	<u>147,193,912</u>	<u>2,298,404</u>	<u>-</u>	<u>149,492,316</u>
Total depreciable capital assets	<u>310,548,617</u>	<u>2,723,737</u>	<u>-</u>	<u>313,272,354</u>
Accumulated depreciation				
Land rights	(19,461)	(333)	-	(19,794)
Land improvements	(22,574)	(433)	-	(23,007)
Buildings and improvements	(30,726,473)	(4,111,506)	-	(34,837,979)
Vehicles and equipment	(6,657,751)	(216,143)	-	(6,873,894)
Infrastructure	<u>(49,992,191)</u>	<u>(3,296,403)</u>	<u>-</u>	<u>(53,288,594)</u>
Total accumulated depreciation	<u>(87,418,450)</u>	<u>(7,624,818)</u>	<u>-</u>	<u>(95,043,268)</u>
Depreciable capital assets net of depreciation	<u>223,130,167</u>	<u>(4,901,081)</u>	<u>-</u>	<u>218,229,086</u>
Business-type activities, capital assets, net	<u>\$ 231,840,892</u>	<u>\$ (3,725,789)</u>	<u>\$ -</u>	<u>\$ 228,115,103</u>

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

Water	\$ 3,035,520
Sewer	4,573,578
Allocated from internal service funds	<u>15,720</u>
Total depreciation for business-type activities	<u>\$ 7,624,818</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**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, 2015 amounted to \$1,789,846, which represented approximately 33 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, 2015. The ARA loans have been restated to show the division of regular and forgivable loans.

	July 1, 2014			June 30, 2015
	Balance	Increase	Decrease	Balance
Governmental Funds				
General	\$ 51,983	\$ -	\$ -	\$ 51,983
Economic Development	63,549	-	(31,627)	31,922
Albany Revitalization Agency (ARA) Regular loans	<u>657,466</u>	<u>-</u>	<u>(78,346)</u>	<u>579,120</u>
Total Governmental Funds	772,998	-	(109,973)	663,025
Enterprise Fund - Sewer	<u>4,841,568</u>	<u>-</u>	<u>(249,070)</u>	<u>4,592,498</u>
Total government-wide loans	<u>\$ 5,614,566</u>	<u>\$ -</u>	<u>\$ (359,043)</u>	<u>\$ 5,255,523</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015, there were six loans outstanding with a total balance of \$51,983.

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, 2015, the balance of the receivable from the Dayton Hudson Corporation was \$31,922.

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, 2015 is \$45,272 which consists of the original disbursement \$82,500 (which was disbursed before June 30, 2007) less repayments of \$37,228.

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, 2015, the balance outstanding was \$19,265.

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, 2015, outstanding balance of \$97,388.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Albany Revitalization Area (ARA) Fund (continued)

In FY 2012, ARA approved a modification to the \$148,000 loan to Flinn Block, LLC, Marc and Anni Manley, personally. The original loan, dated February 12, 2008, was to make further improvements to the structure known as the Flinn and Ames Building. The modification, dated August 11, 2011, changed 50% of the loan (\$74,000) to a forgivable loan, and changed the interest rate on the remaining \$74,000 to two percent annually. Both portions are secured by a trust deed and promissory note. Interest for the loan will accrue from the modification date until the loan is paid in full. The first of five payments (\$16,660.67, principal and interest) was paid, resulting in an outstanding balance of \$62,195 at June 30, 2015.

In FY 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, 2015, \$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.

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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Loans Receivable (continued)**

Albany Revitalization Area (ARA) Fund (continued)

<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
Albany Carousel	110,000	-	110,000
Eaton, Emma and Jacho	25,000	15,000	10,000
Van Rossman, Robyn and Rusty	3,360	1,344	2,016
Vaughan, Timothy	28,900	5,780	23,120
	<u>\$ 2,962,309</u>	<u>\$ 49,981</u>	<u>\$ 2,912,328</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 2015, Millersburg paid \$405,650 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, 2015, Millersburg's loan balance was \$4,592,498.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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	\$ 1,489,939
Parks and Recreation	366,367
Nonmajor governmental	591,474
Accounts receivable	661,473
Assessments receivable	3,394,370
Community development loans	51,983
Economic development loans	<u>611,042</u>
Total unavailable revenue	<u>\$ 7,166,648</u>

**Restricted Net Position**

Total restricted net position of \$21,789,038 includes \$130,700 restricted for permanent endowments and \$9,947,158 restricted by enabling legislation as follows:

Governmental activities	\$ 4,928,317
Business-type activities	<u>5,018,841</u>
Total	<u>\$ 9,947,158</u>

**Construction Commitments**

The City has active construction projects as of June 30, 2015 as follows:

<u>Capital Projects</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental Activities		
North Albany Road Reconstruction	\$ 2,565,190	\$ 4,059,906
Water		
Sewer Manhole Repairs	-	65,256
Sewer		
40th Ave Bank Repair	-	56,000

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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
Vehicles and equipment	\$ 124,047

The future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Years ending June 30,</u>	Governmental Activities
2016	\$ 34,710
2017	28,615
Total	\$ 63,325

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2014	Increase	Decrease	Ending Balance June 30, 2015	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds, Series 2007 Refunding	\$ 1,335,000	\$ -	\$ 1,335,000	\$ -	
Limited tax pension obligations, Series 2002	5,314,003	-	105,020	5,208,983	\$ 107,498
General revenue obligations, Series 2004	940,000	-	140,000	800,000	145,000
Urban Renewal Bonds 2007 CARA Series A Tax-exempt	2,822,000	-	126,000	2,696,000	333,000
Notes payable OEDD-Target Infrastructure	71,881	-	35,774	36,107	36,107
Subtotal	10,482,884	-	1,741,794	8,741,090	621,605
Other postemployment benefits	2,591,580	303,270	-	2,894,850	-
Compensated absences	2,714,184	-	38,176	2,676,008	1,393,306
Claims and judgments	43,355	-	43,355	-	-
Capital leases	71,241	86,005	93,921	63,325	34,710
Total Governmental Activities	<u>15,903,244</u>	<u>389,275</u>	<u>1,917,246</u>	<u>14,375,273</u>	<u>2,049,621</u>
<b>Business-type Activities</b>					
Water revenue bonds 2013 Water Refunding Bonds	27,400,000	-	895,000	26,505,000	935,000
Loans payable 2007 SRF Loan - WWTP	57,933,506	-	2,980,325	54,953,181	3,071,056
2009 Wetland Loan	2,689,566	-	392,417	2,297,149	408,114
2012 SRF Loan	1,750,000	-	100,000	1,650,000	100,000
Subtotal	89,773,072	-	4,367,742	85,405,330	4,514,170
Other postemployment benefits	788,573	93,163	-	881,736	-
Unamortized premium on debt issuance	1,845,694	-	133,728	1,711,966	133,728
Compensated absences	614,700	138,221	-	752,921	376,461
Claims and judgments	2,088	-	2,088	-	-
Total Business-type Activities	<u>93,024,127</u>	<u>231,384</u>	<u>4,503,558</u>	<u>88,751,953</u>	<u>5,024,359</u>
Totals	<u>\$ 108,927,371</u>	<u>\$ 620,659</u>	<u>\$ 6,420,804</u>	<u>\$ 103,127,226</u>	<u>\$ 7,073,980</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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 \$348,454 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 was June 1, 2015. There is no balance outstanding at June 30, 2015.

**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, 2015, is \$5,208,983. Annual debt service requirements to maturity for the limited tax pension obligations are as follows:

For the Year Ending June 30,	Principal	Interest	Total
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	159,605	593,980	753,585
2021-2025	2,275,000	1,214,850	4,070,138
2026-2028	<u>2,335,000</u>	<u>294,894</u>	<u>2,789,839</u>
Totals	<u>\$ 5,208,983</u>	<u>\$ 4,305,297</u>	<u>\$ 10,254,513</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015, is \$800,000. Annual debt service requirements to maturity for the general revenue obligations are as follows:

For the Year Ending June 30,	Principal	Interest	Total
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>\$ 800,000</u>	<u>\$ 101,806</u>	<u>\$ 901,806</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, 2015, is \$2,696,000. Annual debt service requirements to maturity for urban renewal bonds are as follows:

For the Year Ending June 30,	Principal	Interest	Total
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	402,000	61,352	463,352
2021-2022	<u>863,000</u>	<u>63,293</u>	<u>926,293</u>
Totals	<u>\$ 2,696,000</u>	<u>\$ 547,613</u>	<u>\$ 3,243,613</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015, is \$36,107 (Dayton-Hudson Corporation, \$31,921; City, \$4,186). Annual debt service requirements to maturity for governmental activities notes payable are as follows:

For the Year				
Ending June 30,	Principal	Interest	Total	
2016	\$ 36,107	\$ 2,077	\$ 38,184	

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, 2015, is \$26,505,000.

For the Year				
Ending June 30,	Principal	Interest	Total	
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	1,100,000	833,694	1,933,694	
2021-2025	6,210,000	3,399,645	9,609,645	
2026-2030	7,810,000	1,883,645	9,693,645	
2031-2034	<u>7,395,000</u>	<u>470,699</u>	<u>7,865,699</u>	
Totals	<u>\$ 26,505,000</u>	<u>\$ 10,338,059</u>	<u>\$ 36,843,059</u>	

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015, the balance outstanding is \$54,953,181. The final maturity date is October 1, 2029.

For the Year Ending June 30,	Principal	Interest	Total
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	3,462,508	1,457,061	4,919,569
2021-2025	18,959,887	5,367,479	24,327,366
2026-2030	<u>19,674,080</u>	<u>1,794,980</u>	<u>21,469,060</u>
Totals	<u>\$ 54,953,181</u>	<u>\$ 15,604,206</u>	<u>\$ 70,557,387</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, 2015, the balance outstanding is \$2,297,149.

For the Year Ending June 30,	Principal	Interest	Total
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	477,436	22,564	500,000
2021	<u>86,671</u>	<u>3,467</u>	<u>90,138</u>
Totals	<u>\$ 2,297,149</u>	<u>\$ 292,989</u>	<u>\$ 2,590,138</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015 has been adjusted to \$1,650,000. 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
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	100,000	6,250	106,250
2021-2025	500,000	23,750	523,750
2026-2030	500,000	11,250	511,250
2031-2032	150,000	1,000	151,000
Totals	<u>\$ 1,650,000</u>	<u>\$ 72,250</u>	<u>\$ 1,722,250</u>



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Interfund Transfers**

Transfers out	Transfers In					Total
	General	Parks and Recreation	Risk Management	Street	Nonmajor Governmental	
Governmental funds						
General	\$ -	\$ 187,200	\$ 3,600	\$ -	\$ 505,697	\$ 696,497
Parks and Recreation	-	-	-	-	180,100	180,100
Risk Management	-	-	-	-	500,000	500,000
Street	500,000	80,000	-	-	-	580,000
Capital Projects	-	-	632,000	13,032	-	645,032
Nonmajor governmental funds	2,470,400	90,800	59,327	7,600	264,034	2,892,161
Total governmental funds	2,970,400	358,000	694,927	20,632	1,449,831	5,493,790
Proprietary funds						
Water	-	-	2,700	517,970	-	520,670
Sewer	-	-	2,700	560,083	-	562,783
Total proprietary funds	-	-	5,400	1,078,053	-	1,083,453
Total transfers	<u>\$ 2,970,400</u>	<u>\$ 358,000</u>	<u>\$ 700,327</u>	<u>\$ 1,098,685</u>	<u>\$ 1,449,831</u>	<u>\$ 6,577,243</u>
Interfund Loans:						
Governmental funds						
Risk Management - receivable						\$ 3,458,977
Capital Projects - payable						(3,458,977)
Total interfund loans						<u>\$ -</u>

**Governmental Funds**

**Transfers from General Fund**

Transfers out of the General Fund totaled \$696,497. 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. \$466,700 was transferred to the Public Transit Fund to support operation of the City's transit systems.

**Transfers from Parks and Recreation Fund**

Parks and Recreation transfers out totaled \$180,100 for the Parks and Recreation Fund share of the debt service requirement for the 2004 Revenue Obligations.

**Transfer from Risk Management Fund**

A transfer of \$500,000 was made to the Capital Replacement Fund for capital asset acquisition.

**Transfers from Street Fund**

A total of \$580,000 was transferred from the Street Fund; \$80,000 transferred to Parks and Recreation for the Urban Forestry program and \$500,000 was transferred to the General Fund.

**Transfers from Capital Projects Fund**

A transfer of \$632,000 was made to the Risk Management Fund from assessment payment proceeds to reimburse up-front costs paid from the Risk Management Fund.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**3. DETAILED NOTES (continued)**

**Interfund Transfers (continued)**

Governmental Funds (continued)

**Transfers from Other Governmental Funds**

**Building Inspection Fund**

\$59,327 was transferred to the Risk Management Fund to reimburse up-front costs paid from Risk Management.

**Public Safety Levy Fund**

The amount of \$193,500 was transferred to the General Fund to offset inflationary costs in the Fire Suppression and Police programs. Other transfers to the General Fund included \$172,300 for Ambulance, \$995,500 for Public Safety Levy - Police program, and \$1,061,300 for the Public Safety Levy - Fire program.

**Central Albany Redevelopment Area Fund**

To support the cost of personnel, \$147,500 was transferred to the Economic Development Fund.

**Capital Replacement Fund**

A transfer of \$88,000 was made to the Public Transit Fund for equipment replacement.

**Economic Development Fund**

Total transfers of \$169,734 included \$47,800 to the General Fund for Fire and Police programs, \$90,800 to the Parks Fund in support of Northwest Art & Air and the trolley, and \$16,534 to the Grants fund.

**Others**

Public Transit transferred \$5,000 to the Capital Projects Fund.

**Proprietary Funds**

**Transfers from Water Fund**

A transfer of \$517,970 was made to the Street Fund as its in-lieu-of revenue. A transfer of \$2,700 was made to the Risk Management Fund.

**Transfer from Sewer Fund**

The amount of \$560,083 was transferred to the Streets fund as its In-Lieu of revenue. A transfer of \$2,700 was made to the Risk Management Fund.

**Interfund Loans**

The loan of \$3,458,997 to the Risk Management fund from the Capital Projects fund will be paid back over time. The anticipated pledged revenue stream will be from LID assessments levied against the projects in the Timber Ridge School area.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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:

Fund Balances	General	Parks and Recreation	Risk Management	Street	Capital Projects	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>							
Prepaid	\$ 9,634	\$ 19,409	\$ -	\$ -	\$ -	\$ 19,433	\$ 48,476
Permanent fund principal	-	-	-	-	-	130,700	130,700
	<u>9,634</u>	<u>19,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,133</u>	<u>179,176</u>
<b>Restricted for:</b>							
Park and Recreation SDC's	-	1,450,442	-	-	-	-	1,450,442
Senior Center Foundation	-	14,149	-	-	-	-	14,149
Building Inspection	-	-	-	-	-	1,052,053	1,052,053
Electrical Inspection	-	-	-	-	-	108,761	108,761
Public Safety Levy	-	-	-	-	-	72,286	72,286
Street Operations	-	-	-	-	-	-	-
Street Capital & Restoration	-	-	-	1,667,862	-	-	1,667,862
North Albany Frontage Fee	-	-	-	83,560	-	-	83,560
Transportation SDC Projects	-	-	-	3,523,750	-	-	3,523,750
CARA	-	-	-	-	-	3,910,360	3,910,360
Grants Fund	-	-	-	-	-	533,686	533,686
2002 Limited Tax Pension Bonds	-	-	-	-	-	144,451	144,451
Library Programs	-	-	-	-	-	3,985	3,985
Parks and Recreation Programs	-	-	-	-	-	427	427
City Facilities Replacement	-	-	-	-	-	-	-
	<u>-</u>	<u>1,464,591</u>	<u>-</u>	<u>5,275,172</u>	<u>-</u>	<u>5,826,009</u>	<u>12,565,772</u>
<b>Committed for:</b>							
Park and Recreation Operations	-	815,032	-	-	-	-	815,032
ADA Code Enforcement	-	-	-	-	-	-	-
Risk Management Reserve	-	-	1,226,757	-	-	-	1,226,757
SVC Litigation Projects	-	-	11,245,891	-	-	-	11,245,891
HARP	-	-	-	-	-	-	-
Street Operations	-	-	-	405,203	-	-	405,203
Street Capital & Restoration	-	-	-	71,730	-	-	71,730
ADA Capital Projects	-	-	-	37,339	-	-	37,339
Economic Development	-	-	-	-	-	363,756	363,756
Albany Municipal Airport	-	-	-	-	-	381,583	381,583
Albany Transit	-	-	-	-	-	225,728	225,728
Paratransit System	-	-	-	-	-	18,425	18,425
Equipment Replacement	-	-	-	-	-	3,218,249	3,218,249
City Facilities Replacement	-	-	-	-	-	120,580	120,580
General Fund Facilities	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	96,877	96,877
IT Equipment Replacement	-	-	-	-	-	1,210,978	1,210,978
Public Works Facilities	-	-	-	-	-	1,042,086	1,042,086
	<u>-</u>	<u>815,032</u>	<u>12,472,648</u>	<u>514,272</u>	<u>-</u>	<u>6,678,262</u>	<u>20,480,214</u>
<b>Unassigned:</b>							
General Fund	2,672,273	-	-	-	-	-	2,672,273
City Facilities Replacement	-	-	-	-	(2,566,638)	-	(2,566,638)
Nonmajor governmental	-	-	-	-	-	-	-
	<u>2,672,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,566,638)</u>	<u>-</u>	<u>105,635</u>
<b>Total Fund Balances</b>	<u>\$ 2,681,907</u>	<u>\$ 2,299,032</u>	<u>\$ 12,472,648</u>	<u>\$ 5,789,444</u>	<u>\$ (2,566,638)</u>	<u>\$ 12,654,404</u>	<u>\$ 33,330,797</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION**

**Pension Plan**

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

**Adoption of new GASB pronouncements**

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The specific accounts impacting the City are detailed below.

**Net pension liability** – Previous standards defined pension liabilities in terms of the Annually Required Contribution. Statement No. 68 defines the net pension liability as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan's fiduciary net position.

**Deferred inflows of resources and deferred outflows of resources** – Statement No. 68 includes recognition of deferred inflows and outflows of resources associated with the difference between projected and actual earnings on pension plan investments. These differences are to be recognized in pension expense using a systematic and rational method over a closed five-year period.

Statement No. 68 is effective for financial statement periods beginning after June 15, 2014, with the effects of accounting change to be applied retroactively by restating the financial statements. The City adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the financial statements as of June 30, 2014:

	Governmental Activities	Business-type Activities	Total
Net position - beginning (as originally reported)	\$ 132,368,042	\$ 180,330,897	\$ 312,698,939
Cumulative effect of change in accounting principle	(16,133,156)	(3,778,354)	(19,911,510)
Other corrections	(70,285)	745,197	674,912
Net position - beginning (as restated)	<u>\$ 116,164,601</u>	<u>\$ 177,297,740</u>	<u>\$ 293,462,341</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

Defined Benefit Pension Plan

**A. Plan description**

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

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

OPERS produces an independently audited Comprehensive Annual Financial Report which can be found at: [www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx)

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

**B. Description of benefit terms**

**Plan Benefits**

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

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

**Pension Benefits**

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

25 years of service. Tier Two members are eligible for full benefits at age 60.

**Death Benefits**

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

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

**Disability Benefits**

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

**Benefit Changes After Retirement**

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

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

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

**Pension Benefits.**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

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

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

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

**Death Benefits**

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

**Disability Benefits**

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

**Benefit Changes After Retirement**

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

**C. Contributions**

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The City of Albany has made a lump sum payment to establish a side account, and the City of Albany's rates have been reduced.

Tier 1/tier 2 employer contribution rates are 19.78 percent and the OPSRP employer contribution rates are 14.47 percent for general service employees and 17.20 percent for public safety employees. Employer contributions for the year ended June 30, 2015 were \$3,419,314, excluding amounts to fund employer specific liabilities.

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

At June 30, 2015, the City of Albany reported an asset of \$8,399,214 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Albany's proportion of the net pension liability was based on a projection of the City of Albany's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

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

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

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

2. **UAL Rate:** If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

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

At June 30, 2015 and 2015, the City of Albany's proportion was 0.035230614 percent.

For the year ended June 30, 2015, the City of Albany recognized pension expense of \$(11,106,684). At June 30, 2015, the City of Albany reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	16,207,082
Changes in proportion and differences between City contributions and proportionate share of contributors	-	30,753
City contributions subsequent to the measurement date	<u>3,419,314</u>	<u>-</u>
Total	<u>\$ 3,419,314</u>	<u>\$ 16,237,835</u>

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

Pension related deferred outflows of resources of \$3,419,315 reported resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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

Year ends June 30,	
2016	\$ (4,058,455)
2017	(4,058,455)
2018	(4,058,455)
2019	(4,058,455)
2020	(4,014)
Thereafter	0

**E. Actuarial Valuations**

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

Valuation Date	December 31, 2012 rolled forward to June 30, 2014.
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment rate of return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Depletion Date Projection**

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

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

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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

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

**Assumed Asset Allocation:**

<u>Asset Class / Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the OPERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds / Absolute Return	5.00%	6.10%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
Assumed Inflation - Mean		2.75%

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

The following presents the City of Albany’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City of Albany’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability (asset)	\$ 17,786,501	\$ (8,399,214)	\$ (30,546,187)

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

**Changes in Actuarial Methods and Assumptions**

The prior measurement date of June 30, 2013, was based on the December 31, 2011, valuation. Changes in the actuarial methods and assumptions since that valuation are as follows:  
*Actuarial Cost Method* – Changed from the projected unit credit cost method to the entry age normal cost method.

*Tier 1/ Tier 2 UAL Amortization* – The balance will be amortized over a closed period of 20 years as a level percentage of projected payroll. Gains and losses between subsequent rate-setting valuations will be amortized over a closed 20-year period from the period in which they are first recognized.

*Contribution Rate Stabilization Method* – The “grade-in range” over which the rate collar gradually doubles was modified so that the collar doubles as funded status (excluding side accounts) decreases from 70% to 60% or increases from 130% to 140%. Previously the ranges had been 80% to 70% and 120% to 130%.

*Allocation of Liability for Service Segments* – For purposes of allocating a Tier 1/Tier 2 member’s actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier 1/Tier 2 population. Previously the Money Match was weighted 40 percent for General Service members and 10 percent for Police & Fire members. For subsequent valuations, this weighting has been adjusted to 30 percent for General Service members and 5 percent for Police & Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

*Investment Return and Interest Crediting* - The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.75%. Previously, the assumed investment return and interest crediting to regular account balances was 8.00% and the assumed interest crediting to variable account balances was 8.25%.

*OPSRP Administrative Expenses* - Assumed administrative expenses for the OPSRP System were reduced from \$6.6 million per year to \$5.5 million per year.

*Healthcare Cost Inflation* - The healthcare cost inflation for the maximum Retirement Health Insurance Premium Account (RHIPA) subsidy was updated based on an analysis by actuaries that included the consideration of the excise tax that will be introduced in 2018 by the Patient Protection and Affordable Care Act.

*Healthy Mortality* - The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Pension Plan (continued)**

*Disabled Mortality* – The disabled mortality assumption base was changed from the RP2000 healthy tables to the RP2000 disabled tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience.

*Disability, Retirement from Active Status, and Termination* - Rates for disability, retirement from active status, and termination were adjusted. Termination rates were changed from being indexed upon age to being indexed upon duration from hire date.

*Merit Increases, Unused Sick Leave, and Vacation Pay* - Assumed merit increases were lowered for School District members. Unused Sick Leave and Vacation Pay rates were adjusted.

*Retiree Healthcare Participation* - The Retirement Health Insurance Account (RHIA) participation rate for healthy retirees was reduced from 48% to 45%. The RHIPA participation rate was changed from a uniform rate of 13% to a service-based table of rates.

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

On April 30, 2015 the Oregon Supreme Court ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually.

PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the current measurement date of June 30, 2014, and is not reflected in the proportionate share of the net pension liability (asset) provided by OPERS.

The exact effect cannot be estimated at this time, but will be reflected in higher employer contributions rates effective July 1, 2017.

**Defined Contribution Plan**

**Individual Account Program (IAP)**

Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.



**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**Defined Contribution Plan (continued)**

**Pension Benefits**

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

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

**Death Benefits**

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

**Contributions**

The City of Albany makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2015, were \$ \$ 1,568,996.76.

**Recordkeeping**

PERS contracts with VOYA Financial to maintain IAP participant records.

**Other Post-Employment Benefits**

**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

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

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

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.

Membership

The City's membership in the plan at August 1, 2014 (the date of the last actuarial valuation), consisted of the following:

Active employees	362	
Retirees, spouses or dependents	57	
Total	419	

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:

	Employee	Employee + Child(ren)	Employee + Spouse	Employee + Family
Pacific Source	\$ 662.56	\$ 1,170.17	\$ 1,426.76	\$ 1,921.04
ODS Dental	60.82	126.54	107.66	173.40
Willamette Dental	42.24	74.74	91.34	122.99
ODS Vision	21.12	40.07	37.50	56.42
<u>Fire Union</u>		<u>All-Coverage</u>		
Blue Classic, medical only		1,357.00		
Blue Classic, medical/dental/vision		1,551.90		
<u>Fire Union COBRA &amp; Retiree</u>		<u>Employee</u>	<u>Two-Party</u>	<u>Family</u>
Blue Classic Medical	\$ 600.20	\$ 1,260.40	\$ 1,740.30	
Blue Classic Medical/Dental/Vision		676.30	1,401.10	1,983.10

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, 2015

**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, 2015, is equal to the ARC as follows:

Normal cost	\$ 351,621
Amortization of UAAL	<u>680,184</u>
Annual required contribution	<u>\$ 1,031,805</u>

The net OPEB obligation as of June 30, 2015 was calculated as follows:

Annual required contribution	\$ 1,031,805
Interest on prior year Net OPEB	118,305
Adjustment to ARC	(406,434)
Contributions made	<u>(347,243)</u>
Increase in net OPEB obligation	396,433
Net OPEB obligation at beginning of year	<u>3,380,153</u>
Net OPEB obligation at end of year	<u>\$ 3,776,586</u>

The NOPEBO is allocated between the Governmental Activities and Business-Type Activities in the following amounts, \$2,894,850 and \$881,736, 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, 2015 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, 2013	896,924	45%	3,017,854
June 30, 2014	743,951	51%	3,380,153
June 30, 2015	743,676	47%	3,776,586
June 30, 2016	613,240	51%	4,077,423

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$4,958,977, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$4,958,977.

<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, 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%
August 1, 2014	-	4,958,977	4,958,977	0.00%	24,474,058	20.26%

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, 2014, 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 2014 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, 2015

**4. OTHER INFORMATION (continued)**

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

Actuarial Methods and Assumptions (continued)

The health cost trend is 5.75 percent in the 2014 year and will vary from 5.00 percent to 6.50 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 4.50 percent per year.

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**

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

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

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

**Commitments and Contingent Liabilities**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. Claims are generally covered by insurance. In the opinion of 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.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**4. OTHER INFORMATION (continued)**

**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 the capital costs of designing and building the facility will be repaid by all parties through surcharges and capital cost payments. The capital cost payments will end when the total capital cost of the facility has been recovered.

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

At June 30, 2015, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$361,365. A copy of the Linn Regional Fueling Facility audit report may be obtained from Linn County, P.O. Box 100, Albany, Oregon 97321.

**Subsequent Events**

The following events and transactions occurred subsequent to June 30, 2015:

On August 19, 2015, the City issued \$18 million in General Obligation Bonds to provide moneys to construct public safety facilities. The bonds bear interest rates from 3.0 to 5.0 percent and will be redeemed over the next 20 years with tax revenues.

On December 7, 2015, City Council voted to repeal Chapter 10.16 of the Albany Municipal Code in its entirety. This Chapter established a special in-lieu-of assessment for sewer connections of unassessed properties in the North Albany area. This change will result in the City closing out pending assessments. Both assessments receivable and deferred revenues will be adjusted, although the exact amount is not known at this time.

**City of Albany, Oregon**  
**Notes to the Basic Financial Statements**  
for the year ended June 30, 2015

**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, 2015

**4. OTHER INFORMATION (continued)**

**Intergovernmental Agreements (continued)**

Water supply system (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.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ALBANY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Last Two Fiscal Years**

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.37054571%	\$ (8,399,214)	\$ 24,999,736	-33.60%	103.60%
2014	0.37054571%	18,909,490	24,474,058	77.26%	n/a

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

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

**CITY OF ALBANY**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last Two Fiscal Years**

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2015	\$ (3,419,315)	\$ (3,419,315)	\$ -	\$ 24,999,736	-13.68%
2014	3,383,501	3,383,501	-	24,474,058	13.82%

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

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

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## **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, 2015

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
<b>ASSETS</b>					
Cash and investments	\$ 6,083,565	\$ 135,690	\$ 5,741,176	\$ -	\$ 11,960,431
Cash with fiscal agents	-	17,277	-	-	17,277
Receivables:					
Property taxes	445,004	180,971	-	-	625,975
Accounts	802,135	-	-	-	802,135
Interest	5,538	1,341	2,168	46	9,093
Loans	611,042	-	-	-	611,042
Prepaid items	700	-	1,456	-	2,156
Restricted cash and investments	-	-	-	135,251	135,251
Total assets	<u>\$ 7,947,984</u>	<u>\$ 335,279</u>	<u>\$ 5,744,800</u>	<u>\$ 135,297</u>	<u>\$ 14,163,360</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 249,245	\$ -	\$ 54,574	\$ 185	\$ 304,004
Deposits	2,435	-	-	-	2,435
Total liabilities	<u>251,680</u>	<u>-</u>	<u>54,574</u>	<u>185</u>	<u>306,439</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>1,028,966</u>	<u>173,551</u>	<u>-</u>	<u>-</u>	<u>1,202,517</u>
<b>FUND BALANCES</b>					
Nonspendable	700	17,277	1,456	130,700	150,133
Restricted	5,677,146	144,451	-	4,412	5,826,009
Committed	<u>989,492</u>	<u>-</u>	<u>5,688,770</u>	<u>-</u>	<u>6,678,262</u>
Total fund balances	<u>6,667,338</u>	<u>161,728</u>	<u>5,690,226</u>	<u>135,112</u>	<u>12,654,404</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,947,984</u>	<u>\$ 335,279</u>	<u>\$ 5,744,800</u>	<u>\$ 135,297</u>	<u>\$ 14,163,360</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2015

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
<b>REVENUES</b>					
Property taxes	\$ 4,796,245	\$1,237,004	\$ -	\$ -	\$ 6,033,249
Transient room taxes	927,172	-	-	-	927,172
Franchise fees, privilege taxes, licenses, and permits	1,414,285	-	-	-	1,414,285
Intragovernmental	3,456,995	-	2,497	-	3,459,492
Charges for services	434,246	454,000	787,500	-	1,675,746
Interest on investments	32,392	4,635	27,928	706	65,661
Miscellaneous	171,124	-	97,741	103	268,968
Total revenues	<u>11,232,459</u>	<u>1,695,639</u>	<u>915,666</u>	<u>809</u>	<u>13,844,573</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,924,203	750	484,777	-	5,409,730
Public safety	596,515	-	-	-	596,515
Highway and streets	36,297	-	-	-	36,297
Culture and recreation	259,224	-	-	992	260,216
Debt service:					
Principal	161,774	1,580,020	-	-	1,741,794
Interest	141,001	573,070	-	-	714,071
Capital outlay	1,353,582	-	321,649	-	1,675,231
Total expenditures	<u>7,472,596</u>	<u>2,153,840</u>	<u>806,426</u>	<u>992</u>	<u>10,433,854</u>
Excess (deficiency) of revenues over expenditures	<u>3,759,863</u>	<u>(458,201)</u>	<u>109,240</u>	<u>(183)</u>	<u>3,410,719</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	757,731	180,100	512,000	-	1,449,831
Transfers out	<u>(2,804,161)</u>	<u>-</u>	<u>(88,000)</u>	<u>-</u>	<u>(2,892,161)</u>
Total other financing sources (uses)	<u>(2,046,430)</u>	<u>180,100</u>	<u>424,000</u>	<u>-</u>	<u>(1,442,330)</u>
Net change in fund balances	1,713,433	(278,101)	533,240	(183)	1,968,389
Fund balance - beginning	<u>4,953,905</u>	<u>439,829</u>	<u>5,156,986</u>	<u>135,295</u>	<u>10,686,015</u>
Fund balance - ending	<u>\$ 6,667,338</u>	<u>\$ 161,728</u>	<u>\$ 5,690,226</u>	<u>\$ 135,112</u>	<u>\$ 12,654,404</u>

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

June 30, 2015

	<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	\$ 94,304	\$ 1,284,811	\$ 744,602	\$ 88,411	\$ 57,999
Receivables:					
Property taxes	-	-	-	-	235,776
Accounts	490,013	95	25,517	199,729	-
Interest	347	733	235	541	578
Loans	-	-	31,922	-	-
Prepaid items	700	-	-	-	-
Total assets	<u>\$ 585,364</u>	<u>\$ 1,285,639</u>	<u>\$ 802,276</u>	<u>\$ 288,681</u>	<u>\$ 294,353</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 50,978	\$ 124,825	\$ 23,015	\$ 44,093	\$ -
Deposits	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>435</u>	<u>-</u>
Total liabilities	<u>50,978</u>	<u>124,825</u>	<u>25,015</u>	<u>44,528</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>31,922</u>	<u>-</u>	<u>222,067</u>
<b>FUND BALANCES</b>					
Nonspendable	700	-	-	-	-
Restricted	533,686	1,160,814	-	-	72,286
Committed	<u>-</u>	<u>-</u>	<u>745,339</u>	<u>244,153</u>	<u>-</u>
Total fund balances	<u>534,386</u>	<u>1,160,814</u>	<u>745,339</u>	<u>244,153</u>	<u>72,286</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 585,364</u>	<u>\$ 1,285,639</u>	<u>\$ 802,276</u>	<u>\$ 288,681</u>	<u>\$ 294,353</u>



Albany Revitalization Agency	Totals
------------------------------------	--------

\$ 3,813,438	\$ 6,083,565
209,228	445,004
86,781	802,135
3,104	5,538
579,120	611,042
-	700
<u>\$ 4,691,671</u>	<u>\$ 7,947,984</u>

**ASSETS**

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

\$ 6,334	\$ 249,245
-	2,435
<u>6,334</u>	<u>251,680</u>

**LIABILITIES**

Accounts payable  
 Deposits  
 Total liabilities

<u>774,977</u>	<u>1,028,966</u>
----------------	------------------

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue

-	700
3,910,360	5,677,146
-	989,492
<u>3,910,360</u>	<u>6,667,338</u>

**FUND BALANCES**

Nonspendable  
 Restricted  
 Committed  
 Total fund balances

<u>\$ 4,691,671</u>	<u>\$ 7,947,984</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, 2015

	<u>Grants</u>	<u>Building Inspection</u>	<u>Economic Development</u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Transient room taxes	-	-	927,172
Licenses and fees	-	1,414,285	-
Intragovernmental	1,826,086	-	-
Charges for services	-	124,415	216,687
Interest on investments	5,181	5,344	2,809
Miscellaneous	13,810	86	35,448
Total revenues	<u>1,845,077</u>	<u>1,544,130</u>	<u>1,182,116</u>
<b>EXPENDITURES</b>			
Current:			
General government	385,906	1,173,654	923,872
Public safety	596,515	-	-
Highways and streets	36,297	-	-
Culture and recreation	259,224	-	-
Debt service:			
Principal	-	-	35,774
Interest	-	-	4,134
Capital outlay	601,391	-	-
Total expenditures	<u>1,879,333</u>	<u>1,173,654</u>	<u>963,780</u>
Excess (deficiency) of revenues over expenditures	<u>(34,256)</u>	<u>370,476</u>	<u>218,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	16,534	38,997	147,500
Transfers out	-	(59,327)	(169,734)
Total other financing sources (uses)	<u>16,534</u>	<u>(20,330)</u>	<u>(22,234)</u>
Net change in fund balances	(17,722)	350,146	196,102
Fund balances - beginning	<u>552,108</u>	<u>810,668</u>	<u>549,237</u>
Fund balances - ending	<u>\$ 534,386</u>	<u>\$ 1,160,814</u>	<u>\$ 745,339</u>

Public Transit	Public Safety Levy	Albany Revitalization Agency	Totals	
\$ -	\$ 2,455,503	\$ 2,340,742	\$ 4,796,245	<b>REVENUES</b>
-	-	-	927,172	Property taxes
-	-	-	1,414,285	Transient room taxes
1,630,909	-	-	3,456,995	Licenses and fees
93,144	-	-	434,246	Intragovernmental
299	1,677	17,082	32,392	Charges for services
1,606	-	120,174	171,124	Interest on investments
<u>1,725,958</u>	<u>2,457,180</u>	<u>2,477,998</u>	<u>11,232,459</u>	Miscellaneous
				Total revenues
				<b>EXPENDITURES</b>
				Current:
1,545,878	-	894,893	4,924,203	General government
-	-	-	596,515	Public safety
-	-	-	36,297	Highways and streets
-	-	-	259,224	Culture and recreation
				Debt service:
-	-	126,000	161,774	Principal
-	-	136,867	141,001	Interest
752,087	-	104	1,353,582	Capital outlay
<u>2,297,965</u>	<u>-</u>	<u>1,157,864</u>	<u>7,472,596</u>	Total expenditures
<u>(572,007)</u>	<u>2,457,180</u>	<u>1,320,134</u>	<u>3,759,863</u>	Excess (deficiency) of revenues over expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>
554,700	-	-	757,731	Transfers in
<u>(5,000)</u>	<u>(2,422,600)</u>	<u>(147,500)</u>	<u>(2,804,161)</u>	Transfers out
<u>549,700</u>	<u>(2,422,600)</u>	<u>(147,500)</u>	<u>(2,046,430)</u>	Total other financing sources (uses)
(22,307)	34,580	1,172,634	1,713,433	Net change in fund balances
266,460	37,706	2,737,726	4,953,905	Fund balances - beginning
<u>\$ 244,153</u>	<u>\$ 72,286</u>	<u>\$ 3,910,360</u>	<u>\$ 6,667,338</u>	Fund balances - ending

**CITY OF ALBANY, OREGON**  
**GRANTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Non-Medical Medicaid	\$ 14,400	\$ 20,000	\$ 19,230	\$ (770)
Bureau of Justice	4,900	4,900	8,216	3,316
Federal Aviation Administration	-	-	903	903
Federal Emergency Management	390,000	390,000	377,604	(12,396)
Community Development Block Grant	721,300	732,900	478,710	(254,190)
State of Oregon	261,400	266,400	248,459	(17,941)
Foster Grandparent Grant	147,600	147,600	109,978	(37,622)
Oregon Community Foundation	82,000	82,000	82,286	286
Oregon Emergency Management	372,400	395,600	442,623	47,023
Brownsfield Redevelopment Grant	46,300	46,300	12,345	(33,955)
Department of Justice Equitable Sharing	30,000	30,000	15,732	(14,268)
Community and Policing Grants	-	-	1,000	1,000
Albany Library Foundation	30,000	30,000	30,000	-
Gifts and donations	28,400	42,400	12,804	(29,596)
Interest on investments	500	500	5,187	4,687
	<u>2,129,200</u>	<u>2,188,600</u>	<u>1,845,077</u>	<u>(343,523)</u>
<b>Total revenues</b>				
<b>Other financing sources</b>				
Transfer from Economic Development Fund	20,000	20,000	16,534	(3,466)
	<u>20,000</u>	<u>20,000</u>	<u>16,534</u>	<u>(3,466)</u>
<b>Total other financing sources</b>				
<b>Fund balance, beginning</b>				
Committed for Housing	185,600	185,600	279,918	94,318
Assigned	486,600	486,600	272,196	(214,404)
	<u>672,200</u>	<u>672,200</u>	<u>552,108</u>	<u>(120,086)</u>
<b>Total Fund Balance, beginning</b>				
Amount available for appropriation	<u>\$ 2,821,400</u>	<u>\$ 2,880,800</u>	<u>2,413,719</u>	<u>\$ (467,081)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 472,800	\$ 491,900	\$ 410,792	\$ 81,108
Materials and services	1,410,000	1,450,300	928,463	521,837
Capital	938,600	938,600	540,078	398,522
	<u>2,821,400</u>	<u>2,880,800</u>	<u>1,879,333</u>	<u>\$ 1,001,467</u>
<b>Total expenditures</b>				
<b>Fund balance, ending</b>			<u>\$ 534,386</u>	

**CITY OF ALBANY, OREGON**  
**BUILDING INSPECTION FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Building permit surcharge	\$ 85,000	\$ 85,000	\$ 110,987	\$ 25,987
Master electrical permit	1,000	1,000	769	(231)
Electrical minor labels	3,300	3,300	6,525	3,225
Residential building permits	350,000	350,000	431,842	81,842
Commercial building permits	451,000	451,000	629,751	178,751
Land use plan review fee	5,500	5,500	5,819	319
Manufactured home set-up fees	1,100	1,100	3,610	2,510
Fire sprinkler permits	20,000	20,000	23,989	3,989
Parking lot permits	10,000	10,000	13,747	3,747
Residential electrical permits	115,000	115,000	144,570	29,570
Fire alarm permits	5,500	5,500	7,697	2,197
Sign permits	2,600	2,600	5,330	2,730
Document imaging fees	17,000	17,000	28,638	11,638
Electrical Document Imaging	2,000	2,000	1,011	(989)
Charges for Services	67,000	67,000	124,415	57,415
Miscellaneous	500	500	86	(414)
Interest on investments	500	500	5,344	4,844
<b>Total revenues</b>	<u>1,137,000</u>	<u>1,137,000</u>	<u>1,544,130</u>	<u>407,130</u>
Transfer from General Fund	43,900	43,900	38,997	(4,903)
<b>Total other financing sources</b>	<u>43,900</u>	<u>43,900</u>	<u>38,997</u>	<u>(4,903)</u>
<b>Fund balance, beginning</b>	<u>460,000</u>	<u>460,500</u>	<u>810,668</u>	<u>350,168</u>
<b>Amount available for appropriation</b>	<u>\$ 1,640,900</u>	<u>\$ 1,641,400</u>	<u>2,393,795</u>	<u>\$ 752,395</u>
	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Building Inspection	\$ 1,426,700	\$ 1,376,600	\$ 1,028,636	\$ 347,964
Electrical Permit Program	196,300	196,400	141,021	55,379
ADA Code Enforcement	8,900	9,000	3,997	5,003
<b>Total expenditures</b>	<u>1,631,900</u>	<u>1,582,000</u>	<u>1,173,654</u>	<u>408,346</u>
<b>Other financing uses</b>				
Transfers to other funds	9,000	59,400	59,327	73
<b>Total other financing sources</b>	<u>9,000</u>	<u>59,400</u>	<u>59,327</u>	<u>73</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 1,640,900</u>	<u>\$ 1,641,400</u>	<u>1,232,981</u>	<u>\$ 408,419</u>
<b>Fund balance, ending</b>			<u>\$ 1,160,814</u>	

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

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Transient room tax	\$ 816,400	\$ 816,400	\$ 927,172	\$ 110,772
Airport fuel	192,000	192,000	125,841	(66,159)
Airport tie down rentals	600	600	525	(75)
Airport lease	49,500	49,500	46,766	(2,734)
Fixed base operator	-	-	15,355	15,355
Space rental	28,200	28,200	28,200	-
Dayton Hudson Corp. (Target)	35,300	35,300	35,282	(18)
Miscellaneous	-	-	166	166
Interest on investments	2,100	2,100	2,809	709
Total revenues	<u>1,124,100</u>	<u>1,124,100</u>	<u>1,182,116</u>	<u>58,016</u>
<b>Other financing sources</b>				
Transfer from Albany Revitalization Agency Fund	147,500	147,500	147,500	-
Intrafund Transfer from Economic Development	4,800	4,800	4,800	-
Intrafund Transfer from Transient Room Tax Program	67,600	67,600	67,600	-
Total other financing sources	219,900	219,900	219,900	-
<b>Fund balance, beginning</b>	<u>550,600</u>	<u>551,100</u>	<u>549,237</u>	<u>(1,863)</u>
Amount available for appropriation	<u>\$ 1,894,600</u>	<u>\$ 1,895,100</u>	<u>1,951,253</u>	<u>\$ 56,153</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Target Utilities	40,100	40,100	39,908	\$ 192
Economic Development Activity	963,400	963,800	710,558	253,242
Albany Airport	455,600	455,700	181,075	274,625
Albany Airport Capital Projects	<u>189,900</u>	<u>189,900</u>	<u>32,239</u>	<u>157,661</u>
Total expenditures	<u>1,649,000</u>	<u>1,649,500</u>	963,780	685,720
<b>Other financing uses</b>				
Transfers out to other funds	173,200	173,200	169,734	3,466
Intrafund transfers out	<u>72,400</u>	<u>72,400</u>	<u>72,400</u>	-
Total other financing uses	<u>245,600</u>	<u>245,600</u>	<u>242,134</u>	<u>3,466</u>
Total expenditures and other financing uses	<u>\$ 1,894,600</u>	<u>\$ 1,895,100</u>	<u>1,205,914</u>	<u>\$ 689,186</u>
<b>Fund balance, ending</b>			<u>\$ 745,339</u>	

**CITY OF ALBANY, OREGON**  
**PUBLIC TRANSIT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
State Operating Match Grant	\$ 9,600	\$ 9,600	\$ -	\$ (9,600)
FTA Section 5307 grant	1,017,700	1,017,700	817,916	(199,784)
FTA grant 5310	248,100	248,100	247,755	(345)
FTA grant 5309	304,000	304,000	311,250	7,250
Workers' Comp wage subsidy	-	-	1,159	1,159
City of Millersburg	500	500	788	288
Local funds	-	-	12,000	12,000
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	-
Other Pass Program	-	-	2,200	2,200
LBCC Partnership	105,500	105,500	105,500	-
OSU Partnership	105,500	105,500	105,500	-
Advertising	4,000	4,000	7,004	3,004
Bus fares	49,000	49,000	56,140	7,140
Call-a-Ride	30,000	30,000	30,000	-
Gifts and donations	300	300	90	(210)
Miscellaneous	-	-	357	357
Interest on investments	-	-	299	299
Total revenues	<u>1,902,200</u>	<u>1,902,200</u>	<u>1,725,958</u>	<u>(176,242)</u>
<b>Other financing sources</b>				
Transfer from General Fund	466,700	466,700	466,700	-
Transfer from Capital Replacement Fund	88,000	88,000	88,000	-
Total other financing sources	<u>554,700</u>	<u>554,700</u>	<u>554,700</u>	<u>-</u>
<b>Fund balance, beginning</b>	<u>221,900</u>	<u>223,000</u>	<u>266,460</u>	<u>43,460</u>
Amount available for appropriation	<u>\$ 2,678,800</u>	<u>\$ 2,679,900</u>	<u>2,547,118</u>	<u>\$ (132,782)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Albany Transit System	\$ 1,150,700	\$ 1,151,100	\$ 963,381	\$ 187,719
Transit Loop System	1,038,600	1,039,000	899,225	139,775
Paratransit System	484,500	484,800	435,359	49,441
Total expenditures	<u>2,673,800</u>	<u>2,674,900</u>	<u>2,297,965</u>	<u>376,935</u>
<b>Other financing uses</b>				
Transfers out to other funds	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>\$ 2,678,800</u>	<u>\$ 2,679,900</u>	<u>2,302,965</u>	<u>\$ 376,935</u>
<b>Fund balance, ending</b>			<u>\$ 244,153</u>	

**CITY OF ALBANY, OREGON**  
**PUBLIC SAFETY LEVY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes				
Current	\$ 2,334,700	\$ 2,334,700	\$ 2,361,355	\$ 26,655
Delinquent	80,000	80,000	94,148	14,148
Interest on investments	200	200	1,677	1,477
Total revenues	<u>2,414,900</u>	<u>2,414,900</u>	2,457,180	42,280
<b>Fund balance, beginning</b>	<u>7,700</u>	<u>7,700</u>	<u>37,706</u>	<u>30,006</u>
 Amount available for appropriation	 <u>\$ 2,422,600</u>	 <u>\$ 2,422,600</u>	 2,494,886	 <u>\$ 72,286</u>

<b>Other financing uses</b>	Original Budget	Final Budget	Actual	(Over) Under
Transfers out	<u>\$ 2,422,600</u>	<u>\$ 2,422,600</u>	<u>2,422,600</u>	<u>\$ -</u>
<b>Fund balance, ending</b>			<u>\$ 72,286</u>	



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

For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes - current	\$ 2,584,200	\$ 2,584,200	\$ 2,252,284	\$ (331,916)
Property taxes - delinquent	40,000	40,000	88,458	48,458
Miscellaneous	-	-	1,833	1,833
Loan repayment-principal	-	-	-	-
Loan repayment-interest	-	-	-	-
Loan repayment-principal	46,700	46,700	86,604	39,904
Loan repayment-interest	7,900	7,900	31,737	23,837
Interest on investments	5,500	5,500	17,082	11,582
Total revenues	2,684,300	2,684,300	2,477,998	(206,302)
<b>Other financing sources</b>				
Issuance of short-term debt	3,030,000	3,030,000	-	(3,030,000)
<b>Fund balance, beginning</b>	2,036,400	2,036,400	2,737,726	701,326
Amount available for appropriation	\$ 7,750,700	\$ 7,750,700	5,215,724	\$ (2,534,976)

<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
ARA	6,513,100	6,513,100	894,997	\$ 5,618,103
ARA Debt Service	1,090,100	1,090,100	262,867	827,233
Total expenditures	7,603,200	7,603,200	1,157,864	6,445,336
<b>Other financing uses</b>				
Transfers to other funds	147,500	147,500	147,500	-
Total expenditures and other financing uses	\$ 7,750,700	\$ 7,750,700	1,305,364	\$ 6,445,336
<b>Fund balance, ending</b>			\$ 3,910,360	

**CITY OF ALBANY, OREGON**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Revenues</b>				
Property taxes - current	\$ 1,191,700	\$ 1,191,700	\$ 1,183,124	\$ (8,576)
Property taxes - delinquent	30,900	30,900	53,880	22,980
Charges for services	454,000	454,000	454,000	-
Interest on investments	<u>4,300</u>	<u>4,300</u>	<u>4,635</u>	<u>335</u>
 Total revenues	 <u>1,680,900</u>	 <u>1,680,900</u>	 <u>1,695,639</u>	 <u>14,739</u>
<b>Other financing sources</b>				
Transfer from Parks and Recreation Fund	<u>180,100</u>	<u>180,100</u>	<u>180,100</u>	<u>-</u>
Total other financing sources	<u>180,100</u>	<u>180,100</u>	<u>180,100</u>	<u>-</u>
<b>Fund balance, beginning</b>	<u>453,900</u>	<u>453,900</u>	<u>439,829</u>	<u>(14,071)</u>
Amount available for appropriation	<u>\$ 2,314,900</u>	<u>\$ 2,314,900</u>	<u>2,315,568</u>	<u>\$ 668</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
<b>Expenditures</b>				
2002 Limited Tax Pension Obligations (PERS)	\$ 746,000	\$ 746,000	\$ 585,236	\$ 160,764
2004 Revenue Obligations	180,100	180,100	180,204	(104)
2007 General Obligation Refunding Bonds	<u>1,388,800</u>	<u>1,388,800</u>	<u>1,388,400</u>	<u>400</u>
Total expenditures	<u>\$ 2,314,900</u>	<u>\$ 2,314,900</u>	<u>2,153,840</u>	<u>\$ 161,060</u>
<b>Fund balance, ending</b>			<u>\$ 161,728</u>	

**CITY OF ALBANY, OREGON**  
**CAPITAL PROJECTS FUND - A Major Fund**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Federal Transportation Equity Act (TEA) Grant	\$ -	\$ -	\$ 320	\$ 320
Charges for services				
Financed principal	18,500	18,500	66,423	47,923
Unfinanced principal	632,000	632,000	750,812	118,812
Interest	4,000	4,000	31,119	27,119
Miscellaneous	-	-	54	54
Interest on investments	<u>5,000</u>	<u>5,000</u>	<u>5,175</u>	<u>175</u>
Total revenues	659,500	659,500	853,903	194,403
<b>Fund balance, beginning</b>	<u>668,100</u>	<u>686,000</u>	<u>765,462</u>	<u>79,462</u>
Amount available for appropriation	<u>\$ 1,327,600</u>	<u>\$ 1,345,500</u>	<u>1,619,365</u>	<u>\$ 273,865</u>
<b>Expenditures</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
LID Construction Projects	\$ 580,600	\$ 580,600	\$ 15,690	\$ 564,910
Albany Station Pathway	115,000	115,000	20,122	94,878
North Albany Park & Ride	-	4,800	4,710	90
Public Safety Facilities	<u>-</u>	<u>-</u>	<u>41,472</u>	<u>(41,472)</u>
Total expenditures	<u>695,600</u>	<u>700,400</u>	<u>81,994</u>	<u>618,406</u>
<b>Other financing uses</b>				
Repayment of Interfund Loan to Risk Management Fund	<u>632,000</u>	<u>645,100</u>	<u>645,032</u>	<u>68</u>
Total other financing uses	<u>632,000</u>	<u>645,100</u>	<u>645,032</u>	<u>68</u>
Total expenditures and other financing uses	<u>\$ 1,327,600</u>	<u>\$ 1,345,500</u>	<u>727,026</u>	<u>\$ 618,474</u>
<b>Budgetary Fund Balance</b>			892,339	
Adjustment for Interfund Loans to Risk Management			<u>(3,458,977)</u>	
<b>Fund Balance, ending</b>			<u>\$ (2,566,638)</u>	

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

For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Equipment replacement charges	\$ 825,700	\$ 562,500	\$ 562,500	\$ -
Departmental Charges	150,000	150,000	150,000	-
Phone system charges	75,000	75,000	75,000	-
Oregon Community Foundation	-	-	2,497	2,497
Energy Trust of Oregon	-	-	22,886	22,886
Property Management	-	-	22,000	22,000
Miscellaneous	15,000	15,000	52,855	37,855
Interest on investments	<u>9,600</u>	<u>9,600</u>	<u>27,928</u>	<u>18,328</u>
Total revenues	<u>1,075,300</u>	<u>812,100</u>	<u>915,666</u>	<u>103,566</u>
<b>Other financing sources</b>				
Transfer from Risk Management Fund	500,000	500,000	500,000	-
Transfer from Economic Development Fund	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
 Total other financing sources	 <u>512,000</u>	 <u>512,000</u>	 <u>512,000</u>	 <u>-</u>
 <b>Fund balance, beginning</b>	 <u>5,622,000</u>	 <u>5,622,000</u>	 <u>5,156,986</u>	 <u>(465,014)</u>
 Amount available for appropriation	 <u>\$ 7,209,300</u>	 <u>\$ 6,946,100</u>	 <u>6,584,652</u>	 <u>\$ (361,448)</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Equipment Replacement	\$ 3,803,200	\$ 3,540,000	\$ 349,208	\$ 3,190,792
City Facilities Replacement	201,000	201,000	25,396	175,604
General Fund Building Maintenance Projects	174,100	174,100	96,967	77,133
Information Technology Equipment Replacement	1,774,300	1,774,300	226,095	1,548,205
Public Works Facilities Replacement	<u>1,168,700</u>	<u>1,168,700</u>	<u>108,760</u>	<u>1,059,940</u>
Total expenditures	7,121,300	6,858,100	806,426	6,051,674
<b>Other financing uses</b>				
Transfers to other funds	<u>88,000</u>	<u>88,000</u>	<u>88,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 7,209,300</u>	<u>\$ 6,946,100</u>	<u>894,426</u>	<u>\$ 6,051,674</u>
 <b>Fund Balance, ending</b>			 <u>\$ 5,690,226</u>	

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

June 30, 2015

	Senior Center <u>Endowment</u>	Library Trust <u>Trust</u>	<u>Totals</u>
<b>ASSETS</b>			
Interest receivable	\$ 18	\$ 28	\$ 46
Restricted cash and investments	<u>51,609</u>	<u>83,642</u>	<u>135,251</u>
Total assets	<u>\$ 51,627</u>	<u>\$ 83,670</u>	<u>\$ 135,297</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 185</u>
<b>FUND BALANCES</b>			
Nonspendable	51,200	79,500	130,700
Restricted - Library Programs	-	3,985	3,985
Restricted - Parks and Recreation Programs	<u>427</u>	<u>-</u>	<u>427</u>
Total fund balances	<u>51,627</u>	<u>83,485</u>	<u>135,112</u>
Total liabilities and fund balances	<u>\$ 51,627</u>	<u>\$ 83,670</u>	<u>\$ 135,297</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**PERMANENT FUNDS**  
For the Year Ended June 30, 2015

	Senior Center Endowment	Library Trust	Totals
<b>REVENUES</b>			
Interest on investments	\$ 268	\$ 438	\$ 706
Miscellaneous	100	3	103
Total revenues	368	441	809
<b>EXPENDITURES</b>			
Culture and recreation	-	992	992
Net change in fund balances	368	(551)	(183)
Fund balance - beginning	51,259	84,036	135,295
Fund balance - ending	\$ 51,627	\$ 83,485	\$ 135,112

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

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Gifts and donations	\$ 100	\$ 100	\$ 100	\$ -
Interest on investments	100	100	268	168
Total revenues	200	200	368	168
<b>Fund balance, beginning</b>	51,100	51,100	51,259	159
Amount available for appropriation	\$ 51,300	\$ 51,300	51,627	\$ 327
<b>Expenditures</b>				
Materials and services	\$ 100	\$ 100	-	\$ 100
Unappropriated Surplus	51,200	51,200	-	51,200
Total expenditures	\$ 51,300	\$ 51,300	-	\$ 51,300
<b>Fund Balance, ending</b>			\$ 51,627	

**CITY OF ALBANY, OREGON**  
**LIBRARY TRUST FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Interest on investments	\$ 600	\$ 600	\$ 438	\$ (162)
Miscellaneous revenue	-	-	3	3
Total revenues	<u>600</u>	<u>600</u>	441	(159)
<b>Fund balance, beginning</b>	83,500	83,500	84,036	536
Amount available for appropriation	<u>\$ 84,100</u>	<u>\$ 84,100</u>	<u>84,477</u>	<u>\$ 377</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
V. O. Torney Trust	\$ 13,100	\$ 13,100	\$ -	\$ 13,100
Manela Trust	<u>71,000</u>	<u>71,000</u>	992	<u>70,008</u>
Total expenditures	<u>\$ 84,100</u>	<u>\$ 84,100</u>	992	<u>\$ 83,108</u>
<b>Fund Balance, ending</b>			<u>\$ 83,485</u>	



**CITY OF ALBANY, OREGON**  
**WATER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Delinquent	\$ -	\$ -	\$ 3,588	\$ 3,588
Water service				
Water service charges	11,584,700	11,584,700	11,795,552	210,852
Water service charges-Millersburg	200,000	200,000	249,269	49,269
Dumbeck Water District	46,200	46,200	65,727	19,527
North Albany capital charges	109,300	109,300	109,300	-
Collection agency payments	2,500	2,500	14,960	12,460
Charges for services				
City of Lebanon	58,000	58,000	77,000	19,000
Hydropower	70,000	70,000	68,295	(1,705)
Equipment replacement charges	174,000	174,000	174,000	-
Financed system development charges				
Principal	700	700	23,544	22,844
Interest	500	500	599	99
Water expansion				
Public facility construction permits	6,000	6,000	54,640	48,640
Water connection fees	15,000	15,000	22,202	7,202
Water systems development charges	223,000	223,000	382,329	159,329
Water service installation fee	60,000	60,000	106,547	46,547
Miscellaneous	6,000	6,000	24,928	18,928
Interest on investments	52,800	52,800	67,666	14,866
Total revenues	<u>12,608,700</u>	<u>12,608,700</u>	<u>13,240,146</u>	<u>631,446</u>
<b>Other financing sources</b>				
Intrafund Transfer from Water SDC Improvement Projects	384,900	384,900	384,900	-
Total other financing sources	<u>384,900</u>	<u>384,900</u>	<u>384,900</u>	<u>-</u>
<b>Fund balance, beginning</b>	10,015,100	10,020,100	10,361,558	341,458
<b>Fund balance, beginning, designated for debt service</b>	<u>1,589,500</u>	<u>1,589,500</u>	<u>1,621,904</u>	<u>32,404</u>
<b>Total fund balance, beginning</b>	<u>11,604,600</u>	<u>11,609,600</u>	<u>11,983,462</u>	<u>373,862</u>
Amount available for appropriation	<u>\$ 24,598,200</u>	<u>\$ 24,603,200</u>	<u>25,608,508</u>	<u>\$ 1,005,308</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 2,392,400	\$ 2,392,400	\$ 2,097,264	\$ 295,136
Materials and services	5,936,800	5,941,800	5,281,720	660,080
Capital	10,973,300	10,973,300	1,343,751	9,629,549
Debt service	3,528,200	3,528,200	1,928,194	1,600,006
Contingencies	872,500	852,500	-	852,500
Total expenditures	<u>23,703,200</u>	<u>23,688,200</u>	<u>10,650,929</u>	<u>13,037,271</u>
<b>Other financing uses</b>				
Transfers out	510,100	530,100	520,670	9,430
Intrafund transfers out	384,900	384,900	384,900	-
Total other financing uses	<u>895,000</u>	<u>915,000</u>	<u>905,570</u>	<u>9,430</u>
Total expenditures and other financing uses	<u>\$ 24,598,200</u>	<u>\$ 24,603,200</u>	<u>11,556,499</u>	<u>\$ 13,046,701</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 14,052,009</u>	

**CITY OF ALBANY, OREGON**  
**WATER FUND**  
**RECONCILIATION OF BUDGETARY BASIS REVENUES, EXPENDITURES, AND FUND BALANCE TO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2015

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 13,240,146	\$ 10,650,929	\$ 14,052,009
<b>Reconciling items</b>			
June 30, 2015, asset and liability balances:			
Capital assets, net	-	-	86,507,038
Accounts receivable	-	-	1,585,151
Unamortized issue costs/loss on defeasance	-	-	(1,711,966)
Inventory balance	-	-	637,406
Salaries, withholdings, and vacations payable	-	-	(178,096)
Net pension asset			441,448
Deferred outflows - pension related			179,713
Deferred inflows - pension related	-	-	(853,432)
OPEB payable	-	-	(200,232)
Interest payable	-	-	(423,039)
Bonds payable	-	-	(26,505,000)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	74,253	-	-
<b>Adjustments to current year expenses</b>			
Interest paid on long-term obligations	-	(1,033,194)	-
Eliminate principal paid on long-term obligations	-	(895,000)	-
Change in compensated absences liability	-	66,569	-
Change in OPEB obligation	-	19,019	-
Depreciation and amortization	-	3,035,520	-
Expenditures capitalized	-	(1,343,751)	-
Changes in inventories	-	97,229	-
Changes in insurance liability	-	(1,044)	-
Pension Expense		(583,748)	-
<b>Other adjustments</b>			
Nonoperating revenues			
Property taxes	(3,588)	-	-
Interest on investments	(67,666)	-	-
Capital contributions	(428,075)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 31)	<u>\$ 12,815,070</u>	<u>\$ 10,012,529</u>	<u>\$ 73,531,000</u>

**CITY OF ALBANY, OREGON**  
**SEWER FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Sewer service charges				
Albany sewer service charges	\$ 14,451,000	\$ 14,451,000	\$ 14,898,828	\$ 447,828
Charges collected through property taxes	30,000	30,000	38,460	8,460
Collection agency payments	2,000	2,000	19,812	17,812
Financed system development charges				
Principal	17,500	17,500	177,611	160,111
Interest	3,000	3,000	4,215	1,215
Financed assessments				
Principal	14,000	14,000	19,036	5,036
Interest	3,500	3,500	105	(3,395)
Financed connection fees				
Principal	3,900	3,900	7,000	3,100
Interest	2,900	2,900	4,980	2,080
Sewer oversizing and expansion				
Public facility construction permits	5,000	5,000	16,051	11,051
Sewer system development charges	302,200	302,200	881,359	579,159
General Sewer connection Fees	15,000	15,000	22,329	7,329
Storm Drain connection Fees	2,500	2,500	25,692	23,192
Sewer connection fees	-	-	33,594	33,594
Storm drain plan review/inspection fees	5,000	5,000	6,729	1,729
Stormwater Capital				
Stormwater quality permits	5,000	5,000	-	(5,000)
Stormwater deferred planting	5,000	5,000	-	(5,000)
Stormwater in-lieu of planting	5,000	5,000	-	(5,000)
Charges for services				
Equipment replacement charges	93,200	93,200	93,200	-
Millersburg operation and maintenance charges	125,000	125,000	153,480	28,480
Wah Chang operation and maintenance charges	100,000	100,000	124,664	24,664
City of Millersburg	405,600	405,600	405,650	50
Workers' Compensation wage subsidy reimbursement	-	-	1,061	1,061
Miscellaneous	25,000	25,000	27,194	2,194
Interest on investments	88,700	88,700	105,754	17,054
Total revenues	<u>15,710,000</u>	<u>15,710,000</u>	<u>17,066,804</u>	<u>1,356,804</u>
<b>Other financing sources</b>				
Intrafund Transfer Sewer Capital	-	140,000	115,052	(24,948)
Total other financing sources	<u>-</u>	<u>140,000</u>	<u>115,052</u>	<u>(24,948)</u>
<b>Fund balance, beginning</b>	<u>18,682,300</u>	<u>18,687,800</u>	<u>19,092,179</u>	<u>404,379</u>
<b>Fund balance, beginning, designated for debt service</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount available for appropriation	<u>\$ 34,392,300</u>	<u>\$ 34,537,800</u>	<u>36,274,035</u>	<u>\$ 1,736,235</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 2,485,100	\$ 2,485,100	\$ 2,174,895	\$ 310,205
Materials and services	6,949,500	6,955,000	6,126,603	828,397
Capital	13,952,300	13,952,300	1,211,540	12,740,760
Debt service	9,516,000	9,516,000	5,494,826	4,021,174
Contingencies	942,600	912,600	-	912,600
Total expenditures	<u>33,845,500</u>	<u>33,821,000</u>	<u>15,007,864</u>	<u>18,813,136</u>
<b>Other financing uses</b>				
Transfers out to other funds	546,800	576,800	562,783	14,017
Interfund transfers out	-	140,000	115,052	24,948
Total other financing uses	<u>546,800</u>	<u>716,800</u>	<u>677,835</u>	<u>38,965</u>
Total expenditures and other financing uses	<u>\$ 34,392,300</u>	<u>\$ 34,537,800</u>	<u>15,685,699</u>	<u>\$ 18,852,101</u>
<b>Budgetary fund balance, ending</b>			<u>\$ 20,588,336</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, 2015

	Revenues	Expenditures	Fund Balance/ Net Position
Totals from prior page	\$ 17,066,804	\$ 15,007,864	\$ 20,588,336
<b>Reconciling items</b>			
June 30, 2015, asset and liability balances:			
Capital assets, net	-	-	141,527,511
Accounts receivable	-	-	3,786,617
Loans receivable	-	-	4,592,498
Inventory	-	-	338,813
Salaries, withholdings, and vacations payable	-	-	(255,282)
OPEB payable	-	-	(192,454)
Interest payable	-	-	(608,527)
Bonds payable	-	-	(58,900,330)
Net pension asset	-	-	457,540
Deferred outflows - pension related	-	-	186,264
Deferred inflows - pension related	-	-	(884,542)
<b>Adjustments to current year revenues</b>			
Change in accounts receivable	(576,479)	-	-
<b>Adjustments to current year expenses</b>			
Expenditures capitalized	-	(1,211,539)	-
Change in inventory	-	25,470	-
Interest expense	-	(1,985,553)	-
Change in compensated absences liability	-	129,999	-
Change in OPEB obligation	-	20,562	-
Loan principal	-	(3,472,742)	-
Depreciation and amortization	-	4,573,578	-
Changes in insurance liability	-	(1,044)	-
Pension expense	-	(605,027)	-
<b>Other adjustments</b>			
Nonoperating revenues			
Interest on investments	(105,754)		
Miscellaneous	(1,061)		
Capital contributions	(303,358)	-	-
Millersburg loan reclassification	(405,650)	-	-
Operating revenues, operating expenses, and ending net position from Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds (page 31)	<u>\$ 15,674,502</u>	<u>\$ 12,481,568</u>	<u>\$ 110,636,444</u>

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

June 30, 2015

	Central Services	Public Works Services	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 622,038	\$ 366,472	\$ 988,510
Accounts receivable	141	61	202
Accrued interest	316	1,191	1,507
Prepaid items	2,823	-	2,823
Total current assets	625,318	367,724	993,042
Noncurrent assets:			
Net pension asset	772,250	1,145,017	1,917,267
Capital assets (net of depreciation)	-	80,554	80,554
Total noncurrent assets	772,250	1,225,571	1,997,821
Total assets	1,397,568	1,593,295	2,990,863
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	314,383	466,135	780,518
Current liabilities:			
Accounts payable	134,530	187,959	322,489
Compensated absences	174,228	159,771	333,999
Total current liabilities	308,758	347,730	656,488
Long-term debt obligations			
Compensated absences	174,226	159,772	333,998
Other postemployment benefits	384,091	489,050	873,141
Total long-term debt obligations	558,317	648,822	1,207,139
Total liabilities	867,075	996,552	1,863,627
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	1,492,958	2,213,612	3,706,570
<b>NET POSITION</b>			
Net investment in capital assets	-	80,554	80,554
Unrestricted	(648,082)	(1,231,288)	(1,879,370)
Total net position	\$ (648,082)	\$ (1,150,734)	\$ (1,798,816)

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2015

	Central Services	Public Works Services	Totals
<b>OPERATING REVENUES</b>			
Service charges and fees	\$ 5,670,845	\$ 6,662,620	\$ 12,333,465
Miscellaneous	47,510	2,556	50,066
Total operating revenues	<u>5,718,355</u>	<u>6,665,176</u>	<u>12,383,531</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	2,985,577	4,049,092	7,034,669
Contracted services	189,898	271,452	461,350
Operating supplies	649,531	517,594	1,167,125
Utilities	94,909	83,486	178,395
Depreciation	-	15,720	15,720
Repairs and maintenance	132,464	87,195	219,659
Charges for services	535,672	577,840	1,113,512
Miscellaneous	3,589	-	3,589
Total operating expenses	<u>4,591,640</u>	<u>5,602,379</u>	<u>10,194,019</u>
Operating income	1,126,715	1,062,797	2,189,512
<b>NONOPERATING REVENUES:</b>			
Interest on investments	2,408	2,210	4,618
Change in net position	1,129,123	1,065,007	2,194,130
Prior period restatement - pension related	(1,427,509)	(2,116,570)	(3,544,079)
Net position - beginning	<u>(349,696)</u>	<u>(99,171)</u>	<u>(448,867)</u>
Net position - ending	<u>\$ (648,082)</u>	<u>\$ (1,150,734)</u>	<u>\$ (1,798,816)</u>

**CITY OF ALBANY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended June 30, 2015

	Central Services	Public Works Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,718,478	\$ 6,665,196	\$ 12,383,674
Cash payments to suppliers of goods and services	(1,655,554)	(1,591,214)	(3,246,768)
Cash payments to employees for services	(3,928,189)	(5,567,967)	(9,496,156)
Net cash provided by (used in) operating activities	134,735	(493,985)	(359,250)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	2,021	2,109	4,130
Net increase (decrease) in cash and cash equivalents	136,756	(491,876)	(355,120)
<b>Cash and cash equivalents, July 1, 2014</b>	<b>485,282</b>	<b>858,348</b>	<b>1,343,630</b>
<b>Cash and cash equivalents, June 30, 2015</b>	<b>\$ 622,038</b>	<b>\$ 366,472</b>	<b>\$ 988,510</b>
 <b>RECONCILIATION OF OPERATING INCOME TO</b>			
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income	\$ 1,126,715	\$ 1,062,797	\$ 2,189,512
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	15,720	15,720
Changes in assets, deferred outflows, liabilities and deferred inflows:			-
(Increase) decrease in accounts receivable	123	20	143
(Increase) decrease in prepaid items	1,714	-	1,714
(Increase) decrease in net pension asset	(2,510,849)	(3,722,840)	(6,233,689)
(Increase) decrease in deferred outflows of resources	(3,293)	(4,882)	(8,175)
Increase (decrease) in accounts payable	(51,205)	(53,647)	(104,852)
Increase (decrease) in accrued compensated absences	42,091	(58,347)	(16,256)
Increase (decrease) in other postemployment benefits	36,481	53,582	90,063
Increase (decrease) in deferred inflows of resources	1,492,958	2,213,612	3,706,570
Total adjustments	(991,980)	(1,556,782)	(2,548,762)
Net cash provided by operating activities	\$ 134,735	\$ (493,985)	\$ (359,250)

**CITY OF ALBANY, OREGON**  
**CENTRAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

<b>Revenues</b>	Original Budget	Final Budget	Actual	Over (Under)
Building maintenance charges	\$ 709,000	\$ 709,000	\$ 709,000	\$ -
Administrative services charges	3,035,100	3,082,900	3,082,900	-
Information technology charges	1,366,200	1,366,200	1,366,200	-
GIS services charge	395,700	395,700	395,700	-
Permit Tracking services charge	116,900	116,900	116,900	-
GIS information sales	300	300	145	(155)
Miscellaneous	40,000	40,000	47,510	7,510
Interest on investments	4,000	4,000	2,408	(1,592)
Total revenues	<u>5,667,200</u>	<u>5,715,000</u>	<u>5,720,763</u>	<u>5,763</u>
<b>Fund balance, beginning</b>	<u>112,600</u>	<u>114,200</u>	<u>304,277</u>	<u>190,077</u>
Amount available for appropriation	<u>\$ 5,779,800</u>	<u>\$ 5,829,200</u>	<u>6,025,040</u>	<u>\$ 195,840</u>
<b>Expenditures</b>	Original Budget	Final Budget	Actual	(Over) Under
Council and Nondepartmental	\$ 213,300	\$ 213,300	\$ 205,828	\$ 7,472
City Manager's Office	931,500	920,500	901,956	18,544
Information Technology Services	1,366,200	1,367,100	1,298,781	68,319
Human Resources	644,500	644,500	585,277	59,223
Facilities Maintenance	709,000	709,400	691,535	17,865
Finance	1,376,400	1,435,200	1,415,179	20,021
GIS Services	422,000	422,200	320,233	101,967
Permit Tracking Services	116,900	117,000	115,463	1,537
Total expenditures	<u>\$ 5,779,800</u>	<u>\$ 5,829,200</u>	<u>5,534,252</u>	<u>\$ 294,948</u>
<b>Budgetary fund balance</b>			<u>\$ 490,788</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 116.



**CITY OF ALBANY, OREGON**  
**PUBLIC WORKS SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues:</b>				
Charges for services - Water	\$ 2,592,300	\$ 2,592,300	\$ 2,332,473	\$ (259,827)
Charges for services - Sewer	3,128,100	3,128,100	2,652,266	(475,834)
Charges for services - Streets	634,000	634,000	688,353	54,353
Charges for services - Airport	18,600	18,600	16,019	(2,581)
Charges for services - Transit	109,600	109,600	95,190	(14,410)
Charges for services - Building Inspection	102,200	102,200	88,672	(13,528)
Charges for services - Construction in Progress	1,115,700	1,115,700	789,647	(326,053)
Miscellaneous	-	-	2,556	2,556
Interest	-	-	2,210	2,210
Total revenues	<u>7,700,500</u>	<u>7,700,500</u>	6,667,386	(1,033,114)
<b>Fund balance, beginning</b>	-	5,200	617,913	612,713
Amount available for appropriation	<u>\$ 7,700,500</u>	<u>\$ 7,705,700</u>	<u>7,285,299</u>	<u>\$ (420,401)</u>

	Original Budget	Final Budget	Actual	(Over) Under
<b>Expenditures</b>				
Public Works Administration	\$ 1,249,600	\$ 1,250,100	\$ 1,168,025	\$ 82,075
Engineering Services	2,561,700	2,563,600	2,311,950	251,650
Operations Administration	575,000	575,500	541,332	34,168
Water Quality Control Services	360,800	361,100	339,448	21,652
Public Works Customer Service	1,236,800	1,237,700	1,143,030	94,670
Facilities and Maintenance Engineering	<u>1,716,600</u>	<u>1,717,700</u>	<u>1,601,749</u>	<u>115,951</u>
Total expenditures	<u>\$ 7,700,500</u>	<u>\$ 7,705,700</u>	<u>7,105,534</u>	<u>\$ 600,166</u>
<b>Budgetary fund balance</b>			<u>\$ 179,765</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Position, see page 116.

**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, 2015

	<u>Central Services</u>	<u>Public Works Service</u>	<u>Totals</u>
<b><u>REVENUES</u></b>			
Total revenues from Schedule of Revenues and Expenditures - Budget and Actual (pages 114 and 115)	\$5,720,763	\$ 6,667,386	\$ 12,388,149
<b>Reconciling item:</b>			
Interest on investments	<u>(2,408)</u>	<u>(2,210)</u>	<u>(4,618)</u>
Operating revenues from Internal Service Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 112)	<u>\$5,718,355</u>	<u>\$ 6,665,176</u>	<u>\$ 12,383,531</u>
<b><u>EXPENDITURES</u></b>			
Total expenditures from Schedule of Revenues and Expenditures - Budget and Actual (pages 114 and 115)	\$5,534,252	\$ 7,105,534	\$ 12,639,786
<b>Reconciling item:</b>			
Depreciation	-	15,720	15,720
Change in compensated absences liability	42,091	(58,347)	(16,256)
Pension related expense	(1,021,184)	(1,514,110)	(2,535,294)
Change in OPEB obligation	<u>36,481</u>	<u>53,582</u>	<u>90,063</u>
Operating expenses from Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 112)	<u>\$4,591,640</u>	<u>\$ 5,602,379</u>	<u>\$ 10,194,019</u>
<b><u>FUND BALANCE</u></b>			
Fund balance from Schedule of Revenues and Expenditures - Budget and Actual (pages 114 and 115)	\$ 490,788	\$ 179,765	\$ 670,553
<b>Reconciling item:</b>			
Net pension asset	772,250	1,145,017	1,917,267
Deferred outflows - pension related	314,383	466,135	780,518
Deferred inflows - pension related	(1,492,958)	(2,213,612)	(3,706,570)
Capital assets, net	-	80,554	80,554
Compensated absences liability	(348,454)	(319,543)	(667,997)
OPEB obligation	<u>(384,091)</u>	<u>(489,050)</u>	<u>(873,141)</u>
Net Position from Internal Service Funds Statement of Revenues, Expenses, and Changes in Fund Net Position (page 111)	<u>\$ (648,082)</u>	<u>\$ (1,150,734)</u>	<u>\$ (1,798,816)</u>

**Capital Assets Used in  
Governmental Activities**

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE**  
as of June 30, 2015

<b>Governmental capital assets</b>	
Land	\$ 13,495,010
Buildings	21,194,348
Intangible asset	800,000
Vehicles and Equipment	15,522,267
Infrastructure	<u>137,208,383</u>
 Total governmental capital assets	 <u>\$ 188,220,008</u>
 <b>Investment in capital assets from:</b>	
Balance as of June 30, 1993	\$ 5,022,808
Capital project funds:	
General obligation bonds	11,040,413
Certificates of participation	5,670,458
Federal grants	25,538,279
State grants	2,603,485
Transfer from General Fund	2,401,493
Transfer from special revenue funds	3,047,613
Other sources	700,967
General Fund	8,425,120
Special revenue funds	72,400,732
Local improvement districts	16,031,018
Urban renewal districts	4,265,975
Donations	<u>31,071,647</u>
 Total investment in governmental capital assets	 <u>\$ 188,220,008</u>

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS**  
for the fiscal year ended June 30, 2015

	Balances July 1, 2014	Additions	Deletions, Transfers out, Transfers in	Balances June 30, 2015
<b><u>CAPITAL ASSETS</u></b>				
Land	\$ 12,316,850	\$ 1,178,160	\$ -	\$ 13,495,010
Buildings and improvements	21,085,588	108,760	-	21,194,348
Intangible assets	800,000	-	-	800,000
Vehicles and equipment	14,494,460	1,027,807	-	15,522,267
Infrastructure	<u>130,406,817</u>	<u>6,801,566</u>	<u>-</u>	<u>137,208,383</u>
Total capital assets	<u>\$ 179,103,715</u>	<u>\$ 9,116,293</u>	<u>\$ -</u>	<u>\$ 188,220,008</u>

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY**  
as of June 30, 2015

	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	20,775,180	30,925,875
Airport Maintenance	33,510	68,215	-	17,687	3,746,154	3,865,566
Public Transit	-	-	-	2,570,871	-	2,570,871
<b>Total general government</b>	<u>3,130,962</u>	<u>6,520,706</u>	<u>-</u>	<u>3,372,325</u>	<u>24,521,334</u>	<u>37,545,327</u>
<b>Public Safety:</b>						
Municipal Court	-	-	-	23,571	-	23,571
Police	869,088	1,318,228	-	2,600,474	-	4,787,790
Fire	<u>1,331,187</u>	<u>4,377,955</u>	<u>-</u>	<u>6,251,716</u>	<u>-</u>	<u>11,960,858</u>
<b>Total public safety</b>	<u>2,200,275</u>	<u>5,696,183</u>	<u>-</u>	<u>8,875,761</u>	<u>-</u>	<u>16,772,219</u>
<b>Highways and Streets:</b>						
Street Maintenance	<u>1,299,065</u>	<u>395,830</u>	<u>-</u>	<u>1,266,011</u>	<u>99,485,602</u>	<u>102,446,508</u>
<b>Culture and Recreation:</b>						
Library	653,570	6,839,299	-	343,148	-	7,836,017
Parks and Recreation	<u>6,211,138</u>	<u>1,742,330</u>	<u>800,000</u>	<u>1,665,022</u>	<u>13,201,447</u>	<u>23,619,937</u>
<b>Total culture and recreation</b>	<u>6,864,708</u>	<u>8,581,629</u>	<u>800,000</u>	<u>2,008,170</u>	<u>13,201,447</u>	<u>31,455,954</u>
<b>Total capital assets</b>	<u>\$ 13,495,010</u>	<u>\$ 21,194,348</u>	<u>\$ 800,000</u>	<u>\$ 15,522,267</u>	<u>\$ 137,208,383</u>	<u>\$ 188,220,008</u>

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
for the fiscal year ended June 30, 2015

	Capital Assets July 1, 2014	Additions	Deletions, Transfers in, Transfers out	Capital Assets June 30, 2015
<b>Function and Activity:</b>				
<b>General Government:</b>				
Building Maintenance	\$ 154,823	\$ -	\$ -	\$ 154,823
Building Inspection	28,192	-	-	28,192
General Fund	25,474,098	5,451,777		30,925,875
Airport Maintenance	3,865,566	-	-	3,865,566
Public Transit	1,806,953	763,918	-	2,570,871
<b>Total general government</b>	<u>31,329,632</u>	<u>6,215,695</u>	<u>-</u>	<u>37,545,327</u>
<b>Public Safety:</b>				
Municipal Court	23,571	-	-	23,571
Police	4,610,433	177,357	-	4,787,790
Fire	9,722,221	1,214,332	1,024,305	11,960,858
Ambulance	1,024,305	-	(1,024,305)	-
<b>Total public safety</b>	<u>15,380,530</u>	<u>1,391,689</u>	<u>-</u>	<u>16,772,219</u>
<b>Highways and Streets:</b>				
Street Maintenance	101,087,160	1,359,348	-	102,446,508
<b>Culture and Recreation:</b>				
Library	7,836,017	-	-	7,836,017
Parks and Recreation	23,470,376	149,561	-	23,619,937
<b>Total culture and recreation</b>	<u>31,306,393</u>	<u>149,561</u>	<u>-</u>	<u>31,455,954</u>
<b>Total capital assets</b>	<u>\$ 179,103,715</u>	<u>\$ 9,116,293</u>	<u>\$ -</u>	<u>\$ 188,220,008</u>

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## **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, 2015

	Interest Rate	Date of Issue	Years of Maturity	Outstanding July 1, 2014	Matured/ Paid off During Year	Outstanding June 30, 2015
<b>GOVERNMENTAL ACTIVITIES</b>						
2007 General Obligation Refunding	4.00	06/01/07	2007-2015	\$ 1,335,000	\$ 1,335,000	\$ -
2002 Limited Tax Pension Obligations	2.00-7.36	03/15/02	2002-2028	5,314,003	105,020	5,208,983
2004 General Revenue Obligations	2.50-4.00	12/15/04	2006-2020	940,000	140,000	800,000
2007 Series A CARA Tax-Exempt	4.85	10/15/07	2008-2022	2,822,000	126,000	2,696,000
1992 OEDD Notes Payable (1)	5.47	12/01/95	2015-2016	<u>71,881</u>	<u>35,774</u>	<u>36,107</u>
Total governmental activities				<u>\$ 10,482,884</u>	<u>\$ 1,741,794</u>	<u>\$ 8,741,090</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
2013 Water Refunding Bonds	3.125-5.00	08/01/33	2013-2033	\$ 27,400,000	\$ 895,000	\$ 26,505,000
2007 Oregon DEQ SRF Notes Payable (2)	3.40-3.64	09/21/06	2007-2030	57,933,506	2,980,325	54,953,181
2009 Wetland Loans Payable	4.00	12/21/09	2010-2020	2,689,566	392,417	2,297,149
2012 SRF/ARRA Loan	4.00	02/01/12	2031-2032	<u>1,750,000</u>	<u>100,000</u>	<u>1,650,000</u>
Total business-type activities				<u>\$ 89,773,072</u>	<u>\$ 4,367,742</u>	<u>\$ 85,405,330</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, 2015

	Interest Rate	Date of Issue	Years of Maturity	Total Required Payments July 1, 2014	Interest Retired During Year	Total Required Payments June 30, 2015
<b>GOVERNMENTAL ACTIVITIES</b>						
2007 General Obligation Refunding	4.00	06/01/07	2007-2015	\$ 53,400	\$ 53,400	\$ -
2002 Limited Tax Pension Obligations	2.00-7.36	03/15/02	2002-2028	4,785,513	480,216	4,305,297
2004 General Revenue Obligations	2.50-4.00	12/15/04	2006-2020	141,260	39,454	101,806
2007 Series A CARA Tax-Exempt	4.85	10/15/07	2008-2022	684,480	136,867	547,613
1992 OEDD Notes Payable (1)	5.47	12/01/95	2015-2016	<u>6,211</u>	<u>4,134</u>	<u>2,077</u>
Total governmental activities				<u>\$ 5,670,864</u>	<u>\$ 714,071</u>	<u>\$ 4,956,793</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
2013 Water Refunding Bonds	3.125-5.00	08/01/33	2013-2033	\$ 11,371,253	\$ 1,033,194	\$ 10,338,059
2007 Oregon DEQ SRF Notes Payable (2)	3.40-3.64	09/21/06	2007-2030	17,477,801	1,873,595	15,604,206
2009 Wetland Loans Payable	4.00	12/21/09	2010-2020	400,572	107,583	292,989
2012 SRF/ARRA Loan	4.00	02/01/12	2031-2032	<u>76,625</u>	<u>4,375</u>	<u>72,250</u>
Total business-type activities				<u>\$ 29,326,251</u>	<u>\$ 3,018,747</u>	<u>\$ 26,307,504</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, 2015

Years of Maturity	Total Requirements			2002 Limited Tax Pension Obligations	
	Principal	Interest	Total	Principal	Interest
2015-2016	\$ 621,605	\$ 675,127	\$ 1,296,732	\$ 107,498	\$ 507,740
2016-2017	613,483	677,664	1,291,147	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	736,605	648,986	1,385,591	159,605	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>\$ 8,741,090</u>	<u>\$ 4,943,443</u>	<u>\$ 13,684,533</u>	<u>\$ 5,208,983</u>	<u>\$ 4,291,948</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	
\$ 145,000	\$ 34,554	\$ 333,000	\$ 130,756	\$ 36,107	\$ 2,077	2015-2016
155,000	27,304	349,000	114,605	-	-	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>\$ 800,000</u>	<u>\$ 101,806</u>	<u>\$ 2,696,000</u>	<u>\$ 547,612</u>	<u>\$ 36,107</u>	<u>\$ 2,077</u>	

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF FUTURE DEBT PRINCIPAL AND INTEREST REQUIREMENTS**  
**BUSINESS-TYPE ACTIVITIES**  
June 30, 2015

Years of Maturity	Total Requirements			2013 Water Refunding Bond		2007 Oregon DEQ State Revolving Fund Notes	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
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>\$ 85,405,330</u>	<u>\$ 26,307,498</u>	<u>\$ 111,712,828</u>	<u>\$ 26,505,000</u>	<u>\$ 10,338,053</u>	<u>\$ 54,953,181</u>	<u>\$ 15,604,206</u>

2010 Wetlands Loans		2012 SRF ARRA Loan		Years of Maturity
Principal	Interest	Principal	Interest	
\$ 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>\$2,297,149</u>	<u>\$ 292,989</u>	<u>\$1,650,000</u>	<u>\$ 72,250</u>	

**CITY OF ALBANY, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
for the year ended June 30, 2015

Tax Year	Taxes Receivable July 1, 2014	Levy as extended by assessor	Collections	Discounts & Adjustments	Taxes Receivable June 30, 2015
2014-15		\$ 27,836,933	\$(26,056,477)	\$ (781,169)	\$ 999,287
2013-14	\$ 1,090,016	-	(558,196)	111,815	643,635
2012-13	668,151	-	(321,548)	91,843	438,446
2011-12	468,518	-	(229,154)	24,626	263,990
2010-11	275,763	-	(166,775)	40,087	149,075
2009-10	125,626	-	(14,476)	990	112,140
2008-09	11,877	-	(8,804)	2,086	5,159
2007-08	378	-	-	(378)	-
and prior	31,392	-	(7,002)	3,121	27,511
	<u>\$ 2,671,721</u>	<u>\$ 27,836,933</u>	<u>\$ (27,362,432)</u>	<u>\$ (506,979)</u>	<u>\$ 2,639,243</u>

**SUMMARY OF COLLECTIONS AND BALANCES RECEIVABLE**

Governmental funds		
General	\$ 17,068,823	\$ 1,588,196
Special Revenue		
Parks and Recreation	4,256,772	390,929
Public Safety Levy	2,455,503	235,776
Albany Revitalization Agency	2,340,742	209,228
Debt Service	<u>1,237,004</u>	<u>180,971</u>
Total governmental funds	27,358,844	2,605,100
Proprietary fund		
Water	<u>3,588</u>	<u>34,143</u>
Totals	<u>\$ 27,362,432</u>	<u>\$ 2,639,243</u>

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

	Collections from Above	Tax Accrual Net Change	Statement of Activities
General	\$ 17,068,823	\$ (28,474)	\$ 17,040,349
Parks and Recreation	4,256,772	43,794	4,300,566
Public Safety Levy	2,455,503	9,805	2,465,308
Albany Revitalization Agency	2,340,742	12,164	2,352,906
Debt Service	1,237,004	56,390	1,293,394
Water	<u>3,588</u>		<u>3,588</u>
Totals	<u>\$ 27,362,432</u>	<u>\$ 93,679</u>	<u>\$ 27,456,111</u>



## **STATISTICAL SCHEDULES**

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

### **FINANCIAL TRENDS**

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

### **REVENUE CAPACITY**

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

### **DEBT CAPACITY**

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

### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

### **OPERATING INFORMATION**

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

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

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

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 72,113,680	\$ 77,816,952	\$ 80,243,676	\$ 86,710,887	\$ 90,807,172
Restricted	15,878,361	13,984,682	17,874,256	15,077,460	16,512,436
Unrestricted	14,336,075	15,195,602	12,538,211	8,520,075	18,722,132
Total governmental activities net position	<u>102,328,116</u>	<u>106,997,236</u>	<u>110,656,143</u>	<u>110,308,422</u>	<u>126,041,740</u>
<b>Business-type activities</b>					
Net investment in capital assets	91,009,502	102,945,424	106,681,579	125,267,350	127,645,184
Restricted	14,984,960	14,764,342	8,494,861	5,372,200	25,649,567
Unrestricted	17,976,644	17,780,223	27,975,161	26,596,746	12,174,097
Total business-type activities net position	<u>123,971,106</u>	<u>135,489,989</u>	<u>143,151,601</u>	<u>157,236,296</u>	<u>165,468,848</u>
<b>Total City of Albany</b>					
Net investment in capital assets	163,123,182	180,762,376	186,925,255	211,978,237	218,452,356
Restricted	30,863,321	28,749,024	26,369,117	20,449,660	42,162,003
Unrestricted	32,312,719	32,975,825	40,513,372	35,116,821	30,896,229
Total net position	<u>\$ 226,299,222</u>	<u>\$ 242,487,225</u>	<u>\$ 253,807,744</u>	<u>\$ 267,544,718</u>	<u>\$ 291,510,588</u>

Over the last ten years the net position of governmental activities increased by just over 24 percent (\$24,740,000). Included in program revenues are \$10,828,000 of capital contributions in the form of systems development charges, connection fees, improvement assurance fees, and site improvements.

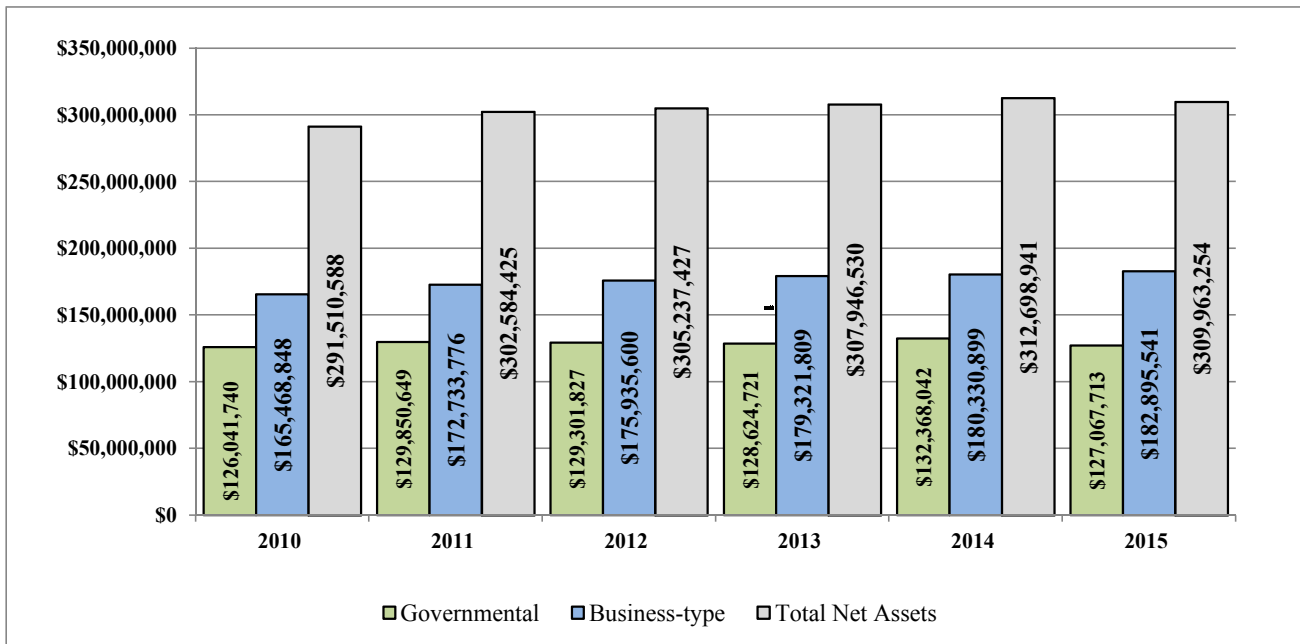
During the same time frame (ten years), the net position of the business-type activities have increased by 48 percent (\$58,924,000). The two major components of the increase have been operating income (\$56,352,000) and capital contributions (\$37,129,000), which consists of development fees (systems 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 2006-2015 Comprehensive Annual Financial Reports

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

2011	2012	2013	2014	2015	
					<b>Governmental Activities</b>
\$ 93,826,390	\$ 96,500,517	\$ 95,848,731	\$ 90,297,428	\$ 94,819,619	Net investment in capital assets
18,879,050	13,190,170	11,874,882	16,359,363	11,071,442	Restricted
17,145,209	19,611,140	20,901,108	25,711,251	21,176,652	Unrestricted
<u>129,850,649</u>	<u>129,301,827</u>	<u>128,624,721</u>	<u>132,368,042</u>	<u>127,067,713</u>	Total governmental activities net position
					<b>Business-type activities</b>
130,139,819	134,559,041	136,828,820	\$ 140,222,126	\$ 140,997,807	Net investment in capital assets
19,785,270	14,445,758	13,514,952	10,863,027	10,717,596	Restricted
22,808,687	26,930,801	28,978,037	29,245,746	31,180,138	Unrestricted
<u>172,733,776</u>	<u>175,935,600</u>	<u>179,321,809</u>	<u>180,330,899</u>	<u>182,895,541</u>	Total business-type activities net position
					<b>Total City of Albany</b>
223,966,209	231,059,558	232,677,551	230,519,554	235,817,426	Net investment in capital assets
38,664,320	27,635,928	25,389,834	27,222,390	21,789,038	Restricted
39,953,896	46,541,941	48,876,010	54,956,997	52,356,790	Unrestricted
<u>\$ 302,584,425</u>	<u>\$ 305,237,427</u>	<u>\$ 306,943,395</u>	<u>\$ 312,698,941</u>	<u>\$ 309,963,254</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)

	2006	2007	2008	2009	2010
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,799,062	6,468,368	8,791,969	7,813,659	9,227,210
Public safety	18,484,074	21,156,907	22,831,077	25,723,911	26,364,368
Highways and streets	5,605,789	6,489,273	6,717,357	6,794,651	6,927,620
Culture and recreation	6,387,685	7,222,964	7,542,294	8,238,041	8,372,888
Interest on long-term debt	1,224,183	1,138,930	1,171,934	1,202,841	1,138,531
Total governmental activities expenses	<u>37,500,793</u>	<u>42,476,442</u>	<u>47,054,631</u>	<u>49,773,103</u>	<u>52,030,617</u>
Business-type activities					
Water	9,494,225	11,253,334	11,495,380	11,445,203	11,252,016
Sewer	7,952,494	8,829,900	9,317,599	9,516,905	10,119,746
Total business-type activities expenses	<u>17,446,719</u>	<u>20,083,234</u>	<u>20,812,979</u>	<u>20,962,108</u>	<u>21,371,762</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	1,646,172	2,924,139	3,184,952	4,055,717	2,796,623
Public Safety	2,505,120	2,607,728	2,776,588	2,902,915	3,247,298
Highways and Streets	-	-	-	-	-
Culture and recreation	714,453	728,316	818,626	789,184	1,012,384
Operating grants and contributions	8,964,353	6,566,201	5,242,275	4,705,458	5,385,159
Capital grants and contributions	5,896,271	5,438,422	7,418,560	4,767,440	4,629,070
Total governmental activities program revenues	<u>19,726,369</u>	<u>18,264,806</u>	<u>19,441,001</u>	<u>17,220,714</u>	<u>17,070,534</u>
Business-type activities					
Water	13,071,306	14,096,457	13,241,504	12,906,796	12,003,928
Sewer	12,750,140	14,334,830	12,035,561	20,012,557	13,637,347
Total business-type activities program revenues	<u>25,821,446</u>	<u>28,431,287</u>	<u>25,277,065</u>	<u>32,919,353</u>	<u>25,641,275</u>
Total program revenues	<u>45,547,815</u>	<u>46,696,093</u>	<u>44,718,066</u>	<u>50,140,067</u>	<u>42,711,809</u>
<b>General Revenues</b>					
Governmental activities:					
Taxes:					
Property taxes used for general purposes	18,275,628	19,691,258	20,009,812	21,133,841	21,816,218
Property taxes used for debt service	1,113,145	951,815	2,174,926	2,317,806	3,099,335
Transient room taxes used for general purposes	354,502	459,569	510,037	478,150	382,054
Transient room taxes used for debt service	256,014	241,343	231,083	196,594	213,174
Motor fuel	2,170,883	2,152,446	2,056,995	2,674,179	2,029,262
Cigarette and alcoholic beverage	545,979	867,362	995,174	1,023,060	624,444
Privilege	2,268,032	2,480,090	2,717,412	2,759,292	2,570,602
Contributions to permanent funds	2,414	923	295	133	160
Grants and contributions not restricted to specific programs	169,251	59,305	124,421	107,027	-
Unrestricted interest earnings	1,303,367	1,745,218	1,738,924	981,571	605,921
Premium on debt issuance	-	-	-	-	-
Miscellaneous	153,912	130,653	431,229	329,267	18,871,796
Total governmental activities general revenues	<u>26,613,127</u>	<u>28,779,982</u>	<u>30,990,308</u>	<u>32,000,920</u>	<u>50,212,966</u>
(Loss) on disposal of capital assets	-	-	-	-	-
Transfers	373,918	490,975	282,229	203,748	480,438
Total governmental activities	<u>26,987,045</u>	<u>29,270,957</u>	<u>31,272,537</u>	<u>32,204,668</u>	<u>50,693,404</u>

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

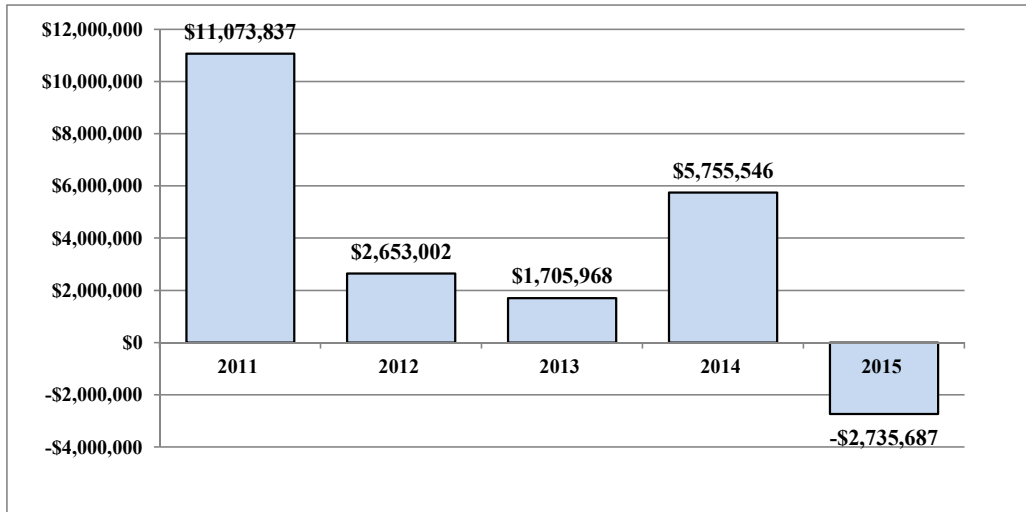
2011	2012	2013	2014	2015	
					<b>Expenses</b>
					Governmental activities:
5,512,747	5,282,341	6,998,687	7,493,529	7,667,638	General government
27,512,458	27,832,589	26,998,857	26,533,616	20,771,259	Public safety
7,098,212	5,964,162	7,165,295	7,015,625	6,577,224	Highways and streets
8,035,033	9,300,151	8,548,521	9,071,696	7,939,789	Culture and recreation
1,074,180	972,088	880,010	728,980	710,061	Interest on long-term debt
<u>49,232,630</u>	<u>49,351,331</u>	<u>50,591,370</u>	<u>50,843,446</u>	<u>43,665,971</u>	Total governmental activities expenses
					Business-type activities
11,239,646	10,970,041	12,281,328	11,524,422	10,329,623	Water
12,210,391	14,201,008	14,114,463	14,765,389	13,890,720	Sewer
<u>23,450,037</u>	<u>25,171,049</u>	<u>26,395,791</u>	<u>26,289,811</u>	<u>24,220,343</u>	Total business-type activities expenses
					<b>Program Revenues</b>
					Governmental activities:
					Charges for services:
2,817,789	2,699,581	3,509,363	4,081,131	3,487,011	General Government
3,303,862	3,174,653	2,562,519	2,693,877	3,150,776	Public Safety
-	110,792	-	158,753	134,615	Highways and Streets
912,904	908,153	1,181,152	893,172	995,606	Culture and recreation
4,354,299	5,245,587	3,245,250	5,336,946	5,591,657	Operating grants and contributions
7,433,911	2,613,592	4,357,201	4,134,157	3,459,206	Capital grants and contributions
<u>18,822,765</u>	<u>14,752,358</u>	<u>14,855,485</u>	<u>17,298,036</u>	<u>16,818,871</u>	Total governmental activities program revenues
					Business-type activities
11,520,604	11,873,787	12,338,047	13,055,548	13,820,209	Water
13,094,616	13,687,284	13,410,334	15,524,322	16,683,218	Sewer
<u>24,615,220</u>	<u>25,561,071</u>	<u>25,748,381</u>	<u>28,579,870</u>	<u>30,503,427</u>	Total business-type activities program revenues
<u>43,437,985</u>	<u>40,313,429</u>	<u>40,603,866</u>	<u>45,877,906</u>	<u>47,322,298</u>	Total program revenues
					<b>General Revenues</b>
					Governmental activities:
					Taxes:
22,430,005	22,540,932	22,159,102	25,857,223	26,146,965	Property taxes used for general purposes
3,849,690	3,303,218	3,430,326	1,346,036	1,305,558	Property taxes used for debt service
655,879	715,865	754,585	803,805	927,172	Transient room taxes used for general purposes
-	-	-	-	-	Transient room taxes used for debt service
2,365,624	2,746,350	2,764,402	2,913,483	2,899,968	Motor fuel
651,683	699,755	1,213,099	1,251,981	1,300,909	Cigarette and alcoholic beverage
2,680,877	2,901,489	2,761,418	2,966,949	2,984,718	Privilege
-	-	-	-	-	Contributions to permanent funds
-	-	-	-	-	Grants and contributions not restricted to specific programs
360,650	232,122	401,725	273,722	200,035	Unrestricted interest earnings
-	-	-	-	-	Premium on debt issuance
196,111	490,535	548,471	186,145	901,434	Miscellaneous
<u>33,190,519</u>	<u>33,630,266</u>	<u>34,033,128</u>	<u>35,599,344</u>	<u>36,666,759</u>	Total governmental activities general revenues
-	-	-	-	-	(Loss) on disposal of capital assets
1,028,256	419,885	1,025,651	1,689,391	1,083,453	Transfers
<u>34,218,775</u>	<u>34,050,151</u>	<u>35,058,779</u>	<u>37,288,735</u>	<u>37,750,212</u>	Total governmental activities

continued pages 132-133

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

	2006	2007	2008	2009	2010
<b>General Revenues, continued</b>					
Business-type activities					
Property taxes used for debt service	759,865	753,308	824,530	813,948	660,343
Unrestricted investment earnings	1,240,546	1,506,557	1,428,407	853,758	623,298
Gain on disposal of real property	-	-	319,069	-	-
Miscellaneous	687,743	653,135	907,749	663,492	3,159,835
Total business-type activities general revenues	2,688,154	2,913,000	3,479,755	2,331,198	4,443,476
Transfers	(373,918)	(490,975)	(282,229)	(203,748)	(480,438)
Total business-type activities	2,314,236	2,422,025	3,197,526	2,127,450	3,963,038
<b>Change in Net Position</b>					
Governmental activities	9,212,621	5,059,321	3,658,907	(347,721)	15,733,321
Business-type activities	10,688,963	10,770,078	7,661,612	14,084,695	8,232,551
Total Change in net position	19,901,584	15,829,399	11,320,519	13,736,974	23,965,872
Net position - beginning	210,379,778	226,299,222	242,487,225	253,807,744	267,544,716
Prior period adjustments	(3,982,140)	358,604	-	-	-
Net position - ending	<u>\$226,299,222</u>	<u>\$ 242,487,225</u>	<u>\$253,807,744</u>	<u>\$267,544,718</u>	<u>\$291,510,588</u>

**Change in Net Position**  
last five years

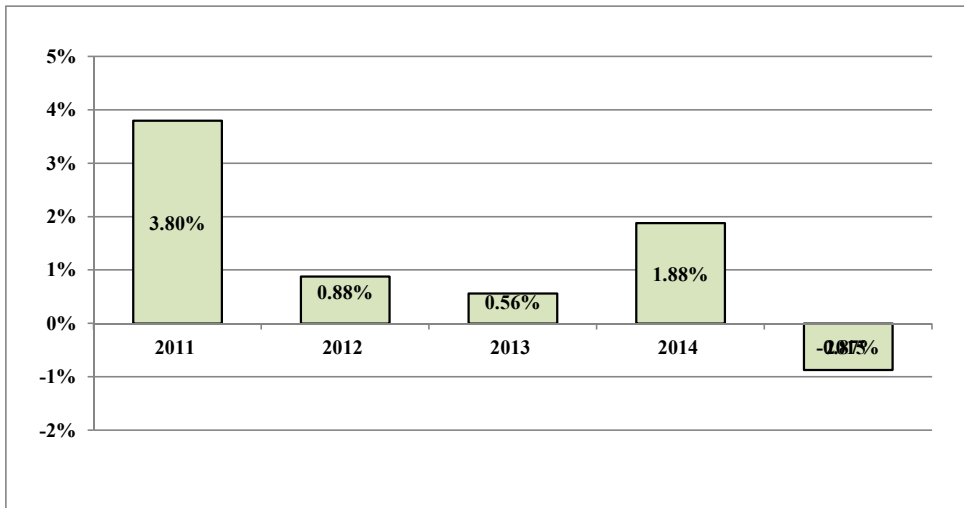


Source: City of Albany 2006-2015 Comprehensive Annual Financial Reports

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

2011	2012	2013	2014	2015	
					<b>General Revenues, continued</b>
					Business-type activities
(2,852)	8,655	12,205	2,298	3,588	Property taxes used for debt service
272,181	224,922	264,875	237,294	332,210	Unrestricted investment earnings
-	-	-	-	-	Gain on disposal of real property
6,858,672	2,998,110	5,785,325	168,830	62,372	Miscellaneous
7,128,001	3,231,687	6,062,405	408,422	398,170	Total business-type activities general revenues
(1,028,256)	(419,885)	(1,025,651)	(1,689,391)	(1,083,453)	Transfers
6,099,745	2,811,802	5,036,754	(1,280,969)	(685,283)	Total business-type activities
					<b>Change in Net Position</b>
3,808,910	(548,822)	(677,106)	3,743,325	10,903,112	Governmental activities
7,264,928	3,201,824	4,389,344	1,009,090	5,597,801	Business-type activities
11,073,838	2,653,002	3,712,238	4,752,415	16,500,913	Total Change in net position
291,510,587	302,584,425	304,234,292	307,946,526	312,698,939	Net position - beginning
-	-	(1,003,135)	-	(19,236,598)	Prior period adjustments
<u>\$302,584,425</u>	<u>\$305,237,427</u>	<u>\$306,943,395</u>	<u>\$312,698,941</u>	<u>\$309,963,254</u>	Net position - ending

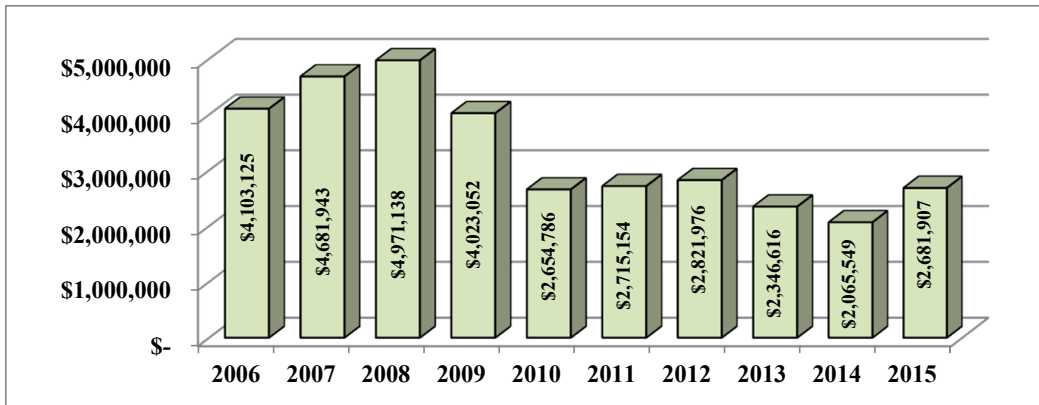
**Year to Year Percentage Change in Net Position**  
 last five years



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

	2006	2007	2008	2009	2010
<b>General Fund</b>					
Unreserved	\$ 4,103,125	\$ 4,681,943	\$ 4,971,138	\$ 4,023,052	\$ 2,654,786
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<u>4,103,125</u>	<u>4,681,943</u>	<u>4,971,138</u>	<u>4,023,052</u>	<u>2,654,786</u>
<b>All other governmental funds</b>					
Reserved for:					
Capital projects	15,591,619	9,515,787	10,555,792	7,853,494	7,879,049
Debt service	2,865,706	1,220,782	1,176,797	931,686	874,973
Library programs	8,437	11,799	11,688	11,464	7,265
Parks & Recreation programs	11,848	11,675	11,874	11,079	11,733
Perpetual care	115,189	115,834	117,502	117,502	117,500
Unreserved, reported in:					
Special revenue funds	8,338,206	15,714,635	16,884,061	14,190,275	30,682,955
Capital project fund	-	-	1,109,238	488,673	(2,046,965)
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>26,931,005</u>	<u>26,590,512</u>	<u>29,866,952</u>	<u>23,604,173</u>	<u>37,526,510</u>
<b>Total fund balances of governmental funds</b>	<u>\$ 31,034,130</u>	<u>\$ 31,272,455</u>	<u>\$ 34,838,090</u>	<u>\$ 27,627,225</u>	<u>\$ 40,181,296</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 2006-2015 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)

2011	2012	2013	2014	2015	
					<b>General Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -	Unreserved
65,245	62,147	101,672	9,764	9,634	Nonspendable
185,139	165,567	176,067	279,918	-	Committed
2,464,770	2,594,262	2,068,877	1,775,867	2,672,273	Unassigned
<u>2,715,154</u>	<u>2,821,976</u>	<u>2,346,616</u>	<u>2,065,549</u>	<u>2,681,907</u>	Total General Fund
					<b>All other governmental funds</b>
					Reserved for:
-	-	-	-	-	Capital projects
-	-	-	-	-	Debt service
-	-	-	-	-	Library programs
-	-	-	-	-	Parks & Recreation programs
-	-	-	-	-	Perpetual care
					Unreserved, reported in:
-	-	-	-	-	Special revenue funds
-	-	-	-	-	Capital projects fund
130,860	118,130	135,077	155,962	169,542	Nonspendable
14,739,849	10,972,119	9,537,754	13,663,170	12,565,772	Restricted
23,279,884	21,519,026	21,919,612	21,372,165	20,480,214	Committed
(2,782,392)	(298,795)	(2,778,516)	(2,693,515)	(2,566,638)	Unassigned
<u>35,368,201</u>	<u>32,310,480</u>	<u>28,813,927</u>	<u>32,497,782</u>	<u>30,648,890</u>	Total all other governmental funds
<u>\$ 38,083,355</u>	<u>\$ 35,132,456</u>	<u>\$ 31,160,543</u>	<u>\$ 34,563,331</u>	<u>\$ 33,330,797</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
2006	\$ 4,103,125	-
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%
2015	2,672,273	50.48%

The General Fund unreserved fund balance has decreased by -34.87 percent over the last ten years. The 2014-15 unassigned fund balance of \$2,672,273 is 9.03 percent of total expenditures before transfers out, and 8.18 percent of the total General Fund 2014-15 budget.

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

	2006	2007	2008	2009	2010
<b>Revenues</b>					
Taxes	\$ 20,225,202	\$ 21,369,433	\$ 22,857,443	\$ 23,723,701	\$ 25,163,569
Special assessments	752,013	284,316	92,321	82,653	64,604
Franchise fees, privilege taxes, licenses, and permits	7,637,192	8,173,745	7,752,797	6,654,711	6,390,875
Intergovernmental	6,643,124	7,160,835	8,303,684	7,124,187	8,129,421
Charges for services	3,722,670	4,184,394	4,608,381	5,599,253	5,043,672
Fines and forfeitures	581,972	730,232	988,983	927,897	839,861
Gifts and donations	3,178,018	4,119	2,008,320	-	-
Interest on investments	1,265,344	1,677,487	1,717,615	964,613	595,031
Miscellaneous	653,788	1,308,177	1,168,815	2,776,430	19,366,270
Total revenues	<u>44,659,323</u>	<u>44,892,738</u>	<u>49,498,359</u>	<u>47,853,445</u>	<u>65,593,303</u>
<b>Expenditures</b>					
General government	5,260,948	6,286,630	8,472,015	8,223,631	9,002,393
Public safety	18,302,131	20,586,681	22,040,875	23,932,216	24,225,530
Highways and streets	3,103,766	3,499,426	3,864,623	3,651,135	3,599,042
Culture and recreation	6,093,309	6,646,681	6,768,031	7,349,399	7,569,933
Capital outlay	7,871,125	4,685,842	6,183,849	9,541,626	8,135,811
Debt service					
Principal	1,328,965	3,288,914	2,900,558	3,854,453	1,908,434
Interest	1,181,496	1,342,964	1,203,625	1,170,493	1,112,461
Total expenditures	<u>43,141,740</u>	<u>46,337,138</u>	<u>51,433,576</u>	<u>57,722,953</u>	<u>55,553,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,517,583</u>	<u>(1,444,400)</u>	<u>(1,935,217)</u>	<u>(9,869,508)</u>	<u>10,039,699</u>
<b>Other financing sources (uses)</b>					
Debt issuance	1,459,399	9,065,000	5,051,998	2,102,500	1,958,800
Premium on debt issuance	-	121,060	-	-	-
Payment to escrow agent for refunded bonds	-	(8,200,000)	-	-	-
Capital lease	151,360	98,493	74,362	352,395	75,139
Transfers in	14,248,234	6,261,817	5,994,473	5,869,492	5,836,489
Transfers out	<u>(13,341,755)</u>	<u>(5,663,645)</u>	<u>(5,619,981)</u>	<u>(5,665,744)</u>	<u>(5,356,051)</u>
Total other financing sources (uses)	2,517,238	1,682,725	5,500,852	2,658,643	2,514,377
Prior period adjustments	-	(81,293)	1,011,378	-	-
Net change in fund balances	<u>\$ 4,034,821</u>	<u>\$ 157,032</u>	<u>\$ 4,577,013</u>	<u>\$ (7,210,865)</u>	<u>\$ 12,554,076</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	\$ 2,510,461	\$ 4,631,878	\$ 4,104,183	\$ 5,024,946	\$ 1,320,895
Total noncapital expenditures	<u>35,270,615</u>	<u>41,651,296</u>	<u>45,249,727</u>	<u>48,181,327</u>	<u>47,417,793</u>
Ratio of total debt service expenditures less refundings to total noncapital expenditures	<u>7.12%</u>	<u>11.12%</u>	<u>9.07%</u>	<u>10.43%</u>	<u>2.79%</u>

Source: City of Albany 2006-2015 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)

2011	2012	2013	2014	2015	
					<b>Revenues</b>
\$ 26,932,006	\$ 26,567,049	\$ 26,566,424	\$ 27,416,529	\$ 28,286,016	Taxes
42,830	47,734	28,863	17,864	817,846	Special assessments
				-	Franchise fees, privilege taxes, licenses, and permits
6,169,128	5,649,180	5,831,905	6,502,757	7,217,726	Intergovernmental
9,331,327	9,389,439	9,039,634	10,517,304	9,332,104	Charges for services
5,204,052	4,967,810	5,697,879	6,082,333	5,927,810	Fines and forfeitures
769,200	731,135	3,101	3,123	3,127	Gifts and donations
-	-	-	-	-	Interest on investments
348,336	262,531	397,315	271,182	197,437	Miscellaneous
481,375	836,338	1,180,098	1,337,583	1,159,726	Total revenues
<u>49,278,254</u>	<u>48,451,216</u>	<u>48,745,219</u>	<u>52,148,675</u>	<u>52,941,792</u>	
					<b>Expenditures</b>
5,916,136	5,444,422	7,064,448	6,686,132	7,544,431	General government
25,218,770	25,643,030	24,762,823	25,595,092	25,997,415	Public safety
3,553,451	3,483,170	3,472,264	3,128,945	2,980,799	Highways and streets
7,078,644	8,475,037	7,608,139	8,056,710	8,368,902	Culture and recreation
5,975,749	5,800,086	6,226,543	3,952,086	7,926,087	Capital outlay
				-	Debt service
3,585,926	2,017,524	3,905,432	2,237,146	1,741,794	Principal
1,075,775	958,731	870,010	755,175	714,071	Interest
<u>52,404,451</u>	<u>51,822,000</u>	<u>53,909,659</u>	<u>50,411,286</u>	<u>55,273,499</u>	Total expenditures
<u>(3,126,197)</u>	<u>(3,370,784)</u>	<u>(5,164,440)</u>	<u>1,737,389</u>	<u>(2,331,707)</u>	Excess (deficiency) of revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
-	-	-	-	-	Debt issuance
-	-	-	-	-	Premium on debt issuance
-	-	-	-	-	Payment to escrow agent for refunded bonds
-	-	166,876	-	86,005	Capital lease
10,705,097	10,417,617	4,960,950	6,660,676	6,577,243	Transfers in
<u>(9,676,841)</u>	<u>(9,997,732)</u>	<u>(3,935,299)</u>	<u>(4,995,277)</u>	<u>(5,493,790)</u>	Transfers out
1,028,256	419,885	1,192,527	1,665,399	1,169,458	Total other financing sources (uses)
-	-	-	-	-	Prior period adjustments
<u>\$ (2,097,941)</u>	<u>\$ (2,950,899)</u>	<u>\$ (3,971,913)</u>	<u>\$ 3,402,788</u>	<u>\$ (1,162,249)</u>	Net change in fund balances
\$ 4,661,701	\$ 2,976,255	\$ 4,775,442	\$ 2,992,321	\$ 2,455,865	Total debt service expenditures
46,428,702	46,021,914	47,848,488	46,139,919	47,389,128	Total noncapital expenditures
<u>10.04%</u>	<u>6.47%</u>	<u>9.98%</u>	<u>6.49%</u>	<u>5.18%</u>	Ratio of total debt service expenditures less refundings to total noncapital expenditures

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

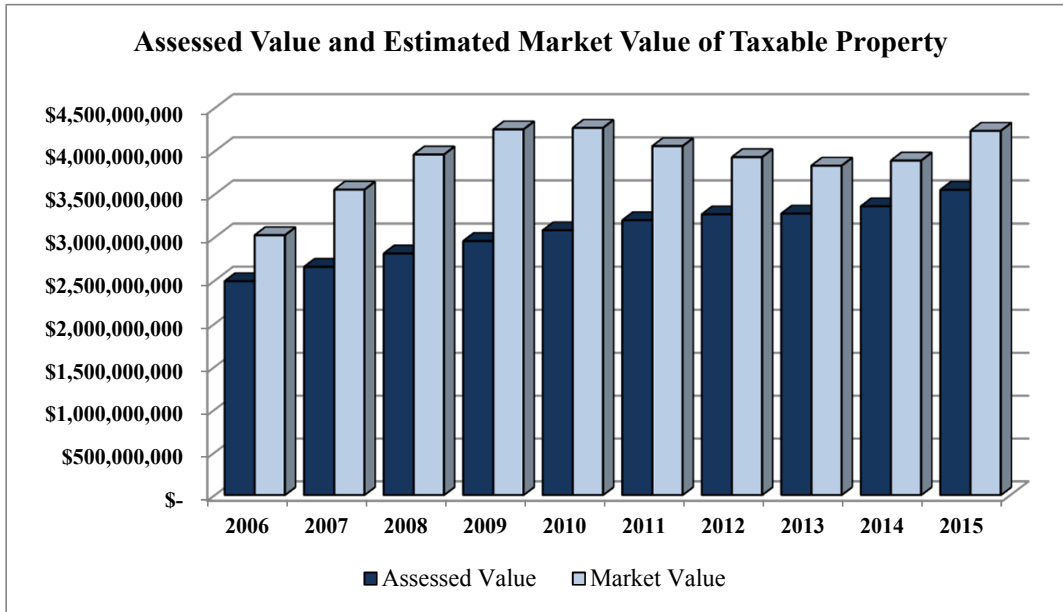
Fiscal Year Ended June 30,	County	Taxable Assessed Value (1)	Direct Tax Rate Per \$1,000 of Assessed Value	Urban Renewal District Assessed Value (2)	Total Assessed Value	Estimated Market Value	Assessed Value as a % of Market Value
2006	Linn	2,061,601,036	8.09	41,571,478	2,103,172,514	2,505,957,967	83.93%
	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%
2015	Linn	2,843,619,873	6.40	166,529,559	3,010,149,432	3,418,838,730	88.05%
	Benton	706,740,905	7.84	-	706,740,905	816,085,814	86.60%
	Total	3,550,360,778		166,529,559	3,716,890,337	4,234,924,544	87.77%

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

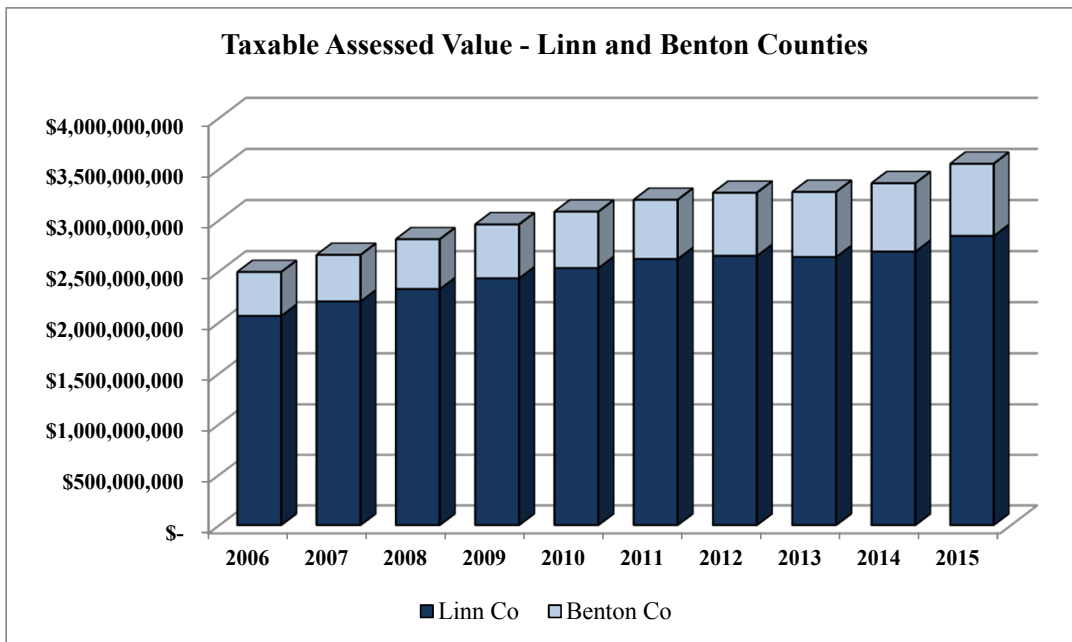
(2) Urban renewal district incremental amount.

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



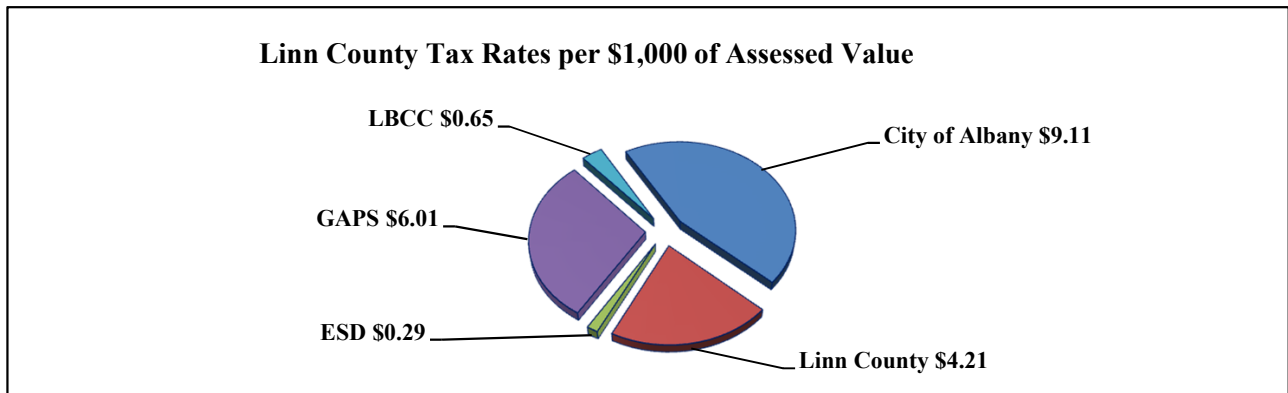
The "gap" between the market value and the assessed value is important to note. Oregon statutes allow the assessed value on a single piece of property to rise no more than three percent annually up to the market value, where the assessed value is capped. Currently, the assessed value is 87.77 percent of market value, leaving a \$518,034,207 gap. Current economic conditions will have an effect on the market value of properties, but the extent of the effect is not known at this time.



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

City of Albany Direct Rates

Fiscal Year Ended June 30,	County	Basic Rate	Local Option Public Safety Levy	General Obligation Debt Service	Total Before Urban Renewal	Albany Urban Renewal	Total Direct Rate
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	-	7.98
2015	Linn	6.40	1.15	0.29	7.84	1.27	9.11
	Benton	6.40	1.15	0.29	7.84	-	7.84



(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

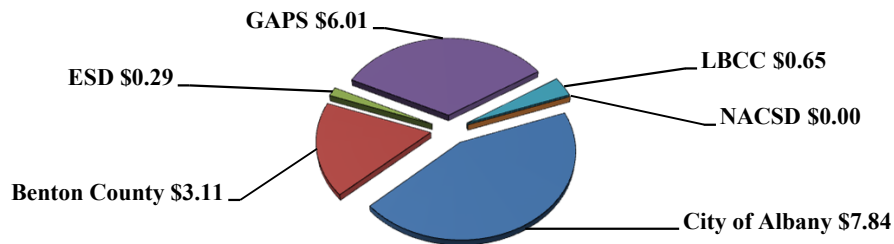
Source: Linn and Benton County Tax Assessors

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
3.31	-	-	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	-	18.16
4.21		0.07	0.29	6.01	0.65	-	20.34
	3.11	-	0.29	6.01	0.65	-	17.89

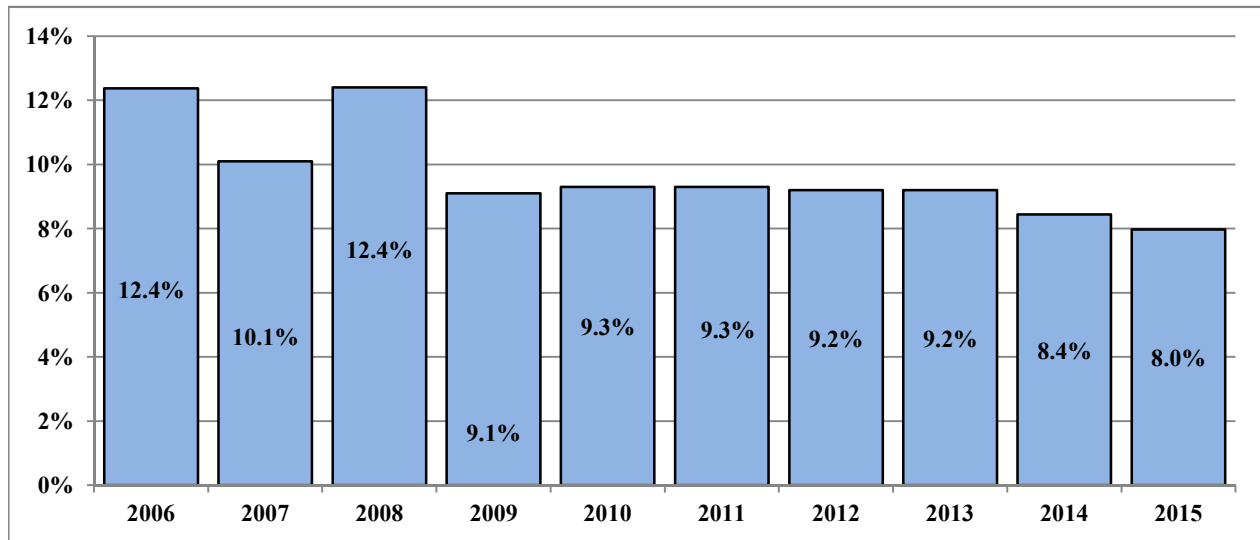
**Benton County Tax Rates per \$1,000 of Assessed Value**



Schedule 7  
**CITY OF ALBANY, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Fiscal Years 2005-2006 and 2014-2015

Taxpayer	2014-2015		% of Total Taxable Assessed Value	2005-2006		% of Total Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Dayton Hudson Corporation	\$ 71,020,380	1	1.91%	\$ 73,319,010	1	2.91%
Comcast Corporation	32,863,600	2	0.88%	-	-	
Oregon Freeze Dry Foods, Inc.	32,952,520	3	0.89%	26,389,205	5	1.05%
Oregon Metallurgical Corporation	31,027,470	4	0.83%	28,924,224	4	1.15%
Pacific Cast Technologies	28,904,570	5	0.78%	-	-	
Waverly Land Management	24,877,020	6	0.67%	20,161,347	7	0.80%
Pacificorp (PP&L)	20,652,000	7	0.56%	58,148,000	2	2.31%
Metropolitan Life Insurance	17,679,270	8	0.48%	14,160,965	9	0.56%
Northwest Natural Gas	18,580,850	9	0.50%	37,547,391	3	1.49%
Wal-Mart Real Estate	17,641,280	10	0.47%	-	-	
Qwest Corporation	-	-	-	22,942,200	6	0.91%
Wells Fargo Bank (1)	-	-	-	17,617,387	8	0.70%
National Frozen Foods	-	-	-	12,344,038	10	0.49%
<b>Total</b>	<b>\$ 296,198,960</b>		<b>7.97%</b>	<b>\$ 311,553,767</b>		<b>12.37%</b>
Total taxable assessed value, all properties	<u>\$ 3,716,890,337</u>			<u>\$ 2,531,820,596</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

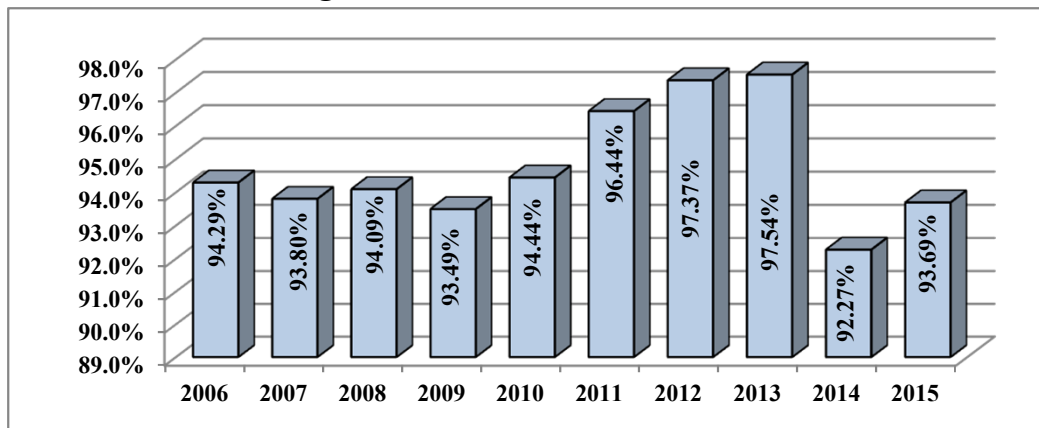
(1) Wells Fargo Bank foreclosed on the Steadfast Heritage (aka Heritage Mall) LLC in the 2010-11 Fiscal Year



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
2006	20,740,111	19,555,255	94.29%	1,184,856	20,740,111	100.00%
2007	22,142,401	20,770,157	93.80%	1,372,244	22,142,401	100.00%
2008	23,648,423	22,251,321	94.09%	1,397,102	23,648,423	100.00%
2009	24,835,283	23,217,769	93.49%	1,612,403	24,830,172	99.98%
2010	25,742,434	24,311,929	94.44%	1,318,469	25,630,398	99.56%
2011	27,273,089	26,303,489	96.44%	821,405	27,124,894	99.46%
2012	26,575,455	25,877,086	97.37%	435,606	26,312,692	99.01%
2013	26,473,672	25,822,827	97.54%	213,810	26,036,637	98.35%
2014	27,562,841	25,431,964	92.27%	1,489,870	26,921,834	97.67%
2015	27,836,933	26,079,556	93.69%	-	26,079,556	93.69%

**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 94.78 percent of the levy as extended by the assessors.

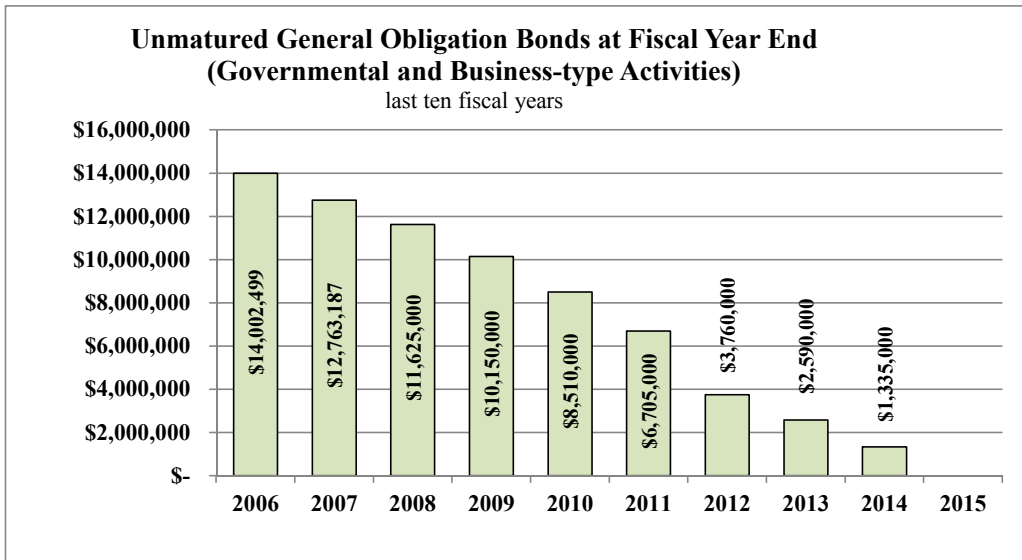
There are three ways in which property tax revenue can be adversely affected by a slowdown in the economy: 1) market value falls below assessed value; 2) assessed value falls; and 3) the rate of tax collection falls. Because of the healthy gap between market values and assessed values, there would be 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
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
2015	-	-	-	5,208,983	-	800,000	2,696,000	36,107	63,325



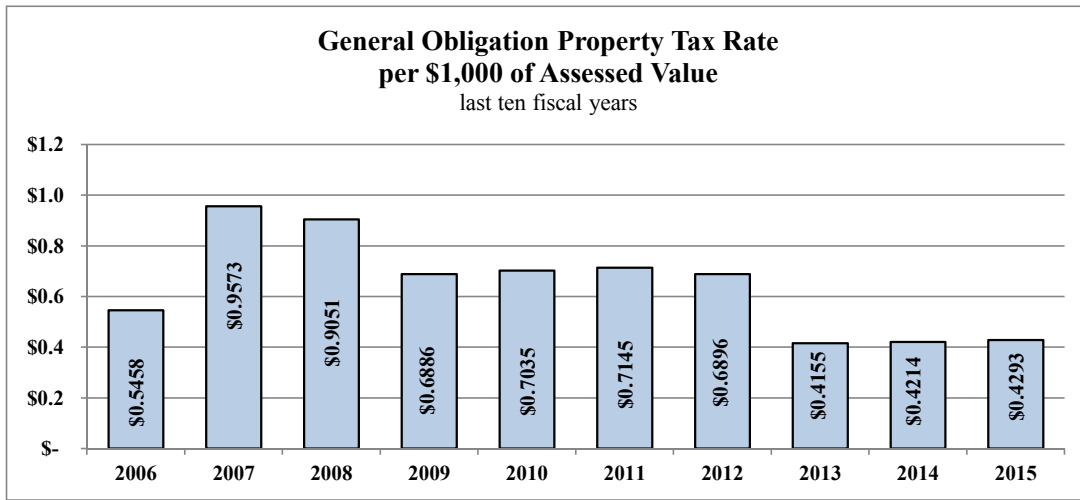
As the above chart indicates, there has been a nearly linear reduction in the amount of the outstanding general obligation debt over the last ten years. The trend will continue as the existing bonds approach retirement. In FY 2016, public facilities bonds will included.

- (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 2006-2015 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

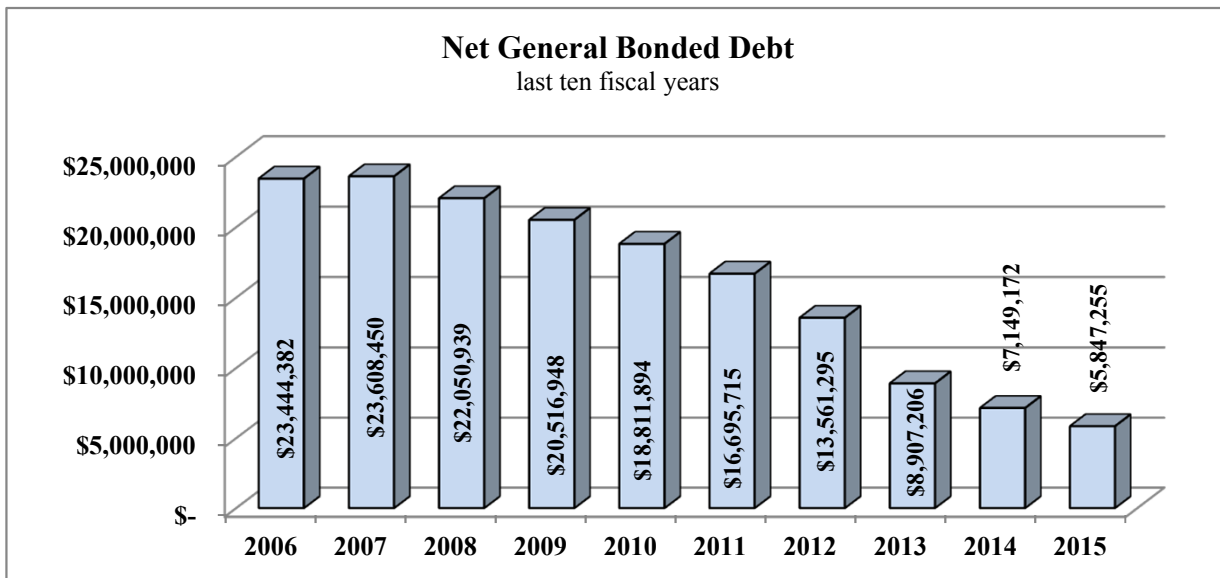
BUSINESS-TYPE ACTIVITIES							
General Obligation Bonds	Water Revenue Bonds (4)	Sewer Revenue Bonds	Certificates of Participation	Notes Payable (3)	Total Outstanding Debt	% of Personal Income	Debt per Capita
3,712,499	38,987,677	2,278,559	452,819	1,127,561	71,144,153	1.64%	983
3,053,187	37,767,673	1,852,261	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	2.66%	1,978
-	26,505,000	-	-	58,900,330	94,209,744	n/a	1,838



The average annual increase in assessed value over the ten-year period is just under four percent, with a high of 6.72 percent in 2007 and a low of 0.27 percent in 2013. As of the end of Fiscal Year 2014-15, all current general obligation debt has been retired.

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
2006	45,360	2,309,190,848	15,196,811	6,783,389	1,850,000	-
2007	46,610	2,490,249,118	14,002,499	6,739,431	-	3,490,000
2008	47,470	2,657,492,114	12,763,187	6,683,781	-	3,265,000
2009	49,165	2,811,152,883	11,625,000	6,618,738	-	2,960,000
2010	49,530	2,955,953,046	10,150,000	6,545,507	-	2,645,000
2011	50,325	3,080,261,259	8,510,000	6,463,368	-	2,325,000
2012	50,520	3,197,043,335	6,705,000	5,513,557	-	1,660,000
2013	50,710	3,252,729,392	2,590,000	5,415,689	-	1,305,000
2014	50,720	3,359,260,761	1,335,000	5,314,001	-	940,000
2015	51,270	3,550,360,778	-	5,208,983	-	800,000

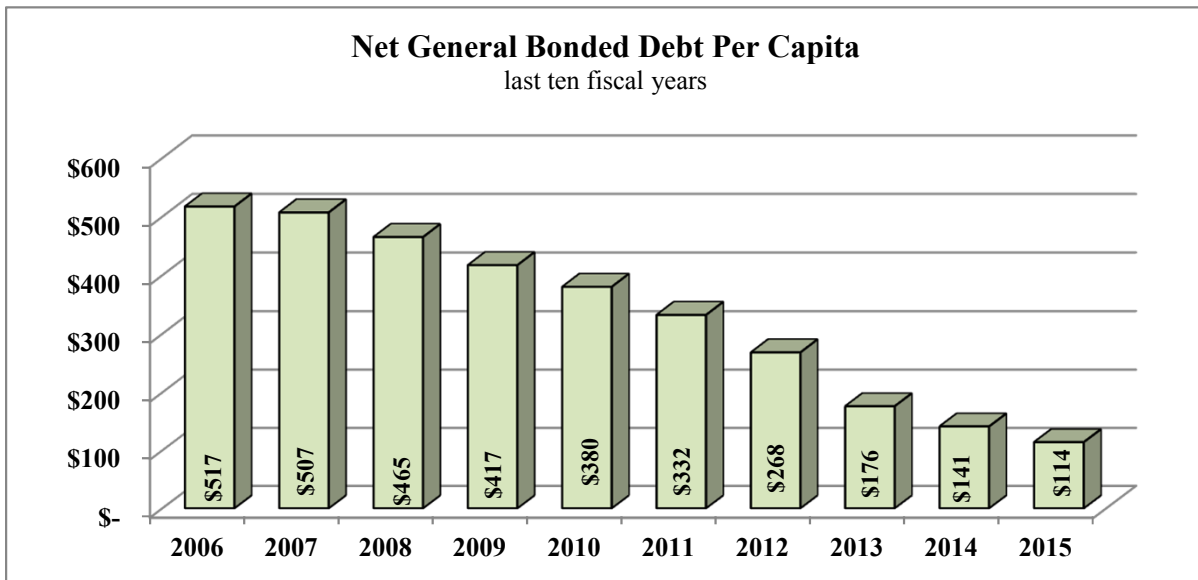


- (1) General bonded debt includes general obligation bonds and other bonded debt financed with any general governmental resources excluding special assessment bonds.
- (2) In March 1999, \$9,850,000 of general obligation bonds were issued to finance the reconstruction of four major arterial roads within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

Source: City of Albany 2006-2015 Comprehensive Annual Financial Reports

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

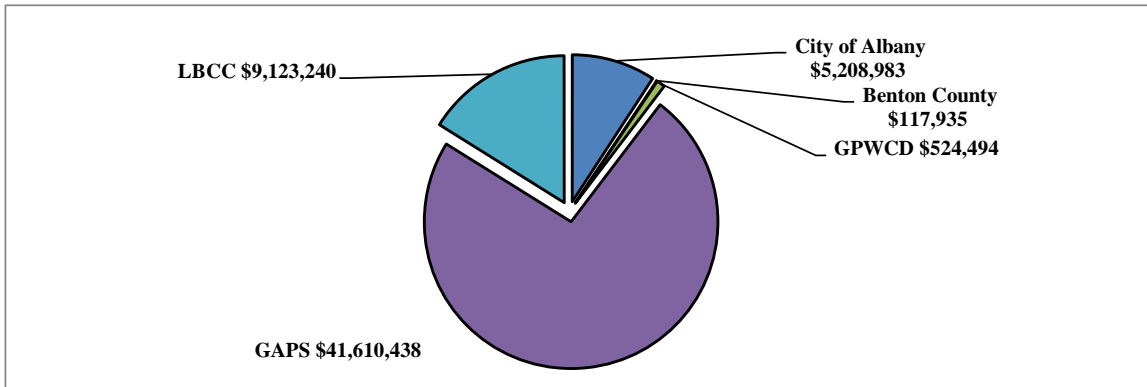
Less: Amounts Available in Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income
385,818	\$ 23,444,382	1.0153%	\$ 516.85	0.85%
623,480	23,608,450	0.9480%	506.51	0.81%
661,029	22,050,939	0.8298%	464.52	0.75%
686,790	20,516,948	0.7298%	417.31	0.63%
528,613	18,811,894	0.6364%	379.81	0.58%
602,653	16,695,715	0.5420%	331.76	0.49%
317,262	13,561,295	0.4242%	268.43	0.39%
403,483	8,907,206	0.2738%	175.65	0.24%
439,829	7,149,172	0.2128%	140.95	0.19%
161,727	5,847,255	0.1647%	114.05	n/a



Schedule 11  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**  
as of June 30, 2015

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)	\$ 5,208,983	100.0000%	\$ 5,208,983
<b>OVERLAPPING DEBT</b>			
Benton County	980,000	12.0342%	117,935
Grand Prairie Water Control District (GPWCD)	674,471	77.7638%	524,494
Greater Albany Public School (GAPS) District 8J	56,598,594	73.5185%	41,610,438
Linn Benton Community College (LBCC)	40,006,667	22.8043%	9,123,240
Total overlapping debt	98,259,732		51,376,107
Total direct and overlapping debt	\$ 103,468,715		\$ 56,585,090

**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	\$ -
2002 Limited Tax Pension Obligations	5,208,983
Total City of Albany net outstanding debt - bonded	<u>5,208,983</u>

(3) Remaining City of Albany net outstanding debt

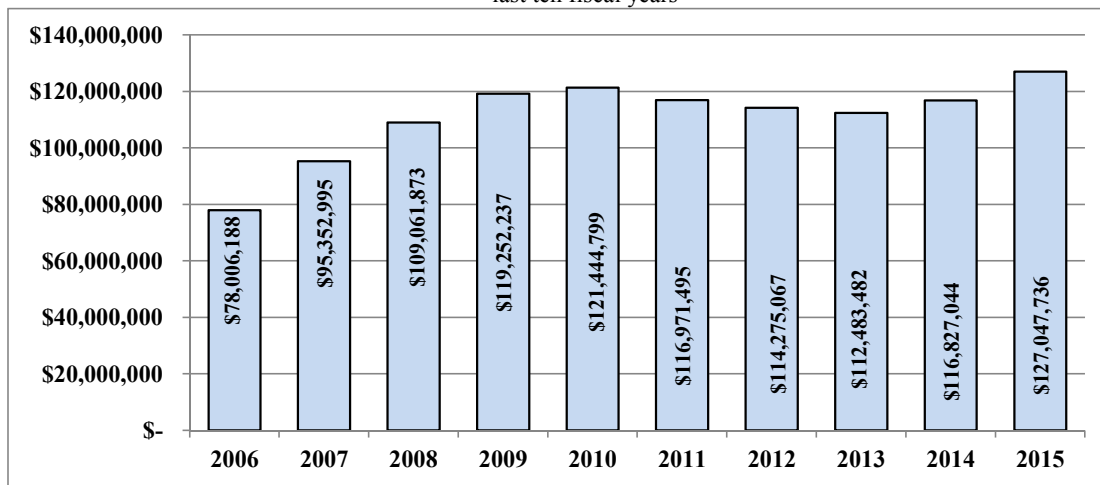
2004 General Revenue Obligations	800,000
2007 CARA Series A (Taxable) & B (Tax-exempt) UR Bonds	2,696,000
OEDD - Target Notes Payable	36,107
Capital Leases for City of Albany Police Cars	63,325
Total Remaining City of Albany net outstanding debt	<u>3,595,432</u>
Grand Total of City of Albany net outstanding debt	<u>\$ 8,804,415</u>

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

	2006	2007	2008	2009
Debt limitation	\$ 90,355,908	\$ 106,555,821	\$ 118,794,436	\$ 127,544,266
Total net debt applicable to limitation	12,349,720	11,202,826	9,732,563	8,292,029
Legal debt margin	<u>\$ 78,006,188</u>	<u>\$ 95,352,995</u>	<u>\$ 109,061,873</u>	<u>\$ 119,252,237</u>
Ratio of net debt applicable to the debt limitation	<u>13.67%</u>	<u>10.51%</u>	<u>8.19%</u>	<u>6.50%</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 62.87 percent (\$49,041,548) over the last ten years. During the same period, the City's true cash value increased by 40.06 percent (\$1,211,260,060) and the City's general obligation debt decreased by 100 percent (\$14,002,499). In FY 2015-16, new general obligation debt will be issued, greatly affecting the legal debt margin several years.

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



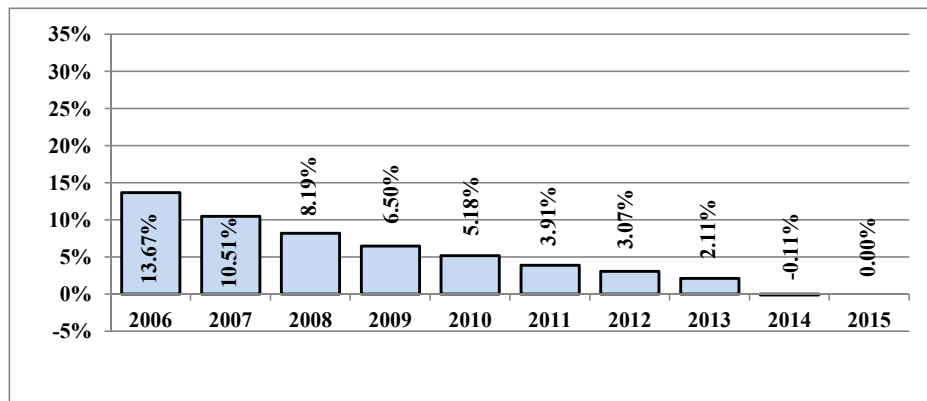
Schedule 12  
**CITY OF ALBANY, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 Last Ten Fiscal Years

2010	2011	2012	2013	2014	2015	
\$128,080,822	\$121,727,765	\$117,889,589	\$ 114,909,144	\$116,699,781	\$ 127,047,736	Debt limitation
6,636,023	4,756,270	3,614,522	2,425,662	(127,263)	-	Total net debt applicable to limitation
<u>\$121,444,799</u>	<u>\$116,971,495</u>	<u>\$114,275,067</u>	<u>\$ 112,483,482</u>	<u>\$116,827,044</u>	<u>\$ 127,047,736</u>	Legal debt margin
<u>5.18%</u>	<u>3.91%</u>	<u>3.07%</u>	<u>2.11%</u>	<u>-0.11%</u>	<u>0.00%</u>	Ratio of net debt applicable to the debt limitation

**Legal debt margin calculation for Fiscal Year**

True cash value	\$ 4,234,924,544
General obligation debt limit - 3% of true cash value	<u>3%</u>
General obligation debt limit	127,047,736
Gross general obligation bonded debt principal	
2007 General Obligation Refunding Bonds	-
Less: Debt service monies available	
Debt Service Fund:	
2007 GO Refunding bonds	<u>-</u>
Net debt subject to the three percent limitation	-
Legal debt margin	<u>\$ 127,047,736</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**  
**PLEDGED 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	
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%
2015	12,815,070	10,012,529	3,035,520	5,838,061	895,000	1,033,194	1,928,194	302.77%

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	
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%
2015	15,674,502	12,481,568	4,573,578	7,766,512	2,980,325	1,873,595	4,853,920	160.00%

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.

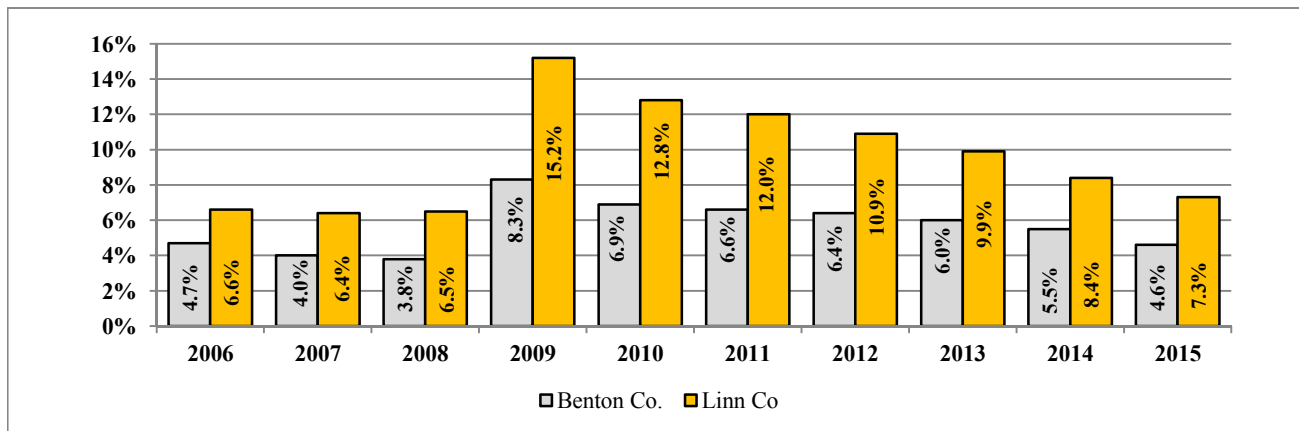
Source: City of Albany 2006-2015 Comprehensive Annual Financial Reports

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.
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	3,768,672,515	31,483	9,925	8.4%	5.5%
2015	51,270	119,705	n/a	n/a	9,985	7.3%	4.6%

Over the last ten years, the City's population has increased by 13.03 percent (5,910). From 2006 to 2015 per capita personal income has risen by 20.42 percent (\$5,254) in the Albany-Lebanon metropolitan statistical area. Albany's city boundaries span two counties: Linn County (population 44,124) and Benton County (population 7,146). As of Fiscal Year 2013-14 (per capita data lags one year), per capita personal income was \$31,483 for Linn County, \$40,502 for Benton County, and \$41,220 for the state as a whole. For the ten-year period, enrollment in the Greater Albany Public School District increased by 11.29 percent (1,013 students).

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



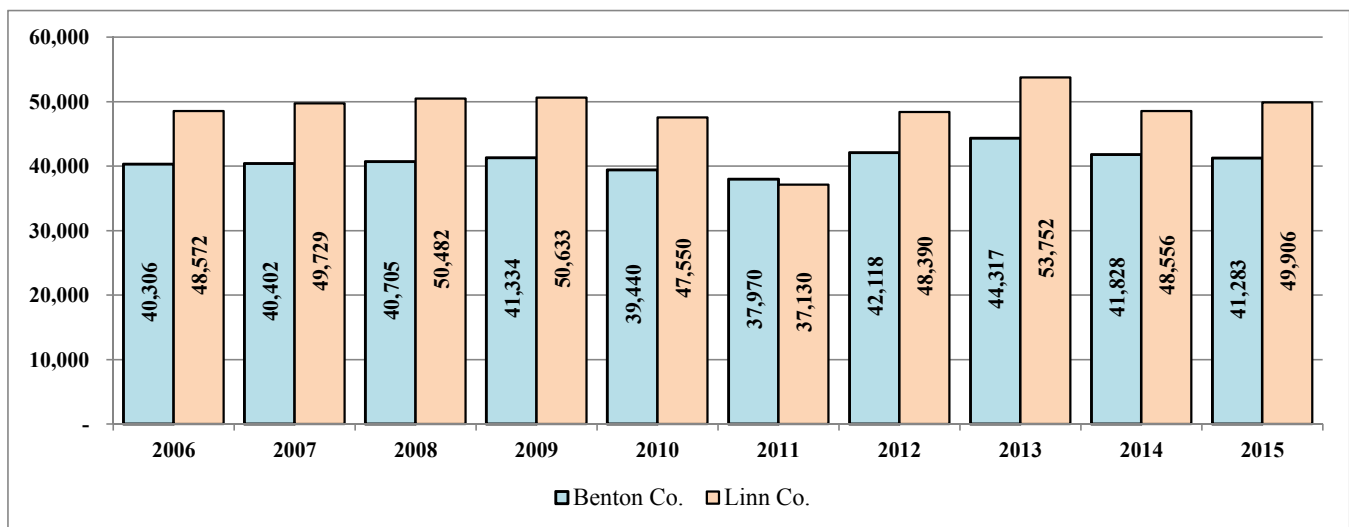
Sources:

- (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

Schedule 15  
**CITY OF ALBANY, OREGON**  
**ALBANY AREA PRINCIPAL EMPLOYERS**  
for the Fiscal Years ended June 30, 2006, and June 30, 2015

Employer	June 30, 2015			June 30, 2006		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Oregon State University	12,334	1	12.58%	7,564	1	8.68%
Samaritan Health Services (Albany General Hospital - 1998)	- 5,000	- 2	- 5.10%	- 1,275	- 3	- 1.46%
Hewlett Packard	2,000	3	2.04%	5,749	2	6.59%
Greater Albany Public School District 8J	980	5	1.00%	913	6	1.05%
Linn Benton Community College	644	8	0.66%	1,100	4	1.26%
ATI Wah Chang (Teledyne Wah Chang - 1997)	1,120	4	1.14%	1,100	4	1.26%
Dayton-Hudson Corporation (Target)	650	6	0.66%	425	10	0.49%
Linn County	645	7	0.66%	625	8	0.72%
City of Albany	389	9	0.40%	-	-	-
Express Personnel	300	10	0.31%	-	-	-
Oregon Metallurgical Corporation	-	-	-	652	7	0.75%
Golden West	-	-	-	446	9	0.51%
Weyerhaeuser (Willamette Industries - 1997)	-	-	-	961	5	1.10%
<b>Totals</b>	<b>24,062</b>		<b>24.54%</b>	<b>20,810</b>		<b>23.87%</b>
<b>Total employment in Linn and Benton Counties</b>	<b>98,069</b>			<b>87,174</b>		

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



The percentage of top ten employers to total jobs for Linn and Benton Counties has been quite stable over the ten-year period, 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 2.53 percent (2,311 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.

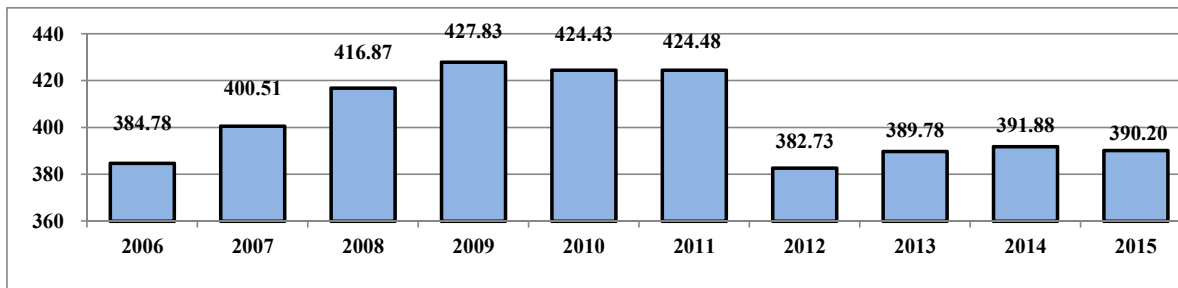
Sources:  
Employer personnel offices  
Oregon Employment Department

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

Function	2006	2007	2008	2009	2010
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government					
Building Maintenance	-	-	-	-	-
Economic Development	1.00	3.77	3.00	1.00	1.00
Public Transit	5.75	9.34	10.18	11.68	10.68
Planning	8.50	8.50	9.00	9.50	9.50
Building Inspection	12.00	12.00	14.50	14.00	14.00
Electrical Permit Program	1.50	1.50	1.50	1.50	1.50
Total General Government	28.75	35.10	38.18	37.68	36.68
Public Safety					
Fire	76.00	75.00	78.00	80.00	79.60
Police	87.00	92.00	93.25	94.25	94.25
Municipal Court	4.05	4.05	5.13	5.38	5.38
Total Public Safety	167.05	171.05	176.38	179.63	179.23
Highways and Streets					
Street Fund	8.00	10.20	8.00	8.00	8.00
Airport	-	-	-	-	0.50
Total Highways and Streets	8.00	10.20	8.00	8.00	8.50
Culture and Recreation					
Parks & Recreation	29.94	30.98	31.98	35.95	35.95
Library	20.04	20.04	20.23	21.98	21.98
Total Culture and Recreation	49.98	51.01	52.21	57.93	57.93
Total Governmental Activities	253.78	267.36	274.77	283.23	281.83
<b>BUSINESS-TYPE ACTIVITIES</b>					
Enterprise					
Water	20.50	28.21	22.50	23.50	22.50
Sewer	21.50	29.59	21.50	21.50	21.50
Total Enterprise	42.00	57.80	44.00	45.00	44.00
Internal Service					
Central Services	37.00	40.60	44.10	43.60	43.60
Public Works Services	52.00	34.75	54.00	56.00	55.00
Equipment Maintenance	-	-	-	-	-
Total Internal Service	89.00	75.35	98.10	99.60	98.60
Total Business-type Activities	131.00	133.15	142.10	144.60	142.60
Grand Total - All Full-time Equivalents	384.78	400.51	416.87	427.83	424.43

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



Source: City of Albany Human Resources Department

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

2011	2012	2013	2014	2015	
					<b>GOVERNMENTAL ACTIVITIES</b>
					General Government
-	-	-	-	-	Building Maintenance
1.00	1.00	1.00	2.00	1.00	Economic Development
10.35	10.63	10.63	11.30	11.30	Public Transit
9.50	7.50	8.25	6.10	6.42	Planning
14.00	7.50	5.75	5.75	5.43	Building Inspection
1.50	0.75	0.75	0.75	0.75	Electrical Permit Program
<u>36.35</u>	<u>27.38</u>	<u>26.38</u>	<u>25.90</u>	<u>24.90</u>	Total General Government
					Public Safety
79.60	73.60	79.20	78.40	75.60	Fire
94.25	87.75	87.88	87.88	88.88	Police
5.38	4.38	4.38	4.38	4.38	Municipal Court
<u>179.23</u>	<u>165.73</u>	<u>171.45</u>	<u>170.65</u>	<u>168.85</u>	Total Public Safety
					Highways and Streets
8.00	7.45	7.45	7.45	7.45	Street Fund
0.45	0.10	0.10	0.10	0.10	Airport
<u>8.45</u>	<u>7.55</u>	<u>7.55</u>	<u>7.55</u>	<u>7.55</u>	Total Highways and Streets
					Culture and Recreation
35.95	26.43	26.53	26.65	26.78	Parks & Recreation
21.78	20.90	20.93	20.93	20.93	Library
<u>57.73</u>	<u>47.33</u>	<u>47.45</u>	<u>47.58</u>	<u>47.70</u>	Total Culture and Recreation
<u>281.30</u>	<u>247.88</u>	<u>252.83</u>	<u>251.68</u>	<u>249.00</u>	Total Governmental Activities
					<b>BUSINESS-TYPE ACTIVITIES</b>
					Enterprise
23.50	22.50	21.50	21.50	21.50	Water
21.50	22.50	23.50	23.50	23.50	Sewer
<u>45.00</u>	<u>45.00</u>	<u>45.00</u>	<u>45.00</u>	<u>45.00</u>	Total Enterprise
					Internal Service
43.80	39.85	40.95	41.20	41.20	Central Services
54.38	50.00	51.00	54.00	55.00	Public Works Services
-	-	-	-	-	Equipment Maintenance
<u>98.18</u>	<u>89.85</u>	<u>91.95</u>	<u>95.20</u>	<u>96.20</u>	Total Internal Service
<u>143.18</u>	<u>134.85</u>	<u>136.95</u>	<u>140.20</u>	<u>141.20</u>	Total Business-type Activities
<u>424.48</u>	<u>382.73</u>	<u>389.78</u>	<u>391.88</u>	<u>390.20</u>	Grand Total - All Full-time Equivalents

Fiscal Year	Total FTE	Annual Percentage Change	Total Percentage Change from 1999
2006	384.78	-	-
2007	400.51	4.09%	4.09%
2008	416.87	4.08%	8.34%
2009	427.83	2.63%	11.19%
2010	424.43	-0.79%	10.30%
2011	424.48	0.01%	10.32%
2012	382.73	-9.84%	-0.53%
2013	389.78	1.84%	1.30%
2014	391.88	0.54%	1.84%
2015	390.20	-0.43%	1.41%

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	2006	2007	2008	2009	2010
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>General Government</b>					
Planning and Community Development					
Number of planning applications	161	150	181	96	108
Total permits issued	4,574	4,200	3,285	2,535	2,245
New construction permits issued	476	430	33	177	192
Single-family permits issued	417	400	186	97	156
Electrical permits issued	1,423	1,600	1,158	990	878
Building Maintenance					
Square footage of buildings maintained	167,020	217,020	220,000	220,000	206,780
Work orders completed	1,680	1,804	1,417	2,002	2,228
Public Transit					
Total number of riders	72,936	75,000	177,305	205,220	218,511
Total annual route miles	80,153	80,400	264,591	241,359	252,097
<b>Public Safety</b>					
Municipal Court					
Number of warrants issued	1,892	2,500	1,487	1,584	1,347
Case numbers issued	6,202	4,900	8,174	8,834	6,202
Police					
Total arrests	4,374	3,800	4,406	4,227	3,548
Traffic citations issued	5,862	7,500	11,303	6,097	5,851
Animal and abandoned vehicle calls	3,160	3,300	2,304	2,401	2,484
Fire					
Total calls for emergency fire and EMS services	5,995	6,200	6,407	6,410	6,049
Full response structure fires	71	88	60	85	67
<b>Highways and Streets</b>					
Street Fund					
Miles of streets slurry-sealed annually	5	8	6	6	-
Customer service work order/complaint responses	540	600	540	720	554
Miles of painted paving marking	48	48	46	46	52
<b>Culture and Recreation</b>					
Parks & Recreation					
Number of participants in classes, Senior Center activities, sports programs, and aquatic programs	106,500	108,900	111,700	112,150	172,630
Annual performance series and Northwest Art and Air Festival attendance	85,000	102,000	103,091	102,011	99,100
Library					
Total number of library items borrowed	578,595	600,000	609,273	696,327	773,960
Total number of reference questions	36,541	35,000	31,080	38,860	44,297
<b>BUSINESS-TYPE ACTIVITIES</b>					
Sewer					
Dry tons of biosolids applied annually	681	650	637	599	121
Millions of gallons of wastewater treated annually	3,010	2,830	3,156	2,708	2,697
Sewer line locate requests	4,000	4,400	3,471	2,979	2,836
Water					
Millions of gallons of water treated annually	1,645	1,650	3,068	2,911	2,847
Miles of water pipe maintained annually	245	255	270	271	281
Number of fire hydrants maintained in the water system	1,670	1,670	1,891	1,953	1,992

Source: City of Albany annual budget



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

2011	2012	2013	2014	2015	
					<b>GOVERNMENTAL ACTIVITIES</b>
					<b>General Government</b>
					Planning and Community Development
					Number of planning applications
134	143	62	132	138	Total permits issued
1,939	1,939	2,189	2,332	2,359	New construction permits issued
11	6	418	5	154	Single-family permits issued
76	80	128	141	130	Electrical permits issued
755	751	816	905	910	Building Maintenance
					Square footage of buildings maintained
206,780	233,780	233,780	296,233	317,366	Work orders completed
2,250	2,203	2,001	1,886	1,627	Public Transit
					Total number of riders
228,663	237,424	234,186	231,224	214,865	Total annual route miles
262,990	260,222	275,977	287,257	206,720	<b>Public Safety</b>
					Municipal Court
					Number of warrants issued
1,398	1,680	1,777	2,516	3,102	Case numbers issued
4,900	3,891	3,671	5,079	6,121	Police
					Total arrests
2,731	3,453	3,609	4,777	4,964	Traffic citations issued
4,681	4,120	3,315	3,907	5,263	Animal and abandoned vehicle calls
1,496	2,266	2,320	2,288	2,513	Fire
					Total calls for emergency fire and EMS services
6,388	6,432	6,448	7,133	7,511	Full response structure fires
91	113	53	49	42	<b>Highways and Streets</b>
					Street Fund
					Miles of streets slurry-sealed annually
-	-	-	-	-	Customer service work order/complaint responses
541	509	492	461	382	Miles of painted paving marking
51	65	55	57	61	<b>Culture and Recreation</b>
					Parks & Recreation
					Number of participants in classes, Senior Center activities, sports programs, and aquatic programs
184,154	187,261	186,401	188,102	196,005	Annual performance series and Northwest Art and Air Festival attendance
118,700	121,104	123,200	122,206	131,209	Library
					Total number of library items borrowed
780,188	700,619	709,004	685,781	623,143	Total number of reference questions
41,043	42,766	34,435	33,338	33,193	<b>BUSINESS-TYPE ACTIVITIES</b>
					Sewer
					Dry tons of biosolids applied annually
-	-	9	25	-	Millions of gallons of wastewater treated annually
3,300	3,094	2,842	2,900	2,940	Sewer line locate requests
4,307	3,319	2,920	3,458	3,732	Water
					Millions of gallons of water treated annually
2,865	2,449	2,755	2,660	2,853	Miles of water pipe maintained annually
283	290	292	282	283	Number of fire hydrants maintained in the water system
1,877	2,025	1,914	1,740	1,970	

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

Function	2006	2007	2008	2009	2010
<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	158	160	160	163
Miles of unimproved streets	28	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	30	33	31	33	33
Acres of developed park land	603	612	772	735	424
Library					
Number of libraries	2	2	2	2	2
Number of volumes	154,611	160,562	169,217	184,573	213,059
<b>BUSINESS-TYPE ACTIVITIES</b>					
Enterprise					
Sewer					
Miles of sanitary sewer lines	212	217	219	222	227
Miles of storm sewer lines (12 inches or larger)	97	100	105	117	120
Number of sewer hookups	15,372	15,870	15,900	17,330	15,848
Water					
Miles of water lines	267	271	274	279	286
Number of water hookups	16,161	16,467	16,662	16,662	17,114
Number of water treatment plants	2	2	2	2	2

Source: City of Albany departmental records

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

2011	2012	2013	2014	2015	
					<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>
165	165	166	166	181	Miles of improved streets
36	36	35	35	14	Miles of unimproved streets
8	8	8	n/a	n/a	Miles of gravel streets
					<b>Culture and Recreation</b>
					<b>Parks &amp; Recreation</b>
33	36	36	36	36	Number of developed park sites
564	564	564	564	564	Acres of developed park land
					<b>Library</b>
2	2	2	2	2	Number of libraries
210,071	210,071	242,966	250,944	251,267	Number of volumes
					<b>BUSINESS-TYPE ACTIVITIES</b>
					<b>Enterprise</b>
					<b>Sewer</b>
223	223	223	230	230	Miles of sanitary sewer lines
151	151	104	104	105	Miles of storm sewer lines (12 inches or larger)
15,712	15,912	17,586	16,556	16,187	Number of sewer hookups
					<b>Water</b>
283	290	292	276	261	Miles of water lines
17,463	17,551	18,320	18,000	17,079	Number of water hookups
2	2	2	2	2	Number of water treatment plants

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## **COMPLIANCE SECTION**

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**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, 2015, and have issued our report thereon dated December 30, 2015.

**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>
General - Municipal Court	\$ 699,300	\$ 704,106	\$ (4,806)
Parks and Recreation - Senior Center Foundation	16,421	15,600	(821)
Debt Service - 2004 Revenue Obligations	180,100	180,204	(104)
Capital Projects - Public Safety Facilities	--	41,472	(41,472)

**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 30, 2015

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, 2015, 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 30, 2015.

**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 30, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
 AND ON INTERNAL CONTROL OVER COMPLIANCE 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, 2015. 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, 2015.

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 30, 2015

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, 2015

<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 Grant	14.218	B-14-MC-41-0011	\$ 478,710
<i>Department of Justice</i>			
<b>Bureau of Justice Assistance</b>			
Bulletproof Vest Partnership Program	16.607		8,216
<i>Department of Transportation</i>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program	20.106	3-41-0001-012-2012	20,798
<b>Federal Highway Administration</b>			
Highway Planning and Construction	20.205		20,122
<b>Federal Transit Administration</b>			
Formula Grants - Urbanized Area Formula	20.507		817,916
<i>Passed through Oregon Department of Transportation</i>			
Federal Transit - Capital Investment Grants	20.500	29036	311,570
<i>Passed through Linn County, Oregon</i>			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	29313	247,754
<b>National Highway Traffic Safety Administration</b>			
<i>Passed through Oregon Association of Chiefs of Police</i>			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		3,075
Occupant Protection Incentive Grants	20.602		7,213
Subtotal Highway Safety Cluster			10,288
<b>Pipeline and Hazardous Materials Safety Administration</b>			
<i>Passed through Oregon State Police</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	234-2013	17,532
Total Department of Transportation			1,445,980
<i>Corporation for National and Community Service</i>			
Foster Grandparent Program	94.011	12SFPOR002	113,529
<i>Department of Homeland Security</i>			
Assistance to Firefighters Grant			
<i>Passed through Oregon Military Department</i>			
Disaster Grants - Public Assistance	97.036		384,230
State Homeland Security Program	97.073		23,449
Total Department of Homeland Security			678,037
Total Expenditures of Federal Awards			\$ 2,724,472

**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 principles.