

Kids go "Down-by-the-Riverside" to clean up Albany's streams.



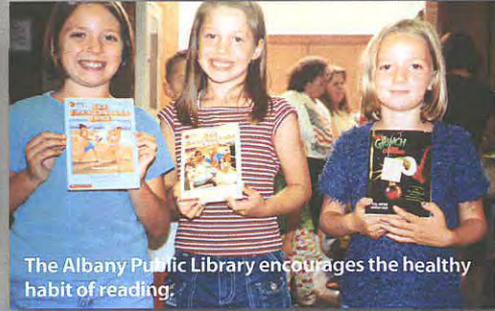
Dressing-up at the Albany Fire Department Treasure Hunt in October.



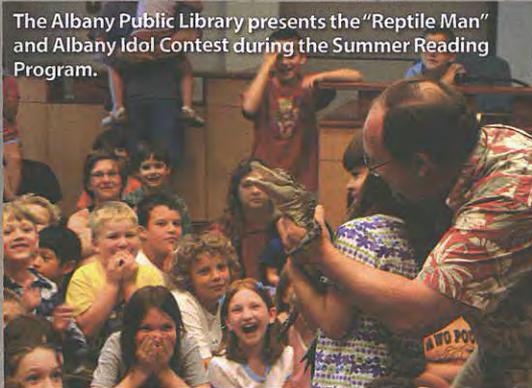
Art and storytime at the Albany Public Library.



Youth help to clean-up softball fields at Albany parks.



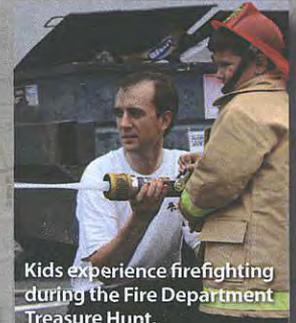
The Albany Public Library encourages the healthy habit of reading.



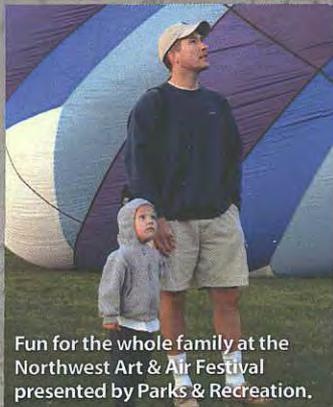
The Albany Public Library presents the "Reptile Man" and Albany Idol Contest during the Summer Reading Program.



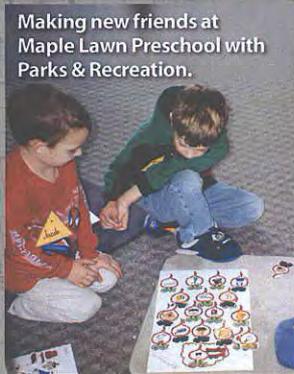
Parks & Recreation presents the Children's Performing Arts Series for the young and young-at-heart.



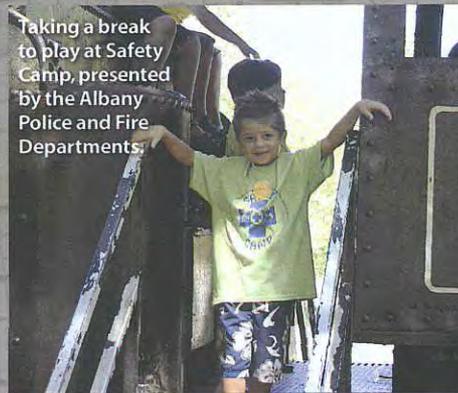
Kids experience firefighting during the Fire Department Treasure Hunt.



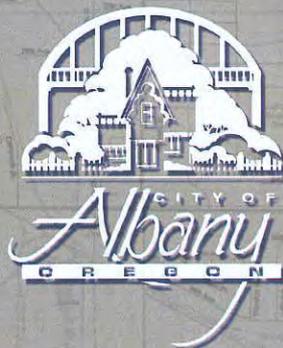
Fun for the whole family at the Northwest Art & Air Festival presented by Parks & Recreation.



Making new friends at Maple Lawn Preschool with Parks & Recreation.



Taking a break to play at Safety Camp, presented by the Albany Police and Fire Departments.



CITY OF ALBANY, OREGON
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2005
2005

City of Albany, Oregon

**Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2005**

* * * * *

Steve W. Bryant, City Manager

Susan Busbice, Assistant City Manager/Chief Financial Officer

Prepared by:

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

Great spirits have always encountered violent opposition from mediocre minds.
Albert Einstein

City of Albany, Oregon
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Introductory Section

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- **Organization Chart (ii)**
- **Letter of Transmittal (iii-ix)**
- **Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2004 (x)**

The problem is not that there are problems.
The problem is expecting otherwise and thinking that having problems is a problem.
Theodore Rubin

City of Albany, Oregon

333 Broadalbin Street SW

Albany, Oregon 97321

www.cityofalbany.net

Officers, Council Members, and Administrative Staff
as of June 30, 2005

Council Members

<u>Ward</u>	<u>Council</u>	<u>Years of Service</u>	<u>Term Expires</u>
	Chuck McLaran, Mayor	11	December 31, 2006
I	Dick Olsen	7	December 31, 2006
I	Doug Killin	9	December 31, 2008
II	Sharon Konopa	9	December 31, 2008
II	Ralph Reid, Jr., Council President	11	December 31, 2006
III	Bessie Johnson	3	December 31, 2006
III	Jeff Christman	1	December 31, 2008

Administrative Staff

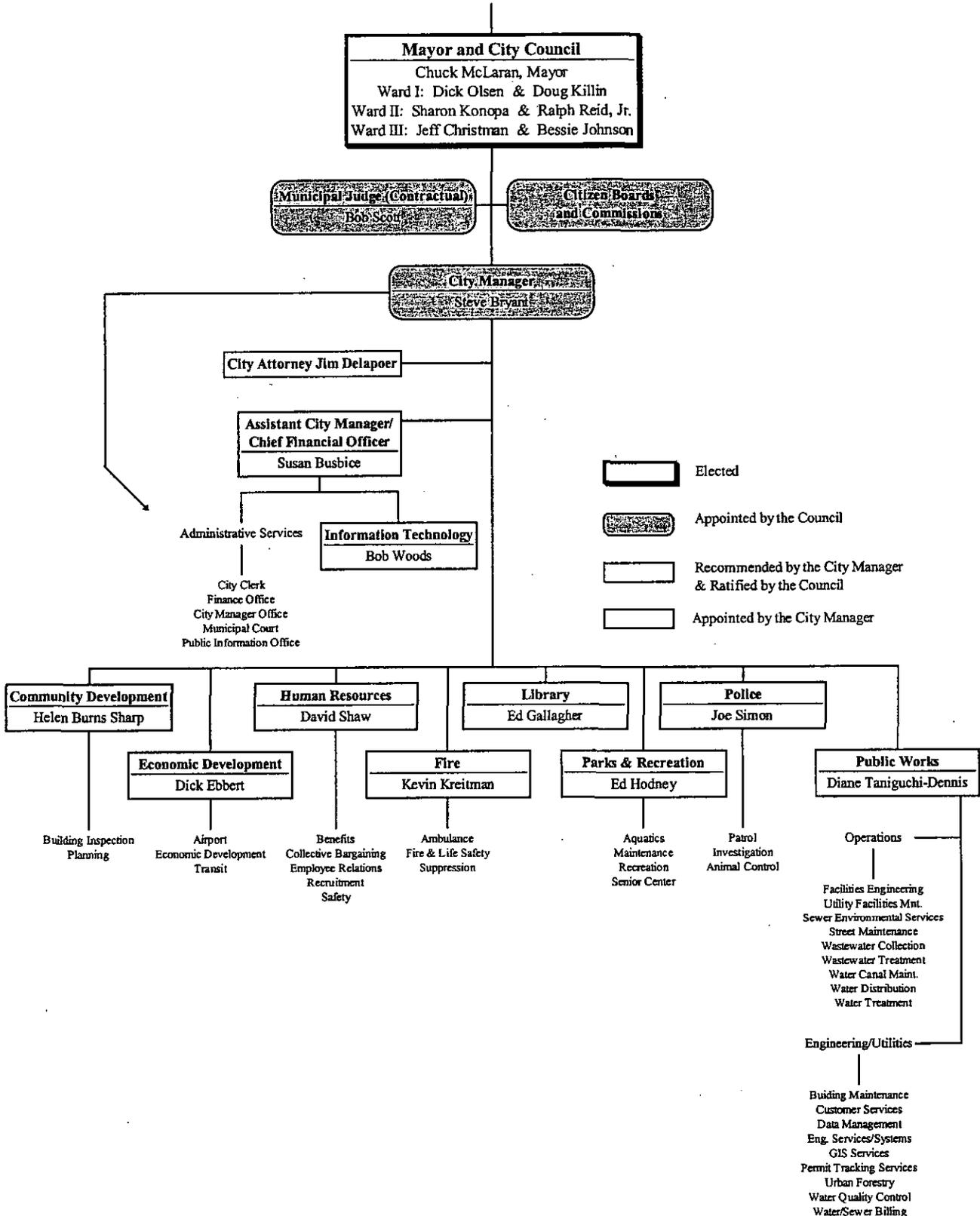
		<u>Years in this Position</u>	<u>Years of Service with the City of Albany</u>
City Manager	Steve Bryant	21	31
Assistant City Manager/CFO	Susan Busbice	2	2
Public Works Director	Diane Taniguchi-Dennis	2	6
Community Development Director	Helen Burns Sharp	16	16
Parks Director	Ed Hodney	2	2
Library Director	Ed Gallagher	2	7
Police Chief	Joe Simon	5	5
Fire Chief	Kevin Kreitman	6	24
Information Technology Director	Bob Woods	1	4
Human Resources director	David Shaw	1	1

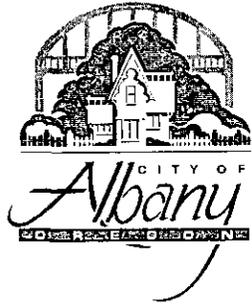
Principal Finance Staff

Assistant City Manager/CFO
Susan Busbice

Assistant Finance Director
John Stahl

Citizens of the City of Albany





September 29, 2005

Honorable Mayor Charles McLaran
Members of the Albany City Council
City of Albany, Oregon

CITY HALL
333 Broadalbin SW
P. O. Box 490
Albany, OR 97321-0144
www.ci.albany.or.us

(541) 917-7500

ADMINISTRATIVE SERVICES
City Manager/
Human Resources
(541) 917-7501
FAX (541) 917-7511

Finance/Recorder
(541) 917-7520
FAX (541) 917-7511

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

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

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

Building Inspection
(541) 917-7553
FAX (541) 917-7598

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

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

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

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

The Comprehensive Annual Financial Report of the City of Albany, Oregon (the City) for the fiscal year ended June 30, 2005, together with the unqualified opinion therein of our independent certified public accountants, Koontz & Perdue, P.C., is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Audit Comments. The Introductory Section includes the transmittal letter, the City organization chart, a list of principal officials, and a copy of the 2004 Certificate of Achievement for Excellence in Financial Reporting. The Financial Section includes the basic financial statements, management's discussion and analysis, and schedules. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Audit Comment Section includes auditor disclosures required by State regulations and reports required by Government Auditing Standards.

This report includes all funds of the City including the Central Albany Revitalization Area (CARA), an urban renewal district. Financial data for CARA is included in these statements as a blended component unit. In addition, financial data for the Albany Public Library Foundation has been included as a discretely presented component unit. The City provides a full range of services which include police and fire protection; sewer services; water services; construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events.

ABOUT ALBANY, OREGON

Albany is located in the heart of the Willamette Valley, 24 miles south of Salem, the State capital, and 40 miles north of Eugene, the state's second largest city. With a 2005 population of 44,030 Albany is the state's 12th largest city. It is the county seat and largest city in Linn County. It is the second largest city in Benton County.

Population: City of Albany, Linn and Benton Counties

<u>Year</u>	<u>City of Albany</u>	<u>Linn County</u>	<u>Corvallis MSA*</u>
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
2005 Estimated	44,030	106,350	81,750

*MSA-Metropolitan Statistical Area

The City was founded in 1848, incorporated in 1864, and adopted its first charter in 1891. A directly elected nonpartisan Mayor with a two-year term leads a six member City Council elected to four-year, overlapping terms. A full-time City Manager administers the affairs of the City for the Council, and supervises a staff of nine department directors and 356 permanent employees.

The Albany community takes special pride in its 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 in nearby Corvallis and Linn-Benton Community College in Albany, employ almost 11,000 people. In Corvallis, Hewlett Packard, a worldwide electronics manufacturing company, employs 3,400. The development of the U. S. Bureau of Mines in Albany in the 1940's, 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 ALVAC Albany, create specialized products for the fields of aerospace, super conductivity, fiber optics, nuclear energy generation, and photography.

Although not as prominent as in the past, the nearby location of the Willamette National Forest still provides resources for the forest products sector in the area's economy. Timber harvesting, lumber and wood production, pulp and paper production, and secondary wood processing operations provide 1,000 jobs in the area.

Albany has the added benefit of being located in one of the ten most productive agricultural areas of the world - Oregon's Willamette Valley. The production, processing, and packaging of locally grown grass seeds, vegetable seeds, beans, corn, peas, strawberries, and many other crops continues 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 vegetables.

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 with an area from the Interstate-5 corridor east to the crest of the Cascades. The Oregon Employment Department has published employment projections by industry for 2002-2012. Growth in the region (+10.2%) is expected to be roughly consistent with statewide growth, with nearly 9,430 jobs to be added during the period. Manufacturing is anticipated to remain at the current level (-140, -0.8%). Most new jobs in the region are expected in nonmanufacturing sectors, led by services (+4,520; 19.6%); trade (+2,520, 12.4%); government (+1,340, 6.0%); and finance, insurance, and real estate (+410, 12.7%).

Although improving, unemployment rates continue to be a concern for the region. Statistics published by the Oregon Employment Department show that as of June 30, 2005, the unemployment rates for Linn County and the Corvallis Metropolitan Statistical Area (MSA) were 8.1% and 5.3%, respectively. These rates were 9.6% and 5.6% for June 30, 2004. Linn County's jobless rate, 1.5 percentage points below June of 2004, translates into 838 fewer unemployed people compared with June 2004.

In Linn County, nonfarm employment increased over the past year by 550 jobs. Corvallis MSA lost 70 jobs compared with last year, due primarily to losses in manufacturing. The Corvallis MSA jobless rate has remained stable, dropping only .3% since June, 2004. The MSA's lower jobless rate is the result of several factors: a high cost of living causing the unemployed to move, a high student population employed in part-time jobs, and a high percentage of residents with college degrees.

Another 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 8.68 percent from \$2.572 billion to \$2.795 billion in the last fiscal year.

MAJOR INITIATIVES

Significant during Fiscal Year 2004-2005 was the announcement of the "intent to retire" of Albany City Manager, Steve Bryant, effective July 1, 2005. After his successful leadership of seventeen years, a major City Council focus became the selection process that would produce a quality and experienced replacement with the motivation to move forward on a variety of critical initiatives. As the process unfolded, with the assistance of community involvement, Mr. Wes Hare, City Manager of La Grande, Oregon, was selected and scheduled to start employment in Albany on September 1, 2005. It is with great appreciation that the community wishes Steve Bryant farewell and welcomes Wes Hare with great anticipation.

Critical Opportunities and Achievements:

Council support and approval of the Strategic Plan

This plan will serve as a living document from which the entire organization will coalesce around the themes of Great Neighborhoods, A Safe City, A Healthy Economy, and An Effective Government. The objectives are both citywide and department specific and will enable staff to call on the resources of the community and their peers to achieve the goals that will take the City into the next level of accomplishment.

Albany Millersburg Joint Water Treatment Plant

The bilateral commitment of these neighboring communities has bridged the gap of mistrust and allowed the two Councils to come together in a joint effort that will serve the area's water requirements through 2050. The state-of-the-art facility is currently under construction with the opening scheduled for November 2005.

Design Stage Planning for a Wastewater Treatment Plant Construction Project

Using State Revolving Loan funds, the City is planning for a \$60 million wastewater treatment plant construction project using new filter technology and wetland mitigation to decrease water temperature on the Willamette River. This innovative project will not only ensure that Albany is in compliance with state and federal wastewater requirements for many years in the future, but also provide the community with the highest level of wastewater operating and service levels.

Central Albany Revitalization Area (CARA) Urban Renewal District

The goals of the City's urban renewal district have always been to revitalize the Willamette River waterfront, the downtown core, and the surrounding area. A major achievement currently is the restoration of the historical train station, named Albany Station. The restoration project involved a partnership between AMTRAK, Federal and State grants, and the City. This downtown gateway project into the CARA district is an impressive start to a number of initiatives within the new year, such as a major downtown streetscape project including new lighting, sidewalks, and furnishings. Another initiative on the horizon for CARA is Request for Proposals (RFP) to secure a developer or developers for "Riverfront Development" to maximize tax revenues through the highest and best use of the available land and to link the commercial downtown with residential riverfront development.

Parks and Recreation

This past year was of historical significance for the Parks and Recreation Department and the City. In 1999, the Swanson Pool was closed because of diminishing structural integrity. As a result, the community suffered a loss of a recreational treasure. With major private donations and City Council guidance, the City secured public financing to build a new pool and bathhouse on the old site. On July 1, 2005, the community celebrated the opening of Cool! Swanson Park Action Center in the heart of Albany.

Library

City staff is providing direction for future library services in terms of facilities and potential future relationships with surrounding jurisdictions, including facility placement within the CARA district or the formation of a library special district.

Information Technology/Finance

With City Council encouragement and approval, a five-year moratorium on voter approved funding for capital projects was initiated. The City is researching alternative ways to provide the funding necessary for future police and fire facilities and transportation improvements. In order to carry out its responsibilities, both internally and externally, the City is in the process of completing the initial phases of replacing and updating the financial software system.

FINANCIAL INFORMATION

Management of the City 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 the Government Finance Officers Association of the United States and Canada 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, 2005, 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.

The City adopted GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and the related Omnibus Statement No. 37 beginning with the 2002-03 report. Implementation of these GASB statements has dramatically changed how the City's financial information is reported this year in comparison to prior years. Major changes include the following:

- A narrative introduction, overview, and analysis accompanies the basic financial statements in the form of, "Management's Discussion and Analysis (MD&A)." This letter of transmittal is designed to complement the MD&A. The City's MD&A can be found starting on page 3.
- Government-wide financial statements are included to reflect the City as a single unified entity. The government-wide statements report information in a manner similar to that of for-profit business entities and include all long-term assets and liabilities of the City.
- Fund financial statements are presented in detail for significant (major) funds and as a total for nonmajor funds.

The City maintains a total of 34 funds, of which 27 are governmental fund types and seven are proprietary fund types. The modified accrual basis of accounting is used for the governmental fund types (General Fund, Special Revenue funds, Debt Service funds, Capital Project funds, and Permanent funds). The accrual basis is used for the proprietary fund types.

Risk Management

The City is a member of the City/County Insurance Services Trust. This is a general liability and auto liability self-insurance pool set up for city and county entities in Oregon. The pool pays all claims up to \$500,000, and purchases insurance to cover excess liability up to a limit selected by the participating entity. Small losses for the City are those under \$5,000. Any claim over \$5,000 is shared with the pool's claims experience. In addition to the premium, the City is also obligated to pay annually up to \$75,000 in claims and settlement costs. As of June 30, 2005, \$43,548 was recorded as a liability for claims not yet reported and/or settled.

Debt Administration

As of June 30, 2005, the City had outstanding long-term totaling \$73,306,195, including \$14,002,499 of general obligation debt. Further details on outstanding long-term debt are presented in the notes to the financial statements, page 44.

Oregon Revised Statutes, Chapter 287, provides a debt limit for general obligation bonds of three percent (3%) of the true cash value of all taxable property within the City's boundaries. As of June 30, 2005, the City's net general obligation bonded debt, \$13,616,681 was well below the legal limit of \$83,847,424.

Cash Management

The City's investment transactions are governed by a written investment policy. The policy, which is reviewed annually by the City Council and the Oregon Short-Term Fund Board, regulates the City's investment objectives, diversification, limitations, and reporting requirements. The City contracts with US BANCORP Asset Management for the management of its investment portfolio.

The City ended the fiscal year with a total investment portfolio of \$71,277,746, earning a yield of 3.0% at year end. The majority of these idle funds are from capital project reserves and unspent bond proceeds.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Koontz & Perdue, P.C. performed the audit for the fiscal year ended June 30, 2005. This audit is conducted in accordance with generally accepted accounting standards, Government Auditing Standards, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State. The auditor must determine whether the City followed generally accepted accounting and reporting principles.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. 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 Comprehensive Annual Financial Report, whose contents conform to program standards. Such a Comprehensive Annual Financial Report 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 21 consecutive years (fiscal years 1984-2004). We believe our current report continues to conform to the Certificate of Achievement standards.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Office and the certified public accountants of Koontz & Perdue, P.C. 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,

A handwritten signature in black ink, appearing to read "Stahl", written in a cursive style.

John Stahl
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Albany,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjelke

President

Jeffrey R. Emor

Executive Director

Financial Section

(page numbers in parentheses)

- Report of Independent Auditors (1-2)

- Management's Discussion and Analysis (3-10)

- Basic Financial Statements (11-56)

- Supplementary Data
 - Combining Statements - Nonmajor Governmental Funds (59-78)
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 - Schedule of Property Tax Transactions and Outstanding Balances (136)

There are risks and costs to a program of action.
But they are far less than the long-range risks and costs of comfortable inaction.
John Fitzgerald Kennedy



Koontz & Perdue, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Albany
Albany, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albany, Oregon as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Albany, Oregon management. Our responsibility is to express an opinion 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 *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In addition, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albany, Oregon as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2005, on our consideration of 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 18 through 22 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Albany, Oregon basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital assets schedules, other financial schedules, and statistical tables are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 basic financial statements of the City of Albany, Oregon. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Koontz & Perdue, P.C.

By: 

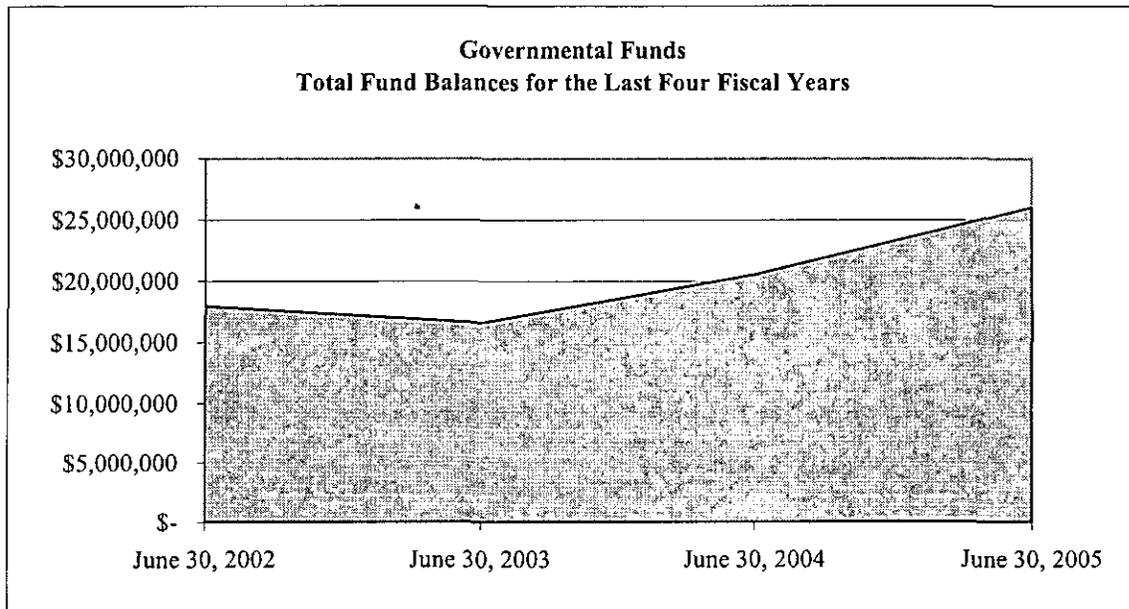
Albany, Oregon
September 29, 2005

Management's Discussion and Analysis

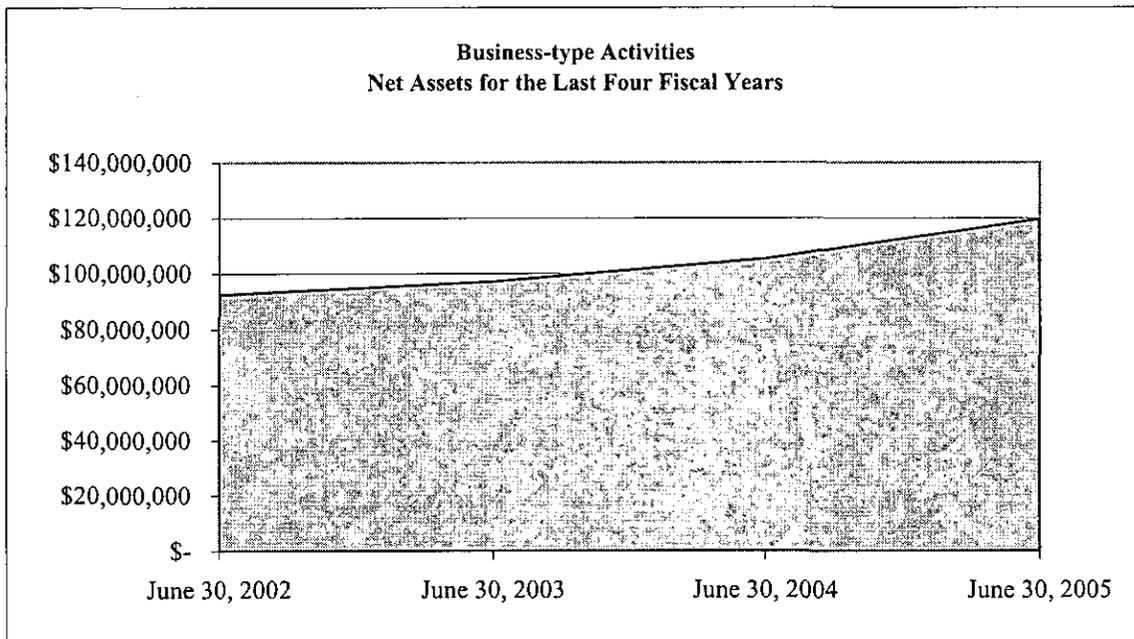
As management of the City of Albany, Oregon, we offer the readers of the City's financial statements this narrative overview and analysis of the City for the fiscal year ended June 30, 2005. We encourage readers to consider the information here in conjunction with the additional information that we have furnished in our letter of transmittal which can be found starting on page iii.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$210,379,778 (net assets). Of this amount, \$42,161,622 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$25,987,931, an increase of \$5,453,114 in comparison with the previous year. Of the combined fund balances, \$14,647,567 is available for spending at the City's discretion. One factor for the increase in fund balance for 2004-05 was due to a 38 percent increase in new residential and commercial building permits which generated \$961,126 in additional development fees and charges. Additionally, due to a 4.74 percent increase in assessed value, current property tax collections in the General Fund, the Parks & Recreation Fund, and the Public Safety Levy Fund were \$730,000 more than the previous year. The Street Fund received a capital grant for \$571,534 from the state of Oregon Surface Transportation Program. Fund balances increased by a total of \$2,241,000 for the City's three major governmental funds: General, Street, and Parks & Recreation.
- In the Improvement Fund, the ending fund balance increased by \$1,470,297 when prepaid assessment deposits were recognized as earned revenue at the time the final assessments on the 53rd Avenue Local Improvement District were adopted by the City Council in June 2005. The fund balance in the PERS Reserve Fund increased by \$771,094 through contributions by other City Funds.



- Business-type net assets increased \$14,699,286 (14 percent) for the 2004-05 fiscal year. Operating income for the Water and Sewer Funds was \$4,680,152. The increase to net assets from nonoperating revenues and expenses was \$980,080. Capital contributions from the city of Millerburg, developer site improvements, and development fees were \$10,036,200.



Overview of Financial Statements

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

Government-wide Financial Statements

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

The *Statement of Net Assets* presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 of the 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 of the City 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 Central Albany Revitalization Area (CARA), for which the City is financially accountable and 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. CARA's complete financial statement may be obtained at the City's Administrative offices.

The Albany Public Library Foundation has been included as a discretely presented component unit. The foundation provides services and facilities for the Albany Public Library. It is governed by a board of four to seven members who have a current interest in the preservation of services at the Downtown Library.

The government-wide financial statements can be found starting on page 11.

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. All of the funds of the City can be divided into two categories, governmental funds and proprietary funds.

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.

The City maintains 27 individual 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, Street, and Parks and Recreation Funds, all of which are considered to be major governmental funds. Data from the remaining governmental funds, (nonmajor governmental funds) are combined into a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements starting on page 57 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 are provided as necessary.

The basic governmental fund financial statements and respective reconciliations can be found starting on page 14.

Proprietary Funds

The City maintains two different types of proprietary funds: enterprise funds and internal services funds. 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 sanitary 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 internal service funds to account for equipment maintenance, information systems services, central services, geographic information system services, and Public Works services. Equipment maintenance and Public Works services, which predominantly benefit business-type functions, have been included within business-type activities in the government-wide financial statements. Information systems services, central services, and geographical information system services, which predominantly benefit governmental functions, have been included within governmental activities in the government-wide financial

The basic proprietary fund financial statements can be found starting on page 24.

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 28.

Supplementary Data.

The combining statements, referred to earlier in connection with nonmajor governmental funds, can be found starting on page 57.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. The City's assets exceeded liabilities by \$210,379,778 at the close of the fiscal year.

At Fiscal Year end, June 30, 2005, the City had \$122,947,134 invested in capital assets, net of related debt, and an unrestricted net asset balance of \$42,161,622.

By far, the largest portion of the City's net assets is the investment in capital assets (e.g. land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, the assets are not available for future spending. Although the City's investment in its capital assets is reported net of the related debt, it should be noted that the 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 assets (\$45,271,022, 15 percent) represents resources that are subject to external restrictions on how they may be used.

**Table 1 - Net Assets Summary
Governmental and Business-type Activities
for the year ended June 30, 2005**

	Governmental Activities		Business-type Activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
Cash and investments	\$ 30,419,968	\$ 24,896,371	\$ 41,167,966	\$ 55,268,522	\$ 71,587,934	\$ 80,164,893
Other assets	11,321,277	15,261,710	3,362,982	3,574,191	14,684,259	18,835,901
Capital assets	81,250,492	68,264,708	126,233,014	98,446,736	207,483,506	166,711,444
Total assets	122,991,737	108,422,789	170,763,962	157,289,449	293,755,699	265,712,238
Other liabilities	7,605,231	5,364,186	8,485,089	3,848,316	16,090,320	9,212,502
Long term debt outstanding	23,282,389	23,579,917	44,003,212	49,037,579	67,285,601	72,617,496
Total liabilities	30,887,620	28,944,103	52,488,301	52,885,895	83,375,921	81,829,998
Net assets:						
Invested in capital assets, net of related debt	38,046,254	42,539,526	84,900,880	76,643,262	122,947,134	119,182,788
Restricted	29,410,881	18,279,315	15,860,141	9,401,040	45,271,022	27,680,355
Unrestricted	24,646,982	18,659,845	17,514,640	18,359,252	42,161,622	37,019,097
Total net assets	\$ 92,104,117	\$ 79,478,686	\$118,275,661	\$104,403,554	\$210,379,778	\$183,882,240

In December, 2004, the City issued \$3,720,000 of Revenue Obligations, Series 2004. The proceeds were used to finance a portion of the construction of a new swimming pool at Swanson Park, and to repay and defease the City's Certificates of Participation, Series 1994. For further details concerning the defeasance of the 1994 issue, refer to page 49. The total outstanding debt at June 30, 2005, was \$73,306,195. The debt consists of outstanding bonds and certificates of participation, \$69,552,783; loans, \$1,429,310; compensated absences, \$2,118,494; claims and judgments, \$43,548; and capital leases, \$162,060. The ratio of the City's capital assets, net of related debt, as compared to total net assets is 58 percent. Details of long-term debt payable can be found in the notes to the basic financial statements beginning on page 44.

In the business-type activities, the decrease in cash and investments and increase in capital assets is primarily attributable to the use of funds provided by the 2003 Water Revenue bonds for the construction of the new Albany Millersburg Water Treatment Plant. The plant is scheduled to open in the Fall of 2005.

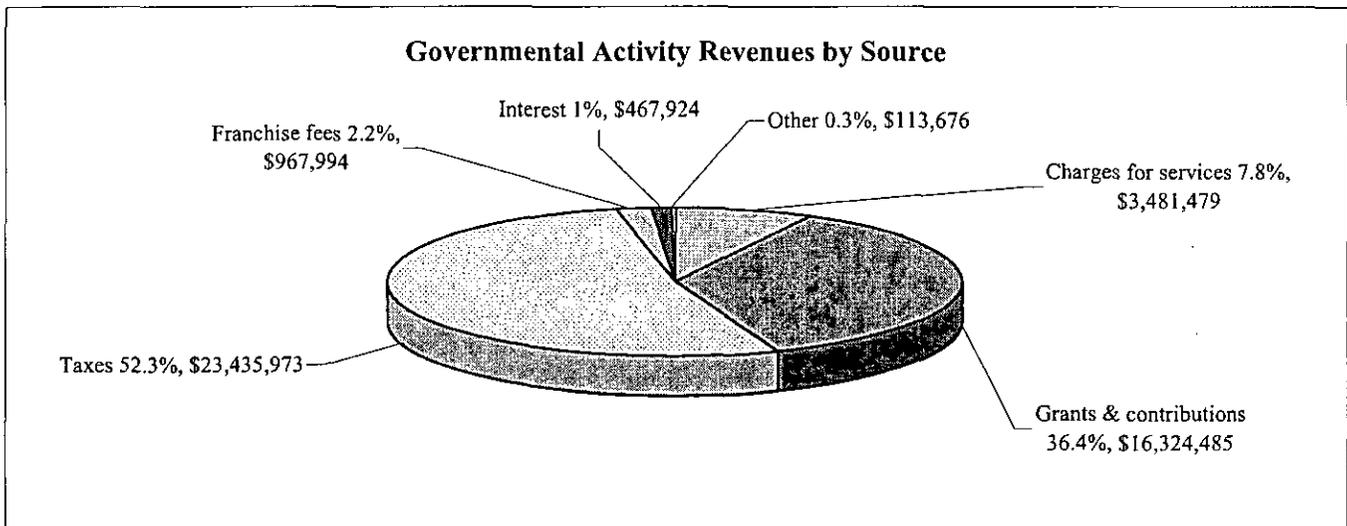
At the end of the current fiscal year, the City has positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's net assets increased by \$26,212,864 (14 percent) during the current fiscal year due primarily to increased tax revenues, water/sewer services charge increases in anticipation of utility capital construction; and capital contributions from the city of Millersburg, 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 year ended June 30, 2005**

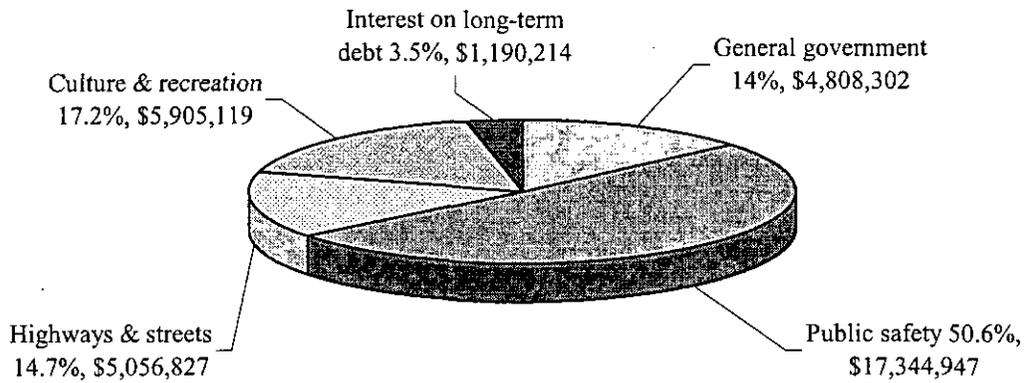
	Governmental Activities		Business-type Activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
REVENUES						
Program revenues						
Charges for services	\$ 3,481,479	\$ 3,297,211	\$ 18,347,326	\$ 18,225,258	\$ 21,828,805	\$ 21,522,469
Grants and contributions	16,324,485	13,857,218	10,036,200	3,928,599	26,360,685	17,785,817
General Revenues						
Taxes	23,435,973	19,554,947	782,683	787,570	24,218,656	20,342,517
Franchise fees	967,994	887,954	-	-	967,994	887,954
Interest	467,924	243,671	488,123	286,658	956,047	530,329
Other	113,676	516,013	455,720	578,916	569,396	1,094,929
Total revenues	44,791,531	38,357,014	30,110,052	23,807,001	74,901,583	62,164,015
EXPENSES						
Governmental activities	34,305,409	32,048,383	-	-	34,305,409	32,048,383
Business-type activities	-	-	14,383,310	15,435,115	14,383,310	15,435,115
Total expenses	34,305,409	32,048,383	14,383,310	15,435,115	48,688,719	47,483,498
Transfers	1,027,456	303,785	(1,027,456)	(303,785)	-	-
Increase in net assets	11,513,578	6,612,416	14,699,286	8,068,101	26,212,864	14,680,517
Beginning net assets	80,590,539	72,866,270	103,576,375	96,335,453	184,166,914	169,201,723
Ending net assets	\$ 92,104,117	\$ 79,478,686	\$118,275,661	\$104,403,554	\$210,379,778	\$183,882,240

Governmental Activities

In the November, 2002 General Election, a five-year local option levy for public safety was passed by the voters of the City of Albany. Beginning with the 2003-04 fiscal year, properties within the City were assessed \$0.95 per \$1,000 of assessed value. During the fiscal year, current and delinquent taxes totaling \$1,973,168 were received by the City from the levy. In addition, general property taxes increased 8.3 percent, which generated \$1,098,000 of current tax revenues above the fiscal year 2003-04 level.



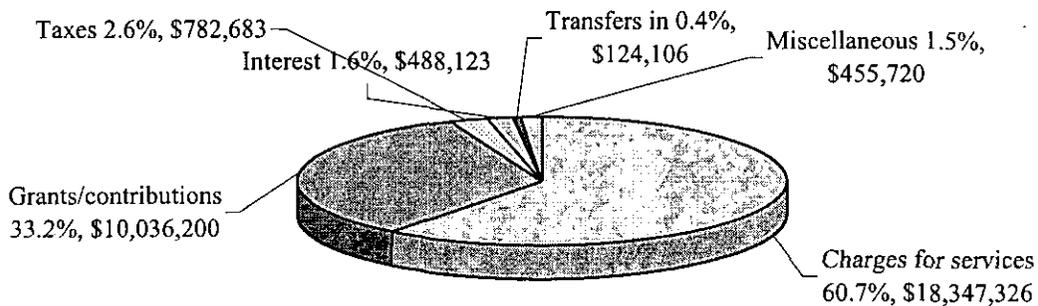
Governmental Activity Expenses by Program Area



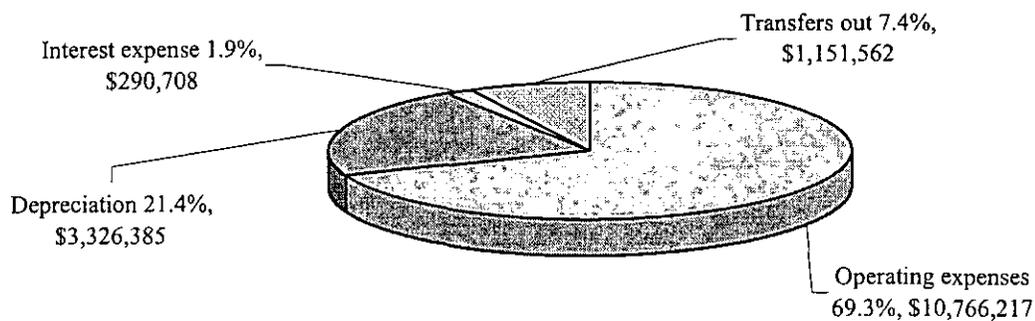
Business-type Activities

Construction of the Albany Millersburg Water Treatment Plant continued on schedule. Completion of the project is expected to be in the Fall of 2005. In the Sewer Fund, a combination of grants, a state revolving fund loan, and City funds will be used to build a new wastewater treatment facility. The estimated cost is approximately \$65 million. Preliminary design began during 2004-05. The treatment plant is expected to be completed by 2009. Water rates increased by four percent in January 2005. Sewer rates increased by seven percent in July 2004.

Business-type Activity Revenues Enterprise and Internal Service Funds



Business-type Activity Expenses Enterprise and Internal Service Funds



BUDGETARY HIGHLIGHTS

The City Council approved 12 resolutions which changed the adopted 2004-05 budget. Five of the resolutions, totaling \$604,100 were to make appropriations for grant awards. There was one supplemental budget resolution increasing appropriations by \$10,772,200 (6.82 percent). Appropriations increased by \$3,048,000 in the Capital Projects Fund for the Periwinkle Creek Bridge project and the Albany Data Integration Project. Primarily for capital projects in the Water Fund, an additional \$3,297,400 was appropriated from unspent resources in the prior fiscal year. The budget for the Parks and Recreation Fund increased by \$1,673,800 in order to appropriate the proceeds of the 2004 Revenue Obligations for construction of the new swimming pool at Swanson Park.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2005, the City had invested \$207,483,506 in capital assets as reflected in the table below. Additional information concerning the City's capital assets can be found in the notes to the basic financial statements, starting on page 41.

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

	Governmental Activities		Business-type Activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
Land, land rights, & land improvements	\$ 3,800,620	\$ 3,784,903	\$ 1,711,751	\$ 1,539,282	\$ 5,512,371	\$ 5,324,185
Buildings and improvements	9,181,106	9,424,372	19,019,765	19,442,764	28,200,871	28,867,136
Vehicles and equipment	3,311,297	3,311,112	2,089,098	2,273,558	5,400,395	5,584,670
Infrastructure	49,404,555	43,440,228	69,422,377	64,437,686	118,826,932	107,877,914
Construction in progress	15,552,914	9,497,239	33,990,023	10,753,446	49,542,937	20,250,685
	<u>\$ 81,250,492</u>	<u>\$ 69,457,854</u>	<u>\$ 126,233,014</u>	<u>\$ 98,446,736</u>	<u>\$ 207,483,506</u>	<u>\$ 167,904,590</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 depreciation, disposition, and retirement of assets.

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

	Governmental Activities		Business-type Activities		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
Beginning Balance	\$ 69,457,854	\$ 65,514,287	\$ 98,446,736	\$ 89,802,415	\$ 167,904,590	\$ 155,316,702
Additions	15,199,504	7,747,288	31,062,930	11,856,453	46,262,434	19,603,741
Retirements	(6,078)	(277,332)	-	(11,738)	(6,078)	(289,070)
Depreciation	(3,400,788)	(3,526,389)	(3,276,652)	(3,200,394)	(6,677,440)	(6,726,783)
Ending balance	<u>\$ 81,250,492</u>	<u>\$ 69,457,854</u>	<u>\$ 126,233,014</u>	<u>\$ 98,446,736</u>	<u>\$ 207,483,506</u>	<u>\$ 167,904,590</u>

Governmental assets increased by \$11,792,638 net of accumulated depreciation. Major capital projects completed or under construction as of June 30, 2005, were the Highway 20/99E interchange and other street construction projects, the Regional Multimodal Transportation Center project, and construction of the new swimming pool at Swanson Park.

Business-type capital assets increased by \$27,786,278 net of accumulated depreciation. Continuing construction of the Albany Millersburg Water Treatment Plant accounted for \$21 million of the increase. Construction of sewer and water lines amounted to \$3.3 million. Capital contributions in the form of developer site improvements added an additional \$3.7 million to capital assets.

Debt Outstanding

As of June 30, 2005, the City had \$73,306,195 in debt outstanding compared to \$74,175,462 on June 30, 2004. Of the amount outstanding as of June 30, 2005, \$6,020,594 is due within one year.

In December, 2004, the City issued \$3,720,000 of Revenue Obligations, Series 2004. The proceeds were used to finance a portion of the construction of a new swimming pool at Swanson Park, and to repay and defease the City's Certificates of Participation, Series 1994.

Table 5 - Outstanding Debt at Year End

	June 30, 2005	June 30, 2004
Governmental		
General obligation	\$ 10,290,000	\$ 10,845,000
Special assessment debt with governmental commitment	2,097,840	2,341,549
Certificates of participation	-	1,850,000
Limited tax pension	6,783,389	6,813,236
Revenue	1,230,000	1,410,000
General revenue	3,720,000	-
Oregon Economic Development Department note	301,749	320,132
Compensated absences	1,721,819	1,156,200
Claims and judgments	25,747	22,120
Capital Lease	162,060	-
Sub-total	\$ 26,332,604	\$ 24,758,237
Business-type		
Water revenue	\$ 38,987,677	\$ 40,192,681
Water general obligation	3,712,499	4,351,811
Water certificates of deposit	452,819	504,589
Sewer revenue	2,278,559	2,699,857
Oregon DEQ State Revolving Fund loan	1,127,561	1,288,641
Compensated absences	396,675	364,352
Claims and judgments	17,801	15,294
Sub-total	46,973,591	49,417,225
Total	\$ 73,306,195	\$ 74,175,462

Oregon Revised Statutes, Chapter 287, provides 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 \$83,847,424, which is well above the City's outstanding general obligation debt, \$14,002,499.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements, starting on page 44.

Key Economic Factors and Budget Information for the Future

The unemployment rate for Linn and Benton counties at the close of the fiscal year was 8.1 percent and 5.3 percent respectively. At the time of preparation of this report, the unemployment rates were 7.7 percent and 5.4 percent.

It is anticipated that the costs of providing medical insurance coverage to employees will continue to rise by approximately 12 percent in the next fiscal year.

The state of Oregon's income tax receipts have been less than the amounts it has budgeted to receive. Although the City receives a variety of revenues from the State, the State's revenue shortfall and its actions to address that shortfall do not appear likely to have a material and adverse impact on the financial condition of the City.

All of these factors were considered in preparing the City's budget for Fiscal Year 2005-06.

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 Office, City of Albany, Post Office Box 490, Albany, Oregon 97321.

CITY OF ALBANY, OREGON
STATEMENT OF NET ASSETS

June 30, 2005

	Govern- mental Activities	Business- type Activities	Total	Component Unit: Albany Public Library Foundation
ASSETS				
Cash and investments	\$ 18,537,229	\$ 16,141,426	\$ 34,678,655	\$ 835,705
Internal balances	(6,190)	6,190	-	-
Receivables:				
Property taxes	1,351,794	62,323	1,414,117	-
Accounts receivable	694,327	2,724,535	3,418,862	-
Assessments	1,394,200	364,947	1,759,147	-
Interest	139,481	178,342	317,823	-
Loans	670,646	-	670,646	-
Grants	379,862	-	379,862	-
Other assets	117,389	26,645	144,034	-
Restricted cash and investments	11,882,739	25,026,540	36,909,279	-
Land and construction in progress	19,353,535	35,706,464	55,059,999	-
Other capital assets, net of depreciation	61,896,957	90,526,550	152,423,507	-
Net pension asset	6,579,768	-	6,579,768	-
Total assets	122,991,737	170,763,962	293,755,699	835,705
LIABILITIES				
Accounts payable	2,580,887	4,560,056	7,140,943	1,852
Withholdings and taxes payable	1,070,199	-	1,070,199	-
Short-term debt - letter of credit	300,000	-	300,000	-
Interest payable	204,623	808,550	1,013,173	-
Refundable deposits and advances	300,462	146,104	446,566	-
Unearned revenue	79,462	-	79,462	-
Amount held in trust	19,383	-	19,383	-
Noncurrent liabilities:				
Due within one year	3,050,215	2,970,379	6,020,594	-
Due in more than one year	23,282,389	44,003,212	67,285,601	-
Total liabilities	30,887,620	52,488,301	83,375,921	1,852
NET ASSETS				
Invested in capital assets, net of related debt	38,046,254	84,900,880	122,947,134	-
Restricted for:				
Capital projects	20,890,344	15,122,720	36,013,064	-
Debt service	8,306,442	737,421	9,043,863	-
Other purposes - expendable	100,224	-	100,224	-
Other purposes - nonexpendable	113,871	-	113,871	-
Unrestricted	24,646,982	17,514,640	42,161,622	833,853
Total net assets	\$ 92,104,117	\$ 118,275,661	\$ 210,379,778	\$ 833,853

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, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS				
Primary government:				
Governmental activities:				
General government	\$ 4,808,302	\$ 593,253	\$ 2,311,759	\$ 4,925,935
Public safety	17,344,947	2,328,749	1,554,666	-
Highways and streets	5,056,827	-	145,871	5,126,368
Culture and recreation	5,905,119	559,477	603,280	1,656,606
Interest on long-term debt	1,190,214	-	-	-
Total governmental activities	34,305,409	3,481,479	4,615,576	11,708,909
Business-type activities:				
Water	6,946,851	10,627,576	-	6,828,610
Sewer	7,436,459	7,719,750	-	3,207,590
Total business-type activities	14,383,310	18,347,326	-	10,036,200
Total primary government	\$ 48,688,719	\$ 21,828,805	\$ 4,615,576	\$ 21,745,109
Component Unit:				
Albany Public Library Foundation	\$ 40,527	-	6,817	-

General revenues:
Property taxes
Transient room taxes
Motor fuel taxes
Cigarette and alcoholic beverage taxes
Privilege taxes
Franchise fees
Contributions to permanent funds
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Premium on debt issuance
Miscellaneous
Total general revenues
Transfers
Change in net assets
Net assets - beginning, as restated
Net assets - ending

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

Net (Expense) Revenue and Change in Net Assets			Component Unit
Governmental Activities	Business- type Activities	Total	Albany Public Library Foundation
\$ 3,022,645	-	\$ 3,022,645	\$ -
(13,461,532)	-	(13,461,532)	-
215,412	-	215,412	-
(3,085,756)	-	(3,085,756)	-
(1,190,214)	-	(1,190,214)	-
(14,499,445)	-	(14,499,445)	-
-	\$ 10,509,335	10,509,335	-
-	3,490,881	3,490,881	-
-	14,000,216	14,000,216	-
<u>\$ (14,499,445)</u>	<u>\$ 14,000,216</u>	<u>\$ (499,229)</u>	<u>-</u>
<u>(33,710)</u>	<u>-</u>	<u>-</u>	<u>(33,710)</u>
18,169,530	782,683	18,952,213	-
550,404	-	550,404	-
2,119,250	-	2,119,250	-
497,499	-	497,499	-
2,099,290	-	2,099,290	-
967,994	-	967,994	-
3,042	-	3,042	-
60,390	-	60,390	-
467,924	488,123	956,047	81,392
50,244	-	50,244	-
-	455,720	455,720	-
<u>24,985,567</u>	<u>1,726,526</u>	<u>26,712,093</u>	<u>81,392</u>
<u>1,027,456</u>	<u>(1,027,456)</u>	<u>-</u>	<u>-</u>
<u>11,513,578</u>	<u>14,699,286</u>	<u>26,212,864</u>	<u>47,682</u>
<u>80,590,539</u>	<u>103,576,375</u>	<u>184,166,914</u>	<u>786,171</u>
<u>\$ 92,104,117</u>	<u>\$ 118,275,661</u>	<u>\$ 210,379,778</u>	<u>\$ 833,853</u>

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

CITY OF ALBANY, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2005

	General Fund	Street Fund	Parks & Recreation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,566,622	\$ 4,047,392	\$ 499,095	\$ 9,759,823	\$17,872,932
Receivables:					
Property taxes	884,366	-	231,618	235,810	1,351,794
Accounts receivable	46,888	239,275	14,924	393,240	694,327
Assessments	-	-	-	1,394,200	1,394,200
Interest	19,166	37,994	20,362	59,452	136,974
Loans	-	-	-	670,646	670,646
Grants	-	-	-	379,862	379,862
Due from other funds	429,765	-	-	-	429,765
Other assets	12,678	217	6,343	72,177	91,415
Restricted cash and investment	-	4,943,630	3,922,546	3,016,563	11,882,739
Total assets	\$ 4,959,485	\$ 9,268,508	\$ 4,694,888	\$15,981,773	\$34,904,654
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 140,528	\$ 332,922	\$ 1,004,469	\$ 1,061,125	\$ 2,539,044
Withholdings and taxes payabl	1,070,199	-	-	-	1,070,199
Short-term debt - letter of cred:	-	-	-	300,000	300,000
Due to other funds	-	-	-	429,765	429,765
Deposits	-	1,000	723	298,739	300,462
Deferred/unearned revenue	995,789	239,275	266,351	2,756,455	4,257,870
Amounts held in trust	19,383	-	-	-	19,383
Total liabilities	2,225,899	573,197	1,271,543	4,846,084	8,916,723
Fund balances:					
Reserved for:					
Capital projects	-	4,709,837	3,024,666	513,901	8,248,404
Debt service	-	-	-	2,877,865	2,877,865
Library programs	-	-	-	90,474	90,474
Parks and Recreation program	-	-	419	11,617	12,036
Perpetual care	-	-	-	111,585	111,585
Unreserved, reported in:					
General fund	2,733,586	3,985,474	-	(3,985,474)	2,733,586
Special revenue funds	-	-	398,260	8,346,679	8,744,939
Capital project funds	-	-	-	3,169,042	3,169,042
Total fund balances	2,733,586	8,695,311	3,423,345	11,135,689	25,987,931
Total liabilities and fund balan	\$ 4,959,485	\$ 9,268,508	\$ 4,694,888	\$15,981,773	\$34,904,654

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

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

June 30, 2005

Total fund balances per Governmental Funds Balance Sheet (page 14). \$ 25,987,931

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets - land	3,800,620	
Capital assets - construction in progress	15,552,915	
Capital assets - other	95,995,411	
Accumulated depreciation	<u>(34,098,454)</u>	
Capital assets, net	81,250,492	
Less: Internal service funds net assets reported as governmental activities	<u>58,271</u>	
Total adjustment		81,192,221

Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.

Property taxes	1,439,479	
Accounts receivable	674,083	
Assessments	1,394,200	
Loans	670,646	
Net pension asset	<u>6,579,768</u>	
Total deferred revenue adjustments		10,758,176

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. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Assets.

Net assets reported as governmental activities	735,721	
(Profit)/loss reported as governmental activities	<u>(171,760)</u>	
Net adjustments for internal service funds		563,961

Long-term liabilities, including bonds payable, loans payable, and salaries, withholdings, vacations, and taxes payable are not due and payable in the current period and, therefore are not reported in the funds

Long-term debt	(24,585,038)	
Compensated absences	0	
Interest payable on long-term debt	(204,623)	
Claims and judgments	(23,496)	
Compensated absences	<u>(1,585,015)</u>	
Total long-term debt adjustments		<u>(26,398,172)</u>

Net assets of governmental activities (page 11). \$ 92,104,117

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

CITY OF ALBANY, OREGON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
for the year ended June 30, 2005

	General Fund	Street Fund	Parks and Recreation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 11,440,187	\$ -	\$ 2,872,603	\$ 3,597,744	\$ 17,910,534
Transient room tax	-	-	-	550,404	550,404
Special assessments	-	-	-	2,812,677	2,812,677
Franchise fees, privilege taxes, licenses, and permits	3,260,514	2,108,687	1,023,545	1,596,110	7,988,856
Intergovernmental revenues	1,757,893	2,811,402	33,200	7,715,400	12,317,895
Charges for services	299,200	-	833,360	2,565,941	3,698,501
Fines and forfeitures	545,296	-	-	-	545,296
Gifts and donations	-	-	-	3,042	3,042
Interest on investments	91,650	174,318	92,660	265,629	624,257
Miscellaneous	60,492	48,186	509,089	146,555	764,322
Total revenues	<u>17,455,232</u>	<u>5,142,593</u>	<u>5,364,457</u>	<u>19,253,502</u>	<u>47,215,784</u>
EXPENDITURES					
Current:					
General government	1,497,028	-	-	3,437,956	4,934,984
Public safety	14,864,898	-	-	1,944,256	16,809,154
Highways and streets	-	2,768,538	-	-	2,768,538
Culture and recreation	1,628,479	-	4,064,379	138,502	5,831,360
Debt service:					
Principal	-	-	-	2,876,939	2,876,939
Interest	-	-	-	1,201,415	1,201,415
Capital outlay	178,454	1,295,570	2,592,993	8,966,497	13,033,514
Total expenditures	<u>18,168,859</u>	<u>4,064,108</u>	<u>6,657,372</u>	<u>18,565,565</u>	<u>47,455,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(713,627)</u>	<u>1,078,485</u>	<u>(1,292,915)</u>	<u>687,937</u>	<u>(240,120)</u>
OTHER FINANCING SOURCES (USES)					
Bond issuance	-	-	2,287,147	1,432,853	3,720,000
Premium on debt issuance	-	-	-	50,244	50,244
Capital lease	162,060	-	-	-	162,060
Transfers in	2,372,935	314,987	79,413	4,200,670	6,968,005
Transfers out	(1,378,138)	(406,118)	(263,149)	(3,159,670)	(5,207,075)
Total other financing sources (uses)	<u>1,156,857</u>	<u>(91,131)</u>	<u>2,103,411</u>	<u>2,524,097</u>	<u>5,693,234</u>
Net change in fund balances	443,230	987,354	810,496	3,212,034	5,453,114
Fund balance - beginning, as restated	2,290,356	7,707,957	2,612,849	7,923,655	20,534,817
Fund balance - ending	<u>\$ 2,733,586</u>	<u>\$ 8,695,311</u>	<u>\$ 3,423,345</u>	<u>\$ 11,135,689</u>	<u>\$ 25,987,931</u>

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

CITY OF ALBANY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
for the year ended June 30, 2005

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

Net change in fund balances - total governmental funds (page 16).		\$ 5,453,114
<p>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 in the current period.</p>		
Capital outlay	13,033,514	
Depreciation for the current fiscal year	<u>(3,356,442)</u>	
Net capital outlay adjustment		9,677,072
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trades-ins, disposals, and donations) is to decrease net assets.</p>		
		(6,078)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	258,996	
Capital asset donations	2,165,990	
Principal portion of loan receipts	(16,252)	
Ambulance charges	102,088	
Other fees and charges	153,458	
Loans receivable	334,967	
Assessments	<u>(4,905,398)</u>	
Total revenue adjustments		(1,906,151)
<p>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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		(1,005,121)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences	(531,431)	
Accrued interest on long-term debt	11,201	
Net pension asset amortization	16,228	
Pending insurance claims	<u>(23,496)</u>	
Total adjustment		(527,498)
<p>The net expense of certain activities of internal service funds is reported with governmental activities.</p>		
Information Systems Fund	(254,246)	
Central Services Fund	81,478	
Geographic Information Systems Fund	(15,075)	
Public Works Services Fund	<u>16,083</u>	
Total internal service fund adjustments		(171,760)
Change in net assets of the governmental activities (pages 12-13)		<u>\$ 11,513,578</u>

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

CITY OF ALBANY, OREGON
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 10,784,000	\$ 10,784,000	\$ 11,045,107	\$ 261,107
Delinquent	446,900	446,900	395,080	(51,820)
Privilege tax: electric	1,478,500	1,478,500	1,413,840	(64,660)
Franchise fee: communications facilities	40,000	40,000	84,684	44,684
Franchise fee: telephone	282,000	282,000	240,058	(41,942)
Franchise fee: garbage	296,700	296,700	310,944	14,244
Privilege tax: natural gas	587,200	587,200	685,449	98,249
Franchise fee: cable television	313,100	313,100	332,307	19,207
Licenses	5,000	5,000	6,649	1,649
Permit, variance and annexation fees	115,000	115,000	167,131	52,131
DUII Enforcement Grant	6,000	21,500	10,924	(10,576)
Greater Albany Public Schools police grant	25,000	25,000	25,000	-
State liquor taxes	356,400	356,400	419,546	63,146
State cigarette taxes	82,000	82,000	77,953	(4,047)
Albany Rural Fire Protection District	885,100	885,100	908,462	23,362
North Albany Rural Fire Protection District	204,100	204,100	208,592	4,492
Palestine Rural Fire Protection District	105,400	105,400	107,416	2,016
CCIS Accreditation Support	-	4,000	-	(4,000)
False alarm fees	25,000	25,000	19,452	(5,548)
Space rental charges	299,300	299,300	299,200	(100)
Library fees	60,000	60,000	56,635	(3,365)
Municipal Court fines	546,000	546,000	477,392	(68,608)
Parking violations	4,000	4,000	4,469	469
Nuisance vehicle administration fee	10,000	10,000	6,800	(3,200)
Interest on investments	45,300	45,300	91,650	46,350
Pay phones	-	-	107	107
Miscellaneous revenues	78,500	78,500	37,641	(40,859)
Gifts and donations	1,500	17,900	22,641	4,741
DARE donations	10,000	10,000	103	(9,897)
Total revenues	<u>17,092,000</u>	<u>17,127,900</u>	<u>17,455,232</u>	<u>327,332</u>
Other financing sources				
Capital lease	-	-	162,060	162,060
Transfer from Public Safety Fund	616,700	731,700	731,700	-
Transfer from Payroll Insurance Fund	245,500	245,500	237,547	(7,953)
Transfer from Public Safety Fund-Police	679,300	679,300	588,141	(91,159)
Transfer from Public Safety Fund-Fire	776,300	776,300	745,547	(30,753)
Transfer from CARA Fund	70,000	70,000	70,000	-
Total other financing sources	<u>2,387,800</u>	<u>2,502,800</u>	<u>2,534,995</u>	<u>32,195</u>
Fund balance, beginning	<u>2,291,900</u>	<u>2,291,900</u>	<u>2,292,352</u>	<u>452</u>
Amount available for appropriation	<u>\$ 21,771,700</u>	<u>\$ 21,922,600</u>	<u>\$ 22,282,579</u>	<u>\$ 359,979</u>

Continued

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

CITY OF ALBANY, OREGON
GENERAL FUND, Continued
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Municipal Court	\$ 474,900	\$ 494,900	\$ 471,487	\$ 23,413
Code Enforcement	30,000	30,000	28,699	1,301
Planning	732,000	732,000	707,103	24,897
Library	1,488,900	1,488,900	1,488,833	67
Police	7,365,400	7,384,900	7,248,296	136,604
Public Safety Levy - Police	679,300	679,300	586,992	92,308
Fire Suppression	5,061,200	5,201,200	5,145,470	55,730
Public Safety Levy - Fire	776,300	776,300	744,605	31,695
Fire Prevention	493,600	493,600	483,975	9,625
Building Maintenance	387,400	387,400	358,260	29,140
Nondepartmental:				
Personal services	237,600	139,100	8,808	130,292
Materials and services	1,627,900	1,651,900	1,644,643	7,257
Capital	-	16,400	16,394	6
General operating contingency	1,833,100	1,830,100	-	1,830,100
Total expenditures	<u>21,187,600</u>	<u>21,306,000</u>	<u>18,933,565</u>	<u>2,372,435</u>
Other financing uses				
Transfers to other funds	584,100	616,600	615,428	1,172
Total expenditures and other financing uses	<u>\$ 21,771,700</u>	<u>\$ 21,922,600</u>	<u>\$ 19,548,993</u>	<u>\$ 2,373,607</u>
Fund balance, ending			<u>\$ 2,733,586</u>	

**Reconciliation of budgetary revenues, expenditures, and ending fund balance to
Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 17,455,232	\$ 18,933,565	\$ 2,733,586
Reconciling items:			
Change in insurance liability	-	(1,996)	-
Reclassify PERS departmental debt service charges to transfers out	-	(762,710)	-
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds (page 16)	<u>\$ 17,455,232</u>	<u>\$ 18,168,859</u>	<u>\$ 2,733,586</u>

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

We live in a moment of history where change is so speeded up that we begin to see the present only when it is already disappearing."

R. D. Laing

CITY OF ALBANY, OREGON
STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
State gasoline tax	\$ 2,043,000	\$ 2,043,000	\$ 2,119,250	\$ 76,250
Linn County - Urban Forestry	-	-	28,492	28,492
Linn County	-	-	92,126	92,126
Surface transportation program	369,900	369,900	571,534	201,634
Sewer in-lieu-of franchise fee	363,400	363,400	354,556	(8,844)
Water in-lieu-of franchise fee	350,000	350,000	339,377	(10,623)
Street connection fees	1,000	1,000	95,855	94,855
Transportation system development charges	600,000	600,000	1,131,439	531,439
Financed improvement assurance fees				
Principal	-	-	6,754	6,754
Interest	-	-	941	941
Financed street system development charges				
Principal	800	800	543	(257)
Interest	100	100	70	(30)
Financed transportation system development charges				
Principal	10,000	10,000	64,766	54,766
Interest	6,000	6,000	16,701	10,701
Public facility construction permit	-	-	97,685	97,685
Miscellaneous	3,000	3,000	48,186	45,186
Interest on investments	69,000	69,000	174,318	105,318
Total revenues	<u>3,816,200</u>	<u>3,816,200</u>	<u>5,142,593</u>	<u>1,326,393</u>
Other financing sources				
Transfer from General Fund - Street lights	260,000	260,000	260,000	-
Transfer from General Fund - Franchise fees	40,000	40,000	38,867	(1,133)
Transfer from Payroll Insurance Fund	16,600	16,600	16,120	(480)
Total other financing sources	<u>316,600</u>	<u>316,600</u>	<u>314,987</u>	<u>(1,613)</u>
Fund balance, beginning	<u>6,338,600</u>	<u>6,843,600</u>	<u>7,708,408</u>	<u>864,808</u>
Amount available for appropriation	<u>\$10,471,400</u>	<u>\$10,976,400</u>	<u>\$13,165,988</u>	<u>\$ 2,189,588</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 762,200	\$ 799,900	\$ 773,548	\$ 26,352
Materials and services	2,097,900	2,102,900	2,051,559	51,341
Capital	7,395,100	7,295,100	1,295,570	5,999,530
Transfers	200,000	350,000	350,000	-
Contingencies	16,200	428,500	-	428,500
Total expenditures	<u>\$10,471,400</u>	<u>\$10,976,400</u>	<u>\$ 4,470,677</u>	<u>\$ 6,505,723</u>
Fund balance, ending			<u>\$ 8,695,311</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 5,142,593	\$ 4,470,677	\$ 8,695,311
Reconciling items:			
Eliminate transfer out	-	(350,000)	-
Change in insurance liability	-	(451)	-
Reclassify PERS departmental debt service charges to transfers out	-	(56,118)	-
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds (page 16)	<u>\$ 5,142,593</u>	<u>\$ 4,064,108</u>	<u>\$ 8,695,311</u>

CITY OF ALBANY, OREGON
PARKS AND RECREATION FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 2,696,000	\$ 2,696,000	\$ 2,761,273	\$ 65,273
Delinquent	126,000	126,000	111,330	(14,670)
Park system development charges	650,000	650,000	1,012,030	362,030
Financed park system development charges:				
Principal	10,000	10,000	10,414	414
Interest	5,000	5,000	1,101	(3,899)
Special transit fund - Linn County	24,600	24,600	24,200	(400)
State Marine Board	9,000	9,000	9,000	-
Call-a-ride fares	10,500	10,500	10,698	198
Children/Youth/Family recreation fees	26,000	26,000	14,596	(11,404)
Children/Youth/Family sponsorships	500	500	620	120
Batting aage revenues	-	-	2,319	2,319
Marketing fees	6,500	6,500	5,041	(1,459)
Recreation fees	15,900	15,900	12,512	(3,388)
Swimming pool receipts	-	-	(158)	(158)
Senior Center fees	34,900	34,900	33,982	(918)
Concession sales	34,000	34,000	22,567	(11,433)
Maple Lawn preschool fees	58,500	58,500	57,237	(1,263)
Maple Lawn preschool fundraising	5,200	5,200	4,598	(602)
Maple Lawn preschool materials & services fee	3,300	3,300	4,488	1,188
Sports program fees	120,000	120,000	88,056	(31,944)
Ski school fees/equipment rentals	8,500	8,500	6,023	(2,477)
Children's Performing Arts Series	9,000	9,000	7,882	(1,118)
Waverly boat rentals	6,300	6,300	4,293	(2,007)
Park permits	16,500	16,500	15,270	(1,230)
Fitness program fees	19,000	19,000	26,435	7,435
Senior program fees	4,800	4,800	2,698	(2,102)
Extreme sports entry fees	-	-	610	610
Children's art activities	-	-	471	471
Souvenir sales	10,500	10,500	8,024	(2,476)
Food Faire revenues	23,500	23,500	16,036	(7,464)
NW Art & Air Festival sponsors	57,700	57,700	71,500	13,800
NW Art & Air Festival fees	5,200	5,200	8,235	3,035
Hot air balloon rides	7,500	7,500	6,000	(1,500)
Charges for services	-	244,300	244,300	-
Charges for services - landscape maintenance	312,600	312,600	312,605	5
Charges for services - Norhwest Art & Air Festival	24,500	24,500	24,500	-
Brochure advertising	2,500	2,500	2,222	(278)
Senior newsletter	2,600	2,600	2,836	236
Trip revenue	42,500	42,500	55,311	12,811
Gifts and donations	866,700	869,000	469,114	(399,886)
Park fixture donations	800	800	1,370	570
Monday night concert series sponsor donations	8,000	8,000	8,928	928
Monteith Concert Series sponsor donations	10,000	10,000	15,847	5,847
Monteith Concert Series advance sponsor donations	80,000	80,000	62,550	(17,450)
Pre-concert activity sponsors	1,500	1,500	531	(969)
Pass-the-hat donations	15,300	15,300	16,951	1,651
Miscellaneous revenues	3,600	3,600	5,881	2,281

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

Continued

CITY OF ALBANY, OREGON
PARKS AND RECREATION FUND (Continued)
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues, continued				
Land sales	-	27,000	26,575	(425)
Interest on investments	20,500	45,500	92,660	47,160
Total revenues	<u>5,395,500</u>	<u>5,694,100</u>	<u>5,701,562</u>	<u>7,462</u>
Other financing sources				
Proceeds from the sale of long-term debt	-	2,287,200	2,287,147	(53)
Transfer from State Revenue Sharing Fund	46,400	46,400	46,400	-
Transfer from Payroll Insurance Fund	34,000	34,000	33,013	(987)
Transfer from Equipment Replacement Fund	1,000,000	-	-	-
Total other financing sources	<u>1,080,400</u>	<u>2,367,600</u>	<u>2,366,560</u>	<u>(1,040)</u>
Fund balance, beginning	2,153,100	2,241,100	2,613,298	372,198
Amount available for appropriation	<u>\$ 8,629,000</u>	<u>\$ 10,302,800</u>	<u>\$ 10,681,420</u>	<u>\$ 378,620</u>

	Original Budget	Final Budget	Actual	(Over) Under
Expenditures				
Sports Programs	\$ 231,000	\$ 269,000	\$ 265,298	\$ 3,702
Children/Youth/Family Recreation Services	188,200	188,200	148,348	39,852
Resource Development/Marketing Services	100,600	100,600	100,500	100
Recreation	150,000	150,000	143,197	6,803
Park Maintenance	1,615,900	1,975,900	1,760,710	215,190
Parks and Recreation Administration	1,348,500	1,292,700	1,191,083	101,617
Senior Center	343,500	365,500	356,945	8,555
Aquatics	9,600	9,600	6,491	3,109
Park System Development Charge Projects	1,759,300	1,759,300	70,739	1,688,561
Monteith Concert Series	202,100	202,100	140,521	61,579
Paratransit System	82,000	87,300	85,916	1,384
Northwest Art & Air Festival	135,700	135,700	98,353	37,347
Couplet Landscape Maintenance	312,600	312,600	312,605	(5)
Swanson Aquatic Facility	2,150,000	3,454,300	2,577,369	876,931
Total expenditures	<u>\$ 8,629,000</u>	<u>\$ 10,302,800</u>	<u>\$ 7,258,075</u>	<u>\$ 3,044,725</u>
Fund balance, ending			<u>\$ 3,423,345</u>	

**Reconciliation of budgetary revenues, expenditures, and ending fund balance to
Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 5,701,562	\$ 7,258,075	\$ 3,423,345
Reconciling items:			
Eliminate transfer out	-	(192,775)	-
Eliminate intrafund transfer	(337,105)	(337,105)	-
Change in insurance liability	-	(449)	-
Reclassify PERS departmental debt service charges to transfers out	-	(70,374)	-
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds (page 16)	<u>\$ 5,364,457</u>	<u>\$ 6,657,372</u>	<u>\$ 3,423,345</u>

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

CITY OF ALBANY, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2005

	Enterprise Funds			Internal Service Funds
	Water	Sewer	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 12,090,713	\$ 3,887,681	\$ 15,978,394	\$ 827,329
Receivables:				
Property taxes	62,323	-	62,323	-
Accounts receivable	1,288,687	1,435,848	2,724,535	-
Accrued interest	130,874	47,592	178,466	2,383
Total current assets	<u>13,572,597</u>	<u>5,371,121</u>	<u>18,943,718</u>	<u>829,712</u>
Noncurrent assets:				
Other assets	11,195	13,346	24,541	28,078
Cash and investments restricted for debt service and construction	17,263,021	7,763,519	25,026,540	-
Assessments receivable	-	364,947	364,947	-
Capital assets (net)	72,833,049	53,271,506	126,104,555	186,730
Total noncurrent assets	<u>90,107,265</u>	<u>61,413,318</u>	<u>151,520,583</u>	<u>214,808</u>
Total assets	<u>\$ 103,679,862</u>	<u>\$ 66,784,439</u>	<u>\$ 170,464,301</u>	<u>\$ 1,044,520</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,989,740	\$ 493,124	\$ 4,482,864	\$ 119,035
Salaries, withholdings, vacations, and taxes payable	87,811	75,549	163,360	370,119
Claims and judgments	6,399	11,009	17,408	2,644
Interest payable	768,066	40,484	808,550	-
Refundable deposits and advances	146,104	-	146,104	-
Loan payable, current portion	-	161,080	161,080	-
Bonds payable, current portion	1,964,657	450,000	2,414,657	-
Total current liabilities	<u>6,962,777</u>	<u>1,231,246</u>	<u>8,194,023</u>	<u>491,798</u>
Noncurrent liabilities:				
Loan payable - long-term portion	-	966,481	966,481	-
Bonds payable - long-term portion	41,188,338	1,828,559	43,016,897	-
Total current liabilities	<u>41,188,338</u>	<u>2,795,040</u>	<u>43,983,378</u>	<u>-</u>
Total liabilities	<u>48,151,115</u>	<u>4,026,286</u>	<u>52,177,401</u>	<u>491,798</u>
NET ASSETS				
Invested in capital assets, net of related debt	35,035,494	49,865,386	84,900,880	186,730
Restricted for capital projects	8,236,245	6,886,475	15,122,720	-
Restricted for debt service	136,557	600,864	737,421	-
Unrestricted	12,120,451	5,405,428	17,525,879	365,992
Total net assets	<u>\$ 55,528,747</u>	<u>\$ 62,758,153</u>	<u>\$ 118,286,900</u>	<u>\$ 552,722</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(11,239)	
Net assets of business-type activities (page 11)			<u>\$ 118,275,661</u>	

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

CITY OF ALBANY, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
for the year ended June 30, 2005

	Enterprise Funds			Internal Service Funds
	Water	Sewer	Total	
OPERATING REVENUES:				
Service charges and fees	\$ 10,627,576	\$ 7,719,750	\$ 18,347,326	\$ 9,100,643
Miscellaneous	98,595	357,125	455,720	73,860
Total operating revenues	<u>10,726,171</u>	<u>8,076,875</u>	<u>18,803,046</u>	<u>9,174,503</u>
OPERATING EXPENSES:				
Salaries and wages	1,634,833	1,539,805	3,174,638	5,106,112
Contracted services	265,788	260,758	526,546	475,812
Operating supplies	504,946	181,005	685,951	236,929
Utilities	288,695	369,975	658,670	55,626
Depreciation and amortization	1,359,107	1,967,278	3,326,385	48,999
Repairs and maintenance	474,324	548,578	1,022,902	122,624
Charges for services	2,083,434	2,292,757	4,376,191	2,156,730
Printing, duplication and postage	59,141	60,965	120,106	70,128
Miscellaneous	108,609	122,896	231,505	320,458
Total operating expenses	<u>6,778,877</u>	<u>7,344,017</u>	<u>14,122,894</u>	<u>8,593,418</u>
Operating income	<u>3,947,294</u>	<u>732,858</u>	<u>4,680,152</u>	<u>581,085</u>
NONOPERATING REVENUES (EXPENSES):				
Property Taxes	782,683	-	782,683	-
Interest on investments	270,518	217,587	488,105	10,939
Interest expense	(190,544)	(100,164)	(290,708)	-
Total nonoperating revenues	<u>862,657</u>	<u>117,423</u>	<u>980,080</u>	<u>10,939</u>
Income before capital contributions and transfers	4,809,951	850,281	5,660,232	592,024
Capital contributions	6,828,610	3,207,590	10,036,200	-
Operating transfers in	59,140	53,701	112,841	49,519
Transfers out	(505,548)	(443,822)	(949,370)	(973,920)
Change in net assets	11,192,153	3,667,750	14,859,903	(332,377)
Net assets - beginning, as restated	44,336,594	59,090,403		885,099
Net assets - ending	<u>\$ 55,528,747</u>	<u>\$ 62,758,153</u>		<u>\$ 552,722</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.			(160,617)	
Change in net assets of business-type activities (pages 12-13)			<u>\$ 14,699,286</u>	

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

CITY OF ALBANY, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
for the year ended June 30, 2005

	Enterprise Funds			Internal Service Funds
	Water	Sewer	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 10,787,422	\$ 7,589,842	\$ 18,377,264	\$ 9,100,643
Cash payments to suppliers of goods and services	(2,692,249)	(3,763,054)	(6,455,303)	(3,434,943)
Cash payments to employees for services	(1,725,996)	(1,615,096)	(3,341,092)	(4,871,423)
Other operating revenues	98,595	357,125	455,720	73,860
Net cash provided by operating activities	<u>6,467,772</u>	<u>2,568,817</u>	<u>9,036,589</u>	<u>868,137</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property Taxes	787,159	-	787,159	-
Operating transfers in	59,140	53,701	112,841	49,519
Operating transfers out	(505,548)	(443,822)	(949,370)	(973,920)
Net cash provided (used in) by noncapital financing activities	<u>340,751</u>	<u>(390,121)</u>	<u>(49,370)</u>	<u>(924,401)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(24,883,121)	(2,083,330)	(26,966,451)	-
Interest capitalized	(1,769,288)	-	(1,769,288)	-
Receipt of assessments and fees	106,564	276,749	383,313	-
Principal paid on loan	-	(161,080)	(161,080)	-
Principal paid on bonds	(1,875,000)	(445,000)	(2,320,000)	-
Principal paid on certificates of participation	(51,770)	-	(51,770)	-
Interest paid on long-term debt	(206,246)	(103,091)	(309,337)	-
System development charges collected	1,077,669	1,603,390	2,681,059	-
Capital grants and contributions	4,434,567	-	4,434,567	-
Net cash used in capital and related financing activities	<u>(23,166,625)</u>	<u>(912,362)</u>	<u>(24,078,987)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	712,022	206,706	918,728	11,632
Net increase (decrease) in cash and investments	<u>(15,646,080)</u>	<u>1,473,040</u>	<u>(14,173,040)</u>	<u>(44,632)</u>
Cash and investments, July 1, 2004	<u>44,999,814</u>	<u>10,178,160</u>	<u>55,177,974</u>	<u>871,961</u>
Cash and investments, June 30, 2005	<u>\$ 29,353,734</u>	<u>\$ 11,651,200</u>	<u>\$ 41,004,934</u>	<u>\$ 827,329</u>

Continued

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

CITY OF ALBANY, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (continued)
for the year ended June 30, 2005

	Enterprise Funds			Internal Service Funds
	Water	Sewer	Total	
RECONCILIATION OF OPERATING INCOME TO				
NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (page 25)	\$ 3,947,294	\$ 732,858	\$ 4,680,152	\$ 581,085
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,359,107	1,967,278	3,326,385	\$ 48,999
Changes in assets and liabilities:				
Accounts receivable	153,427	(129,907)	23,520	-
Other assets	(3,304)	(10,945)	(14,249)	(1,767)
Accounts payable	1,090,494	75,368	1,165,862	4,583
Salaries, withholdings, vacation and taxes payable	(91,163)	(75,291)	(166,454)	232,965
Claims & judgments	5,498	9,458	14,956	2,272
Refundable deposits	6,418	-	6,418	-
Rounding adjustment	1	(2)	(1)	-
Total adjustments	2,520,478	1,835,959	4,356,437	287,052
Net cash provided by operating activities	\$ 6,467,772	\$ 2,568,817	\$ 9,036,589	\$ 868,137
 STATEMENT OF NET ASSETS RECONCILIATION				
Cash and investments from above	\$ 29,353,734	\$ 11,651,200	\$ 41,004,934	\$ 827,329
Less: restricted cash and investments	(17,263,021)	(7,763,519)	(25,026,540)	-
Cash and investments per Statements of Net Assets for Proprietary Funds (page 24)	\$ 12,090,713	\$ 3,887,681	\$ 15,978,394	\$ 827,329
 NONCASH CAPITAL ACTIVITIES:				
Amortization of bond issuance costs	\$ 20,556	\$ 6,674	\$ 27,230	
Contribution of fixed assets to government	\$ 6,828,610	\$ 3,207,590	\$ 10,036,200	

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

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 financial statements have incorporated all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principals Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict 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.

In June 1999, the GASB approved Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. GASB No. 34 provides for significant changes in financial reporting and is scheduled for phased implementation based on the size of the government, starting with fiscal years ending in 2002. As part of this statement, there is a new reporting requirement regarding local government's infrastructure (roads, streets, parks, etc.). The City of Albany's financial statements for the fiscal year ended June 30, 2004, comply with the requirements of GASB No. 34.

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 two component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and, therefore, data from these units are combined with the data of the City of Albany. The City's discretely presented component unit does not meet the requirement that the governing board is "substantially the same" as that of the City. The City's component units had a June 30 year end.

Blended Component Unit - The Central Albany Revitalization Area (CARA) serves the citizens of the City of Albany and is governed by a board comprised of the City's elected officials. CARA is reported as a governmental fund type. Its complete financial statement may be obtained at the City's Administrative offices, City of Albany, PO Box 490, Albany, OR 97321.

Discretely Presented Component Unit - The Albany Public Library Foundation (the Foundation) provides for services and facilities for the Albany Public Library, including the Albany Downtown Public Library as a specific funding objective. The Foundation is governed by a four to seven member board who have a current interest in the preservation of library services at the Downtown Library. The Foundation's complete financial statement may be obtained from the Albany Public Library, 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 primary 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 reporting government 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.

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basic Financial Statements, continued

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are 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.

The City reports the following major governmental funds:

General Fund

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 (code enforcement, planning, building maintenance), public safety (municipal court, police, fire suppression, fire and life safety), and culture and recreation (library).

Street Fund

The major activities of the Street fund are pavement management, traffic control, storm drain maintenance, bridge maintenance, right-of-way maintenance, urban forestry, 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 systems development charges.

Parks and Recreation Fund

This fund accounts for the City's parks and recreation activities. Major sources of revenues are property taxes, charges for recreational activities, and donations. Expenditures are for park maintenance, administration, recreational programs, transit system for the elderly and/or disabled, and other special activities such as the summer concert series and the Northwest Art & Air Festival.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

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 Fund

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

Sewer Fund

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 fund types:

Special Revenue Funds

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 Funds

A governmental fund type used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Capital Project Funds

A governmental fund type used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments.

Permanent Funds

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 government's programs.

Internal Service Funds

A proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments on a cost-reimbursement basis.

As a general rule, the affect 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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources, including all taxes, are reported as *general revenues* rather than program revenues.

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 sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

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 Assets and the Proprietary Fund Statement of Net Assets.

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.

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.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid 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 incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to changes.

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 approved expenditures for each fund may not be increased by more than 10 percent by the City Council without returning to the Budget Committee for a second approval.

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

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

Budgetary Information, continued

A City Council resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control is either total appropriations by activity within a fund or total fund appropriations segregated into the following categories: personnel services, materials and services, capital outlay, transfers out, and contingency. The detailed 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. A tax measure may only be passed at an election with at least a 50 percent voter turnout unless the election is held in November of an even numbered year. In the latter case, the tax measure will pass with a more than 50 percent favorable vote regardless of the voter turnout percentage. 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 for 2004-05 was \$2,309,190,848. 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 property is not sufficient to allow for an annual three percent increase in the assessed value.

The City budgets the following funds at the activity level:

General Fund (except Nondepartmental)	Capital Project Funds:
Special Revenue Funds:	Equipment Replacement
Parks & Recreation	Capital Projects
Grants	Internal Service
Building Inspection	Equipment Maintenance
Community Development	Information Technology
Payroll Insurance	Central Services
Economic Development	Geographic Information Systems
Public Transit	Public Works Services
Debt Service Funds:	
Debt Service	

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

General Fund	Debt Service Fund:
Nondepartmental	Bancroft Bond Redemption
Special Revenue Funds:	CARA Debt Service
Street	Capital Project Fund:
Public Safety Levy	Improvement
Library Memorial	CARA Capital Projects
Environmental Safety	Permanent Funds:
PERS Reserve	Library Trust
VALIANT	Senior Center Endowment
Economic Improvement District	Enterprise Funds:
State Revenue Sharing	Water
Ambulance	Sewer
Senior Center Foundation	

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

Budgetary Information, continued

During the fiscal year ended June 30, 2005, the City supplemental budget changes in order to increase appropriations for unanticipated grant awards during the year amounted to \$610,400. Other supplemental budget changes resulted in a net increase of \$10,772,200 of authorized expenditures. In the Water Fund, \$3.3 million was appropriated due a larger than anticipated beginning fund balance relating to the construction of the new water treatment plant. The Capital Projects Fund increased by \$3 million as a result of appropriations for the Periwinkle Creek Bridge project and the financial software implementation project. Appropriations in the Parks & Recreation Fund increased by \$1.7 million due mainly to the debt proceeds for construction of the new swimming pool at Swanson Park. Expenditure appropriations may not be legally overexpended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted. The City does not currently use encumbrances, but expects to do so with implementation of the new financial system currently in progress.

The City established one new fund in fiscal 2004-2005. Public Works Services, an internal service fund, provides management services to all functions of Public Works: utilities, public transit, street maintenance, capital construction, and geographic mapping activities. Each Public Works activity is charged a fee for service which is based on work performed by the different activities of this fund.

During Fiscal Year 2004-2005, the Information Systems Services Fund, an internal services fund, was renamed to the Information Technology Fund.

Excess of Expenditures Over Appropriations

The City had three instances where expenditures exceeded approved appropriations. In the Parks & Recreation Fund, an intrafund transfer was over the amount appropriated by \$5. In the Grants Fund, 911 Emergency Dispatch Grant, actual expenditures were more than appropriations by \$9,514. Grant funds from the state of Oregon are passed through the City to Linn County to provide dispatch services. In this case, the grant amount was more than anticipated, and the additional funds were passed on to the County. In the Capital Projects Fund, expenditures were \$3,040,712 more than the appropriation for the federal grant portion of the Regional Multimodal Transportation Center. Due to timing of construction, grant reimbursable expenditures were more for the fiscal year than anticipated.

Deficit Fund Equity

The Improvement Fund, a capital project fund, had a deficit of (\$288,794) as of June 30, 2005. This fund has incurred expenditures for construction of a large local improvement district which was assessed to the property owners in June, 2005. A large number of the assessments were paid with monies from the developers held in escrow with the City. The remaining assessments will either be paid off or financed with the City over a period of up to 10 years. Bancroft bonds may be sold if sufficient assessments are financed.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS

CASH AND INVESTMENTS

The City pools virtually all funds for investment purposes. Each fund type's portion is displayed on the Statement of Net Assets as 'Cash and investments' and 'Restricted cash and investments' (page 11).

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

Cash on hand	\$ 2,210
Cash held by the Department of Finance - Linn County	224,494
Bank balances with financial institutions	83,484
State of Oregon Treasurer's short-term investment pool	25,318,399
Certificate of deposit	3,067,685
Other investments	42,891,662
Total cash and investments	<u>\$71,587,934</u>

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

Cash and investments	\$34,678,655
Restricted cash and investments	36,909,279
Total cash and investments	<u>\$71,587,934</u>

Deposits with 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 \$83,484 and the bank balance was \$977,474. Of these deposits, \$200,000 was covered by federal depository insurance. For the \$777,474 deposits in excess of the federal depository insurance, the Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager securities having a value of not less than 25 percent of the outstanding certificates of participation issued by the pool manager.

INVESTMENTS

Equity in Pooled Cash and Investments

Oregon Revised Statutes, Chapter 294, authorize the City to invest in obligations of the U. S. Treasury, U. S. government agencies, bankers' acceptances issued by Oregon financial institutions, repurchase agreements, Oregon Short-term Fund, certain high grade commercial paper, and various interest bearing bonds of Oregon municipalities, among others. In addition, the City's investments are governed by written investment policy. The policy, which is reviewed by the Oregon Short-term Fund Board and the Albany City Council, specifies the City's investment objectives, required diversification, and certain limitations, 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 is allowed by GASB No. 31. The implementation of GASB No. 31 was immaterial to the government-wide financial statements for the fiscal years ended June 30, 2004 and 2005.

As of June 30, 2005 the City has the following investments:

<u>Investment Type</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 notes and bonds	\$38,726,439	\$38,627,910	0.604	54%
Oregon Short-term Fund	25,318,399	25,267,762	0.003	36%
Certificate of deposit	3,067,685	3,067,685	0.551	4%
Corporate indebtedness	1,980,223	1,977,356	0.553	3%
Taxable municipal bonds - Oregon	1,185,000	1,183,371	0.924	2%
Taxable municipal bonds - Idaho	1,000,000	999,250	1.081	1%
Totals	<u>\$71,277,746</u>	<u>\$71,123,334</u>		<u>100%</u>
Portfolio weighted average maturity			<u>0.399</u>	

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

INVESTMENTS, continued

The Oregon Short-term Fund is an external investment pool as defined in Statement No. 31 of the Governmental Accounting Standards Board. As of June 30, 2005, the market rate of the Oregon Short-term Fund investment pool was 99.8% as reported in the Oregon Short-Term Fund audited financial statements. It represents the City's market percentage of their investment in the investment pool as of that date. The Oregon Short-term Fund is not registered with the SEC as an investment company.

Interest rate risk.

The City's investment policy does not allow investments of more than 36 months. At least 20 percent must mature in six months or less and at least 50 percent must mature in 18 months or less. The investment policy states that the weighted average maturity of the portfolio shall not exceed 18 months. The City's weighted average maturity as of June 30, 2005, was less than four months.

Credit and concentration of credit risks.

State statutes 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. Limitations of the City's investment policy are recapped below.

<u>Investment Type</u>	<u>Minimum Credit Rating</u>	<u>Percent of Total Portfolio</u>	<u>Maximum Maturity</u>
U. S. Treasury bills, notes, strips, bonds, and obligations secured by the U. S. Treasury	n/a	100%	36 months
U. S. Government agency discount notes and bonds	n/a	50%	36 months
Oregon issued bankers acceptances	n/a	25%	6 months
Corporate indebtedness, national issuers (five percent maximum per single issuer)	Aa	35%	9 months
Corporate indebtedness, Oregon issuers (five percent maximum per single issuer)	A	35%	9 months
Commercial bank time certificates of deposit	n/a	25%	1 year
Repurchase agreements	n/a	25%	10 days
Oregon Short-term Fund	n/a	90%	Daily demand
Debt issued by the state of Oregon and its political subdivisions	A	10%	36 months
Debt issued by the states of Idaho, Washington, and California and their political subdivisions	AA	10%	36 months

As of June 30, 2005, investments in U. S. agency discounts notes and bonds were 54 percent of the total portfolio. During the next year, the City will ensure that its investment portfolio complies with the limits of the investment policy.

Custodial risk.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that in the possession of an outside party. As of June 30, 2005, \$68,210,061 of the City's total portfolio of \$71,277,746 was held by the City's counterparty in the City's name. The remaining amount, \$3,067,685, was fully collateralized and held by a third-party not in the City's name.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, 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, 2005, amounted to \$42,253, which represented approximately 2.4 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 9 percent for unbonded assessments and the bond sale rate plus 1.5 percent for financed assessments.

LOANS RECEIVABLE

In March 2005, the City Council approved a loan of \$75,829 from the Community Development Fund to the Helping Hands Community Shelter to pay for professional services to complete the dormitory and day care center buildings at the new shelter. The loan, secured by the property, must be repaid by December 31, 2005. If unpaid by that date, interest at nine percent per annum will accrue.

In April 2005, the City Council approved a resolution providing a loan from the Economic Development Fund, secured by a trust deed, to the Albany Partnership for Housing and Community Development for site acquisition, moving a historical home to the site, and initial rehabilitation costs. The loan, \$38,400, is due within two years or when the property is sold, whichever comes first. Interest on the loan is nine percent per annum, commencing if the loan is unpaid after two years.

The Central Albany Revitalization Area (CARA) made two loans during the year. On October 15, 2004, CARA loaned \$200,000 to Willamette Community Bank for construction related costs. The loan, with an annual interest rate of three percent, is secured by a trust deed. The first payment is due on October 15, 2008, and the last payment is due on October 15, 2014. In December 2004, CARA approved a loan of \$82,500 to Allan and Jacqueline Swoboda to make improvements to property located in the urban renewal district. The loan is payable in full by January 25, 2010, with interest accruing at the annual rate of four percent. As of June 30, 2005, \$20,738 of the loan amount had been disbursed.

	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u> <u>Balance</u>
Governmental Funds				
Community Development Fund	\$ 93,267	\$ 114,229	\$ (24,358)	\$ 183,138
Economic Development Fund	283,022	-	(16,252)	266,770
Central Albany Revitalization Area	-	220,738	-	220,738
Total Loans Receivable	<u>\$ 376,289</u>	<u>\$ 334,967</u>	<u>\$ (40,610)</u>	<u>\$ 670,646</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

DEFERRED/UNEARNED REVENUE

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 was as follows:

	Unavailable	Unearned
Delinquent property taxes receivable		
General Fund	\$ 995,789	\$ -
Parks & Recreation Fund	251,427	-
Debt Service Fund	81,126	-
Public Safety Levy Fund	115,068	-
Central Albany Revitalization Area	250,659	-
Accounts receivable	640,231	-
Assessments receivable	1,394,200	-
Community development loans	183,138	-
Economic development loans	266,770	-
Grants received but unspent	-	79,462
Total deferred revenue	\$ 4,178,408	\$ 79,462

PRIOR PERIOD ADJUSTMENTS

In the Capital Projects Fund, the following adjustments were made to reclassify \$81,293 of capital expenditures from the 2004-05 fiscal year to the prior fiscal year. In addition, \$1,111,853 was recorded as grant proceeds and capital expenditures for the 2003-04 fiscal year.

Governmental funds	
Fund balance, June 30, 2004	\$ 20,616,110
Adjustment to reclassify expenditure from 2004-05 to 2003-04	(81,293)
Fund balance, June 30, 2004, as restated	\$20,534,817
Governmental activities	
Net assets, June 30, 2004	\$ 79,478,686
Adjustment to record grant revenues for capital construction	1,111,853
Net assets, June 30, 2004, as restated	\$ 80,590,539

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

PRIOR PERIOD ADJUSTMENTS, continued

Capital assets of governmental activities	
Net assets, June 30, 2004	\$ 68,264,708
Adjustment to reclassify expenditure from 2004-05 to 2003-04	81,293
Adjustment to record grant reimbursed capital asset additions	<u>1,111,853</u>
Capital assets, June 30, 2004, as restated	<u>\$ 69,457,854</u>

In the Water and Sewer Funds, the following adjustments were made to the prior period to properly accrue interest payable on long-term debt as of June 30, 2004.

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Enterprise Funds</u>
Liabilities			
Interest payable as previously stated	\$ -	\$ -	\$ -
Interest payable adjustment	<u>783,768</u>	<u>43,411</u>	<u>827,179</u>
Interest payable as of June 30, 2004, as restated	<u>\$ 783,768</u>	<u>\$ 43,411</u>	<u>\$ 827,179</u>
Net Assets			
Net assets as previously stated	\$ 45,120,362	\$ 59,133,814	\$ 104,254,176
Adjustment to net assets to accrue interest payable	<u>(783,768)</u>	<u>(43,411)</u>	<u>(827,179)</u>
Net assets, June 30, 2004, as restated	<u>\$ 44,336,594</u>	<u>\$ 59,090,403</u>	<u>\$ 103,426,997</u>

INTERFUND TRANSFERS

	<u>Transfers In</u>					
	<u>General</u>	<u>Street</u>	<u>Parks & Recreation</u>	<u>Nonmajor Govern- mental</u>	<u>Business- type Funds</u>	
Transfers out						
Governmental Funds						
General Fund	\$ -	\$ 298,867	\$ -	\$ 1,079,271	\$ -	\$ 1,378,138
Street Fund	-	-	-	406,118	-	406,118
Parks & Recreation Fund	-	-	-	263,149	-	263,149
Nonmajor governmental funds	2,372,935	16,120	79,413	528,842	162,360	3,159,670
Internal service funds related to governmental activities	-	-	-	121,728	-	121,728
Total Governmental Funds	<u>2,372,935</u>	<u>314,987</u>	<u>79,413</u>	<u>2,399,108</u>	<u>162,360</u>	<u>5,328,803</u>
Business-type Funds						
Water Fund	-	-	-	455,548	-	455,548
Sewer Fund	-	-	-	493,822	-	493,822
Internal service funds	-	-	-	650,000	-	650,000
Internal service funds related to governmental activities	-	-	-	202,192	-	202,192
Total Business-type Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,801,562</u>	<u>-</u>	<u>1,801,562</u>
Total transfers	<u>\$ 2,372,935</u>	<u>\$ 314,987</u>	<u>\$ 79,413</u>	<u>\$ 4,200,670</u>	<u>\$ 162,360</u>	<u>\$ 7,130,365</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

INTERFUND TRANSFERS, continued

In the November 2002 General Election, voters of the City of Albany approved a \$0.95 per \$1,000 of assessed value local option levy for Public Safety. Fiscal 2003-04 was the first year of the five-year levy. The City created a new special revenue fund, Public Safety Levy Fund, to account for the collection and transfer of the taxes levied. During 2004-05, \$2,065,388 was transferred to the General Fund to pay for public safety activities. The Ambulance Fund received a transfer of \$100,200 from the Public Safety Levy fund.

The Central Albany Revitalization Area (CARA) Fund transferred \$70,000 to the General Fund for administrative services. In addition, reserves in the Payroll Insurance Fund were transferred back to the funds which contributed them. The amount transferred to the General Fund was \$237,547. Transfers from the General Fund to the Street Fund included \$260,000 for the cost of street lighting and \$38,867 in support of the Urban Forestry Program. A transfer of \$24,000 was made from the General Fund to the Equipment Replacement Fund to support building maintenance projects. A transfer of \$20,000 was made from the General Fund to the Equipment Replacement Fund to accumulate a reserve for the purchase of land for a new Public Safety facility. The amount of \$272,561 was transferred from the General Fund to the Debt Service Fund to make principal and interest payments on the 1994 City Hall Certificates of Participation.

The amount of \$272,561 was transferred from the General Fund to the Debt Service Fund to make principal and interest payments on the 1994 City Hall Certificates of Participation. The final General Fund transfers were \$233,974 to the Debt Service Fund for debt service on the 2002 Limited Tax Pension Bonds, and \$528,736 to the PERS Reserve Fund.

Other transfers to the Debt Service Fund for the 2002 Limited Tax Pension Bonds were as follows: Street Fund, \$17,215; Parks and Recreation Fund, \$21,588; Grants Fund, \$1,108; Building Inspection Fund, \$11,250; Ambulance Fund, \$21,212; Public Transit Fund, \$5,355; Water Fund, \$17,040; Sewer Fund, \$13,443; Equipment Maintenance Fund, \$8,020; Information Technology Fund, \$9,485; Central Services Fund, \$22,590; Geographic Information Systems Fund, \$5,266; and Public Works Services Fund, \$54,005.

Other transfers to the PERS Reserve Fund were as follows: Street Fund, \$38,903; Parks and Recreation Fund, \$48,786; Grants Fund, \$2,505; Building Inspection Fund, \$25,424; Ambulance Fund, \$47,937; Public Transit Fund, \$12,102; Water Fund, \$38,508; Sewer Fund, \$30,379; Equipment Maintenance Fund, \$18,125; Information Technology Fund, \$21,435; Central Services Fund, \$51,051; Geographic Information Systems Fund, \$11,901; and Public Works Services Fund, \$122,042.

Transfers from the Payroll Insurance Fund were as follows: Street Fund, \$16,120; Parks and Recreation Fund, \$33,013; Grants Fund, \$773; Building Inspection Fund, \$11,552; Ambulance Fund, \$23,204; Public Transit Fund, \$6,312; Water Fund, \$59,140; Sewer Fund, \$53,701; Equipment Maintenance Fund, \$11,265; Information Technology Fund, \$10,294; Central Services Fund, \$23,204; and Geographic Information Systems Fund, \$4,756.

The City used state revenue sharing proceeds to support public transit activities. Transfers from the State Revenue Sharing Fund were as follows: Parks and Recreation Fund, Paratransit System, \$46,400; Public Transit Fund, Albany Transit System, \$192,100; and Public Transit Fund, Transit Loop System, \$14,600.

In the fall of 2004, the City began a project to acquire a new financial software system. The project has been funded with the following transfers totalling \$1,650,000 to the Capital Projects Fund: Street Fund, \$150,000; Sewer Fund, \$400,000; Water Fund, \$450,000; Central Services Fund, \$150,000; and Information Systems Equipment Replacement, \$500,000.

A Transfer of \$200,000 from the Street Fund to the Capital Projects Fund was made to assist funding of the Highway 20/99E project. An amount of \$192,775 was transferred from the Parks & Recreation Fund to the Equipment Replacement Fund to pay for future building maintenance projects.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

CAPITAL ASSETS

Governmental Activities

Capital activity for the year ended June 30, 2005 was as follows:

	July 1, 2004 Balance (1)	Additions	Deletions, Transfers in, Transfers out	June 30, 2005 Balance
Land	\$ 3,784,903	\$ 15,719	\$ (2)	\$ 3,800,620
Construction in progress	9,497,239	10,591,997	(4,536,322)	15,552,914
Total non-depreciable capital assets	<u>13,282,142</u>	<u>10,607,716</u>	<u>(4,536,324)</u>	<u>19,353,534</u>
Buildings and improvements	12,512,265	-	-	12,512,265
Vehicles and equipment	8,254,429	594,241	(34,576)	8,814,094
Infrastructure	66,135,184	3,997,547	4,536,322	74,669,053
Total depreciable capital assets	<u>86,901,878</u>	<u>4,591,788</u>	<u>4,501,746</u>	<u>95,995,412</u>
Total capital assets	<u>100,184,020</u>	<u>15,199,504</u>	<u>(34,578)</u>	<u>115,348,946</u>
Accumulated depreciation				
Buildings and improvements	(3,087,893)	(243,266)	-	(3,331,159)
Vehicles and equipment	(4,943,317)	(587,980)	28,500	(5,502,797)
Infrastructure	(22,694,956)	(2,569,542)	-	(25,264,498)
Total accumulated depreciation	<u>(30,726,166)</u>	<u>(3,400,788)</u>	<u>28,500</u>	<u>(34,098,454)</u>
Governmental activities, capital assets, net	<u>\$ 69,457,854</u>	<u>\$ 11,798,716</u>	<u>\$ (6,078)</u>	<u>\$ 81,250,492</u>

Depreciation expense for governmental activities has been charged as follows:

General government	\$ 277,670
Public safety	390,546
Highways & streets	2,270,133
Culture and recreation	418,093
Internal service funds reported as governmental activities:	
Information Systems Fund	40,825
Central Services Fund	1,275
Geographic Information Systems Fund	2,246
Total depreciation for governmental activities	<u>\$ 3,400,788</u>

Reconciliation of governmental capital assets to Schedule of Capital Assets - By Source

Total capital assets from above	\$115,348,946
Internal service fund capital assets reported as governmental activities:	
Information Systems Fund	(514,182)
Central Services Fund	(33,084)
Geographic Information Systems Fund	(73,900)
Schedule of Governmental Capital Assets - By Source, Total investment in governmental capital assets (page 124).	<u>\$114,727,780</u>

(1) Due to adjustments for the previous period, the June 30, 2004, balance for capital assets of governmental activities was increased by \$1,193,146. See the notes to the financial statements, page 38.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

CAPITAL ASSETS, continued

Business-type Activities

Capital activity for the year ended June 30, 2005 was as follows:

	July 1, 2004 Balance	Additions	Deletions, Transfers in, Transfers out	June 30, 2005 Balance
Land	\$ 1,524,969	\$ 173,761	\$ -	\$ 1,698,730
Construction in progress	10,753,446	24,536,033	(1,299,456)	33,990,023
Total non-depreciable capital assets	<u>12,278,415</u>	<u>24,709,794</u>	<u>(1,299,456)</u>	<u>35,688,753</u>
Land rights	19,794	-	-	19,794
Land improvements	25,178	-	-	25,178
Buildings and improvements	27,762,016	364,999	211,564	28,338,579
Vehicles and equipment	6,365,548	134,776	-	6,500,324
Infrastructure	88,725,651	5,853,361	1,087,892	95,666,904
Total depreciable capital assets	<u>122,898,187</u>	<u>6,353,136</u>	<u>1,299,456</u>	<u>130,550,779</u>
Total capital assets	<u>135,176,602</u>	<u>31,062,930</u>	<u>-</u>	<u>166,239,532</u>
Accumulated depreciation				
Land rights	(12,869)	(659)	-	(13,528)
Land improvements	(17,790)	(633)	-	(18,423)
Buildings and improvements	(8,319,252)	(999,562)	-	(9,318,814)
Vehicles and equipment	(4,091,990)	(319,236)	-	(4,411,226)
Infrastructure	(24,287,965)	(1,956,562)	-	(26,244,527)
Total accumulated depreciation	<u>(36,729,866)</u>	<u>(3,276,652)</u>	<u>-</u>	<u>(40,006,518)</u>
Business-type activities, capital assets, net	<u>\$ 98,446,736</u>	<u>\$27,786,278</u>	<u>\$ -</u>	<u>\$126,233,014</u>

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

Water Fund	\$ 1,328,423
Sewer Fund	1,943,576
Internal service fund reported as business-type activity:	
Equipment Maintenance Fund	4,653
Total depreciation for business-type activities	<u>\$ 3,276,652</u>

Reconciliation of business-type capital assets to the Statement of Net Assets of Proprietary Funds

Total business-type capital assets, net of depreciation, from above	\$126,233,014
Internal service fund capital assets reported as business-type activities:	
Equipment Maintenance Fund	(128,459)
Capital assets (net), Statement of Net Assets of Proprietary Funds (page 24).	<u>\$126,104,555</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2005. Water and Sewer capital projects include the Albany/Millersburg Joint Water Project, East End Transmission Waterline, 5th Avenue Waterline Replacement, Main, Sherman, Harrison, Pine Waterlines, and the Calapooia/Ferry, Water/4th Avenue Waterlines. Street projects are the Highway 20/99E Interchange, the North Albany Road LID, and the Downtown Streetscape project.

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
Water/Sewer Fund Capital Projects:		
Albany/Millersburg Joint Water Project	\$ 15,693,502	\$ 6,110,658
Diversion Dam & fish Screens	398,060	4,519,130
Wastewater Treatment Plant Expansion	415,406	1,068,894
Calapooia/Ferry, Water/4th Avenue Sanitary Sewer Rehabilitation	-	164,228
5th Avenue Waterline Replacement	560,601	162,651
Main, Sherman, Harrison, Pine Waterline	136,095	175,245
East End Water Transmission Line, Phase III	91,506	12,759
East End Water Transmission Line, Phase II	-	496,775
Highway 20/99E Interchange	1,013,980	1,490,483
North Albany Road LID	312,657	1,008,209
Albany Downtown Streetscape	121,451	118,549
Regional Multimodal Transportation Center	2,157,714	408,958
Totals	<u>\$ 20,900,972</u>	<u>\$ 15,736,539</u>

The Water and Sewer capital projects are financed from capital project resources of the Water and Sewer Funds. The commitment for the joint water project is being financed by revenue bonds secured by water revenues and a capital contribution from the city of Millersburg. An Oregon Transportation Investment Act (OTIA) grant is being used to fund the Highway 20/99E Interchange project. The North Albany Road LID is being financed through assessments to benefiting properties. The Central Albany Revitalization Area (CARA) is financing the Albany Downtown Streetscape project with urban renewal funds. A combination of federal and state grants, City capital funds, and a grant from Amtrak are funding the Regional Multimodal Transportation Center.

SHORT-TERM DEBT

Non-revolving Line of Credit

In May 2004, the Central Albany Revitalization Area (Agency), a blended component unit of the City, issued a \$3,900,000 Non-Revolving Line of Credit (Bond Anticipation Line of Credit (BALC)), which will be used to finance a number of approved projects in the Agency's Urban Renewal Plan. The fully floating, annualized taxable rate equals the greater of two percent (2 percent) or the Prime Rate minus 1.80 percent. The tax-exempt rate is a fully floating, annualized rate which equals the greater of 1.5 percent or 65 percent of the result of subtracting 1.40 percent from the Prime Rate. The prime rate is designated by the Bank. The maturity date for the BALC is June 1, 2006, or the date on which the Agency obtains long-term financing or refinances this line. The payment of the principal and interest on the BALC shall be secured by the property tax increment revenues generated in the Urban Renewal Plan area.

During the 2004-05 fiscal year, the Agency borrowed \$200,000 (taxable draw) from the BALC. Tax increment bonds will be issued, as authorized in ORS 457.420 through 457.450, in fiscal year 2005-06 to pay off the BALC and fund remaining projects.

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Central Albany Revitalization Area Non-revolving Line of Credit	\$ 100,000	\$ 200,000	\$ -	\$ 300,000

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

LONG-TERM DEBT

Below, long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents current year changes in long-term debt, and the current portions due for each issue.

	Beginning Balance	Increase	Decrease	Amortization of Discounts & Issue Costs	Ending Balance	Due in 2005/06
Governmental Activities						
Bonds payable:						
General obligation bonds						
Series 1996 Fire Substation	\$ 2,740,000	\$ -	\$ 165,000	\$ -	\$ 2,575,000	\$ 175,000
Series 1999 Street Rehabilitation	8,105,000	-	390,000	-	7,715,000	405,000
Special assessment debt with governmental commitment						
Series 1997	1,705,000	-	190,000	-	1,515,000	200,000
Series 2002	636,549	-	53,709	-	582,840	56,455
Revenue bonds						
Series 1995 Hotel/Motel Tax	1,410,000	-	180,000	-	1,230,000	200,000
Limited tax pension obligations						
Series 2002	6,813,236	-	29,847	-	6,783,389	43,958
Certificates of participation						
City Hall	1,850,000	-	1,850,000	-	-	-
General revenue obligations						
Series 2004	-	3,720,000	-	-	3,720,000	230,000
Notes payable						
OEDD-Target Infrastructure	320,132	-	18,383	-	301,749	18,552
Total bonds payable	23,579,917	3,720,000	2,876,939	-	24,422,978	1,328,965
Compensated absences	1,156,200	2,399,423	1,833,804	-	1,721,819	1,635,728
Claims and judgments	22,120	25,747	22,120	-	25,747	25,747
Capital lease	-	162,060	-	-	162,060	59,775
Total Governmental Activities	\$24,758,237	\$ 6,307,230	\$ 4,732,863	\$ -	\$26,332,604	\$ 3,050,215
Business-type Activities						
General obligation bonds						
1998 Water Refunding	\$ 4,351,811	\$ -	\$ 660,000	\$ 20,688	\$ 3,712,499	\$ 680,000
Water revenue bonds						
2003 Water Revenue/Refunding	40,192,681	-	1,215,000	9,996	38,987,677	1,230,000
Sewer revenue bonds						
2004 Sewer Current Refunding	2,699,857	-	445,000	23,702	2,278,559	450,000
Certificates of participation						
Joint Water Project	504,589	-	51,770	-	452,819	54,657
Notes payable						
Oregon DEQ, North Albany	1,288,641	-	161,080	-	1,127,561	161,080
Total bonds payable	49,037,579	-	2,532,850	54,386	46,559,115	2,575,737
Compensated absences	364,352	435,361	403,038	-	396,675	376,841
Claims and judgments	15,294	17,801	15,294	-	17,801	17,801
Total Business-type Activities	\$49,417,225	\$ 453,162	\$ 2,951,182	\$ 54,386	\$46,973,591	\$ 2,970,379

Three of the City's five internal service funds, Information Technology, Central Services, and Geographic Information Systems, serve primarily the governmental funds. At year end, long-term-liabilities from the internal service funds, compensated absences (\$136,804) and claims and judgments (\$2,251), are included in the above totals for governmental activities. For governmental activities and business-type activities, claims and judgments and compensated absences are generally liquidated by the fund in which they were incurred.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

LONG-TERM DEBT, continued

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 \$3,700,000 in general obligation bonds in October 1996, to finance the construction of two fire substations. Interest rates range from 4.5 percent to 5.5 percent for the 19 year bonds. Final maturity is December 1, 2015. The balance outstanding at June 30, 2005, is \$2,575,000.

The City issued \$9,850,000 in general obligation bonds in March 1999, to finance the reconstruction of portions of Santiam Road, 34th Avenue, Elm Street, and Salem Avenue. Interest rates range from 3.1 percent to 4.85 percent for the 20 year bonds. Final maturity is March 1, 2019. The balance outstanding at June 30, 2005, is \$7,715,000.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 580,000	\$ 480,953	\$ 1,060,953
2007	610,000	455,435	1,065,435
2008	635,000	428,199	1,063,199
2009	665,000	399,197	1,064,197
2010	695,000	368,620	1,063,620
2011-2015	4,055,000	1,312,408	5,367,408
2016-2019	3,050,000	346,242	3,396,242
Totals	\$ 10,290,000	\$ 3,791,054	\$ 14,081,054

Special Assessment Bancroft Bonds with Governmental Commitment

The City has established several Local Improvement Districts (LID's) to finance capital improvements in specific areas through the sale of special assessment bonds. Project costs are assessed to each property benefiting from the improvement, with payments then used to pay debt service on the bonds. In the event a deficiency exists because of unpaid or delinquent special assessments at the time debt service is due, the City must provide resources to cover the deficiency.

In June 1997, the City issued \$3,000,000 in limited tax assessment bonds to finance the following LID's: Springhill Sewer, 5th Street, Price Road, Pebblebrook, Howard Street, Timber Street/Dogwood Avenue, and Hickory Street. Interest rates range from 4 percent to 4.65 percent for the 10 year bonds. Final maturity is June 1, 2007. The balance outstanding at June 30, 2005, is

In June 2002, the City issued \$736,255 in limited tax assessment bonds to finance the following LID's: Alandale, Hickory Street, Marion Street, Riverside Drive, Timber Street, 12th Avenue, and Lehigh/Riderwood. The interest rate is 5.5 percent for the 10 year bonds. Final maturity is June 17, 2012. The balance outstanding at June 30, 2005, is \$582,840.

Annual debt service requirements to maturity for special assessment Bancroft bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 256,455	\$ 99,078	\$ 355,533
2007	1,374,342	86,989	1,461,331
2008	62,377	22,808	85,185
2009	65,567	19,618	85,185
2010	68,920	16,265	85,185
2011-2012	270,179	21,777	291,956
Totals	\$ 2,097,840	\$ 266,535	\$ 2,364,375

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

LONG-TERM DEBT, continued
Governmental Activities, continued

Revenue Obligations

The City issues revenue bonds and pledges income derived from the acquired or constructed assets to pay debt service. In August 1995, the City issued \$2,300,000 in hotel/motel tax revenue bonds to finance the City's share of the capital construction of a new Linn County Fairgrounds and Exposition Center. Debt service requirements will be met through the collection of hotel/motel taxes. Interest rates range from 3.9 percent to 5.75 percent for the 15 year bonds. Final maturity is August 1, 2010. The balance outstanding at June 30, 2005, is \$1,230,000.

Annual debt service requirements to maturity for governmental revenue obligations are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 200,000	\$ 63,325	\$ 263,325
2007	200,000	52,625	252,625
2008	200,000	41,725	241,725
2009	210,000	30,188	240,188
2010	210,000	18,111	228,111
2011	210,000	6,039	216,039
Totals	\$ 1,230,000	\$ 212,013	\$ 1,442,013

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, including taxes and other funds. Interest rates range from 2 percent to 7.36 percent for the 26 year bonds. Final maturity is June 1, 2028. The balance outstanding at June 30, 2005, is \$6,783,389.

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

Year Ending June 30	Principal	Interest	Total
2006	\$ 43,958	\$ 382,099	\$ 426,057
2007	55,650	390,407	446,057
2008	65,043	401,015	466,058
2009	73,231	412,827	486,058
2010	82,139	428,918	511,057
2011-2015	484,386	2,425,901	2,910,287
2016-2020	598,982	3,036,307	3,635,289
2021-2025	3,045,000	1,468,947	4,513,947
2026-2028	2,335,000	294,891	2,629,891
Totals	\$ 6,783,389	\$ 9,241,312	\$ 16,024,701

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

LONG-TERM DEBT, continued
Governmental Activities, continued

General Revenue Obligations

The City issued \$3,720,000 in revenue obligations bonds 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 2 percent to 5 percent for the 15 year bonds. Final maturity is January 1, 2020. The balance outstanding at June 30, 2005, is \$3,720,000.

Annual debt service requirements to maturity for general revenue obligations are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 230,000	\$ 125,925	\$ 355,925
2007	225,000	120,976	345,976
2008	305,000	115,351	420,351
2009	315,000	107,726	422,726
2010	320,000	99,064	419,064
2011-2015	1,525,000	327,465	1,852,465
2016-2020	800,000	101,804	901,804
<u>Totals</u>	<u>\$ 3,720,000</u>	<u>\$ 998,311</u>	<u>\$ 4,718,311</u>

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, 2005, is \$301,749 (Dayton Hudson Corporation, \$266,770; City, \$34,979).

Annual debt service requirements to maturity for governmental notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 18,552	\$ 16,959	\$ 35,511
2007	23,736	15,995	39,731
2008	23,925	14,746	38,671
2009	24,155	13,436	37,591
2010	24,373	13,117	37,490
2011-2015	187,008	39,808	226,816
<u>Totals</u>	<u>\$ 301,749</u>	<u>\$ 114,058</u>	<u>\$ 415,807</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

LONG-TERM DEBT, continued

Business-type Activities

General Obligation Bonds

In April 1998, the City issued \$7,865,000 in general obligation bonds to advance refund the Advance Refunding General Obligation Water Bonds, Series 1987. Debt service requirements are payable from a direct ad valorem tax upon all of the taxable property within the City. Interest rates range from 3.6 percent to 4.5 percent for the 12 year bonds. Final maturity is November 1, 2009. The balance outstanding of the bonds at June 30, 2005, is \$3,795,000.

Annual debt service requirements to maturity for business-type general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 680,000	\$ 150,877	\$ 830,877
2007	725,000	121,021	846,021
2008	760,000	89,085	849,085
2009	795,000	55,065	850,065
2010	835,000	18,788	853,788
Less - unamortized discounts and issuance costs and loss on refunding	(82,501)	-	(82,501)
<u>Totals</u>	<u>\$ 3,712,499</u>	<u>\$ 434,836</u>	<u>\$ 4,147,335</u>

Revenue Bonds

In November 2003, the City issued \$40,485,000 in Water Revenue and Refunding Bonds, Series 2003, to refund the Second Lien Water Revenue Advance Refunding Bonds, Series 1993B, and to finance the costs of acquiring real and necessary equipment and appurtenances. Debt service requirements are payable from water system revenues. Interest rates range from 2 percent to 5.125 percent for the 30 year bonds. Final maturity is August 1, 2033. The balance outstanding of the bonds at June 30, 2005, is \$39,270,000.

In January 2004, the City issued \$2,835,000 in Sewer Current Refunding Bonds, Series 2004, to refund the 1993A Sewer Refunding Bonds. Debt service requirements are payable from water system revenues. The interest rate is 2.65 percent for the six year bonds. Final maturity is August 1, 2009. The balance outstanding of the bonds at June 30, 2005, is \$2,390,000.

Annual debt service requirements to maturity for business-type revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 1,680,000	\$ 1,802,212	\$ 3,482,212
2007	1,715,000	1,765,286	3,480,286
2008	1,755,000	1,708,331	3,463,331
2009	1,805,000	1,630,729	3,435,729
2010	1,850,000	1,564,553	3,414,553
2011-2015	4,610,000	7,274,765	11,884,765
2016-2020	5,135,000	6,319,124	11,454,124
2021-2025	6,465,000	4,921,512	11,386,512
2026-2030	8,300,000	3,141,516	11,441,516
2031-2034	8,345,000	861,125	9,206,125
Less - unamortized discounts, issuance costs, and loss on defeasance	(393,764)	-	(393,764)
<u>Totals</u>	<u>\$41,266,236</u>	<u>\$30,989,153</u>	<u>\$72,255,389</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

LONG-TERM DEBT, continued
Business-type Activities, continued

Certificates of Participation

In March 2002, the City issued \$600,000 in certificates of participation to finance the cost of the acquisition of real and personal property to be used as a City water intake, pumping station, and raw water transmission facility. Debt service requirements are payable solely from the net revenues of the City's water system. The interest rate is 5.5 percent for the 10 year certificates. Final maturity is March 1, 2012. The balance outstanding at June 30, 2005, is \$452,819.

Annual debt service requirements to maturity for business-type certificates of participation are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 54,657	\$ 24,172	\$ 78,829
2007	57,704	21,125	78,829
2008	60,875	17,955	78,830
2009	64,316	14,514	78,830
2010	67,902	10,928	78,830
2011-2012	147,365	10,291	157,656
Totals	\$ 452,819	\$ 98,985	\$ 551,804

Loans Payable

In April 1992, the City borrowed \$5,202,059 from the Oregon Department of Environmental Quality State Revolving Fund to finance the collector sewers for the North Albany Health Hazard Abatement project. Loan repayment requirements are payable solely from the net revenues of the City's sewer system. The interest rate is 3 percent for the 20 year loan. Final maturity is February 1, 2012. The balance outstanding at June 30, 2005 is \$1,127,562.

Annual debt service requirements to maturity for business-type loans payable are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 161,080	\$ 33,827	\$ 194,907
2007	161,080	28,994	190,074
2008	161,080	24,162	185,242
2009	161,080	19,330	180,410
2010	161,080	14,497	175,577
2011-2012	322,161	14,497	336,658
Totals	\$ 1,127,561	\$ 135,307	\$ 1,262,868

Debt Refunding

During Fiscal Year 2004/05, proceeds from the 2004 Revenue Obligations was used to finance the prepayment and defeasance of the 1994 City Hall Certificates of Participation in order to achieve debt service savings. The aggregate difference in debt service between the refunded debt and the refunding debt was a savings of \$358,257. The City placed cash and investments in such amounts and such interest rates that the debt service will be fully paid for the remaining life of the certificates. The outstanding balance of the certificates defeased was \$1,705,000 on June 30, 2005. The final payment will be in January, 2014.

In Fiscal Year 2003-04, the City defeased the 1993 Sewer Refunding Bonds Series A. The outstanding balance of the bonds defeased was \$2,955,000 on June 30, 2005. The final payment will be in August 2009.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS**

3. DETAILED NOTES ON ALL FUNDS, continued

CAPITAL LEASES

The City has entered into a lease agreement as lessee for the financing the acquisition of police patrol vehicles. The lease agreement qualifies as a capital lease for accounting purposes and therefore has 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:

	<u>Governmental Activities</u>
Machinery and equipment	<u>\$ 162,060</u>

The future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2005, were as follows:

	<u>Governmental Activities</u>
Year Ending June 30,	
2006	\$ 61,337
2007	61,337
2008	<u>61,336</u>
Total minimum lease payments	184,010
Less: amount representing interest	<u>(21,950)</u>
Present value of minimum lease payments	<u>\$ 162,060</u>

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund receivables and payables as of June 30, 2005, is as follows:

Due to/from other funds:

	<u>Payable Fund</u>	<u>Amount</u>
<u>Receivable Fund</u>		
General	Grants	\$ 371,937
	Improvement	<u>57,828</u>
Total		<u>\$ 429,765</u>

DISCRETELY PRESENTED COMPONENT UNIT

Activity for the Albany Public Library Foundation for the year ended June 30, 2005 , was as follows:

Condensed Statement of Net Assets

Assets:	
Cash and cash equivalents	\$ 1,423
Investments	<u>834,282</u>
Total assets	<u>835,705</u>
Liabilities:	
Accounts payable	<u>1,852</u>
Total liabilities	<u>1,852</u>
Net Assets:	
Unrestricted	<u>833,853</u>
Total Net Assets	<u>\$ 833,853</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

DISCRETELY PRESENTED COMPONENT UNIT, continued

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

Operating revenues	\$ 6,817
Operating expenses	(40,194)
Depreciation	(333)
Operating loss	(33,710)
Nonoperating revenues:	
Investment income	81,392
Change in net assets	47,682
Beginning net assets	786,171
Ending net assets	<u>\$ 833,853</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ (10,681)
Capital and related financing activities	333
Noncapital financing activities	(16,055)
Net decrease	(26,403)
Beginning cash and investments	27,826
Ending cash and investments	<u>\$ 1,423</u>

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

4. OTHER INFORMATION

PENSION PLAN

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

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

Plan Description

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

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

Funding Policy

In response to increasing PERS costs to state and local governments, the 72nd Oregon Legislature created the Oregon Public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003, B54 become part of OPSRP, unless membership was previously established in PERS. OPSRP is a hybrid (defined contribution/defined benefit) pension plan with two components: the Pension Program (defined benefit) and the Individual Account Program (defined contribution). A defined plan is benefit-based and uses predictable criteria such as pension determined by salary times length of service times a factor. A defined contribution plan has no guarantees. At retirement, the member receives the contributions plus any earnings or losses that have accrued.

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

Employer contributions are required by state statute and made at actuarially determined rates as adopted by the Public Employees Retirement Board. Covered employees are required by state statute to contribute six percent of their annual salary to the system, but the employer is allowed to make any or all of the employees' contribution in addition to the required employer contribution. In fiscal year 1980-81, the City elected to contribute the six percent "pick-up", \$1,051,899 (6.02 percent of covered payroll), in lieu of a six percent pay increase.

In addition, the City contributed \$1,671,808 based on actuarially determined requirements. OPSRP legislation calls for all employers to be pooled for the purposes of calculating contribution rates. For the City, OPSRP rates for general service employees is 8.04 percent and the rate for police and fire employees is 11.65 percent. The rate for employees in the PERS system is 9.48 percent.

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

4. OTHER INFORMATION, continued

PENSION PLAN (continued)

Annual Pension Cost

All PERS and OPSRP participating employers are required by law to submit the contributions as adopted by the Retirement Board. For the fiscal year ended June 30, 2005, the City's annual pension expenditure/expenses exclusive of the six percent "pick-up" was \$1,522,395. This amount consisted of the annual required contribution of \$1,548,451 and (\$26,056) in amortization of pension assets. The City's annual pension cost and pension assets for the fiscal year ended June 30, 2005, were as follows:

Annual required contribution	\$ 1,671,808
Interest on pension assets	(525,083)
Adjustment to the annual required contribution	<u>508,855</u>
Annual pension cost	1,655,580
Contributions made	<u>1,671,808</u>
Increase in pension assets	16,228
Pension assets, beginning of year	<u>6,563,540</u>
Pension assets, end of year	<u>\$ 6,579,768</u>

Asset Valuation Method

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

Economic Assumptions

Significant actuarial assumptions used in the calculation included (a) consumer price inflation rate of 3.5 percent per year, (b) an assumed earnings rate of 8 percent net of investment and administrative expenses, (c) wage growth of 4.25 percent annually, and (d) a post-retirement benefits increase of 2 percent per year.

RISK MANAGEMENT

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

The City participates in self-insurance pools of City/County Insurance Services for general, auto, and workers' compensation liability with self-insurance retention limits per occurrence. The pool pays all claims up to \$2,000,000 and purchases insurance to cover any excess liability up to a limit selected by the participating entity. 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 the fiscal years ended June 30, 2003, 2004, and 2005, the City was obligated to pay up to \$75,000 in claims and settlement costs. At June 30, 2005, amounts accrued as a liability for Fiscal Year 2004-05 was \$43,548.

Amounts estimated to be payable, based on the estimated ultimate loss and actual claims incurred as of the balance sheet date, including "incurred but not reported" (IBNR) claims, are accounted for in the City's general purpose financial statements as Claims and Judgments in the various operating funds. Premium expenses and liabilities are reduced by amounts recovered or expected to be recovered through excess insurance. The following table shows claims liability in the current and previous fiscal years.

Settlement of a claim in 2004-05 exceeded insurance coverage by \$258,591. Consequently, the City has increased its liability coverage from \$2,000,000 to \$5,000,000. No settlements in the prior two years exceeded insurance coverage.

**CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS**

4. OTHER INFORMATION, continued

RISK MANAGEMENT (continued)

Fiscal Year Ended June 30,	Claims and Changes in Estimates	Claim Payments	Liability Balance at the End of the Year
2003	\$ 75,000	\$ 75,000	\$ -
2004	20,982	20,982	-
2005	68,809	25,261	43,548

COMMITMENTS AND CONTINGENT LIABILITIES

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

JOINT VENTURE

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

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

At June 30, 2005, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statements totaled \$498,071. A copy of the Linn Regional Fueling Facility audit report may be obtained from Linn County, P.O. Box 100, Albany, Oregon 97321.

INTERGOVERNMENTAL AGREEMENT

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

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

CITY OF ALBANY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

4. OTHER INFORMATION, continued

INTERGOVERNMENTAL AGREEMENT (continued)

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

In Fiscal Year 2004-05, the City received a capital contribution of \$4,182,694 from the city of Millersburg and a capital grant of \$251,873 from the Federal Environmental Protection Agency.

Nearly all men can stand adversity, but if you want to test a man's character, give him power."
Abraham Lincoln

SUPPLEMENTARY DATA

Included in this section are the combining statements for nonmajor governmental funds and non-major proprietary funds. Budget and actual schedules for all other funds, except General, Street, and Parks & Recreation, are included in this section. The General, Street, and Parks & Recreation funds budgetary comparisons are included as part of the basic statements. Schedules relating to bonds and property taxes are presented following the budgetary comparisons.

It is inhumane, in my opinion, to force people who have a genuine medical need for coffee to wait in line behind people who apparently view it as some kind of recreational activity.

Dave Barry

CITY OF ALBANY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2005

	NONMAJOR GOVERNMENTAL FUNDS				
	Special Revenue	Debt Service	Capital Projects	Permanent	Total
ASSETS					
Cash and cash equivalents	\$ 4,818,215	-	\$ 4,941,608	\$ -	\$ 9,759,823
Receivables:					
Property taxes	120,174	84,656	30,980	-	235,810
Accounts receivable	393,240	-	-	-	393,240
Assessments	-	202,306	1,191,894	-	1,394,200
Interest	21,088	12,241	25,577	546	59,452
Loans	449,908	-	220,738	-	670,646
Grants	379,862	-	-	-	379,862
Other assets	9,040	63,137	-	-	72,177
Restricted cash and investments	119,952	2,768,777	-	127,834	3,016,563
Total assets	<u>\$ 6,311,479</u>	<u>\$ 3,131,117</u>	<u>\$ 6,410,797</u>	<u>\$ 128,380</u>	<u>\$ 15,981,773</u>
LIABILITIES					
Accounts payable	\$ 337,720	\$ -	\$ 723,405	\$ -	\$ 1,061,125
Due to other funds	371,937	-	57,828	-	429,765
Refundable deposits and advances	94,671	-	204,068	-	298,739
Short-term debt - letter of credit	-	-	300,000	-	300,000
Unearned revenue	1,030,470	283,432	1,442,553	-	2,756,455
Total liabilities	<u>1,834,798</u>	<u>283,432</u>	<u>2,727,854</u>	<u>-</u>	<u>4,846,084</u>
FUND BALANCES					
Reserved for capital assets	-	-	513,901	-	513,901
Reserved for debt service	30,180	2,847,685	-	-	2,877,865
Reserved for other purposes	85,296	-	-	-	85,296
Reserved for perpetual care	-	-	-	111,585	111,585
Unreserved	4,361,205	-	3,169,042	16,795	7,547,042
Total fund balances	<u>4,476,681</u>	<u>2,847,685</u>	<u>3,682,943</u>	<u>128,380</u>	<u>11,135,689</u>
Total liabilities and fund balances	<u>\$ 6,311,479</u>	<u>\$ 3,131,117</u>	<u>\$ 6,410,797</u>	<u>\$ 128,380</u>	<u>\$ 15,981,773</u>

CITY OF ALBANY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2005

	NONMAJOR GOVERNMENTAL FUNDS				
	Special Revenue	Debt Service	Capital Projects	Permanent	Total
REVENUES					
Taxes	\$ 2,272,368	\$ 1,315,109	\$ 560,671	\$ -	\$ 4,148,148
Special assessments	-	774,580	2,038,097	-	2,812,677
Licenses and fees	1,596,110	-	-	-	1,596,110
Intragovernmental revenues	1,615,299	-	6,100,101	-	7,715,400
Charges for services	1,913,393	-	652,548	-	2,565,941
Interest on investments	95,134	58,922	108,981	2,592	265,629
Miscellaneous	109,503	-	37,052	3,042	149,597
Total revenues	<u>7,601,807</u>	<u>2,148,611</u>	<u>9,497,450</u>	<u>5,634</u>	<u>19,253,502</u>
EXPENDITURES					
General government	2,662,572	38,834	736,550	-	3,437,956
Public safety	1,944,256	-	-	-	1,944,256
Culture and recreation	138,502	-	-	-	138,502
Capital outlay	746,335	-	8,220,162	-	8,966,497
Debt service:					
Principal	18,383	2,858,556	-	-	2,876,939
Interest	17,878	1,183,537	-	-	1,201,415
Total expenditures	<u>5,527,926</u>	<u>4,080,927</u>	<u>8,956,712</u>	<u>-</u>	<u>18,565,565</u>
Revenues under (over) expenditures	<u>2,073,881</u>	<u>(1,932,316)</u>	<u>540,738</u>	<u>5,634</u>	<u>687,937</u>
OTHER FINANCING SOURCES (USES)					
Debt issuance	-	1,432,853	-	-	1,432,853
Premium on debt issuance	-	50,244	-	-	50,244
Transfers in	1,399,783	714,112	2,086,775	-	4,200,670
Transfers out	(3,037,871)	-	(121,799)	-	(3,159,670)
Total other financing sources (uses)	<u>(1,638,088)</u>	<u>2,197,209</u>	<u>1,964,976</u>	<u>-</u>	<u>2,524,097</u>
Net change in fund balances	435,793	264,893	2,505,714	5,634	3,212,034
Fund balance - beginning, as restated	4,040,888	2,582,792	1,177,229	122,746	7,923,655
Fund balance - ending	<u>\$ 4,476,681</u>	<u>\$ 2,847,685</u>	<u>\$ 3,682,943</u>	<u>\$ 128,380</u>	<u>\$ 11,135,689</u>

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

- **Grants**-receives monies from agencies of the state and federal governments as well as private organizations for various projects within the City.
- **Building Inspection**-conducts inspections, administers state building codes and the City's municipal code, and assists the public with information relating to building and development codes.
- **Community Development**-receives repayments on deferred payment loans and expends funds for community development projects and activities.
- **Public Safety Levy**-provides independent accounting of property tax revenues collected from the Public Safety Levy passed by the voters of the City in the November 2002 General Election.
- **Library Memorial**-purchases books or materials with funds donated to the Library from individuals and organizations.
- **Payroll Insurance**-accounts for the expenditures relating to insurance for City personnel.
- **Environmental Safety Services**-conducts hazardous materials inspections; provides environmental safety training to outside entities; and provides information and education on the safe use, storage, and generation of hazardous materials.
- **PERS Reserve**-provides an independent accounting of monies collected through the payroll system which are held in reserve pursuant to pending court litigation.
- **VALIANT**-accounts for the activity of the multi-agency task force whose function is to interdict drug marketing and distribution in Linn and Benton counties.
- **Economic Improvement District**-collects fees assessed on properties in the Economic Improvement District which provides funding to operate the Albany Downtown Association.
- **Economic Development**-receives proceeds from the City's hotel/motel tax to enhance economic development in the City. This fund also accounts for funds used for the maintenance of the Albany Municipal Airport.
- **State Revenue Sharing**-receives funds from the state of Oregon which the City has elected to use to offset the operating costs of public transit (Paratransit System, Albany Transit System, and Linn-Benton Loop System).
- **Ambulance**-provides all emergency and nonemergency ambulance transportation for the City of Albany and portions of Linn, Benton, and Marion Counties.
- **Public Transit**-operates the Albany Transit System which transports customers to destinations in the City and the Linn-Benton Loop System which transports riders between the cities of Albany and Corvallis.
- **Senior Center Foundation**-accounts for the revenues and expenditures of the foundation which operates the gift shop at the Senior Center, conducts fund raising activities, and receives gifts and donations.

CITY OF ALBANY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2005

	Grants	Building Inspection	Community Development	Public Safety Levy	Library Memorial	Payroll Insurance
ASSETS						
Cash and cash equivalents	\$ 82,628	\$ 918,831	\$ 364,609	\$ 460,067	\$ -	\$ 407,203
Receivables:						
Property Taxes	-	-	-	120,174	-	-
Accounts receivable	-	-	-	-	-	-
Interest	312	3,803	1,629	3,040	389	1,769
Loans	-	-	183,138	-	-	-
Grants	379,862	-	-	-	-	-
Other assets	-	950	-	-	-	-
Restricted cash and investments	-	-	-	-	89,900	-
Total assets	<u>\$ 462,802</u>	<u>\$ 923,584</u>	<u>\$ 549,376</u>	<u>\$ 583,281</u>	<u>\$ 90,289</u>	<u>\$ 408,972</u>
LIABILITIES						
Accounts payable	\$ 11,403	\$ 39,659	\$ -	\$ -	\$ 4,993	\$ -
Due to other funds	371,937	-	-	-	-	-
Refundable deposits and advances	-	-	-	-	-	-
Unearned revenue	79,462	-	183,138	115,068	-	-
Total liabilities	<u>462,802</u>	<u>39,659</u>	<u>183,138</u>	<u>115,068</u>	<u>4,993</u>	<u>-</u>
FUND BALANCES						
Reserved for debt service	-	-	-	-	-	-
Reserved for other purposes	-	-	-	-	85,296	-
Unreserved	-	883,925	366,238	468,213	-	408,972
Total fund balances	<u>-</u>	<u>883,925</u>	<u>366,238</u>	<u>468,213</u>	<u>85,296</u>	<u>408,972</u>
Total liabilities and fund balances	<u>\$ 462,802</u>	<u>\$ 923,584</u>	<u>\$ 549,376</u>	<u>\$ 583,281</u>	<u>\$ 90,289</u>	<u>\$ 408,972</u>

Environmental Safety Services	PERS Reserve	VALIANT	Economic Improvement District	Economic Development	State Revenue Sharing	Ambulance	Public Transit	Senior Center Foundation	Total
\$ 1,521	\$ 1,951,159	\$ 124,388	\$ 4,103	\$ 281,859	\$ 28,200	\$ 160,855	\$ 27,943	\$ 4,849	\$ 4,818,215
-	-	-	-	-	-	-	-	-	120,174
7,208	-	-	9,510	-	-	376,522	-	-	393,240
(16)	7,737	539	17	1,121	133	470	122	23	21,088
-	-	-	-	266,770	-	-	-	-	449,908
-	-	-	-	-	-	-	-	-	379,862
-	-	-	-	380	-	7,260	450	-	9,040
-	-	-	-	30,052	-	-	-	-	119,952
<u>\$ 8,713</u>	<u>\$ 1,958,896</u>	<u>\$ 124,927</u>	<u>\$ 13,630</u>	<u>\$ 580,182</u>	<u>\$ 28,333</u>	<u>\$ 545,107</u>	<u>\$ 28,515</u>	<u>\$ 4,872</u>	<u>\$ 6,311,479</u>
\$ 613	\$ 258,591	\$ 10	\$ 1,336	\$ 4,879	\$ -	\$ 10,594	\$ 5,215	\$ 427	\$ 337,720
-	-	-	-	-	-	-	-	-	371,937
-	-	92,671	-	2,000	-	-	-	-	94,671
-	-	-	9,510	266,770	-	376,522	-	-	1,030,470
<u>613</u>	<u>258,591</u>	<u>92,681</u>	<u>10,846</u>	<u>273,649</u>	<u>-</u>	<u>387,116</u>	<u>5,215</u>	<u>427</u>	<u>1,834,798</u>
-	-	-	-	30,180	-	-	-	-	30,180
-	-	-	-	-	-	-	-	-	85,296
8,100	1,700,305	32,246	2,784	276,353	28,333	157,991	23,300	4,445	4,361,205
8,100	1,700,305	32,246	2,784	306,533	28,333	157,991	23,300	4,445	4,476,681
<u>\$ 8,713</u>	<u>\$ 1,958,896</u>	<u>\$ 124,927</u>	<u>\$ 13,630</u>	<u>\$ 580,182</u>	<u>\$ 28,333</u>	<u>\$ 545,107</u>	<u>\$ 28,515</u>	<u>\$ 4,872</u>	<u>\$ 6,311,479</u>

CITY OF ALBANY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2005

	Grants	Building Inspection	Community Development	Public Safety Levy	Library Memorial	Payroll Insurance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 1,973,168	\$ -	\$ -
Licenses and fees	-	1,557,809	-	-	-	-
Intragovernmental revenues	1,067,682	-	27,101	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	966	16,778	8,741	17,256	1,846	8,422
Miscellaneous	20,499	160	-	-	32,707	-
Total revenues	<u>1,089,147</u>	<u>1,574,747</u>	<u>35,842</u>	<u>1,990,424</u>	<u>34,553</u>	<u>8,422</u>
EXPENDITURES						
General government	46,549	1,296,857	121,546	-	-	-
Public safety	272,261	-	-	-	-	-
Culture and recreation	104,689	-	-	-	33,813	-
Capital outlay	716,016	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,139,515</u>	<u>1,296,857</u>	<u>121,546</u>	<u>-</u>	<u>33,813</u>	<u>-</u>
Revenues under (over) expenditures	<u>(50,368)</u>	<u>277,890</u>	<u>(85,704)</u>	<u>1,990,424</u>	<u>740</u>	<u>8,422</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	53,981	11,553	-	-	-	-
Transfers out	(3,613)	(36,674)	(528)	(2,165,588)	-	(490,881)
Total other financing sources (uses)	<u>50,368</u>	<u>(25,121)</u>	<u>(528)</u>	<u>(2,165,588)</u>	<u>-</u>	<u>(490,881)</u>
Net change in fund balances	-	252,769	(86,232)	(175,164)	740	(482,459)
Fund balance - beginning	-	631,156	452,470	643,377	84,556	891,431
Fund balance - ending	<u>\$ -</u>	<u>\$ 883,925</u>	<u>\$ 366,238</u>	<u>\$ 468,213</u>	<u>\$ 85,296</u>	<u>\$ 408,972</u>

Environmental Safety Services	PERS Reserve	VALIANT	Economic Improvement District	Economic Development	State Revenue Sharing	Ambulance	Public Transit	Senior Center Foundation	Total
\$ -	\$ -	\$ -	\$ -	\$ 299,200	\$ -	\$ -	\$ -	\$ -	\$ 2,272,368
-	-	-	38,301	-	-	-	-	-	1,596,110
13,841	-	12,500	-	-	272,944	-	221,231	-	1,615,299
50,478	-	-	-	131,473	-	1,655,765	69,259	6,418	1,913,393
13	31,851	2,679	113	4,139	441	1,323	443	123	95,134
348	-	4,360	726	40,758	-	3,166	1,663	5,116	109,503
64,680	31,851	19,539	39,140	475,570	273,385	1,660,254	292,596	11,657	7,601,807
-	258,591	-	39,027	403,045	-	-	482,863	14,094	2,662,572
77,161	-	25,683	-	-	-	1,569,151	-	-	1,944,256
-	-	-	-	-	-	-	-	-	138,502
19,119	-	-	-	11,200	-	-	-	-	746,335
-	-	-	-	18,383	-	-	-	-	18,383
-	-	-	-	17,878	-	-	-	-	17,878
96,280	258,591	25,683	39,027	450,506	-	1,569,151	482,863	14,094	5,527,926
(31,600)	(226,740)	(6,144)	113	25,064	273,385	91,103	(190,267)	(2,437)	2,073,881
-	997,834	-	-	-	-	123,404	213,011	-	1,399,783
-	-	-	-	(881)	(253,100)	(69,149)	(17,457)	-	(3,037,871)
-	997,834	-	-	(881)	(253,100)	54,255	195,554	-	(1,638,088)
(31,600)	771,094	(6,144)	113	24,183	20,285	145,358	5,287	(2,437)	435,793
39,700	929,211	38,390	2,671	282,350	8,048	12,633	18,013	6,882	4,040,888
\$ 8,100	\$ 1,700,305	\$ 32,246	\$ 2,784	\$ 306,533	\$ 28,333	\$ 157,991	\$ 23,300	\$ 4,445	\$ 4,476,681

If you can't beat your computer at chess, try kickboxing.
Anon.

Combining Statements

Nonmajor Governmental Funds

Debt Service Funds

Debt Service Funds accumulate resources and account for the payment of long-term debt principal and interest payments associated with governmental activities.

- **Debt Service Fund**-accounts for the repayment of general obligation and revenue bond debt issues financed by general property taxes and transient room tax revenues, the 2002 limited tax pension bonds whose debt service requirements are met through charges to other funds, and the 2004 revenue obligations whose debt service is provided through transfers from the General Fund and the Parks & Recreation Fund.
- **Bancroft Bond Redemption**-accounts for the accumulation of resources and the payment of the debt related to completed special assessment projects. The benefited property owners chose to defer payment to the City for improvements, and the City sold limited assessment bonds backed by liens on the assessed property, under provisions of the State's Bancroft Bonding Act.
- **Central Albany Revitalization Area (CARA)**-accounts for the accumulation of resources and the payment of the debt issued by the CARA urban renewal district. The district has not issued any long-term debt as of June 30, 2005.

CITY OF ALBANY, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2005

	<u>Debt Service</u>	<u>Bancroft Bond Redemption</u>	<u>Total</u>
ASSETS			
Receivables:			
Property taxes	\$ 84,656	\$ -	\$ 84,656
Assessments	-	202,306	202,306
Interest	2,988	9,253	12,241
Other assets	63,137	-	63,137
Restricted cash and investments	574,755	2,194,022	2,768,777
Total assets	<u>\$ 725,536</u>	<u>\$ 2,405,581</u>	<u>\$ 3,131,117</u>
LIABILITIES			
Deferred revenue	\$ 81,126	\$ 202,306	\$ 283,432
Total liabilities	<u>81,126</u>	<u>202,306</u>	<u>283,432</u>
FUND BALANCES			
Reserved for debt service	644,410	2,203,275	2,847,685
Total fund balances	<u>644,410</u>	<u>2,203,275</u>	<u>2,847,685</u>
Total liabilities and fund balances	<u>\$ 725,536</u>	<u>\$ 2,405,581</u>	<u>\$ 3,131,117</u>

CITY OF ALBANY, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2005

	Debt Service	Bancroft Bond Redemption	<u>Total</u>
REVENUES			
Property taxes	\$ 1,063,905	\$ -	\$ 1,063,905
Transient room taxes	251,204	-	251,204
Assessment collections	-	774,580	774,580
Interest on investments	16,378	42,544	58,922
Total revenues	<u>1,331,487</u>	<u>817,124</u>	<u>2,148,611</u>
EXPENDITURES			
Current:			
General government	38,684	150	38,834
Debt service:			
Principal	2,614,847	243,709	2,858,556
Interest	1,072,973	110,564	1,183,537
Total expenditures	<u>3,726,504</u>	<u>354,423</u>	<u>4,080,927</u>
Revenues under (over) expenditures	<u>(2,395,017)</u>	<u>462,701</u>	<u>(1,932,316)</u>
OTHER FINANCING SOURCES			
Bond Issuance	1,432,853	-	1,432,853
Premium on debt issuance	50,244	-	50,244
Transfers in	714,112	-	714,112
Total other financing sources	<u>2,197,209</u>	<u>-</u>	<u>2,197,209</u>
Net change in fund balances	(197,808)	462,701	264,893
Fund balance - beginning	842,218	1,740,574	2,582,792
Fund balance - ending	<u>\$ 644,410</u>	<u>\$ 2,203,275</u>	<u>\$ 2,847,685</u>

Great ability develops and reveals itself increasingly with every new assignment.
Baltasar Gracian

Combining Statements

Nonmajor Governmental Funds

Capital Project Funds

Capital Project Funds are created to account for financial resources used for the acquisition or construction of major capital facilities. Projects financed by proprietary funds are not classified as Capital Projects Funds.

- **Equipment Replacement**-accumulates monies through charges to the various funds for the replacement of equipment.
- **Capital Projects**-accounts for the construction of the fire training facility; street reconstruction projects financed by the 1999 General Obligation Bonds; the construction of the Regional Multimodal Transportation Center financed by a federal grant, a grant from Amtrak, and City funds; the Highway 99E project funded through the Oregon Transportation Investment Act (OTIA); replacement of the City's financial accounting system, funded through charges to other funds; and the Periwinkle Creek Bridge project funded through OTIA.
- **Improvement**-accounts for the construction and financing of local improvement district projects benefiting properties within the City.
- **Central Albany Revitalization Area (CARA)**-accounts for the projects funded through the CARA urban renewal district..

CITY OF ALBANY, OREGON
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
June 30, 2005

	Equipment Replacement	Capital Projects	Improvement	Central Albany Revitalization Area	Totals
ASSETS					
Cash and cash equivalents	\$ 3,117,823	\$ 1,174,309	\$ -	\$ 649,476	\$ 4,941,608
Receivables:					
Property taxes	-	-	-	30,980	30,980
Assessments	-	-	1,191,894	-	1,191,894
Interest	13,078	9,358	-	3,141	25,577
Loans	-	-	-	220,738	220,738
Total assets	\$ 3,130,901	\$ 1,183,667	\$ 1,191,894	\$ 904,335	\$ 6,410,797
 LIABILITIES					
Accounts payable	\$ 1,092	\$ 669,766	\$ 26,898	\$ 25,649	\$ 723,405
Short-term debt - letter of credit	-	-	-	300,000	300,000
Due to other funds	-	-	57,828	-	57,828
Refundable deposits	-	-	204,068	-	204,068
Unearned revenue	-	-	1,191,894	250,659	1,442,553
Total liabilities	1,092	669,766	1,480,688	576,308	2,727,854
 FUND BALANCES					
Reserved for capital assets	-	513,901	-	-	513,901
Unreserved	3,129,809	-	(288,794)	328,027	3,169,042
Total fund balances	3,129,809	513,901	(288,794)	328,027	3,682,943
Total liabilities and fund balances	\$ 3,130,901	\$ 1,183,667	\$ 1,191,894	\$ 904,335	\$ 6,410,797

CITY OF ALBANY, OREGON
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
for the year ended June 30, 2005

	Equipment Replacement	Capital Projects	Improvement	Central Albany Revitalization Area	Totals
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ 560,671	\$ 560,671
Special assessments	-	-	2,038,097	-	2,038,097
Intergovernmental revenues	-	5,960,777	139,324	-	6,100,101
Charges for services	652,548	-	-	-	652,548
Interest on investments	58,795	34,483	-	15,703	108,981
Miscellaneous	36,052	1,000	-	-	37,052
Total revenues	<u>747,395</u>	<u>5,996,260</u>	<u>2,177,421</u>	<u>576,374</u>	<u>9,497,450</u>
EXPENDITURES					
Current:					
General government	55,091	255,910	2,972	422,577	736,550
Capital outlay	180,793	7,090,837	704,152	244,380	8,220,162
Total expenditures	<u>235,884</u>	<u>7,346,747</u>	<u>707,124</u>	<u>666,957</u>	<u>8,956,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>511,511</u>	<u>(1,350,487)</u>	<u>1,470,297</u>	<u>(90,583)</u>	<u>540,738</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	236,775	1,850,000	-	-	2,086,775
Transfers out	(51,799)	-	-	(70,000)	(121,799)
Total other financing sources	<u>184,976</u>	<u>1,850,000</u>	<u>-</u>	<u>(70,000)</u>	<u>1,964,976</u>
Net change in fund balances	696,487	499,513	1,470,297	(160,583)	2,505,714
Fund balance - beginning, as restated	2,433,322	14,388	(1,759,091)	488,610	1,177,229
Fund balance - ending	<u>\$ 3,129,809</u>	<u>\$ 513,901</u>	<u>\$ (288,794)</u>	<u>\$ 328,027</u>	<u>\$ 3,682,943</u>

Good questions outrank easy answers.
Paul Samuelson

Combining Statements

Nonmajor Governmental Funds

Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

- **Senior Center Endowment**-receives private gifts and donations which are pooled with the City's other investments. Interest earnings may be used for operation of the Senior Center.
- **Library Trust**-accounts for transactions of two trusts associated with the Albany Public Library. Interest earnings on the Veda O. Torney Trust (\$10,000) may be used to purchase children's picture books. Investment proceeds of the Manela Trust (\$69,429) may be used to purchase scientific, educational, and technical books.

CITY OF ALBANY, OREGON
NONMAJOR PERMANENT FUNDS
COMBINING BALANCE SHEET
June 30, 2005

	Senior Center Endowment	Library Trust	Total
ASSETS			
Interest receivable	\$ 184	\$ 362	\$ 546
Restricted cash and investments	43,692	84,142	127,834
Total assets	\$ 43,876	\$ 84,504	\$ 128,380
 FUND BALANCES			
Reserved for perpetual care	32,259	79,326	111,585
Unreserved	11,617	5,178	16,795
Total fund balances	43,876	84,504	128,380
Total liabilities and fund balances	\$ 43,876	\$ 84,504	\$ 128,380

CITY OF ALBANY, OREGON
NONMAJOR PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2005

	Senior Center Endowment	Library Trust	Total
REVENUES			
Interest on investments	\$ 859	\$ 1,733	\$ 2,592
Gifts and donations	3,042	-	3,042
Total revenues	<u>3,901</u>	<u>1,733</u>	<u>5,634</u>
Fund balance - beginning	<u>39,975</u>	<u>82,771</u>	<u>122,746</u>
Fund balance - ending	<u>\$ 43,876</u>	<u>\$ 84,504</u>	<u>\$ 128,380</u>

He who asks a question is a fool for five minutes; he who does not ask a question remains a fool forever.
Chinese proverb

Combining Statements

Nonmajor Proprietary Funds

Internal Service Funds

Internal Service Funds are a proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

- **Equipment Maintenance**-provides maintenance, repair, and minor construction for the Water and Sewer utilities.
- **Information Systems**-assists the City's departments in responding to the needs of citizens by enabling City employees to quickly access vital information.
- **Central Service**-provides administrative services to all City departments. Services include Mayor and Council, City Manager's office, Finance office, Graphic Services, and Human Resources.
- **Geographical Information Systems (GIS)**-provides a planned implementation of a computerized system incorporating all components of the City's mapping efforts into an integrated geographic information system, accessible to all departments.
- **Public Works Services**-provides management services to all functions of Public Works: utilities, public transit, street maintenance and capital construction, and geographic mapping activities.

CITY OF ALBANY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2005

	Equipment Maintenance	Information Technology	Central Services	Geographic Information Systems Services	Public Works Services	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 392,742	\$ 207,845	\$ 63,710	\$ 163,032	\$ 827,329
Accrued interest	-	1,498	730	279	(124)	2,383
Other assets	-	3,004	1,627	21,343	2,104	28,078
Total current assets		397,244	210,202	85,332	165,012	857,790
Fixed assets (net)	128,459	44,562	13,709	-	-	186,730
Total assets	<u>\$ 128,459</u>	<u>\$ 441,806</u>	<u>\$ 223,911</u>	<u>\$ 85,332</u>	<u>\$ 165,012</u>	<u>\$ 1,044,520</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ -	\$ 8,643	\$ 33,087	\$ 113	\$ 77,192	\$ 119,035
Salaries, withholdings, vacations, and taxes payable	39,727	17,779	97,445	21,580	193,588	370,119
Claims & judgments	393	244	1,844	163	-	2,644
Total liabilities	40,120	26,666	132,376	21,856	270,780	491,798
NET ASSETS						
Invested in capital assets, net of related debt	128,459	44,562	13,709	-	-	186,730
Unrestricted	(40,120)	370,578	77,826	63,476	(105,768)	365,992
Total net assets	<u>\$ 88,339</u>	<u>\$ 415,140</u>	<u>\$ 91,535</u>	<u>\$ 63,476</u>	<u>\$ (105,768)</u>	<u>\$ 552,722</u>

CITY OF ALBANY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
for the year ended June 30, 2005

	Equipment Maintenance	Information Technology	Central Services	Geographic Information Systems Services	Public Works Services	Total
OPERATING REVENUES						
Service charges and fees	\$ 670,519	\$ 1,091,100	\$ 2,636,200	\$ 459,689	\$ 4,243,135	\$ 9,100,643
Miscellaneous	-	-	61,484	-	12,376	73,860
Total operating revenues	<u>670,519</u>	<u>1,091,100</u>	<u>2,697,684</u>	<u>459,689</u>	<u>4,255,511</u>	<u>9,174,503</u>
OPERATING EXPENSES						
Salaries and wages	502,511	496,612	1,467,234	309,635	2,330,120	5,106,112
Contracted services	12,360	32,380	330,256	63,500	37,316	475,812
Operating supplies	69,229	82,975	34,153	18,579	31,993	236,929
Utilities	15,391	11,272	15,131	2,041	11,791	55,626
Depreciation	4,653	40,825	1,275	2,246	-	48,999
Repairs and maintenance	100,231	12,161	-	-	10,232	122,624
Charges for services	22,135	111,200	406,595	54,600	1,562,200	2,156,730
Printing, duplication and postage	435	2,029	59,320	812	7,532	70,128
Miscellaneous	6,626	5,007	104,164	12,349	192,312	320,458
Total operating expenses	<u>733,571</u>	<u>794,461</u>	<u>2,418,128</u>	<u>463,762</u>	<u>4,183,496</u>	<u>8,593,418</u>
Operating income (loss)	<u>(63,052)</u>	<u>296,639</u>	<u>279,556</u>	<u>(4,073)</u>	<u>72,015</u>	<u>581,085</u>
NONOPERATING REVENUES						
Interest on investments	<u>1,754</u>	<u>7,153</u>	<u>2,359</u>	<u>1,409</u>	<u>(1,736)</u>	<u>10,939</u>
Income (loss) before transfers	(61,298)	303,792	281,915	(2,664)	70,279	592,024
Transfers in	11,265	10,294	23,204	4,756	-	49,519
Transfers out	<u>(26,145)</u>	<u>(530,920)</u>	<u>(223,641)</u>	<u>(17,167)</u>	<u>(176,047)</u>	<u>(973,920)</u>
Change in net assets	(76,178)	(216,834)	81,478	(15,075)	(105,768)	(332,377)
Net assets, July 1, 2004	164,517	631,974	10,057	78,551	-	885,099
Net assets, June 30, 2005	<u>\$ 88,339</u>	<u>\$ 415,140</u>	<u>\$ 91,535</u>	<u>\$ 63,476</u>	<u>\$ (105,768)</u>	<u>\$ 552,722</u>

CITY OF ALBANY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
for the year ended June 30, 2005

	Equipment Maintenance	Information Technology	Central Services	Geographic Information Systems Services	Public Works Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 670,519	\$ 1,091,100	\$ 2,636,200	\$ 459,689	\$ 4,243,135	\$ 9,100,643
Cash payments to suppliers of goods and services	(250,837)	(307,081)	(941,243)	(157,494)	(1,778,288)	(3,434,943)
Cash payments to employees for services	(497,322)	(488,562)	(1,444,624)	(304,383)	(2,136,532)	(4,871,423)
Other operating revenues	-	-	61,484	-	12,376	73,860
Net cash provided by (used in) operating activities	<u>(77,640)</u>	<u>295,457</u>	<u>311,817</u>	<u>(2,188)</u>	<u>340,691</u>	<u>868,137</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	11,265	10,294	23,204	4,756	-	49,519
Transfers out	(26,145)	(530,920)	(223,641)	(17,167)	(176,047)	(973,920)
Net cash used in noncapital financing activities	<u>(14,880)</u>	<u>(520,626)</u>	<u>(200,437)</u>	<u>(12,411)</u>	<u>(176,047)</u>	<u>(924,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on investments	1,972	7,776	2,011	1,485	(1,612)	11,632
Net increase (decrease) in cash and investments	(90,548)	(217,393)	113,391	(13,114)	163,032	(44,632)
CASH AND INVESTMENTS, July 1, 2004	90,548	610,135	94,454	76,824	-	871,961
CASH AND INVESTMENTS, June 30, 2005	<u>\$ -</u>	<u>\$ 392,742</u>	<u>\$ 207,845</u>	<u>\$ 63,710</u>	<u>\$ 163,032</u>	<u>\$ 827,329</u>

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY (USED IN)
OPERATING ACTIVITIES**

Operating income (loss)	\$ (63,052)	\$ 296,639	\$ 279,556	\$ (4,073)	\$ 72,015	\$ 581,085
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	4,653	40,825	1,275	2,246	-	48,999
Changes in assets and liabilities:						
Other assets	-	3,521	590	(3,774)	(2,104)	(1,767)
Accounts payable	(24,768)	(53,788)	7,786	(1,839)	77,192	4,583
Salaries, withholdings, vacations and taxes payable	5,189	8,050	21,026	5,112	193,588	232,965
Claims & judgments	338	210	1,584	140	-	2,272
Total adjustments	<u>(14,588)</u>	<u>(1,182)</u>	<u>32,261</u>	<u>1,885</u>	<u>268,676</u>	<u>287,052</u>
Net cash provided by (used in) operating activities	<u>\$ (77,640)</u>	<u>\$ 295,457</u>	<u>\$ 311,817</u>	<u>\$ (2,188)</u>	<u>\$ 340,691</u>	<u>\$ 868,137</u>

Budgetary Comparison Schedules

Pursuant to the provisions of Oregon Revised Statute 297.465, Oregon Administrative Rule #162-010-0130, *Minimum Standards for Audits of Oregon Municipal Corporations*, requires an individual schedule of revenues, expenditures/expenses, and changes in fund balances/net assets-budget and actual, be presented for each fund where legally adopted budgets are required.

In accordance with GASB Statement No. 34, the City's General Fund, and any major special revenue fund are presented in the basic financial statements. The City's has two major special revenue funds: Street and Parks & Recreation. All other fund budgetary comparisons are displayed in the following pages as supplementary information.

A community is like a ship; everyone ought to be prepared to take the helm.
Henrik Ibsen

Schedule of Revenues and Expenditures - Budget and Actual

(page numbers in parentheses)

Governmental Funds

Special Revenue Funds

Grants (86-87)
Building Inspection (88)
Community Development (89)
Public Safety Levy (90)
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Payroll Insurance (92)
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PERS Reserve (94)
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Economic Development (97)
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Public Transit (100)
Senior Center Foundation (101)

Debt Service Funds

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Central Albany Revitalization Area Debt Service (104)

Capital Project Funds

Equipment Replacement (105)
Capital Projects (106)
Improvement (107)
Central Albany Revitalization Area (108)

Permanent Funds

Senior Center Endowment (109)
Library Trust (110)

CITY OF ALBANY, OREGON
GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
United States Department of Justice	\$ 8,000	\$ 8,000	\$ 19,473	\$ 11,473
Federal Transit Administration	-	216,500	216,409	(91)
BLM-US Forest Service	50,000	50,000	49,000	(1,000)
Title XIX Medical Assistance Grant	120,000	120,000	92,849	(27,151)
Federal Aviation Administration	450,000	450,000	7,925	(442,075)
Federal Emergency Management Agency	-	16,500	13,229	(3,271)
State of Oregon	368,000	585,300	344,240	(241,060)
Oregon Watershed Enhancement Board	13,000	13,000	-	(13,000)
Land & Water Conservation Fund	287,500	287,500	250,000	(37,500)
OHSU Office of Rural Health	-	74,600	74,557	(43)
Gifts and donations	54,000	54,000	20,499	(33,501)
Interest on investments	2,500	2,500	966	(1,534)
Total revenues	<u>1,353,000</u>	<u>1,877,900</u>	<u>1,089,147</u>	<u>(788,753)</u>
Other financing source				
Transfer from General Fund	50,800	136,300	53,981	(82,319)
Fund balance, beginning	66,800	66,800	-	(66,800)
Amount available for appropriation	<u>\$ 1,470,600</u>	<u>\$ 2,081,000</u>	<u>\$ 1,143,128</u>	<u>\$ (937,872)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Library Foundation Grants	\$ 36,000	\$ 36,000	\$ 3,302	\$ 32,698
City Hall Arts Grant	2,300	2,300	35	2,265
State Library Grant	16,400	16,400	10,890	5,510
911 Emergency Dispatch Grant	230,000	230,000	239,514	(9,514)
Title XIX Transportation Grant	149,000	149,000	94,075	54,925
CDBG Housing Rehab Program	50,000	50,000	32,999	17,001
DOJ Bulletproof Vest Grant	8,000	8,000	4,255	3,745
2002 Law Enforcement Grant	15,900	15,900	15,263	637
Takena Park Playground Grant	52,500	52,500	51,504	996
Swanson Aquatic Facility Land Acquisition Grant	37,500	37,500	-	37,500
2003-04 SHPO Historic Preservation Grant	10,000	12,900	10,252	2,648
Swanson Aquatic Facility Construction Grant	250,000	250,000	250,000	-
OWEB 2nd Ave Culvert Removal Grant	13,000	13,000	-	13,000
2003 Law Enforcement Grant	13,000	13,000	-	13,000
Title II Dam, Fish Screen Grant	50,000	50,000	49,000	1,000
ODOT Vehicle Preservation Program Grant	22,000	25,400	15,759	9,641
FEMA Grant	-	16,500	13,229	3,271
2004-05 SHPO Historic Preservation Grant	5,000	5,000	462	4,538
FAA Annual Capital Grant	500,000	500,000	8,806	491,194
2003-05 LCDC UGM Periodic	10,000	10,000	-	10,000
FTA ATS Bus Grant	-	270,600	264,827	5,773
LCDL UGMA Update	-	15,000	-	15,000
23rd Ave Infrastructure	-	227,400	4,399	223,001
HUD-Aquatic Center Constructio	-	74,600	74,557	43
Total expenditures	<u>\$ 1,470,600</u>	<u>\$ 2,081,000</u>	<u>\$ 1,143,128</u>	<u>\$ 937,872</u>
Fund balance, ending			<u>\$ -</u>	

Continued

CITY OF ALBANY, OREGON
GRANTS FUND (Continued)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 1,089,147	\$ 1,143,128	\$ -
Reconciling items:			
Reclassify PERS departmental debt service charges to transfers out	-	(3,613)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	\$ 1,089,147	\$ 1,139,515	\$ -

CITY OF ALBANY, OREGON
BUILDING INSPECTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Building permit surcharge	\$ 52,900	\$ 52,900	\$ 69,836	\$ 16,936
Electrical master permit	6,200	6,200	1,698	(4,502)
Electrical minor labels	2,200	2,200	1,500	(700)
Residential building permits	793,300	793,300	1,059,540	266,240
Commercial building permits	123,000	123,000	219,132	96,132
Land use plan review fee	-	-	8,436	8,436
Manufactured home set-up fees	6,200	6,200	3,197	(3,003)
Fire sprinkler permits	4,300	4,300	6,843	2,543
Fire sprinkler plan review	2,300	2,300	2,955	655
Parking lot permits	3,500	3,500	2,555	(945)
Parking lot plan review	200	200	835	635
Residential electrical permits	120,600	155,600	153,794	(1,806)
Commercial electrical permits	1,000	1,000	-	(1,000)
Fire alarm permits	2,500	2,500	3,839	1,339
Fire alarm plan review	300	300	1,393	1,093
Sign permits	4,100	4,100	2,733	(1,367)
Document imaging fees	13,600	13,600	19,523	5,923
Miscellaneous	400	400	160	(240)
Interest on investments	8,100	8,100	16,778	8,678
Total revenues	<u>1,144,700</u>	<u>1,179,700</u>	<u>1,574,747</u>	<u>395,047</u>
Other financing source				
Transfer from Payroll Insurance Fund	11,900	11,900	11,553	(347)
Fund balance, beginning	<u>607,000</u>	<u>600,200</u>	<u>631,215</u>	<u>31,015</u>
Amount available for appropriation	<u>\$ 1,763,600</u>	<u>\$ 1,791,800</u>	<u>\$ 2,217,515</u>	<u>\$ 425,715</u>

	Original Budget	Final Budget	Actual	(Over) Under
Expenditures				
Building Inspection	\$ 1,618,000	\$ 1,618,000	\$ 1,169,643	\$ 448,357
Electrical Permit Program	145,600	173,800	163,947	9,853
Total expenditures	<u>\$ 1,763,600</u>	<u>\$ 1,791,800</u>	<u>\$ 1,333,590</u>	<u>\$ 458,210</u>
Fund balance, ending			<u>\$ 883,925</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 1,574,747	\$ 1,333,590	\$ 883,925
Reconciling items:			
Change in insurance liability	-	(59)	-
Reclassify PERS departmental debt service charges to transfers out	-	(36,674)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 1,574,747</u>	<u>\$ 1,296,857</u>	<u>\$ 883,925</u>

CITY OF ALBANY, OREGON
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Community Development Block Grant loan repayments:				
Principal	\$ 15,000	\$ 15,000	\$ 14,091	\$ (909)
Interest	1,000	1,000	2,743	1,743
HUD rental rehab loan repayments	10,000	10,000	10,267	267
Interest on investments	5,100	5,100	8,741	3,641
Total revenues	<u>31,100</u>	<u>31,100</u>	<u>35,842</u>	<u>4,742</u>
Fund balance, beginning	407,300	407,300	452,470	45,170
Amount available for appropriation	<u>\$ 438,400</u>	<u>\$ 438,400</u>	<u>\$ 488,312</u>	<u>\$ 49,912</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Community Development	\$ 431,000	\$ 431,000	\$ 122,007	\$ 308,993
Historic Preservation	7,400	7,400	67	7,333
Total expenditures	<u>\$ 438,400</u>	<u>\$ 438,400</u>	<u>\$ 122,074</u>	<u>\$ 316,326</u>
Fund balance, ending			<u>\$ 366,238</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 35,842	\$ 122,074	\$ 366,238
Reconciling item:			
Eliminate transfer out	-	(528)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 35,842</u>	<u>\$ 121,546</u>	<u>\$ 366,238</u>

CITY OF ALBANY, OREGON
PUBLIC SAFETY LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Property taxes				
Current	\$ 1,841,700	\$ 1,841,700	\$ 1,936,106	\$ 94,406
Delinquent	66,100	66,100	37,062	(29,038)
Interest on investments	-	-	17,256	17,256
Total revenues	<u>1,907,800</u>	<u>1,907,800</u>	<u>1,990,424</u>	<u>82,624</u>
Fund balance, beginning	<u>264,700</u>	<u>379,700</u>	<u>643,377</u>	<u>263,677</u>
Amount available for appropriation	<u>\$ 2,172,500</u>	<u>\$ 2,287,500</u>	<u>\$ 2,633,801</u>	<u>\$ 346,301</u>
	Original Budget	Final Budget	Actual	(Over) Under
Other financing use				
Transfers out	<u>\$ 2,172,500</u>	<u>\$ 2,287,500</u>	<u>\$ 2,165,588</u>	<u>\$ 121,912</u>
Fund balance, ending			<u>\$ 468,213</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 1,990,424	\$ -	\$ 468,213
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 1,990,424</u>	<u>\$ -</u>	<u>\$ 468,213</u>

CITY OF ALBANY, OREGON
LIBRARY MEMORIAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Gifts and donations	\$ 11,000	\$ 11,000	\$ 28,525	\$ 17,525
Miscellaneous	-	-	4,182	4,182
Interest on investments	900	900	1,846	946
Total revenues	<u>11,900</u>	<u>11,900</u>	<u>34,553</u>	<u>22,653</u>
Fund balance, beginning	60,000	60,000	84,556	24,556
Amount available for appropriation	<u>\$ 71,900</u>	<u>\$ 71,900</u>	<u>\$ 119,109</u>	<u>\$ 47,209</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 71,900	\$ 71,900	\$ 33,813	\$ 38,087
Fund balance, ending			<u>\$ 85,296</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 34,553	\$ 33,813	\$ 85,296
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 34,553</u>	<u>\$ 33,813</u>	<u>\$ 85,296</u>

CITY OF ALBANY, OREGON
PAYROLL INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Interest on investments	\$ 5,000	\$ 5,000	\$ 8,422	\$ 3,422
Fund balance, beginning	906,400	906,400	891,431	(14,969)
Amount available for appropriation	<u>\$ 911,400</u>	<u>\$ 911,400</u>	<u>\$ 899,853</u>	<u>\$ (11,547)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Workers' Compensation	\$ 405,000	\$ 405,000	\$ -	\$ 405,000
Health Insurance	405,700	405,700	401,200	4,500
Dental/Vision Insurance	100,700	100,700	89,681	11,019
Total expenditures	<u>\$ 911,400</u>	<u>\$ 911,400</u>	<u>\$ 490,881</u>	<u>\$ 420,519</u>
Fund balance, ending			<u>\$ 408,972</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 8,422	\$ 490,881	\$ 408,972
Reconciling item:			
Eliminate transfer out	-	(490,881)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 8,422</u>	<u>\$ -</u>	<u>\$ 408,972</u>

CITY OF ALBANY, OREGON
ENVIRONMENTAL SAFETY SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Fire and hazardous materials training	\$ 80,000	\$ 80,000	\$ 48,159	\$ (31,841)
Water rescue training	2,000	2,000	650	(1,350)
SCBA repair and maintenance	2,000	2,000	135	(1,865)
Permit fees	1,000	1,000	1,533	533
Conflagration response reimbursement	69,200	69,200	-	(69,200)
Oregon State Fire Marshall Hazmat reimbursement	10,000	10,000	12,691	2,691
Research and development revenues	10,000	10,000	1,150	(8,850)
Miscellaneous	1,000	1,000	242	(758)
Gifts and donations	-	-	107	107
Interest on investments	400	400	13	(387)
Total revenues	<u>175,600</u>	<u>175,600</u>	<u>64,680</u>	<u>(110,920)</u>
Fund balance, beginning	<u>2,000</u>	<u>18,600</u>	<u>39,708</u>	<u>21,108</u>
Amount available for appropriation	<u>\$ 177,600</u>	<u>\$ 194,200</u>	<u>\$ 104,388</u>	<u>\$ (89,812)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Environmental Safety Training	\$ 64,400	\$ 81,000	\$ 65,303	\$ 15,697
Fire Reimbursable Programs	113,200	113,200	30,985	82,215
Total expenditures	<u>\$ 177,600</u>	<u>\$ 194,200</u>	<u>\$ 96,288</u>	<u>\$ 97,912</u>
Fund balance, ending			<u>\$ 8,100</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 64,680	\$ 96,288	\$ 8,100
Reconciling items:			
Change in insurance liability	-	(8)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 64,680</u>	<u>\$ 96,280</u>	<u>\$ 8,100</u>

CITY OF ALBANY, OREGON
PERS RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues				
Interest on investments	\$ 5,000	\$ 5,000	\$ 31,851	\$ 26,851
Other financing source				-
Transfers in	1,000,000	1,000,000	997,834	(2,166)
Fund balance, beginning	<u>910,000</u>	<u>910,000</u>	<u>929,211</u>	<u>19,211</u>
Amount available for appropriation	<u>\$ 1,915,000</u>	<u>\$ 1,915,000</u>	<u>\$ 1,958,896</u>	<u>\$ 43,896</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
Expenditures				
Materials and services	<u>\$ 1,915,000</u>	<u>\$ 1,915,000</u>	<u>\$ 258,591</u>	<u>\$ 1,656,409</u>
Fund balance, ending			<u>\$ 1,700,305</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Total revenues, total expenditures, and fund balance from above	\$ 31,851	\$ 258,591	\$ 1,700,305
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 31,851</u>	<u>\$ 258,591</u>	<u>\$ 1,700,305</u>

CITY OF ALBANY, OREGON
VALIANT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Philomath Police Department	\$ 500	\$ 500	\$ 500	\$ -
Benton County Sheriff's Office	4,000	4,000	4,000	-
Albany Police Department	4,000	4,000	4,000	-
Lebanon Police Department	4,000	4,000	4,000	-
Sweet Home Police Department	4,000	4,000	-	(4,000)
Restitution payments	800	800	1,237	437
Miscellaneous	-	-	3,123	3,123
Interest on investments	1,000	1,000	2,679	1,679
Total revenues	<u>18,300</u>	<u>18,300</u>	<u>19,539</u>	<u>1,239</u>
Fund balance, beginning	<u>36,100</u>	<u>36,100</u>	<u>38,449</u>	<u>2,349</u>
Amount available for appropriation	<u>\$ 54,400</u>	<u>\$ 54,400</u>	<u>\$ 57,988</u>	<u>\$ 3,588</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 40,700	\$ 40,700	\$ 25,742	\$ 14,958
Contingencies	13,700	13,700	-	13,700
Total expenditures	<u>\$ 54,400</u>	<u>\$ 54,400</u>	<u>\$ 25,742</u>	<u>\$ 28,658</u>
Fund balance, ending			<u>\$ 32,246</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 19,539	\$ 25,742	\$ 32,246
Reconciling items:			
Change in insurance liability	-	(59)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 19,539</u>	<u>\$ 25,683</u>	<u>\$ 32,246</u>

CITY OF ALBANY, OREGON
ECONOMIC IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Economic improvement district fees	\$ 50,000	\$ 50,000	\$ 38,301	\$ (11,699)
Economic improvement district fees - interest	900	900	726	(174)
Interest on investments	100	100	113	13
Total revenues	<u>51,000</u>	<u>51,000</u>	<u>39,140</u>	<u>(11,860)</u>
Fund balance, beginning	-	-	2,671	2,671
Amount available for appropriation	<u>\$ 51,000</u>	<u>\$ 51,000</u>	<u>\$ 41,811</u>	<u>\$ (9,189)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	<u>\$ 51,000</u>	<u>\$ 51,000</u>	<u>\$ 39,027</u>	<u>\$ 11,973</u>
Fund balance, ending			<u>\$ 2,784</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 39,140	\$ 39,027	\$ 2,784
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 39,140</u>	<u>\$ 39,027</u>	<u>\$ 2,784</u>

CITY OF ALBANY, OREGON
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Transient room tax	\$ 268,500	\$ 268,500	\$ 299,200	\$ 30,700
Dayton Hudson Corp. (Target)	32,100	32,100	32,058	(42)
Airport fuel	53,000	53,000	66,539	13,539
Airport tie down rentals	5,000	5,000	6,915	1,915
Airport lease	12,000	32,000	31,256	(744)
Fixed base operator revenues	10,000	10,000	8,763	(1,237)
Miscellaneous revenue	-	8,700	8,700	0
Space rental	18,000	18,000	18,000	0
Interest on investments	2,400	2,400	4,139	1,739
Total revenues	<u>401,000</u>	<u>429,700</u>	<u>475,570</u>	<u>45,870</u>
Fund balance, beginning	<u>229,300</u>	<u>282,500</u>	<u>282,392</u>	<u>(108)</u>
Amount available for appropriation	<u>\$ 630,300</u>	<u>\$ 712,200</u>	<u>\$ 757,962</u>	<u>\$ 45,762</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Economic Development Activity	\$ 564,000	\$ 645,900	\$ 415,167	\$ (230,733)
Target Utilities	66,300	66,300	36,262	(30,038)
Total expenditures	<u>\$ 630,300</u>	<u>\$ 712,200</u>	<u>\$ 451,429</u>	<u>\$ 260,771</u>
Fund balance, ending			<u>\$ 306,533</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 475,570	\$ 451,429	\$ 306,533
Reconciling items:			
Change in insurance liability	-	(42)	-
Transfers out	-	(881)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 475,570</u>	<u>\$ 450,506</u>	<u>\$ 306,533</u>

CITY OF ALBANY, OREGON
STATE REVENUE SHARING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
State revenue sharing entitlements	\$ 243,100	\$ 243,100	\$ 272,944	\$ 29,844
Interest on investments	-	-	441	441
Total revenues	<u>243,100</u>	<u>243,100</u>	<u>273,385</u>	<u>30,285</u>
Fund balance, beginning	<u>10,000</u>	<u>10,000</u>	<u>8,048</u>	<u>(1,952)</u>
Amount available for appropriation	<u>\$ 253,100</u>	<u>\$ 253,100</u>	<u>\$ 281,433</u>	<u>\$ 28,333</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 253,100	\$ 253,100	\$ 253,100	\$ -
Fund balance, ending			<u>\$ 28,333</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 273,385	\$ 253,100	\$ 28,333
Reconciling items:			
Transfers out	-	(253,100)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 273,385</u>	<u>\$ -</u>	<u>\$ 28,333</u>

CITY OF ALBANY, OREGON
AMBULANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Ambulance service fees	\$ 1,500,000	\$ 1,500,000	\$ 1,558,893	\$ 58,893
Ambulance subscription fees	100,000	100,000	96,872	(3,128)
Miscellaneous	2,000	2,000	3,166	1,166
Interest on investments	1,500	1,500	1,323	(177)
Total revenues	<u>1,603,500</u>	<u>1,603,500</u>	<u>1,660,254</u>	<u>56,754</u>
Other financing sources				
Transfer from Public Safety Levy Fund	100,200	100,200	100,200	-
Transfer from Payroll Insurance Fund	23,900	23,900	23,204	(696)
Total other financial sources	<u>124,100</u>	<u>124,100</u>	<u>123,404</u>	<u>(696)</u>
Fund balance, beginning	-	-	12,751	12,751
Amount available for appropriation	<u>\$ 1,727,600</u>	<u>\$ 1,727,600</u>	<u>\$ 1,796,409</u>	<u>\$ 68,809</u>

	Original Budget	Final Budget	Actual	(Over) Under
Expenditures				
Personnel services	\$ 1,398,200	\$ 1,398,200	\$ 1,337,775	\$ 60,425
Materials and services	329,400	329,400	300,643	28,757
Total expenditures	<u>\$ 1,727,600</u>	<u>\$ 1,727,600</u>	<u>\$ 1,638,418</u>	<u>\$ 89,182</u>
Fund balance, ending			<u>\$ 157,991</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 1,660,254	\$ 1,638,418	\$ 157,991
Reconciling items:			
Change in insurance liability	-	(118)	-
Reclassify PERS departmental debt service charges to transfers out	-	(69,149)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 1,660,254</u>	<u>\$ 1,569,151</u>	<u>\$ 157,991</u>

CITY OF ALBANY, OREGON
PUBLIC TRANSIT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
State of Oregon operating match grant	\$ 134,600	\$ 138,600	\$ 158,031	\$ 19,431
Local funds	50,400	50,400	45,600	(4,800)
Oregon cigarette tax transit grant - Linn County	13,000	13,000	13,000	-
Oregon cigarette tax transit grant - Benton County	4,600	4,600	4,600	-
Linn Benton Community College fare match program	27,000	32,000	32,000	-
Bus fares	27,000	27,000	33,764	6,764
Trolley rental charges	3,500	3,500	3,495	(5)
Advertising revenues	10,600	10,600	-	(10,600)
Interest on investments	200	200	443	243
Miscellaneous revenue	100	2,100	1,663	(437)
Total revenues	<u>271,000</u>	<u>282,000</u>	<u>292,596</u>	<u>10,596</u>
Other financing sources				
Transfer from Payroll Insurance Fund	6,500	6,500	6,311	(189)
Transfer from State Revenue Sharing Fund	206,700	206,700	206,700	-
Total other financing sources	<u>213,200</u>	<u>213,200</u>	<u>213,011</u>	<u>(189)</u>
Fund balance, beginning	<u>17,400</u>	<u>17,400</u>	<u>18,141</u>	<u>741</u>
Amount available for appropriation	<u>\$ 501,600</u>	<u>\$ 512,600</u>	<u>\$ 523,748</u>	<u>\$ 11,148</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Albany Transit System	\$ 301,700	\$ 308,700	\$ 307,941	\$ 759
Transit Loop System	199,900	203,900	192,507	11,393
Total expenditures	<u>\$ 501,600</u>	<u>\$ 512,600</u>	<u>\$ 500,448</u>	<u>\$ 12,152</u>
Fund balance, ending			<u>\$ 23,300</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 292,596	\$ 500,448	\$ 23,300
Reconciling items:			
Change in insurance liability	-	(128)	-
Reclassify PERS departmental debt service charges to transfers out	-	(17,457)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 292,596</u>	<u>\$ 482,863</u>	<u>\$ 23,300</u>

CITY OF ALBANY, OREGON
SENIOR CENTER FOUNDATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Gift shop sales	\$ 6,500	\$ 6,500	\$ 6,418	\$ (82)
General fund raising	500	500	264	(236)
Gifts and donations	7,000	7,000	4,852	(2,148)
Interest on investments	100	100	123	23
Total revenues	<u>14,100</u>	<u>14,100</u>	<u>11,657</u>	<u>(2,443)</u>
Fund balance, beginning	3,000	3,000	6,882	3,882
Amount available for appropriation	<u>\$ 17,100</u>	<u>\$ 17,100</u>	<u>\$ 18,539</u>	<u>\$ 1,439</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 17,100	\$ 17,100	\$ 14,094	\$ 3,006
Fund balance, ending			<u>\$ 4,445</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 11,657	\$ 14,094	\$ 4,445
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Special Revenue Funds (pages 64-65)	<u>\$ 11,657</u>	<u>\$ 14,094</u>	<u>\$ 4,445</u>

CITY OF ALBANY, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 994,600	\$ 994,600	\$ 1,023,630	\$ 29,030
Delinquent	42,000	42,000	40,275	(1,725)
Transient room tax	251,000	255,500	251,204	(4,296)
Interest on investments	10,200	7,800	16,378	8,578
Total revenues	<u>1,297,800</u>	<u>1,299,900</u>	<u>1,331,487</u>	<u>31,587</u>
Other financing sources				
Proceeds from the sale of long-term debt	-	1,483,100	1,483,097	(3)
Transfer from General Fund	240,100	272,600	272,561	(39)
PERS debt service transfers in	406,200	406,200	441,551	35,351
Total other financing sources	<u>646,300</u>	<u>2,161,900</u>	<u>2,197,209</u>	<u>35,309</u>
Fund balance, beginning	<u>825,000</u>	<u>825,000</u>	<u>842,218</u>	<u>17,218</u>
Amount available for appropriation	<u>\$ 2,769,100</u>	<u>\$ 4,286,800</u>	<u>\$ 4,370,914</u>	<u>\$ 84,114</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
2002 Limited Tax Pension Obligations (PERS)	\$ 500,500	\$ 500,500	\$ 406,058	\$ 94,442
1995 Fairgrounds Revenue Bonds	-	1,000	-	1,000
1995 Fairgrounds Revenue Bonds	517,800	518,900	256,055	262,845
1994 City Hall Construction Certificates of Deposit	486,800	2,002,400	2,000,358	2,042
1999 General Obligation Street Bonds	832,100	832,100	755,557	76,543
1996 Fire Substation General Obligation Bonds	431,900	431,900	308,476	123,424
Total expenditures	<u>\$ 2,769,100</u>	<u>\$ 4,286,800</u>	<u>\$ 3,726,504</u>	<u>\$ 560,296</u>
Fund balance, ending			<u>\$ 644,410</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Debt Service Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 1,331,487	\$ 3,726,504	\$ 644,410
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Debt Service Funds (page 69)	<u>\$ 1,331,487</u>	<u>\$ 3,726,504</u>	<u>\$ 644,410</u>

CITY OF ALBANY, OREGON
BANCROFT BOND REDEMPTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Bonded assessment collections:				
Principal	\$ 500,000	\$ 500,000	\$ 720,748	\$ 220,748
Interest	100,000	100,000	53,832	(46,168)
Interest on investments	19,000	19,000	42,544	23,544
Total revenues	<u>619,000</u>	<u>619,000</u>	<u>817,124</u>	<u>198,124</u>
Fund balance, beginning	<u>1,784,500</u>	<u>1,784,500</u>	<u>1,740,574</u>	<u>(43,926)</u>
Amount available for appropriation	<u>\$ 2,403,500</u>	<u>\$ 2,403,500</u>	<u>\$ 2,557,698</u>	<u>\$ 154,198</u>
	Original Budget	Final Budget	Actual	(Over) Under
Expenditures				
Materials and services	\$ 200	\$ 1,200	\$ 150	\$ 1,050
Debt service	<u>2,403,300</u>	<u>2,402,300</u>	<u>354,273</u>	<u>2,048,027</u>
Total expenditures	<u>\$ 2,403,500</u>	<u>\$ 2,403,500</u>	<u>\$ 354,423</u>	<u>\$ 2,049,077</u>
Fund balance, ending			<u>\$ 2,203,275</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Debt Service Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 817,124	\$ 354,423	\$ 2,203,275
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Debt Service Funds (page 69)	<u>\$ 817,124</u>	<u>\$ 354,423</u>	<u>\$ 2,203,275</u>

CITY OF ALBANY, OREGON
CENTRAL ALBANY REVITALIZATION AREA DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Property taxes:				
Current	\$ 367,000	\$ 367,000	\$ -	\$ (367,000)
Amount available for appropriation	<u>\$ 367,000</u>	<u>\$ 367,000</u>	<u>\$ -</u>	<u>\$ (367,000)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
Expenditures				
Debt Service	<u>\$ 367,000</u>	<u>\$ 367,000</u>	<u>\$ -</u>	<u>\$ 367,000</u>
Fund balance, ending			<u>\$ -</u>	

CITY OF ALBANY, OREGON
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Equipment replacement charges	\$ -	\$ -	\$ 577,500	\$ 577,500
Telephone system replacement charges	75,000	75,000	75,048	48
Miscellaneous	40,000	40,000	36,052	(3,948)
Interest on investments	25,000	25,000	58,795	33,795
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>747,395</u>	<u>607,395</u>
Other financing sources				
Transfer from Parks & Recreation fund	-	192,800	192,775	(25)
Transfer from General Fund	24,000	24,000	24,000	-
Transfer from General Fund - Public Safety Land Acquisition	20,000	20,000	20,000	-
Fund balance, beginning	<u>2,519,700</u>	<u>2,519,700</u>	<u>2,433,322</u>	<u>(86,378)</u>
Amount available for appropriation	<u>\$ 2,703,700</u>	<u>\$ 2,896,500</u>	<u>\$ 3,417,492</u>	<u>\$ 520,992</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Equipment Replacement	\$ 2,255,300	\$ 2,255,300	\$ 216,672	\$ 2,038,628
Building Maintenance Projects	448,400	641,200	71,011	570,189
Total expenditures	<u>\$ 2,703,700</u>	<u>\$ 2,896,500</u>	<u>\$ 287,683</u>	<u>\$ 2,608,817</u>
Fund balance, ending			<u>\$ 3,129,809</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Capital Project Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 747,395	\$ 287,683	\$ 3,129,809
No adjustments required	-	(51,799)	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Capital Projects Funds (page 73)	<u>\$ 747,395</u>	<u>\$ 235,884</u>	<u>\$ 3,129,809</u>

CITY OF ALBANY, OREGON
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Federal Transportation Equity Act (TEA) Grant	\$ 2,100,000	\$ 2,100,000	\$ 4,278,931	\$ 2,178,931
Amtrak Grant	1,000,000	1,000,000	-	(1,000,000)
Oregon Transportation Investment Act (OTIA) Grant	2,230,000	2,230,000	307,846	(1,922,154)
Oregon Transportation Investment Act (OTIA) Revenues	200,000	1,574,000	1,374,000	(200,000)
Miscellaneous revenue	-	-	1,000	1,000
Interest on investments	1,500	25,500	34,483	8,983
Total revenues	<u>5,531,500</u>	<u>6,929,500</u>	<u>5,996,260</u>	<u>(933,240)</u>
Other financing sources				
Transfer from Central Services Fund	-	150,000	150,000	-
Transfer from Information Technology Fund	-	500,000	500,000	-
Transfer from Street Fund	200,000	350,000	350,000	-
Transfer from Water Fund	-	400,000	400,000	-
Transfer from Sewer Fund	-	450,000	450,000	-
Total other financing sources	<u>200,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>-</u>
Fund balance, beginning, as restated	<u>954,300</u>	<u>954,300</u>	<u>14,388</u>	<u>(939,912)</u>
Amount available for appropriation	<u>\$ 6,685,800</u>	<u>\$ 9,733,800</u>	<u>\$ 7,860,648</u>	<u>\$ (1,873,152)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Fire Substation Construction	\$ 126,500	\$ 126,500	\$ -	\$ 126,500
1999 General Obligation Street Improvement Bond Projects	829,300	829,300	575,162	254,138
Regional Multimodal Transportation Center - Local Match	1,000,000	1,000,000	1,000	999,000
Regional Multimodal Transportation Center - Federal TEA Grant	2,100,000	2,100,000	5,140,712	(3,040,712)
OTIA Projects	2,630,000	2,630,000	1,346,815	1,283,185
Albany Data Integration Project	-	1,670,000	283,058	1,386,942
Periwinkle Creek Bridge	-	1,378,000	-	1,378,000
Total expenditures	<u>\$ 6,685,800</u>	<u>\$ 9,733,800</u>	<u>\$ 7,346,747</u>	<u>\$ 2,387,053</u>
Fund balance, ending			<u>\$ 513,901</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Capital Project Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 5,996,260	\$ 7,346,747	\$ 513,901
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Capital Projects Funds (page 73)	<u>\$ 5,996,260</u>	<u>\$ 7,346,747</u>	<u>\$ 513,901</u>

CITY OF ALBANY, OREGON
IMPROVEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Financed assessment collections:				
Principal	\$ -	\$ -	\$ 393	\$ 393
Interest	-	-	70	70
Unbonded assessment collections:				
Principal	1,200,000	1,200,000	2,037,502	837,502
Interest	-	-	132	132
Oregon Department of Transportation	-	-	139,324	139,324
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,177,421</u>	<u>977,421</u>
Fund balance, beginning	-	-	(1,759,091)	(1,759,091)
Amount available for appropriation	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 418,330</u>	<u>\$ (781,670)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ -	\$ 35,000	\$ 2,972	\$ 32,028
Capital	1,200,000	1,165,000	704,152	460,848
Total expenditures	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 707,124</u>	<u>\$ 492,876</u>
Fund balance, ending			<u>\$ (288,794)</u>	

**Reconciliation of budgetary revenues, expenditures, and ending fund balance to
Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 2,177,421	\$ 707,124	\$ (288,794)
No adjustments required	-	-	-
Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Capital Projects Funds (page 73)	<u>\$ 2,177,421</u>	<u>\$ 707,124</u>	<u>\$ (288,794)</u>

CITY OF ALBANY, OREGON
CENTRAL ALBANY REVITALIZATION AREA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Property taxes - current	\$ 47,000	\$ 47,000	\$ 549,370	\$ 502,370
Property taxes - delinquent	15,000	15,000	11,301	(3,699)
Interest on investments	5,000	5,000	15,703	10,703
Total revenues	<u>67,000</u>	<u>67,000</u>	<u>576,374</u>	<u>509,374</u>
Other financing sources				
Proceeds from the sale of long-term debt	3,900,000	3,900,000	-	(3,900,000)
Letter of credit proceeds	-	-	200,000	200,000
Total other financing sources	<u>3,900,000</u>	<u>3,900,000</u>	<u>200,000</u>	<u>(3,700,000)</u>
Fund balance, beginning	<u>342,000</u>	<u>342,000</u>	<u>588,610</u>	<u>246,610</u>
Amount available for appropriation	<u>\$ 4,309,000</u>	<u>\$ 4,309,000</u>	<u>\$ 1,364,984</u>	<u>\$ (2,944,016)</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 1,667,000	\$ 1,667,000	\$ 422,577	\$ 1,244,423
Capital	2,572,000	2,572,000	244,380	2,327,620
Total expenditures	<u>4,239,000</u>	<u>4,239,000</u>	<u>666,957</u>	<u>3,572,043</u>
Other financing use				
Transfer to General Fund	70,000	70,000	70,000	-
Total expenditures and other financing use	<u>\$ 4,309,000</u>	<u>\$ 4,309,000</u>	<u>\$ 736,957</u>	<u>\$ 3,572,043</u>
Fund balance, ending			<u>\$ 628,027</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Capital Project Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 576,374	\$ 666,957	\$ 628,027
Letter of credit proceeds	-	-	(300,000)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Capital Projects Funds (page 73)	<u>\$ 576,374</u>	<u>\$ 666,957</u>	<u>\$ 328,027</u>

CITY OF ALBANY, OREGON
SENIOR CENTER ENDOWMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Gifts and donations	\$ 3,000	\$ 3,000	\$ 3,042	\$ 42
Interest on investments	400	400	859	459
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>3,901</u>	<u>501</u>
Fund balance, beginning	<u>39,900</u>	<u>39,900</u>	<u>39,975</u>	<u>75</u>
Amount available for appropriation	<u>\$ 43,300</u>	<u>\$ 43,300</u>	<u>\$ 43,876</u>	<u>\$ 576</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 300	\$ 300	\$ -	\$ 300
Unappropriated	43,000	43,000	-	43,000
Total expenditures	<u>\$ 43,300</u>	<u>\$ 43,300</u>	<u>\$ -</u>	<u>\$ 43,300</u>
Fund balance, ending			<u>\$ 43,876</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Permanent Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 3,901	\$ -	\$ 43,876
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Permanent Funds (page 77)	<u>\$ 3,901</u>	<u>\$ -</u>	<u>\$ 43,876</u>

CITY OF ALBANY, OREGON
LIBRARY TRUST FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Interest on investments	\$ 1,200	\$ 1,200	\$ 1,733	\$ 533
Fund balance, beginning	80,100	80,100	82,771	2,671
Amount available for appropriation	<u>\$ 81,300</u>	<u>\$ 81,300</u>	<u>\$ 84,504</u>	<u>\$ 3,204</u>

Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Materials and services	\$ 1,800	\$ 1,800	\$ -	\$ 1,800
Unappropriated	79,500	79,500	-	79,500
Total expenditures	<u>\$ 81,300</u>	<u>\$ 81,300</u>	<u>\$ -</u>	<u>\$ 81,300</u>
Fund balance, ending			<u>\$ 84,504</u>	

**Reconciliation of budgetary revenues, expenditures, and fund balance to Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances of Nonmajor Permanent Funds**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 1,733	\$ -	\$ 84,504
No adjustments required	-	-	-
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Nonmajor Permanent Funds (page 77)	<u>\$ 1,733</u>	<u>\$ -</u>	<u>\$ 84,504</u>

Schedule of Revenues and Expenditures - Budget and Actual

(page numbers in parentheses)

Proprietary Funds

Enterprise Funds

Water (112-113)

Sewer (114-115)

Internal Service Funds

Equipment Maintenance (116)

Information Systems (117)

Central Services (118)

Geographic Information Systems (119)

Public Works Services (120)

Reconciliation of internal service
funds budgetary revenues and
expenditures to Statement of
Revenues, Expenses, and Changes in
Net Assets of Enterprise Funds (121)

CITY OF ALBANY, OREGON
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues	Original Budget	Final Budget	Actual	Over (Under)
Property taxes:				
Current	\$ 730,000	\$ 730,000	\$ 751,300	\$ 21,300
Delinquent	25,200	25,200	29,662	4,462
Water service revenues:				
Water service charges	9,869,600	9,872,600	10,246,188	373,588
Water service charges-Millersburg	85,000	85,000	85,000	-
Service restoration fees	10,000	10,000	11,480	1,480
North Albany Service District debt service charges	30,000	30,000	29,157	(843)
North Albany capital charges	22,500	22,500	22,500	-
Financed system development charges:				
Principal	23,700	23,700	44,775	21,075
Interest	10,200	10,200	6,099	(4,101)
Financed in-lieu-of assessment fees:				
Principal	5,000	5,000	12,229	7,229
Interest	2,000	2,000	720	(1,280)
Water expansion:				
Public facility construction permits	100,000	100,000	132,298	32,298
Administrative fees	-	-	951	951
Water connection fees	-	-	94,334	94,334
Water systems development charges	440,600	440,600	1,032,894	592,294
Fees in lieu of assessment	15,000	15,000	-	(15,000)
Water service installation fee	80,000	80,000	156,736	76,736
Charges for services:				
City of Lebanon	74,500	74,500	60,845	(13,655)
Equipment replacement charges	73,100	73,100	73,100	-
Energy Trust of Oregon	475,000	475,000	-	(475,000)
City of Millersburg	6,231,000	6,231,000	4,182,694	(2,048,306)
VA-HUD Joint Water Project Grant	433,000	433,000	251,873	(181,127)
Encroachment permits	-	-	19,320	19,320
Miscellaneous	15,000	15,000	25,495	10,495
Interest on investments	202,800	202,800	688,225	485,425
Total revenues	<u>18,953,200</u>	<u>18,956,200</u>	<u>17,957,875</u>	<u>(998,325)</u>
Other financing source				
Transfer from Payroll Insurance Fund	60,900	60,900	59,140	(1,760)
Fund balance, beginning	<u>36,952,500</u>	<u>40,246,900</u>	<u>42,141,944</u>	<u>1,895,044</u>
Amount available for appropriation	<u>\$ 55,966,600</u>	<u>\$ 59,264,000</u>	<u>\$ 60,158,959</u>	<u>\$ 894,959</u>
Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 1,833,400	\$ 1,833,400	\$ 1,781,544	\$ 51,856
Materials and services	4,041,100	4,060,000	3,786,992	273,008
Capital	45,996,700	48,825,200	24,875,568	23,949,632
Transfers out	-	450,000	450,000	-
Debt service	3,927,600	3,927,600	3,902,304	25,296
Contingencies	167,800	167,800	-	167,800
Total expenditures	<u>\$ 55,966,600</u>	<u>\$ 59,264,000</u>	<u>\$ 34,796,408</u>	<u>\$ 24,467,592</u>
Fund balance, ending			<u>\$ 25,362,551</u>	

Continued

**CITY OF ALBANY, OREGON
WATER FUND**

**RECONCILIATION OF BUDGETARY REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS
for the year ended June 30, 2005**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 17,957,875	\$ 34,796,408	\$ 25,362,551
Reconciling items:			
June 30, 2004 asset and liability balances:			
Capital assets, net	-	-	46,687,213
Accounts receivable	-	-	1,520,161
Unamortized issue costs/loss on defeasance	-	-	395,508
Salaries, withholdings, and vacations payable	-	-	(178,974)
Claims and judgments	-	-	(901)
Interest payable	-	-	(783,768)
Bonds payable	-	-	(45,444,589)
Adjustments to current year revenues			
Property taxes	(780,962)	-	-
Interest on investments	(270,518)	-	-
Interest capitalized	(417,707)	-	-
System development charges	(1,077,669)	-	-
In-lieu-of assessment fees	(106,564)	-	-
Change in accounts receivable	(143,717)	-	-
Capital grants and contributions	(4,434,567)	-	-
Adjustments to current year expenses			
Interest expense	-	(206,246)	15,702
Eliminate transfers out	-	(450,000)	-
Interest capitalized	-	(1,769,288)	-
Change in vacations payable	-	(91,163)	-
Bond principal	-	(1,875,000)	1,875,000
Certificate of participation principal	-	(51,770)	51,770
Depreciation and amortization	-	1,359,107	(1,359,107)
Expenditures capitalized	-	(24,883,121)	24,883,121
Bond sale expenses	-	-	-
Change in insurance liability	-	5,498	(5,498)
Reclassify PERS departmental debt service charges to transfers out	-	(55,548)	-
Other adjustments			
Change in accounts receivable	-	-	(171,743)
Change in vacation accrual	-	-	91,163
Capital contributions	-	-	1,239,557
Net interest capitalized	-	-	1,351,581
<hr/>			
Operating revenues, operating expenses, and ending net assets from Statement of Revenues, Expenses, and Changes in Net Assets of Proprietary Funds (page 25)	<u>\$ 10,726,171</u>	<u>\$ 6,778,877</u>	<u>\$ 55,528,747</u>

CITY OF ALBANY, OREGON
SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Sewer service charges:				
Albany sewer service charges	\$ 7,268,400	\$ 7,270,400	\$ 7,425,106	\$ 154,706
Millersburg sewer service charges	30,000	30,000	-	(30,000)
Financed system development charges:				
Principal	82,000	82,000	120,414	38,414
Interest	24,000	24,000	25,145	1,145
Financed assessments:				
Principal	100,000	100,000	76,631	(23,369)
Interest	30,000	30,000	23,620	(6,380)
Financed in-lieu-of assessment fees:				
Principal	65,000	65,000	27,621	(37,379)
Interest	6,000	6,000	3,848	(2,152)
Sewer oversizing and expansion:				
Public facility construction permits	30,000	30,000	90,360	60,360
Sewer systems development charges	850,000	850,000	1,482,977	632,977
North Albany Sewer Connection Fees	5,000	5,000	-	(5,000)
General Sewer Connection Fees	13,300	13,300	112,908	99,608
Strom Drain Connection Fees	-	-	45,220	45,220
Fees in lieu of assessment	-	-	14,369	14,369
Charges collected through property taxes	20,000	20,000	20,593	593
Charges for services:				
Equipment replacement charges	108,900	108,900	94,900	(14,000)
Miscellaneous	200,000	200,000	262,224	62,224
Interest on investments	100,000	100,000	217,587	117,587
Total revenues	<u>8,932,600</u>	<u>8,934,600</u>	<u>10,043,523</u>	<u>1,108,923</u>
Other financing sources				
State Revolving Fund Loan Proceeds	4,500,000	4,035,000	-	(4,035,000)
Transfer from Payroll Insurance Fund	55,300	55,300	53,701	(1,599)
From Systems Development Changes Improvement Projects	-	465,000	465,000	-
Total other financing sources	<u>4,555,300</u>	<u>4,555,300</u>	<u>518,701</u>	<u>(4,036,599)</u>
Fund balance, beginning	<u>9,082,800</u>	<u>9,082,800</u>	<u>9,800,964</u>	<u>718,164</u>
Amount available for appropriation	<u>\$ 22,570,700</u>	<u>\$ 22,572,700</u>	<u>\$ 20,363,188</u>	<u>\$ (2,209,512)</u>
Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 1,845,400	\$ 1,845,400	\$ 1,658,918	\$ 186,482
Materials and services	3,913,700	3,915,700	3,827,476	88,224
Capital	15,139,700	14,274,700	2,083,330	12,191,370
Transfers out	-	865,000	865,000	-
Debt Service	1,345,000	1,345,000	709,171	635,829
Contingencies	326,900	326,900	-	326,900
Total expenditures	<u>\$ 22,570,700</u>	<u>\$ 22,572,700</u>	<u>\$ 9,143,895</u>	<u>\$ 13,428,805</u>
Fund balance, ending			<u>\$ 11,219,293</u>	

Continued

**CITY OF ALBANY, OREGON
SEWER FUND**

**RECONCILIATION OF BUDGETARY REVENUES, EXPENDITURES, AND FUND BALANCE TO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS
for the year ended June 30, 2005**

	Revenues	Expenditures	Fund Balance
Total revenues, total expenditures, and fund balance from above	\$ 10,043,523	\$ 9,143,895	11,219,293
Reconciling items:			
June 30, 2004 asset and liability balances:			
Capital assets, net	-	-	51,626,411
Accounts receivable	-	-	1,847,328
Unamortized issue costs/loss on defeasance	-	-	135,143
Salaries, withholdings, and vacations payable	-	-	(150,840)
Claims and judgments	-	-	(1,551)
Interest payable	-	-	(43,411)
Bonds payable	-	-	(4,123,641)
Adjustments to current year revenues			
Interest on investments	(217,587)	-	-
System development charges	(1,603,390)	-	-
In-lieu-of assessment fees	(200,118)	-	-
Change in accounts receivable	131,078	-	-
Sewer construction assessments	(76,631)	-	-
Adjustments to current year expenses			
Interest expense	-	(103,091)	2,927
Change in vacations payable	-	(75,291)	-
Bond principal	-	(445,000)	445,000
Loan principal	-	(161,080)	161,080
Depreciation and amortization	-	1,967,278	(1,967,278)
Expenditures capitalized	-	(2,083,330)	2,083,330
Change in insurance liability	-	9,458	(9,458)
Reclassify PERS departmental debt service charges to transfers out	-	(43,822)	-
Reclassify bond interest to unamortized loss on defeasance	-	-	-
Eliminate transfers out	-	(865,000)	-
Other adjustments			
Change in accounts receivable	-	-	(46,812)
Change in vacation accrual	-	-	75,291
Capital contributions	-	-	1,505,341
Operating revenues, operating expenses, and ending net assets from Statement of Revenues, Expenses, and Changes in Net Assets of Proprietary Funds (page 25)	\$ 8,076,875	\$ 7,344,017	\$ 62,758,153

CITY OF ALBANY, OREGON
EQUIPMENT MAINTENANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges to other funds:				
Sewer facility maintenance charges	\$ 409,000	\$ 409,000	\$ 402,410	\$ (6,590)
Water facility maintenance charges	272,500	272,500	268,109	(4,391)
Interest on investments	-	-	1,754	1,754
Total revenues	<u>681,500</u>	<u>681,500</u>	<u>672,273</u>	<u>(9,227)</u>
Other financing source				
Transfer from Payroll Insurance Fund	11,600	11,600	11,265	(335)
Fund balance, beginning	-	66,000	65,998	(2)
Amount available for appropriation	<u>\$ 693,100</u>	<u>\$ 759,100</u>	<u>\$ 749,536</u>	<u>\$ (9,564)</u>
Expenditures	Original Budget	Final Budget	Actual	(Over) Under
Personnel services	\$ 470,000	\$ 536,000	\$ 523,467	\$ 12,533
Materials and services	211,500	211,500	226,069	(14,569)
Contingencies	11,600	11,600	-	11,600
Total expenditures	<u>\$ 693,100</u>	<u>\$ 759,100</u>	<u>\$ 749,536</u>	<u>\$ 9,564</u>
Fund balance, ending			<u>\$ -</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Assets of Enterprise Funds, see page 121.

CITY OF ALBANY, OREGON
INFORMATION SYSTEMS SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges to other funds:				
Information systems service charges	\$ 780,000	\$ 780,000	\$ 780,000	\$ -
Equipment replacement charges	318,600	318,600	311,100	(7,500)
Interest on investments	5,100	5,100	7,153	2,053
Total revenues	1,103,700	1,103,700	1,098,253	(5,447)
Other financing source				
Transfer from Payroll Insurance Fund	10,600	10,600	10,294	(306)
Fund balance, beginning	548,600	548,600	556,350	7,750
Amount available for appropriation	\$ 1,662,900	\$ 1,662,900	\$ 1,664,897	\$ 1,997
	Original Budget	Final Budget	Actual	(Over) Under
Expenditures				
Information Systems Services	\$ 792,000	\$ 792,000	\$ 747,572	\$ 44,428
Data Processing Equipment Replacement	870,900	870,900	528,724	342,176
Total expenditures	\$ 1,662,900	\$ 1,662,900	\$ 1,276,296	\$ 386,604
Fund balance, ending			\$ 388,601	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Assets of Enterprise Funds, see page 121.

CITY OF ALBANY, OREGON
CENTRAL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges to other funds	\$ 2,636,500	\$ 2,636,500	\$ 2,636,200	\$ (300)
Bicycle/commuter map revenues	200	200	463	263
Miscellaneous	48,000	61,000	61,021	21
Interest on investments	500	1,200	2,359	1,159
Total revenues	<u>2,685,200</u>	<u>2,698,900</u>	<u>2,700,043</u>	<u>1,143</u>
Other financing source				
Transfer from Payroll Insurance Fund	23,900	23,900	23,204	(696)
Fund balance, beginning	<u>-</u>	<u>71,800</u>	<u>71,752</u>	<u>(48)</u>
Amount available for appropriation	<u>\$ 2,709,100</u>	<u>\$ 2,794,600</u>	<u>\$ 2,794,999</u>	<u>\$ 399</u>
	Original Budget	Final Budget	Actual	(Over) Under
Expenditures				
Council and Nondepartmental	\$ 276,500	\$ 248,600	\$ 241,925	\$ 6,675
Administrative Services	1,885,100	1,998,500	1,927,351	71,149
Human Resources	547,500	547,500	448,608	98,892
Total expenditures	<u>\$ 2,709,100</u>	<u>\$ 2,794,600</u>	<u>\$ 2,617,884</u>	<u>\$ 176,716</u>
Fund balance, ending			<u>\$ 177,115</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Assets of Enterprise Funds, see page 121.

CITY OF ALBANY, OREGON
GEOGRAPHIC INFORMATION SYSTEMS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Over (Under)
Revenues:				
Charges to other funds	\$ 464,800	\$ 464,800	\$ 459,000	\$ (5,800)
GIS information sales	700	700	689	(11)
Interest on investments	900	900	1,409	509
Total revenues	<u>466,400</u>	<u>466,400</u>	<u>461,098</u>	<u>(5,302)</u>
Other financing source				
Transfer from Payroll Insurance Fund	4,900	4,900	4,756	(144)
Fund balance, beginning	<u>117,700</u>	<u>117,700</u>	<u>92,796</u>	<u>(24,904)</u>
Amount available for appropriation	<u>\$ 589,000</u>	<u>\$ 589,000</u>	<u>\$ 558,650</u>	<u>\$ (30,350)</u>
				Variance
				Favorable
Expenditures				(Unfavorable)
GIS Services	\$ 512,600	\$ 512,600	\$ 409,954	\$ 102,646
Sierra Services	76,400	76,400	63,477	12,923
Total expenditures	<u>\$ 589,000</u>	<u>\$ 589,000</u>	<u>\$ 473,431</u>	<u>\$ 115,569</u>
Fund balance, ending			<u>\$ 85,219</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Assets of Enterprise Funds, see page 121.

CITY OF ALBANY, OREGON
PUBLIC WORKS SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 2005

Revenues:	Original Budget	Final Budget	Actual	Over (Under)
Charges to other funds	\$ 4,268,500	\$ 4,268,500	\$ 4,243,135	\$ (25,365)
GIS information sales		10,000	12,376	2,376
Interest on investments			(1,736)	(1,736)
Amount available for appropriation	<u>\$ 4,268,500</u>	<u>\$ 4,278,500</u>	<u>\$ 4,253,775</u>	<u>\$ (24,725)</u>

Expenditures	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works Administration	\$ 2,617,100	\$ 2,600,100	\$ 2,508,731	\$ 91,369
Design & construction Management Services	1,040,900	1,055,900	1,043,495	12,405
Public Works Systems Engineering Services	610,500	622,500	613,729	8,771
Total expenditures	<u>\$ 4,268,500</u>	<u>\$ 4,278,500</u>	<u>\$ 4,165,955</u>	<u>\$ 112,545</u>
Fund balance, ending			<u>\$ 87,820</u>	

For the Reconciliation of Budgetary Revenues, Expenditures, Fund Balance to Statement of Revenues, Expenses, and Changes In Net Assets of Enterprise Funds, see page 121.

CITY OF ALBANY, OREGON
INTERNAL SERVICE FUNDS
RECONCILIATION OF BUDGETARY REVENUES, EXPENDITURES, FUND BALANCE TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS OF ENTERPRISE FUNDS
for the year ended June 30, 2005

	Equipment Maintenance	Information Systems	Central Services	Geographic Information Systems	Public Works Services	Total Internal Service
<u>REVENUES</u>						
Total revenues from Schedule of Revenues and Expenditures - Budget and Actual	\$ 672,273	\$1,098,253	\$2,700,043	\$ 461,098	\$4,253,775	\$9,185,442
Reconciling item:						
Interest on investments	(1,754)	(7,153)	(2,359)	(1,409)	1,736	(10,939)
Operating revenues from Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Assets (page 25)	\$ 670,519	\$1,091,100	\$2,697,684	\$ 459,689	\$4,255,511	\$9,174,503
<u>EXPENDITURES</u>						
Total expenditures from Schedule of Revenues and Expenditures - Budget and Actual	\$ 749,536	\$1,276,296	\$2,617,884	\$ 473,431	\$4,165,955	\$9,283,102
Reconciling items:						
Depreciation	4,653	40,825	1,275	2,246	-	48,999
Eliminate transfers out	-	(500,000)	(150,000)	-	-	(650,000)
Change in vacations payable	5,189	8,050	21,026	5,112	193,588	232,965
Change in insurance liability	338	210	1,584	140	-	2,272
Reclassify PERS departmental debt service charges to transfers out	(26,145)	(30,920)	(73,641)	(17,167)	(176,047)	(323,920)
Operating expenses from Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Assets (page 25)	\$ 733,571	\$ 794,461	\$2,418,128	\$ 463,762	\$4,183,496	\$8,593,418
<u>FUND BALANCE</u>						
Fund balance from Schedule of Revenues and Expenditures - Budget and Actual	\$ -	\$ 388,601	\$ 177,115	\$ 85,219	\$ 87,820	\$ 738,755
Reconciling items:						
June 30, 2004 asset balance:						
Capital assets, net	133,112	85,387	14,984	2,246	-	235,729
June 30, 2004 liability balances:						
Salaries, withholdings, and vacations payable	(34,538)	(9,729)	(76,419)	(16,468)	-	(137,154)
Insurance liability	(55)	-	-	-	-	(55)
Depreciation	(4,653)	(40,825)	(1,275)	(2,246)	-	(48,999)
Change in vacation payable	(5,189)	(8,050)	(21,026)	(5,112)	(193,588)	(232,965)
Change in insurance liability	(338)	(244)	(1,844)	(163)	-	(2,589)
Net assets from Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Assets (page 25)	\$ 88,339	\$ 415,140	\$ 91,535	\$ 63,476	\$ (105,768)	\$ 552,722

A person reveals his character by nothing so clearly as the joke he resents.
Gerog Chrisoph Lichtenberg

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

CITY OF ALBANY, OREGON
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE
as of June 30, 2005

	Balance <u>June 30, 2005</u>
Governmental capital assets	
Land	\$ 3,800,620
Buildings	12,512,265
Equipment	8,192,928
Infrastructure	74,669,053
Construction in process	<u>15,552,914</u>
Total governmental capital assets	<u>\$114,727,780</u>
Investment in fixed assets from:	
Balance as of June 30, 1993	\$ 6,641,651
Capital Project Funds:	
General Obligation Bonds	11,166,539
Certificates of Participation	3,352,252
Federal Grants	18,715,922
State Grants	203,008
Transfer from General Fund	3,456,225
Transfer from Special Revenue Funds	2,647,534
Other sources	798,306
General Fund	2,392,405
Special Revenue Funds	31,068,843
Local Improvement Districts	15,900,804
Urban Renewal Districts	2,098,314
Donations of capital assets	<u>16,285,977</u>
Total investment in governmental capital assets	<u>\$114,727,780</u>

CITY OF ALBANY, OREGON
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS
for the fiscal year ended June 30, 2005

	Balances July 1, 2004	Additions	Deletions Transfers in, Transfers out	Balances June 30, 2005
<u>CAPITAL ASSETS:</u>				
Land	\$ 3,784,903	\$ 15,719	\$ (2)	\$ 3,800,620
Buildings and improvements	12,512,265	-	-	12,512,265
Machinery and equipment	7,633,263	594,241	(34,576)	8,192,928
Infrastructure	66,135,184	3,997,547	4,536,322	74,669,053
Construction in process	9,497,239	10,591,997	(4,536,322)	15,552,914
Total capital assets	<u>\$ 99,562,854</u>	<u>\$ 15,199,504</u>	<u>\$ (34,578)</u>	<u>\$ 114,727,780</u>

CITY OF ALBANY, OREGON
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
as of June 30, 2005

Function and Activity:	Land	Buildings	Equipment	Infrastructure	Construction in Process	Total
General Government:						
Municipal Court	\$ -	\$ -	\$ 23,571	\$ -	\$ -	\$ 23,571
Building Maintenance	-	-	43,288	-	-	43,288
Building Inspection	-	-	27,677	-	-	27,677
General Fund	1,238,706	4,819,724	308,946	753,809	-	7,121,185
Airport Maintenance	33,510	68,215	8,700	910,369	-	1,020,794
Public Transit	-	-	1,289,047	-	-	1,289,047
Total general government	1,272,216	4,887,939	1,701,229	1,664,178	-	9,525,562
Public Safety:						
Police	-	1,280,297	1,130,758	-	-	2,411,055
Fire	118,771	3,773,843	2,518,408	-	-	6,411,022
Ambulance	-	-	781,173	-	-	781,173
Total public safety	118,771	5,054,140	4,430,339	-	-	9,603,250
Culture and Recreation:						
Library	14,010	789,922	58,821	-	-	862,753
Parks & Recreation	1,921,332	1,742,330	1,058,690	6,592,782	-	11,315,134
Total culture and recreation	1,935,342	2,532,252	1,117,511	6,592,782	-	12,177,887
Highways and Streets:						
Street Maintenance	474,291	37,934	943,849	66,412,093	-	67,868,167
Total highways and streets	474,291	37,934	943,849	66,412,093	-	67,868,167
Construction in process	-	-	-	-	15,552,914	15,552,914
Total capital assets	\$ 3,800,620	\$ 12,512,265	\$ 8,192,928	\$ 74,669,053	\$ 15,552,914	\$ 114,727,780

CITY OF ALBANY, OREGON
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
for the fiscal year ended June 30, 2005

Function and Activity:	Fixed Assets July 1, 2004	Additions	Deletions Transfers in, Transfers out	Fixed Assets June 30, 2005
General Government:				
Municipal Court	\$ 23,571	\$ -	\$ -	\$ 23,571
Building Maintenance	31,334	-	11,954	43,288
Code Enforcement	27,677	-		27,677
General Fund	7,121,185	-		7,121,185
Economic Development (Airport)	1,012,094	8,700		1,020,794
Public Transit	1,025,562	263,485		1,289,047
Total general government	<u>9,241,423</u>	<u>272,185</u>	<u>11,954</u>	<u>9,525,562</u>
Public Safety:				
Police	2,253,291	178,454	(20,690)	2,411,055
Fire	6,391,888	31,088	(11,954)	6,411,022
Ambulance	781,173	-		781,173
Total public safety	<u>9,426,352</u>	<u>209,542</u>	<u>(32,644)</u>	<u>9,603,250</u>
Culture and Recreation:				
Library	862,753	-		862,753
Parks & Recreation	11,130,054	179,191	5,889	11,315,134
Total culture and recreation	<u>11,992,807</u>	<u>179,191</u>	<u>5,889</u>	<u>12,177,887</u>
Highways and Streets:				
Street Maintenance	59,405,033	3,946,589	4,516,545	67,868,167
Total highways and streets	<u>59,405,033</u>	<u>3,946,589</u>	<u>4,516,545</u>	<u>67,868,167</u>
Construction in process	<u>9,497,239</u>	<u>10,591,997</u>	<u>(4,536,322)</u>	<u>15,552,914</u>
Total capital assets	<u>\$ 99,562,854</u>	<u>\$ 15,199,504</u>	<u>\$ (34,578)</u>	<u>\$114,727,780</u>

A positive attitude may not solve all your problems,
but it will annoy enough people to make it worth the effort.
Herm Albright

Other Financial Schedules

Schedule of Debt Principal Transactions

Schedule of Debt Interest Transactions

Schedule of Future Debt Principal and Interest Requirements - Governmental Activities

Schedule of Future Debt Principal and Interest Requirements - Business-type Activities

Schedule of Property Tax Transactions and Outstanding Balances

CITY OF ALBANY, OREGON
SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS
for the fiscal year ended June 30, 2005

	Interest Rate	Date of Issue	Years of Maturity	Outstanding July 1, 2004	Issued During Year	Matured/ Defeased During Year	Outstanding June 30, 2005
GENERAL OBLIGATION AND OTHER LONG-TERM DEBT:							
1992 OEDD Notes Payable (1)	5.47	12/01/95	2015-2016	\$ 320,132	-	\$ 18,383	\$ 301,749
1994 Certificates of Participation	3.00-5.25	01/01/94	1995-2014	1,850,000	-	1,850,000	-
1995 Motel/Hotel Tax Revenue	3.90-5.75	08/01/95	1996-2011	1,410,000	-	180,000	1,230,000
1996 Fire Substation Construction	4.50-5.50	12/01/96	1997-2014	2,740,000	-	165,000	2,575,000
1997 Limited Tax Assessment Bancroft	4.00-4.65	06/01/97	1998-2007	1,705,000	-	190,000	1,515,000
1998 Water Refunding	3.60-4.50	05/01/98	1999-2010	4,455,000	-	660,000	3,795,000
1999 General Obligation	3.10-4.85	03/01/99	2000-2019	8,105,000	-	390,000	7,715,000
2002 Limited Tax Pension Obligations	2.00-7.36	03/15/02	2002-2028	6,813,236	-	29,847	6,783,389
2002 Limited Tax Assessment Bancroft	5.05	06/17/02	2003-2012	636,549	-	53,709	582,840
2004 General Revenue Obligations	2.50-4.00	12/15/04	2006-2020	-	3,720,000	-	3,720,000
Total general obligation and other long-term debt				<u>\$28,034,917</u>	<u>\$ 3,720,000</u>	<u>\$ 3,536,939</u>	<u>\$28,217,978</u>
 REVENUE BONDS AND LONG-TERM NOTES RECORDED IN ENTERPRISE FUNDS:							
2002 Water Certificates of Participation	5.50	03/01/02	2002-2012	\$ 504,589	-	\$ 51,770	\$ 452,819
2003 Series Water Bonds	2.00-5.125	08/01/03	2004-2033	40,485,000	-	1,215,000	39,270,000
2004 Sewer Current Refunding Bonds	2.65	02/01/04	2004-2010	2,835,000	-	445,000	2,390,000
1992 Oregon DEQ SRF Notes Payable (2)	3.00	04/01/92	2011-2012	1,288,642	-	161,080	1,127,562
Total revenue bonds and long-term notes recorded in Enterprise Funds				<u>\$45,113,231</u>	<u>\$ -</u>	<u>\$ 1,872,850</u>	<u>\$43,240,381</u>

(1) Oregon Economic Development Department

(2) Department of Environmental Quality State Revolving Loan

CITY OF ALBANY, OREGON
SCHEDULE OF DEBT INTEREST TRANSACTIONS
for the fiscal year ended June 30, 2005

	Interest Rate	Date of Issue	Outstanding July 1, 2004	Unmatured Interest on Bonds Issued, Called, or Refunded During Year	Interest Retired During Year	Outstanding June 30, 2005
GENERAL OBLIGATION AND OTHER LONG-TERM DEBT:						
1992 OEDD Notes Payable (1)	5.47	12/01/95	\$ 131,936	\$ -	\$ 17,878	\$ 114,058
1994 Certificates of Participation	3.00-5.25	01/01/94	570,837	(452,180)	118,657	-
1995 Motel/Hotel Tax Revenue	3.90-5.75	08/01/95	285,318	-	73,305	212,013
1996 Fire Substation Construction	4.50-5.50	12/01/96	988,639	-	141,310	847,329
1997 Limited Tax Assessment Bancroft	4.00-4.65	06/01/97	210,582	-	79,088	131,494
1998 Water Refunding	3.60-4.50	05/01/98	614,023	-	179,187	434,836
1999 General Obligation	3.10-4.85	03/01/99	3,307,215	-	363,490	2,943,725
2002 Limited Tax Pension Obligations	2.00-7.36	03/15/02	9,617,523	-	376,211	9,241,312
2002 Limited Tax Assessment Bancroft	5.05	06/17/02	166,517	-	31,476	135,041
2004 General Revenue Obligations	2.50-4.00	12/15/04	-	998,311	-	998,311
Total general obligation and other bonds			<u>\$15,892,590</u>	<u>\$ 546,131</u>	<u>\$ 1,380,602</u>	<u>\$15,058,119</u>
REVENUE BONDS AND OTHER LONG-TERM DEBT RECORDED IN ENTERPRISE FUNDS:						
2002 Water Certificates of Participation	5.50	03/01/02	\$ 126,044	\$ -	\$ 27,059	\$ 98,985
2003 Series Water Bonds	2.00-5.125	08/01/03	32,596,394	-	1,769,288	30,827,106
2004 Sewer Current Refunding	2.65	02/01/04	226,479	-	64,432	162,047
1992 Oregon DEQ SRF Notes Payable (2)	3.00	04/01/92	173,966	-	38,659	135,307
Total revenue bonds recorded in Enterprise Funds			<u>\$33,122,883</u>	<u>\$ -</u>	<u>\$ 1,899,438</u>	<u>\$31,223,445</u>

- (1) Oregon Economic Development Department
(2) Department of Environmental Quality State Revolving Loan

CITY OF ALBANY, OREGON
SCHEDULE OF FUTURE DEBT PRINCIPAL AND INTEREST REQUIREMENTS
GOVERNMENTAL ACTIVITIES

June 30, 2005

Years of Maturity	Total Requirements			1996 Fire Substation Construction General Obligation		1995 Hotel/Motel Tax Revenue		1997 Limited Tax Assessment Bancroft Bonds	
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest
2005-2006	\$ 1,328,965	\$ 1,168,339	\$ 2,497,304	\$ 175,000	\$ 133,063	\$ 200,000	\$ 63,325	\$ 200,000	\$ 70,348
2006-2007	2,488,728	1,122,427	3,611,155	185,000	124,150	200,000	52,625	1,315,000	61,146
2007-2008	1,291,345	1,023,844	2,315,189	195,000	114,552	200,000	41,725	-	-
2008-2009	1,352,953	982,992	2,335,945	205,000	104,250	210,000	30,188	-	-
2009-2010	1,400,432	944,095	2,344,527	215,000	93,223	210,000	18,111	-	-
2010-2011	1,453,924	898,706	2,352,630	230,000	81,315	210,000	6,039	-	-
2011-2012	1,430,570	861,913	2,292,483	245,000	68,490	-	-	-	-
2012-2013	1,288,032	823,804	2,111,836	255,000	54,862	-	-	-	-
2013-2014	1,347,147	788,228	2,135,375	275,000	40,287	-	-	-	-
2014-2015	1,175,793	758,668	1,934,461	290,000	24,750	-	-	-	-
2015-2016	1,228,605	734,737	1,963,342	305,000	8,387	-	-	-	-
2016-2017	934,483	715,193	1,649,676	-	-	-	-	-	-
2017-2018	971,140	703,961	1,675,101	-	-	-	-	-	-
2018-2019	1,016,257	694,084	1,710,341	-	-	-	-	-	-
2019-2020	334,604	638,454	973,058	-	-	-	-	-	-
2020-2021	460,000	366,605	826,605	-	-	-	-	-	-
2021-2022	530,000	335,095	865,095	-	-	-	-	-	-
2022-2023	600,000	298,790	898,790	-	-	-	-	-	-
2023-2024	685,000	257,690	942,690	-	-	-	-	-	-
2024-2025	770,000	210,767	980,767	-	-	-	-	-	-
2025-2026	865,000	159,947	1,024,947	-	-	-	-	-	-
2026-2027	970,000	100,694	1,070,694	-	-	-	-	-	-
2027-2028	500,000	34,250	534,250	-	-	-	-	-	-
	<u>\$24,422,978</u>	<u>\$14,623,283</u>	<u>\$39,046,261</u>	<u>\$ 2,575,000</u>	<u>\$ 847,329</u>	<u>\$ 1,230,000</u>	<u>\$ 212,013</u>	<u>\$1,515,000</u>	<u>\$ 131,494</u>

1999 Street Reconstruction General Obligation		2002 Limited Tax Pension Obligations		2002 Limited Tax Assessment Bancroft Bonds		Oregon Economic Development Department Notes Payable		2004 General Revenue Obligationse		Years of Maturity
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
\$ 405,000	\$ 347,890	\$ 43,958	\$ 382,099	\$ 56,455	\$ 28,730	\$ 18,552	\$ 16,959	\$ 230,000	\$125,925	2005-2006
425,000	331,285	55,650	390,407	59,342	25,843	23,736	15,995	225,000	120,976	2006-2007
440,000	313,647	65,043	401,015	62,377	22,808	23,925	14,746	305,000	115,351	2007-2008
460,000	294,947	73,231	412,827	65,567	19,618	24,155	13,436	315,000	107,726	2008-2009
480,000	275,397	82,139	428,918	68,920	16,265	24,373	13,117	320,000	99,064	2009-2010
505,000	254,997	86,861	444,197	72,444	12,741	24,619	10,753	325,000	88,664	2010-2011
525,000	233,030	92,951	463,106	197,735	9,036	29,884	9,337	340,000	78,914	2011-2012
550,000	209,930	97,868	483,189	-	-	30,164	7,619	355,000	68,204	2012-2013
575,000	185,455	101,687	504,371	-	-	30,460	5,886	365,000	52,229	2013-2014
605,000	159,292	105,019	531,038	-	-	35,774	4,134	140,000	39,454	2014-2015
635,000	131,160	107,498	558,560	-	-	36,107	2,076	145,000	34,554	2015-2016
670,000	101,315	109,483	586,575	-	-	-	-	155,000	27,303	2016-2017
700,000	69,490	111,140	614,918	-	-	-	-	160,000	19,553	2017-2018
740,000	35,890	111,257	644,800	-	-	-	-	165,000	13,394	2018-2019
-	-	159,604	631,454	-	-	-	-	175,000	7,000	2019-2020
-	-	460,000	366,605	-	-	-	-	-	-	2020-2021
-	-	530,000	335,095	-	-	-	-	-	-	2021-2022
-	-	600,000	298,790	-	-	-	-	-	-	2022-2023
-	-	685,000	257,690	-	-	-	-	-	-	2023-2024
-	-	770,000	210,767	-	-	-	-	-	-	2024-2025
-	-	865,000	159,947	-	-	-	-	-	-	2025-2026
-	-	970,000	100,694	-	-	-	-	-	-	2026-2027
-	-	500,000	34,250	-	-	-	-	-	-	2027-2028
<u>\$7,715,000</u>	<u>\$2,943,725</u>	<u>\$6,783,389</u>	<u>\$9,241,312</u>	<u>\$582,840</u>	<u>\$135,041</u>	<u>\$301,749</u>	<u>\$114,058</u>	<u>\$3,720,000</u>	<u>\$998,311</u>	

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

June 30, 2005

Years of Maturity	Total Requirements			1998 Water General Obligation (1)		2002 Water COP	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2005-2006	\$ 2,575,737	\$ 2,011,088	\$ 4,586,825	\$ 680,000	\$ 150,877	\$ 54,657	\$ 24,172
2006-2007	2,658,784	1,936,426	4,595,210	725,000	121,021	57,704	21,125
2007-2008	2,736,955	1,839,533	4,576,488	760,000	89,085	60,875	17,955
2008-2009	2,825,396	1,719,638	4,545,034	795,000	55,065	64,316	14,514
2009-2010	2,913,982	1,608,766	4,522,748	835,000	18,788	67,902	10,928
2010-2011	1,287,767	1,538,009	2,825,776	-	-	71,687	7,141
2011-2012	1,196,759	1,495,900	2,692,659	-	-	75,678	3,150
2012-2013	830,000	1,455,556	2,285,556	-	-	-	-
2013-2014	865,000	1,422,694	2,287,694	-	-	-	-
2014-2015	900,000	1,387,394	2,287,394	-	-	-	-
2015-2016	940,000	1,350,594	2,290,594	-	-	-	-
2016-2017	980,000	1,311,581	2,291,581	-	-	-	-
2017-2018	1,025,000	1,269,587	2,294,587	-	-	-	-
2018-2019	1,070,000	1,221,056	2,291,056	-	-	-	-
2019-2020	1,120,000	1,166,306	2,286,306	-	-	-	-
2020-2021	1,170,000	1,109,056	2,279,056	-	-	-	-
2021-2022	1,230,000	1,049,056	2,279,056	-	-	-	-
2022-2023	1,290,000	986,056	2,276,056	-	-	-	-
2023-2024	1,355,000	921,625	2,276,625	-	-	-	-
2024-2025	1,420,000	855,719	2,275,719	-	-	-	-
2025-2026	1,495,000	786,488	2,281,488	-	-	-	-
2026-2027	1,575,000	710,622	2,285,622	-	-	-	-
2027-2028	1,655,000	630,956	2,285,956	-	-	-	-
2028-2029	1,740,000	550,325	2,290,325	-	-	-	-
2029-2030	1,835,000	463,125	2,298,125	-	-	-	-
2030-2031	1,930,000	369,000	2,299,000	-	-	-	-
2031-2032	2,030,000	270,000	2,300,000	-	-	-	-
2032-2033	2,135,000	165,875	2,300,875	-	-	-	-
2033-2034	2,250,000	56,250	2,306,250	-	-	-	-
	<u>\$47,035,380</u>	<u>\$31,658,281</u>	<u>\$78,693,661</u>	<u>\$ 3,795,000</u>	<u>\$ 434,836</u>	<u>\$ 452,819</u>	<u>\$ 98,985</u>

(1) Debt service on the 1998 Water Bonds is payable from a tax levied upon the taxable property within the City. Debt service on the remaining Enterprise Fund issues is payable from Water and Sewer revenues.

2003 Water		2004 Sewer		1992 Oregon DEQ		Years of Maturity
Revenue/Refunding		Current Refunding		State Revolving Fund Loan		
Principal	Interest	Principal	Interest	Principal	Interest	
\$ 1,230,000	\$ 1,744,839	\$ 450,000	\$ 57,373	\$ 161,080	\$ 33,827	2005-2006
1,250,000	1,720,037	465,000	45,249	161,080	28,994	2006-2007
1,280,000	1,675,537	475,000	32,794	161,080	24,162	2007-2008
1,310,000	1,610,788	495,000	19,941	161,080	19,330	2008-2009
1,345,000	1,557,863	505,000	6,690	161,080	14,497	2009-2010
1,055,000	1,521,203	-	-	161,080	9,665	2010-2011
960,000	1,487,918	-	-	161,081	4,832	2011-2012
830,000	1,455,556	-	-	-	-	2012-2013
865,000	1,422,694	-	-	-	-	2013-2014
900,000	1,387,394	-	-	-	-	2014-2015
940,000	1,350,594	-	-	-	-	2015-2016
980,000	1,311,581	-	-	-	-	2016-2017
1,025,000	1,269,587	-	-	-	-	2017-2018
1,070,000	1,221,056	-	-	-	-	2018-2019
1,120,000	1,166,306	-	-	-	-	2019-2020
1,170,000	1,109,056	-	-	-	-	2020-2021
1,230,000	1,049,056	-	-	-	-	2021-2022
1,290,000	986,056	-	-	-	-	2022-2023
1,355,000	921,625	-	-	-	-	2023-2024
1,420,000	855,719	-	-	-	-	2024-2025
1,495,000	786,488	-	-	-	-	2025-2026
1,575,000	710,622	-	-	-	-	2026-2027
1,655,000	630,956	-	-	-	-	2027-2028
1,740,000	550,325	-	-	-	-	2028-2029
1,835,000	463,125	-	-	-	-	2029-2030
1,930,000	369,000	-	-	-	-	2030-2031
2,030,000	270,000	-	-	-	-	2031-2032
2,135,000	165,875	-	-	-	-	2032-2033
2,250,000	56,250	-	-	-	-	2033-2034
<u>\$39,270,000</u>	<u>\$30,827,106</u>	<u>\$ 2,390,000</u>	<u>\$ 162,047</u>	<u>\$ 1,127,561</u>	<u>\$ 135,307</u>	

CITY OF ALBANY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
for the year ended June 30, 2005

Tax Year	Taxes Receivable June 30, 2004	Levy as extended by assessor	Collections	Discounts & Adjustments	Taxes Receivable June 30, 2005
2004-05	\$ -	\$ 19,312,644	\$(18,066,785)	\$ (451,427)	\$ 794,432
2003-04	801,513	-	(355,875)	(96,198)	349,440
2002-03	332,463	-	(132,023)	(27,242)	173,198
2001-02	181,531	-	(94,384)	(20,842)	66,305
2000-01	73,422	-	(35,408)	(25,759)	12,255
1999-00	10,710	-	(4,066)	(1,100)	5,544
1998-99	3,730	-	(1,865)	(68)	1,797
1997-98	1,449	-	(336)	98	1,211
1996-97	826	-	(27)	(158)	641
1995-96	680	-	(9)	4	675
1994-95	580	-	(3)	(9)	568
and prior	8,921	-	(715)	(155)	8,051
	<u>\$ 1,415,825</u>	<u>\$ 19,312,644</u>	<u>\$(18,691,496)</u>	<u>\$ (622,856)</u>	<u>\$ 1,414,117</u>

COLLECTIONS AND BALANCES RECEIVABLE SUMMARY
BY FUND AND FUND TYPE

General Fund	\$ 11,440,187	\$ 884,366
Special Revenue Funds:		
Parks and Recreation	2,872,603	231,618
Public Safety Levy	1,973,168	120,174
Debt Service Funds:		
Debt Service	1,063,905	84,656
Capital Project Funds:		
Central Albany Revitalization Area	560,671	30,980
Enterprise Funds:		
Water	780,962	62,323
	<u>\$ 18,691,496</u>	<u>\$ 1,414,117</u>

	Collections from Above	Tax Accrual - Net Change	Total
General Fund	\$ 11,440,187	\$ 214,394	\$ 11,654,581
Parks and Recreation	2,872,603	(4,269)	2,868,334
Public Safety Levy	1,973,168	40,432	2,013,600
Debt Service	1,063,905	2,453	1,066,358
Capital Projects	560,671	5,986	566,657
Water	780,962	1,721	782,683
Property taxes from Statement of Activities (pages 12-13)	<u>\$ 18,691,496</u>	<u>\$ 260,717</u>	<u>\$ 18,952,213</u>

Total collections from above	\$ 18,691,496
Taxes collected in the Water Fund	(780,962)
Property taxes from Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds (page 16)	<u>\$ 17,910,534</u>

STATISTICAL SECTION

(page numbers in parentheses)

- General Governmental Expenditures by Function (137)
- General Revenues by Source (138)
- Property Tax Levies and Collections (139)
- Assessed Value of Taxable Property (140)
- Property Tax Rates - All Overlapping Governments (141)
- Special Assessment Billings and Collections (142)
- Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita (143)
- Computation of Legal Debt Margin (144)
- Computation of Direct and Overlapping Debt (145)
- Ratio of Annual General Obligation Bonded Debt Service Expenditures to
General Governmental Expenditures (146)
- Revenue Bond Coverage (147)
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- Property Value, Construction, and Bank Deposits (149)
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- Miscellaneous Statistical Data (153-154)

In the field of observation, chance favors only the prepared mind.
Louis Pasteur

CITY OF ALBANY, OREGON
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
last ten fiscal years

Fiscal Year Ended June 30,	General Government	Public Safety	Highways and Streets	Culture and Recreation	Capital Outlay	Debt Service	Total
1996	\$ 8,066,480	\$ 8,777,402	\$ 1,544,809	\$ 3,607,658	\$ 9,190,043	\$ 659,260	\$ 31,845,652
1997	7,430,949	9,339,625	1,590,979	3,793,806	6,844,444	536,988	29,536,791
1998	6,064,000	9,429,253	1,444,217	3,368,290	7,248,150	1,214,471	28,768,381
1999	6,115,379	10,146,996	1,487,553	3,764,432	6,090,408	1,072,868	28,677,636
2000	6,176,795	10,917,763	1,636,738	4,126,949	5,143,791	1,734,262	29,736,298
2001	6,923,805	11,418,871	1,716,599	4,329,659	7,633,500	1,793,045	33,815,479
2002	14,129,300 ⁽²⁾	12,157,504	1,928,070	4,556,160	5,635,038	1,896,696	40,302,768
2003	6,650,355	13,844,935	2,183,939	4,987,709	7,777,230	2,306,025	37,750,193
2004	3,692,811 ⁽³⁾	15,577,882	2,617,631	5,231,589	5,000,187	2,322,292	34,442,392
2005	4,934,984	16,809,154	2,768,538	5,831,360	13,033,514	4,078,354	47,455,904

(1) Includes General, Special Revenue, Debt Service, Capital Project, and Permanent Funds.

(2) General governmental expenditures for 2002 include a one-time payment of \$6,700,000 to the Oregon Public Employees Retirement System to partially finance the City's unfunded actuarial liability. Proceeds from the 2002 Limited Tax Pension Obligations were used to make the payment.

(3) In fiscal years prior to 2004, expenditures for employee health insurance in the Payroll Insurance Fund were included in General Government expenditures. Beginning in fiscal 2004, those amounts have been classified as interfund transfers. The total amount of the transfers in fiscal 2004 was \$3,649,492.

CITY OF ALBANY, OREGON
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
last ten fiscal years

Fiscal Year Ended June 30,	Taxes	Franchise Fees, Privilege Taxes Licenses, and Permits	Inter- governmental Revenues	Charges for Services	Fines and Forfeitures	Special Assessments	Miscellaneous Including Interest	Total
1996	\$10,516,993	\$ 3,087,464	\$ 4,639,101	\$4,577,179	\$ 470,935	\$ 1,348,947	\$ 1,031,805	\$25,672,424
1997	11,454,013	4,003,609	5,849,989	4,760,385	571,698	546,499	1,018,767	28,204,960
1998	11,452,307	4,045,026	4,081,580	4,867,356	514,375	2,081,112	1,235,046	28,276,802
1999	10,425,555	4,463,958	3,919,176	5,031,850	599,080	614,436	1,061,993	26,116,048
2000	12,417,367	4,963,837	4,394,900	4,831,553	645,140	604,826	2,557,419	30,415,042
2001	13,151,492	5,356,917	4,622,000	5,037,361	576,427	533,127	1,544,062	30,821,386
2002	14,053,132	5,787,913	5,188,361	5,531,010	597,223	831,361	1,221,913	33,210,913
2003	14,981,840	6,468,494	6,511,342	6,003,485	614,142	621,006	847,433	36,047,742
2004	17,604,792	6,676,869	8,319,812	3,072,882 ⁽²⁾	556,974	980,652	880,340	38,092,321
2005	18,460,938	7,988,856	12,317,895	3,698,501	545,296	2,812,677	1,391,621	47,215,784

(1) Includes General, Special Revenue, Debt Service, Capital Project, and Permanent Funds.

(2) In fiscal years prior to 2004, charges to City departments for employee health insurance in the Payroll Insurance Fund were included in Charges for Services. Beginning in fiscal 2004, those amounts have been classified as interfund transfers. The total amount of the transfers in fiscal 2004 was \$3,649,492.

CITY OF ALBANY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
last ten fiscal years

Fiscal Year Ended June 30,	Total Tax Levy and Adjustments	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Tax Levy(1)	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1996	\$ 11,038,193	\$10,553,272	95.61%	\$ 606,479	\$ 11,159,751	101.10%	\$ 474,785	4.30%
1997	11,931,567	11,384,093	95.41	688,686	12,072,779	101.18	354,091	2.97
1998	11,977,045	11,342,321	94.70	620,204	11,962,525	99.88	424,275	3.54
1999	10,983,511	10,468,911	95.31	522,828	10,991,739	100.07	456,195	4.15
2000	12,474,308	11,858,395	95.06	499,928	12,358,323	99.07	426,678	3.42
2001	13,683,864	12,926,133	94.46	523,237	13,449,370	98.29	521,130	3.81
2002	14,422,742	13,706,523	95.03	623,983	14,330,506	99.36	590,804	4.10
2003	15,337,118	14,569,267	94.99	672,631	15,241,898	99.38	606,814	3.96
2004	17,987,097	17,185,584	95.54	704,631	17,890,215	99.46	614,312	3.42
2005	18,861,217	18,066,785	95.79	624,711	18,691,496	99.10	619,685	3.29

(1) Includes penalty and interest on delinquent tax accounts

CITY OF ALBANY, OREGON
ASSESSED VALUE OF TAXABLE PROPERTY
last ten fiscal years

Fiscal Year Ended June 30,	Gross Assessed Value	Less: Urban Renewal District (1)	Net Assessed Value
1996	\$ 1,643,660,879	\$ -	\$ 1,643,660,879
1997	1,803,942,045	-	1,803,942,045
1998	1,581,071,829	-	1,581,071,829
1999	1,666,644,415	-	1,666,644,415
2000	1,783,650,135	-	1,783,650,135
2001	1,911,817,066	-	1,911,817,066
2002	2,022,331,990	-	2,022,331,990
2003	2,111,294,047	24,211,634	2,087,082,413
2004	2,220,141,106	24,077,227	2,196,063,879
2005	2,334,188,058	34,121,937	2,300,066,121

(1) Established on September 7, 2001, with the first taxes collected in the fiscal year 2002-03.

CITY OF ALBANY, OREGON
DIRECT AND OVERLAPPING PROPERTY TAX RATES - ALL GOVERNMENTS (1)
last ten fiscal years

Fiscal Year Ended June 30,	County	City of Albany	Linn & Benton Counties	ESD/Linn Benton Counties	Greater Albany Public School District #8	Linn-Benton Community College	Albany Urban Renewal	North Albany Service District	Total Tax Rate
1996	Linn	\$ 6.93	\$ 2.68	\$ 0.22	\$ 4.31	\$ 0.69		\$ -	\$ 14.83
	Benton	6.93	2.15	0.22	4.31	0.69		0.50	14.80
1997	Linn	6.82	2.60	0.22	4.77	0.69		-	15.10
	Benton	6.82	2.02	0.22	4.77	0.69		0.53	15.05
1998	Linn	7.74	3.43	0.31	5.93	0.73		-	18.14
	Benton	7.74	2.18	0.31	5.93	0.77		0.53	17.46
1999	Linn	6.70	3.11	0.31	5.23	0.72		-	16.07
	Benton	6.70	2.21	0.31	5.23	0.72		0.54	15.71
2000	Linn	7.16	3.19	0.31	5.54	0.70		-	16.90
	Benton	7.16	2.53	0.31	5.54	0.70		0.50	16.74
2001	Linn	7.36	3.20	0.30	5.50	0.71		-	17.07
	Benton	7.36	2.55	0.30	5.50	0.71		0.46	16.88
2002	Linn	7.30	3.05	0.30	5.07	0.72		-	16.44
	Benton	7.30	2.85	0.30	5.07	0.70		0.46	16.68
2003	Linn	7.23	3.04	0.30	4.93	0.69	0.18	-	16.37
	Benton	7.23	2.85	0.30	4.93	0.70	0.18	0.46	16.65
2004	Linn	8.12	3.34	0.30	4.92	0.67	0.20	-	17.55
	Benton	8.12	2.86	0.28	4.64	0.64	0.15	0.39	17.08
2005	Linn	8.04	3.43	0.30	4.96	0.68	0.27	-	17.68
	Benton	8.04	2.49	0.30	4.89	0.67	0.21	0.35	16.95

(1) Source: Summary of Assessments and Tax Roll, Linn and Benton Counties, Oregon

CITY OF ALBANY, OREGON
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
last ten fiscal years

Fiscal Year Ended June 30,	Assessments Outstanding at July 1,	Assessments & Adjustments Made During Year	Assessments Collected During Year	Assessments Outstanding at June 30,	Ratio of Collection to Outstanding at June 30,
1996	\$ 7,210,835	\$ 257,269	\$ 1,927,496	\$ 5,540,608	34.79%
1997	5,540,608	2,485,344	947,626	7,078,326	13.39
1998	7,078,326	(98,553)	2,300,608	4,679,165	49.17
1999	4,679,165	155,785	1,918,271	4,066,357	47.17
2000	4,066,357	348,450	650,562	3,764,245	17.28
2001	3,764,245	747,563	521,837	3,989,971	13.08
2002	3,989,971	2,711,285	801,889	5,899,367	13.59
2003	5,899,367	2,373,259	581,354	7,691,272	7.56
2004	7,691,272	(9,523)	940,573	6,741,176	13.95
2005	6,741,176	(2,146,756)	2,835,273	1,759,147	161.17

(1) Governmental Fund Types

CITY OF ALBANY, OREGON
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
last ten fiscal years

Fiscal Year Ended June 30,	Population	Assessed Value	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	36,214	\$1,643,660,879	\$ 8,502,789	\$ 168,248	\$ 8,334,541	0.5071%	\$ 230.15
1997	37,109	1,803,942,405	11,741,875 ⁽¹⁾	408,710	11,333,165	0.6282	305.40
1998	37,830	1,581,071,829	11,217,683	366,091	10,851,592	0.6863	286.85
1999	37,925	1,666,644,415	20,453,371 ⁽²⁾	383,204	20,070,167	1.2042	529.21
2000	40,010	1,783,650,135	19,484,059	310,682	19,173,377	1.0750	479.21
2001	41,145	1,911,817,066	18,479,747	265,384	18,214,363	0.9527	442.69
2002	41,650	2,022,331,990	17,425,435	234,695	17,190,740	0.8500	412.74
2003	42,280	2,087,082,413	16,336,123	280,981	16,055,142	0.7693	379.73
2004	43,600	2,196,063,879	15,196,811	338,014	14,858,797	0.6766	340.80
2005	44,030	2,300,066,121	14,002,499	385,818 ⁽³⁾	13,616,681	0.5920	309.26

(1) In December 1996, \$3,700,000 of general obligation bonds were issued to finance the construction and equipping of two new fire stations.

(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) Consists of \$136,815 for the 1996 Fire Substation General Obligation Bonds, \$112,446 for the 1999 General Obligation Bonds, and \$136,557 for the 1998 General Obligation Water Bonds.

CITY OF ALBANY, OREGON
COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2005

Oregon Revised Statutes, Chapter 287, provides a debt limit of three percent (3%) of the true cash value of all property within City boundaries.

True Cash Value (1)		\$ 2,794,914,140
		<u>3%</u>
General Obligation Debt Limit - 3% of True Cash Value		\$ 83,847,424
Gross bonded debt principal (2)	\$ 16,100,339	
Less: Improvement bonds	2,097,840	
Less: Debt service monies available:		
Debt Service Fund	249,261	
Water Fund	136,557	
	<u> </u>	
Net Debt Subject to 3% Limitation		<u>13,616,681</u>
Legal Debt Margin - General Obligation		<u><u>\$ 70,230,743</u></u>

-
- (1) Source Tax roll - Linn and Benton County Assessors
(2) Source: Notes to Basic Financial Statements

CITY OF ALBANY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)
June 30, 2003

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Albany	Amount Applicable to City of Albany
Direct Debt			
City of Albany (2)	\$ 20,868,389	100.0000%	\$ 20,868,389
Overlapping Debt			
Benton County	11,617,907	6.7008	778,493
North Albany County Service District	1,085,832	99.8588	1,084,299
Linn County	2,830,000	31.3247	886,489
Grand Prairie Water Control District	990,422	69.9344	692,646
Greater Albany Public School District 8J	5,010,000	68.6719	3,440,462
Linn Benton Community College	<u>19,558,258</u>	20.7021	<u>4,048,970</u>
Total Overlapping Debt	<u>41,092,419</u>		<u>10,931,359</u>
Total Direct and Overlapping Debt	<u><u>\$ 61,960,808</u></u>		<u><u>\$ 31,799,748</u></u>

(1) Source - State of Oregon, Treasury Department.

(2) City of Albany Net Outstanding Debt

Limited Tax Pension Obligations, Series 2002	\$ 6,783,389
1996 Fire Substation Construction General Obligation Bonds	2,575,000
1999 Street Reconstruction General Obligation Bonds	7,715,000
1998 General Obligation Water Refunding Bonds	<u>3,795,000</u>
Total direct debt	<u><u>\$ 20,868,389</u></u>

CITY OF ALBANY, OREGON
RATIO OF ANNUAL GENERAL OBLIGATION BONDED DEBT SERVICE EXPENDITURES
TO GENERAL GOVERNMENTAL EXPENDITURES (1)
last ten fiscal years

Fiscal Year Ended June 30,	Principal	Interest	Total	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
1996	\$ 465,000 (2)	\$ 585,653	\$ 1,050,653	\$ 23,582,545	4.46%
1997	470,000	553,223	1,023,223	31,845,652	3.21
1998	745,000	835,875	1,580,875	29,536,791	5.35
1999	635,000	496,941	1,131,941	28,768,381	3.93
2000	990,000 (3)	805,192	1,795,192	28,677,636	6.26
2001	1,025,000	861,672	1,886,672	33,815,479	5.58
2002	1,075,000	821,839	1,896,839	40,302,768	4.71
2003	1,110,000	778,776	1,888,776	37,750,193	5.00
2004	1,160,000	732,961	1,892,961	34,442,389	5.50
2005	1,215,000	683,987	1,898,987	47,455,904	4.00

(1) Bancroft Improvement Bonds are not included. These bonds are payable first from assessments to benefited property owners and second, if necessary, from general property tax revenues.

(2) In November 1984, the City issued General Obligation/Revenue Bonds to purchase the city-wide water system from Pacific Power & Light. Through 1994, the annual debt service requirements were made from revenues generated through water user charges. Beginning in 1995, the City has levied property taxes to meet debt service requirements.

(3) In March 1999, \$9,850,000 of General Obligation bonds were issued to finance the reconstruction of four major arterial roads within the City.

CITY OF ALBANY, OREGON
REVENUE BOND COVERAGE - ENTERPRISE FUNDS
last ten fiscal years

Fiscal Year Ended June 30,	Operating Revenues	Operating Expenses (1)	Net Operating Revenues	Debt Requirements		Total Debt Requirements	Coverage
				Principal (2)	Interest (2)		
1996	\$ 9,848,363	\$ 5,805,091	\$ 4,043,272	\$ 730,000	\$ 858,540	\$ 1,588,540	254.53%
1997	10,625,772	6,400,969	4,224,803	770,000	816,161	1,586,161	266.35
1998	10,812,600	6,442,518	4,370,082	800,000	771,892	1,571,892	278.01
1999	12,024,171	7,384,109	4,640,062	850,000	725,692	1,575,692	294.48
2000	12,942,813	8,237,264	4,705,549	710,000	675,529	1,385,529	339.62
2001	13,195,007	9,599,974	3,595,033	930,000	632,375	1,562,375	230.10
2002	13,740,259	10,058,642	3,681,617	990,000	584,371	1,574,371	233.85
2003	15,079,613	10,501,818	4,577,795	1,045,000	536,874	1,581,874	289.39
2004	18,804,174	11,418,450	7,385,724	1,090,000	940,396	2,030,396	363.76
2005	18,803,046 (3)	10,796,509	8,006,537	1,872,850	1,899,438	3,772,288	212.25

NOTE: In November 1984, the City issued General Obligation/Revenue Bonds to purchase the citywide water system from Pacific Power & Light. Through 1994, the annual debt service requirements were made from revenues generated by water user charges. Beginning in 1995, the City levied property taxes to meet debt service requirements. Principal and interest payments were covered by property tax collections totaling \$839,187 for the fiscal year ended June 30, 2005.

(1) Operating expenditures less depreciation.

(2) Includes principal and interest amounts paid from water and sewer revenues only. Principal and interest payments from property tax levies are not included.

(3) In October, 2003, the City sold \$40,485,000 of water revenue/refunding bonds. As a result water rates were increased by 28 percent to cover the \$2.9 million of annual debt service.

CITY OF ALBANY, OREGON
DEMOGRAPHIC STATISTICS
 last ten fiscal years

Fiscal Year Ended June 30,	Population (1)	Unemployment Rate (2)	School Enrollment (3)
1996	36,214	6.10%	7,660
1997	37,109	6.10	7,770
1998	37,830	8.30	7,983
1999	37,925	7.50	8,060
2000	40,010	6.30	8,015
2001	41,145	7.60	8,075
2002	41,650	8.90	8,235
2003	42,280	11.40	8,438
2004	43,600	9.70	8,517
2005	44,030	8.10	8,721

(1) Portland State University, Population Research and Census Center

(2) State of Oregon, Employment Division for Linn County

(3) Greater Albany Public School District 8J

CITY OF ALBANY, OREGON
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
 last ten fiscal years

Fiscal Year Ended June 30,	<u>Commercial Construction</u>		<u>Residential Construction</u>		Bank Deposits (3) (000's)
	Number of Permits (1)	Value	Number of Permits (2)	Value	
1996	33	\$ 9,028,807	363	\$ 21,928,385	\$ 344,574
1997	46	8,585,048	283	31,696,926	333,746
1998	35	11,356,985	373	37,287,967	335,751
1999	32	6,093,634	274	28,918,408	314,123
2000	64	9,003,458	232	36,110,312	333,113
2001	16	14,330,985	373	26,995,349	335,837
2002	20	10,237,499	458	40,510,833	348,450
2003	21	2,369,673	583	53,381,857	356,378
2004	17	1,957,822	440	56,735,039	383,822
2005	27	9,932,496	591	74,035,024	299,138

(1) Source: City of Albany Code Enforcement Division records

(2) Includes residential mobile home setup fees

(3) State of Oregon, Banking Division Annual Report of the Superintendent of Banks

CITY OF ALBANY, OREGON
ALBANY AREA MAJOR EMPLOYERS

June 30, 2005

Employer	Type of Business	Number of Employees (1)
Oregon State University	Public education	9,091
Hewlett Packard	Electronics manufacturing	3,430
Alvac Albany	Rare metals manufacturing	1,199
Linn Benton Community College	Public education	1,069
Greater Albany Public School District 8J	Public education	952
Samaritan Health Services	Health care	870
Weyerhaeuser	Wood and paper products	795
Linn County	Government	782
Dayton/Hudson Corporation	Warehouse distribution	574
National Frozen foods	Food processing	431

(1) Source: Employer personnel offices

CITY OF ALBANY, OREGON
TAX REVENUES BY SOURCE
last ten fiscal years

Fiscal Year Ended June 30,	Total Tax	General Property Tax (1)	Franchise Fees, Privilege Taxes, Licenses and Permits (2)	Transient Room Tax (1)
1996	\$ 14,044,898	\$ 11,159,751	\$ 3,087,464	\$ 320,383
1997	16,426,460	12,072,779	4,003,609	350,072
1998	16,316,206	11,962,525	4,003,609	350,072
1999	15,786,959	10,991,739	4,463,958	331,262
2000	17,709,296	12,358,323	4,963,837	387,136
2001	19,241,297	13,449,370	5,356,917	435,010
2002	20,601,102	14,330,506	5,787,913	482,683
2003	22,293,386	15,310,782	6,468,494	514,110
2004	22,293,386	17,844,799	6,676,869	514,110
2005	27,491,473	18,952,213	7,988,856	550,404

(1) Statement of Activities (page 12)

(2) Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Fund (page 16)

CITY OF ALBANY, OREGON
PRINCIPAL TAXPAYERS (1)
June 30, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation(2)</u>
<u>Nonutility:</u>			
Dayton Hudson Corporation	Warehousing	\$ 73,260,270	3.14%
Alvac Albany	Rare metals	29,094,420	1.25
Oregon Freeze Dry	Food processing	24,413,820	1.05
Waverly Land Management	Retail	22,622,280	0.97
Heritage Mall Assoc.	Retail	17,684,860	0.76
Pacific Cast Technologies	Rare metals manufacturing	16,805,820	0.72
Met Life (Fred Meyer)	Retail	15,935,380	0.68
National Frozen Foods	Food processing	12,980,230	0.56
Eugene Freezing & Storage	Frozen Stroage	12,026,400	0.52
Nationwide Health Properties	Residential care	11,331,840	0.49
		<u>\$ 236,155,320</u>	<u>10.14%</u>
<u>Utilities:</u>			
Qwest, Pacific Power, NW Natural, Consumers Power	Utilities	<u>\$ 62,872,599</u>	<u>2.69%</u>

(1) Source: Linn County and Benton County Assessors
(2) City of Albany assessed value = \$2,334,188,058.

CITY OF ALBANY, OREGON
MISCELLANEOUS STATISTICAL DATA

June 30, 2005

Year Founded	1848
Date of Incorporation	October 24, 1864
Date first Charter adopted	February 24, 1891
Date present Charter amended	March 10, 1998
Form of Government	Council-Manager
Total assessed value of property in Albany, Oregon (Linn and Benton Counties)	\$ 2,334,188,058
Police Protection:	
Number of stations	1
Number of employees	87
Fire Protection:	
Number of stations	4
Number of fire administration personnel	6
Number of emergency services shift personnel	60
Number of prevention division personnel	5
Number of fire clerical/support staff	5
Number of emergency calls	5,594
Number of FIREMED subscribers	1,932
Recreation and Culture:	
Number of libraries	2
Number of volumes	152,200
Number of developed park sites	29
Number of acres of developed park land	621
Performance series attendance	103,300
Annual class attendance:	
Parks and Recreation classes (322)	4,851
Senior Center (registered participants)	37,011
Sports programs	2,185
Aquatics	2,466
Permanent City Employees:	
Policy formulation, administration and other services	38
Community development and conservation	15
Protection of persons and property	159
Community infrastructure	95
Education and leisure time activities	49
Streets:	
Miles of improved roads	157.0
Miles of unimproved roads	20.0
Miles of gravel streets	8.1
Sewer:	
Miles of sanitary sewers	210
Miles of storm sewers (12 inches and larger)	92

CITY OF ALBANY, OREGON
MISCELLANEOUS STATISTICAL DATA, continued
June 30, 2005

Sewage disposal:	
Average number of gallons treated per day	6,447,178
Hookups	15,494
Water:	
Miles of water lines	267
Hookups	15,953
Water Treatment:	
Average number of gallons treated per day	7,972,520
Daily capacity	16,500,000
Peak daily flow	15,710,000
Street lights:	
Number in the City (Consumers Power-93, Pacific Power-2475)	2,568
Education (1):	
Schools:	
Number of elementary schools	14
Number of middle schools	3
Number of high schools	2
Number of alternative schools	1
Administration:	
Number of principals	17
Number of assistant principals	7
Number of teachers	465
Number of other administrative personnel	22
Support staff	507
Population (2):	
City population for the last six censuses:	
1950	10,115
1960	12,926
1970	18,181
1980	26,678
1990	29,160
2000	40,010
2005 (Estimated)	44,030

(1) Greater Albany Public School District 8J
(2) United State Census Reports

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

- Report of Independent Accountants
- Government Auditing Standards Reports

Computers make it easier to do a lot of things,
but most of the things they make it easier to do don't need to be done.
Andy Rooney

CITY OF ALBANY, OREGON

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

For the Year Ended June 30, 2005

Oregon Administrative Rules 162-10-050 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in audit reports. The required comments and disclosures not included in preceding sections of this report are set forth as follows:

Statement of Accountability for Independently Elected Officials (OAR 162-10-140)

The City has no independently elected officials that receive cash.

Outstanding Warrants (OAR 162-10-230)

The City had no outstanding warrants at June 30, 2005.

Accounting and Internal Control Systems (OAR 162-10-230)

The condition of the accounting records and the accounting and internal control systems were adequate for audit purposes.

Collateral (OAR 162-10-240)

Our audit of the City disclosed no instances of noncompliance pertaining to the amount and adequacy of collateral pledged to secure the deposit of public funds.

Indebtedness (OAR 162-10-250)

The City has not exceeded its legal debt limitation as provided in ORS 440-375 and is in compliance with all provisions of bond indentures and other agreements.

Budget (OAR 162-10-260)

The City's compliance with the provisions of the Oregon Revised Statutes as they apply to the preparation, adoption, and execution of the annual budget for the 2003-2004 fiscal year and the preparation and adoption of the annual budget for the 2004-2005 fiscal year was reviewed. Except for those items listed below, our review showed there was substantial compliance with the statutes. Our review showed the following:

Execution

The City expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100. The following appropriations were over expended for the fiscal year ended June 30, 2005.

<u>Fund</u>	<u>Appropriation</u>	<u>Overexpended</u>
Parks & Recreation Fund	Couplet Landscape Maintenance	\$ 5
Grants Fund	911 Emergency Dispatch	9,514
Capital Projects Fund	RMTC – Federal TEA Grant	3,122,005

CITY OF ALBANY, OREGON

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF
OREGON MUNICIPAL CORPORATIONS (Continued)**

Insurance and Fidelity Bonds (OAR 162-10-270)

The City's insurance and fidelity bond coverage was reviewed and found to be in compliance with the Oregon Statutes relating thereto. We do not express an opinion as to the adequacy of insurance coverage, since we are not trained in this regard.

Programs Funded from Outside Sources (OAR 162-10-280)

Our audit of the City disclosed no material noncompliance with laws and regulations pertaining to programs funded from outside sources.

Highway Funds (OAR 162-10-295)

The City has complied with requirements related to dedicated state highway funds exclusively for road, footpath, and bike path improvements as provided in the Oregon Revised Statutes.

Investments (OAR 162-10-300)

Our audit of the City disclosed compliance with the statutes applicable to the investment of public funds.

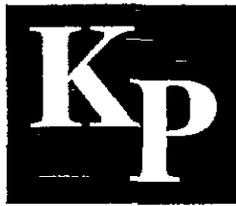
Public Contracts and Purchasing (OAR 162-10-310)

The City is in compliance with the provisions of ORS 279 pertaining to the awarding of public contracts and the construction of public improvements.

GOVERNMENT AUDITING STANDARDS REPORTS

The most overlooked advantage to owning a computer is that if they foul up,
there's no law against whacking them around a little.

Porterfield



Shareholders:

Fredrick M. Koontz, CPA
Richard D. Perdue, CPA
Debra L. Blasquez, CPA
Glen O. Kearns, CPA

Staff:

Pamela S. Strutz, CPA
Irina O. Stein, CPA
Erin R. Noakes
Kori L. Sarrett

**Koontz & Perdue, P.C.
Certified Public Accountants**

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

To the City Council
City of Albany
Albany, Oregon

We have audited the financial statements of the City of Albany, Oregon, as of and for the year ended June 30, 2005 and have issued our report thereon dated September 29, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Albany, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Albany, Oregon's financial statements are free of 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*.

This report is intended for the information of management, the City Council, the Oregon Division of Audits, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Koontz & Perdue, P.C." in a cursive, stylized script.

Koontz & Perdue, P.C.

Albany, Oregon
September 29, 2005

Give no decision till both sides thou'st heard.
Phocylides



Shareholders:

Fredrick M. Koontz, CPA
Richard D. Perdue, CPA
Debra L. Blasquez, CPA
Glen O. Kearns, CPA

Koontz & Perdue, P.C.
Certified Public Accountants

Staff:

Pamela S. Strutz, CPA
Irina O. Stein, CPA
Erin R. Noakes
Kori L. Sarrett

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the City Council
City of Albany
Albany, Oregon

Compliance

We have audited the compliance of the City of Albany, Oregon, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City of Albany, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Albany, Oregon's management. Our responsibility is to express an opinion on the City of Albany, Oregon's compliance based on our audit.

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 of Albany'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. Our audit does not provide a legal determination of the City of Albany, Oregon's compliance with those requirements.

In our opinion, the City of Albany, Oregon, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the City of Albany, Oregon is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Albany, Oregon's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the City Council, the Oregon Division of Audits, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Koontz & Perdue, P.C.", with a stylized flourish at the end.

Koontz & Perdue, P.C.

Albany, Oregon
September 29, 2005

CITY OF ALBANY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2005

Grant Title	Pass-through Agency	Federal CFDA Number	Program Expenditures
U. S. Department of Housing and Urban Development,			
Community Planning & Development			
Community Development Block Grants /Small Cities Program	Oregon Economic & Community Development Department	14.219	\$ 32,999
Community Development Block Grants /Small Cities Program	Oregon Economic & Community Development Department	14.219	4,399
Community Development Block Grants/Brownfields Economic Development Initiative	Direct	14.246	74,557
U. S. Department of the Interior			
Acquisition Development and Planning	Oregon Department of Parks & Recreation	15.905	10,252
Acquisition Development and Planning	Oregon Department of Parks & Recreation	15.905	462
Federal Land and Water Conservation Fund			
Outdoor Recreation Acquisition, Development and Planning	Oregon Parks & Recreation Department	15.916	34,004
Department of Justice			
2002 Law Enforcement Block Grant	Oregon Office of Homeland Security	16.592	15,263
Bulletproof Vest Partnership Program	Direct	16.607	4,255
Federal Aviation Administration			
Airport Improvement Program	Direct	20.106	7,926
Department of Transportation, Federal Highway Administration			
High Speed Ground Transportation-Next Generation High Speed Rail Program	Oregon Department of Transportation	20.312	929,779 *
Department of Transportation, Federal Highway Administration			
Highway Planning & Construction	Oregon Department of Transportation	20.205	4,278,931 *
Department of Transportation			
Federal Transit Capital Investment Grants	Direct	20.500	216,409
UMTA Capital Assistance Grant	Oregon Department of Transportation	20.509	67,096
UMTA & FWHA Operating Grant	Oregon Department of Transportation	20.509	56,345

(Continued)

* DENOTES MAJOR PROGRAMS

CITY OF ALBANY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2005

(Continued)

Grant Title	Pass-through Agency	Federal CFDA Number	Program Expenditures
Federal Transportation Agency Capital Assistance Program for Elderly Persons and Persons with Disabilities	Oregon Department of Transportation	20.513	12,379
U. S. Department of Transportation State and Community Highway Safety	Oregon Department of Transportation	20.600	10,924
U. S. General Services Administration Donation of Federal Surplus Personal Property	State of Oregon	39.003	1,000
Federal Environmental Protection Agency Surveys, Studies, Investigations and Special Purpose Grants	Direct	66.606	251,873
Federal Emergency Management Agency Pre-Disaster Mitigation Program	Oregon Department of Geology & Mineral Industries	83.557	13,229
U. S. Department of Health and Human Services Medical Assistance Program	Oregon Department of Human Services	93.778	94,075
United States Department of Agriculture, Forest Service -Schools & Roads-Grants to Counties	Direct	10.666	<u>49,000</u>
TOTAL			<u>\$ 6,165,157</u>

CITY OF ALBANY, OREGON

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2005

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Albany and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Albany.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on *Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Albany were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the City of Albany expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the City of Albany are reported in this Schedule.
7. The programs tested as major programs include:

Department of Transportation, Federal Highway Administration
Highway Planning and Construction; CFDA No. 20.205
High Speed Ground Transportation-Next Generation High Speed Rail Program; CFDA No. 20.312.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Albany qualified as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None