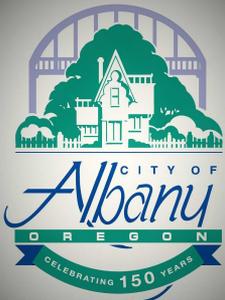


Popular Annual Financial Report



For Fiscal Year Ended June 30, 2014

City of
Albany, Oregon



Albany Boards, Commissions, and Committees

The City of Albany has 17 active Boards, Commissions, and Committees. Annual recruitment for vacant positions occurs during the fall each year. The description of each Board, Commission, and Committee, along with an application form, can be found on the City website.

<http://www.cityofalbany.net/city-council/boards-commission>



- Airport Advisory Commission
- Arts Commission
- Audit Committee
- Bicycle & Pedestrian Advisory Commission
- Budget Committee
- Building Board of Appeals
- CARA Advisory Board
- City Tree Commission
- Community Development Commission
- Human Relations Commission
- Landmarks Advisory Commission
- Library Board
- Parks & Recreation Commission
- Planning Commission
- Public Safety Commission
- Senior Center Endowment Committee
- Traffic Safety Commission

Table of Contents

Award for Outstanding Achievement.....	4
The City of Albany.....	5
From the City Manager	6-7
Albany’s Governance.....	8
2013-2014 Audit Highlights.....	9
In the Spotlight.....	10-11
Balance Sheet.....	12
Income Statement	13
Overview of Revenues.....	14
Property Taxes.....	15
Revenue History.....	16-17
Overview of Expenditures	18
Economic Outlook	19
The Adopted Budget	20
Changing the Budget.....	21
Financial Policies	22
General Financial Information	23
Contact Us.....	24

The information in this report was taken from the City of Albany Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. To view the CAFR in its entirety, please visit the City’s website located at www.cityofalbany.net.

Award for Outstanding Achievement

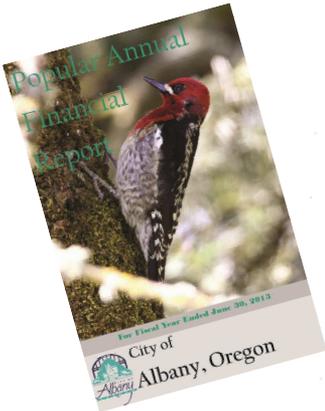
The Government Finance Officers Association of the United States and Canada (GFOA) has given the Award for Outstanding Achievement in Popular Financial Reporting to the City of Albany, Oregon for its Popular Annual Financial Report for the fiscal year ended June 30, 2013. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

In order to receive an Award for Outstanding Achievement in Popular Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Financial Reporting is valid for a period of one year only. The City of Albany, Oregon has received a Popular Award for the last two years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



Government Finance Officers Association



Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Albany
Oregon**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

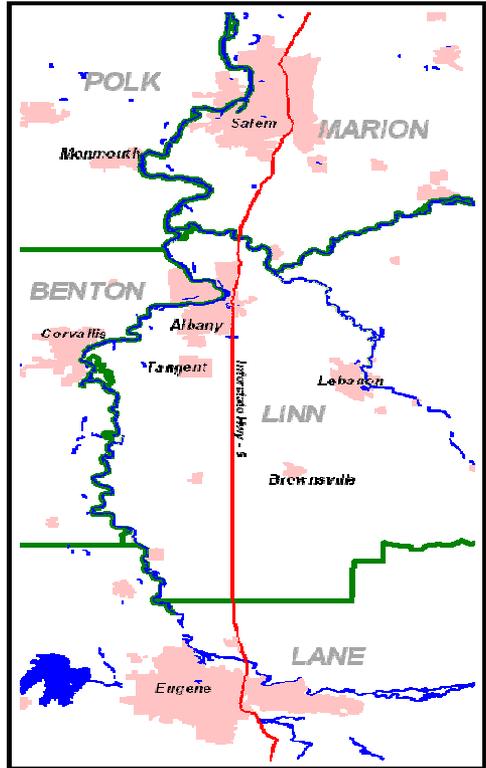

Executive Director/CEO

The City of Albany

The City of Albany is located in both Linn and Benton Counties. It is the county seat of Linn County and has been called the “hub” of the Willamette Valley due to its location at the junction of US Highways 20 and 99E, and Interstate 5.

The City provides a full range of municipal services including, but not limited to Police, Fire, Emergency Medical Service, Library, Parks and Recreation, Water, and Wastewater to a 2014 estimated population of 50,720. Nearly 86 percent of the City’s population resides in Linn County.

Rare metals provide the largest single source of employment within the city limits. The US Bureau of Mines, which opened a research facility in Albany in 1943, introduced rare metal technology. The primary rare metal industrial plants are Wah Chang, a subsidiary of Allegheny Technologies, and its sister company Allvac Albany.



From the City Manager



Winter at Talking Water Gardens

Albany's Popular Annual Financial Report (PAFR) provides a brief summary of how the City receives and spends resources to deliver public services. The data in the report come directly from the City's audited Comprehensive Annual Financial Report (CAFR), which provides much more information with greater detail. Both documents follow Generally Accepted Accounting Principles (GAAP) standards developed by accountants to insure accuracy and comparability.

The City of Albany publishes the PAFR to give citizens an idea of how their money is being used, but this summary is only one small resource among the many we use to track and explain our financial position. Anyone with access to the City's website can look at a daily revenue and expenditure report or view checks written to vendors for any period of time over the past six years. Citizens may also look at the City's annual budget documents, CAFRs and audit reports. The volume and nature of this information may be discouraging to those who are not accountants, so perhaps the most important resource is the willingness of City staff to answer questions as they arise.

Albany also maintains an Audit Committee composed of City Council members and the chair of the Budget Committee to receive the annual audit and speak directly with independent auditors about the City's financial condition. Maintaining a clean audit while also earning the Government Finance Officers Association (GFOA) Awards for financial reporting and budgeting are annual performance standards for our Finance Department.

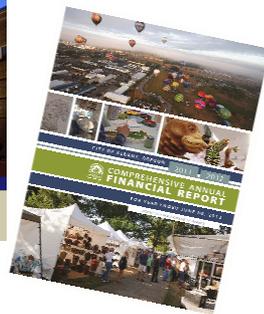
From the City Manager

The City of Albany Strategic Plan lists among its core values: fiscal responsibility and transparent, open and honest government. The PAFR is a part of this commitment to openness and accuracy, recognizing that mistakes are inevitable among the many financial reports created by the City. It is our belief that by making this information as accessible as possible to anyone who may be motivated to see it, that errors will be caught and corrected before they lead to serious problems.

I encourage anyone who has a question or spots an error to contact me or a member of our Finance Department. We have outstanding Finance staff members who welcome opportunities to explain their work and improve it. Our goal is that the 2014 PAFR will serve both ends.

Sincerely,

Wes Hare
City Manager



Albany's Governance

The City of Albany, founded in 1848, was incorporated in 1864 and adopted a home-rule charter in 1891. It operates under the provisions of its own Charter and applicable state law. The City has a Council - Manager form of government. The City Council consists of seven members, each elected by the citizens of Albany. Councilors are elected to serve overlapping four-year terms. There are three wards with two councilors representing each ward. The Mayor is elected at-large by the entire City and serves a two-year term. The Mayor presides over all Council meetings and may vote only in case of a tie. All Council members are part-time elected officials who exercise the legislative powers of the City and determine matters of policy.



2013-14 Albany City Council

Elected officials:

Sharon Konopa, Mayor
Dick Olsen, Councilor, Ward I
Floyd Collins, Councilor, Ward I
Ray Kopczynski, Councilor, Ward II
Bill Coburn, Councilor, Ward II
Bessie Johnson, Councilor, Ward III
Rich Kellum, Councilor, Ward III

Appointed official:

Wes Hare, City Manager

2013-2014 Audit Highlights

The following highlights are taken from the Management Discussion and Analysis section of the 2013-2014 Comprehensive Annual Financial Report (CAFR) and represent all funds reported in the CAFR:

The CAFR for the year ended June 30, 2014, received an unqualified opinion from the audit firm Boldt, Carlisle, & Smith, LLC, and has been submitted to the Government Finance Officers Association of the United States & Canada (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting. The City has received this award for the last 29 consecutive years (1984-2013).

- At June 30, 2014, the City's assets totaled \$427.2 million, consisting of \$332.7 million in capital (non-consumable) assets, \$52.3 million in unrestricted (not ear-marked for a specific purpose) cash and investments, \$20.9 million in inventories and prepaid items, and \$21.3 million in receivables.
- The assets exceeded the liabilities of the City at June 30, 2014, by \$312.7 million. \$55.0 million may be used to meet the City's ongoing obligations to citizens and creditors. This represents an increase of \$5.1 million in comparison to the previous year.
- The City's governmental activities generated \$7.7 million in charges for services and obtained \$9.5 million in operating (for day-to-day operations) and capital (for the purchase of capital assets) grants. Direct expenses, including interest on long-term debt for governmental activities, were \$50.7 million, resulting in \$33.5 million in net expenses.
- Fund balances (excess of assets over liabilities) in the City's governmental funds increased \$3.4 million to \$34.6 million as of June 30, 2014. Contributing to the change is: the General Fund fund balance continues to decrease (\$280,000 less than the previous year) as expenses continue to increase at a greater rate than the revenues to support them; the Street Fund fund balance increased \$1.9 million and will continue to grow as reserves for construction increase; and the non-major funds fund balance increased \$1.5 million.



911 Remembrance at Linn County Courthouse

In the Spotlight

Community marks Albany's 150th birthday

High school and middle school bands, square dancers, sidewalk chalk art, old photos and fresh hot cake were all part of a two-day community celebration in mid-October 2014, commemorating the incorporation of the City of Albany 150 years ago on October 14, 1864.

Volunteers organized the Party of a Century and a Half, arranging for entertainment, food and activities for all ages, all for free. Albany City Hall hosted the party on Saturday, October 11 and Sunday, October 12, 2014.

Albany Timeline

1840 Native American Presence - For hundreds of years prior to the arrival of white settlers, the Kalapuya Indians occupied much of the Calapooia River area including a major encampment on what later became known as Bryant Park.

1845 First Squatters - Abner Hackleman arrived in the Fall of 1845, moving from Iowa. That winter he took up the donation land claim in what is now known as Hackleman's Addition to the City of Albany. After building a small cabin, he left in 1846 to get his family, but fell sick and died. His son Abram came and settled on Abner's land. Abram kept his father's claim and gave his claim to Hiram Smead.

1847 (Linn County Formed) - Linn County was created December 28, 1847, by the provisional legislature. It was named for Senator Lewis F. Linn of Missouri, who nearly a decade before had been urging the American occupation of Oregon.



1848 (Albany is Born) - Brothers Walter and Thomas Monteith arrived in the Spring from New York. They bought Mr. Smead's claim at the confluence of two rivers for \$400 and a horse. Town lots were platted just north of the Calapooia River, and the Monteiths began selling them to settlers. Albany was named after Albany, New York, the Monteith's home town.

1849 (First Frame House) - The Monteith brothers began construction of the first frame house at 2nd and Washington. There were nine rooms, with three interior end chimneys, and two fire places. The house was later moved to 518 Second Avenue SW and today is a museum.

1859 (Newspaper Opens) - The "Oregon Democrat" newspaper begins printing. It was owned and edited by G.H. Hackleman and published every Saturday morning.

1859 - Oregon became a state on February 14, 1859.

1860 (Breckinridge for President) - Linn County is one of nine Oregon counties to vote Democratic for John Breckinridge for president. Abraham Lincoln wins.

In the Spotlight

1873 (Chinese Laborers Dig Canal) - 150 Chinese laborers imported to the US to build railroads were brought in to dig the canal. Local people with horse-drawn scrapers were also employed. The total cost to complete the canal was \$62,000.

1880 (Canal Supplies Power and Drinking Water) - In the late 1870's John Crawford acquired the canal and developed the canal's potential for water power. Several more ditches were dug. By 1880, 14 turbines were being run by various canals. The canal supplied power to sawmills, flour mills, a foundry, and a twine mill. The canal also begins to supply drinking water to Albany. Under the direction of J.H. Foster, water mains were laid with water being taken from the canal and the Calapooia River.



1887 (Trestle Dedicated) - The Lafayette Street trestle was dedicated in 1887. It was built for the Corvallis and Eastern Railway and, at the time, was the longest wooden drawbridge in the world.

1888 (Albany Electrified) - Electricity comes to urban Albany. The canal provided power for Albany's first electric lights.

1893 (Steel Bridge Opens) - Albany's first bridge over the Willamette River is built at the foot of Calapooia Street. At the time, it was the longest single-span steel bridge in the state.

1894 (First Telephone Exchange) - April 15, 1894, the first telephone exchange is established with 36 phones installed.

1900 (Albany's First Trolley) - Albany's first public transit system was powered by a steam locomotive. The noise from this trolley reportedly bothered farmer's horses, so it was changed to a horse-drawn trolley.



Chamber of Commerce Manager Zeke Curlee buys fireworks at a stand on Ferry Street in 1941.

For more entertaining and interesting facts, please check out the entire Albany Timeline at www.cityofalbany.net/timeline

Balance Sheet

A statement of financial position (Statement of Net Position) shows: 1) assets and the deferred outflows (consumed, but will benefit future period) of resources; 2) liabilities and the deferred inflows (acquired, but are applicable to future period) of resources; and 3) the difference between them (net position). At June 30, 2014, the City's assets exceeded its liabilities by \$132.4 million in governmental activities. Assets for business-type activities exceeded liabilities by \$180.3 million. The chart below shows a high-level summary of the City's financial position. For greater detail of the report please see the City's CAFR, which is available online at <http://www.cityofalbany.net>.

City of Albany ♦ Statement of Net Position (nearest thousands)

Assets	As of June 30, 2013		As of June 30, 2014	
	Governmental	Business-Type	Governmental	Business-Type
Current assets	\$ 45,213,000	\$ 47,577,000	\$ 50,382,000	\$ 44,071,000
Capital and other assets	102,553,000	230,977,000	100,851,000	231,841,000
Total assets	<u>147,766,000</u>	<u>278,554,000</u>	<u>151,233,000</u>	<u>275,912,000</u>
Liabilities				
Current liabilities (due <1 yr)	4,931,000	6,662,000	6,159,000	7,367,000
Long-term liabilities (due >1 yr)	14,210,000	92,570,000	12,706,000	88,214,000
Total liabilities	<u>19,141,000</u>	<u>99,232,000</u>	<u>18,865,000</u>	<u>95,581,000</u>
Total Net Position	<u>\$ 128,625,000</u>	<u>\$ 179,322,000</u>	<u>\$ 132,368,000</u>	<u>\$ 180,331,000</u>



Quake 14 Exercise

Income Statement

City of Albany ◊ Statement of Activities

(nearest thousands)

	2011	2012	2013	2014
Expenses				
Governmental	\$ 49,233,000	\$ 49,351,000	\$ 50,591,000	\$ 50,843,000
Business-type	23,450,000	25,171,000	26,396,000	26,290,000
Total Expenses	72,683,000	74,522,000	76,987,000	77,133,000
Program Revenues				
Governmental	\$ 18,823,000	\$ 14,752,000	\$ 14,855,000	\$ 17,298,000
Business-type	24,615,000	25,561,000	25,749,000	28,580,000
Total Program Revenues	43,438,000	40,313,000	40,604,000	45,878,000
General Revenues				
Governmental	\$ 34,219,000	\$ 34,050,000	\$ 35,059,000	\$ 37,289,000
Business-type	6,100,000	2,812,000	5,037,000	(1,281,000)
Total General Revenues	40,319,000	36,862,000	40,096,000	36,008,000
Change in net position				
Governmental	\$ 3,809,000	\$ (549,000)	\$ (677,000)	\$ 3,744,000
Business-type	7,265,000	3,202,000	\$ 4,390,000	1,009,000
Total Change in net position	11,074,000	2,653,000	3,713,000	4,753,000
Net position - beginning				
Governmental	\$ 126,042,000	\$ 129,851,000	\$ 129,302,000	\$ 128,625,000
*Business-type	165,469,000	172,734,000	174,932,000	179,322,000
Net position - ending				
Governmental	\$ 129,851,000	\$ 129,302,000	\$ 128,625,000	\$ 132,369,000
*Business-type	172,734,000	175,935,000	179,322,000	180,331,000
Total net position - ending	\$ 302,585,000	\$ 305,237,000	\$ 307,947,000	\$ 312,700,000

*In 2012-13, the CAFR reported a prior period adjustment for business-type activities of \$1,003,000. GASB 65 allowed entities to write off debt issuance costs from prior years, which caused the ending net position of 2012 to be \$1,003,000 greater than the beginning net position of 2013.

Governments are not motivated by profit, as are businesses. Instead, governments are interested mainly in providing services. The format of the income statement (Statement of Activities) focuses on the cost (expense) of doing business. The revenues are broken into two categories: 1) revenues directly associated with identifiable programs and 2) revenues that are not reported as program revenues (i.e., property taxes). The above report is a high-level summary of the City's resource flows. For a more detailed report, please see the City's CAFR, which is available at <http://www.cityofalbany.net>.

Overview of Revenues

The City utilizes 17 funds to account for governmental services. These funds are grouped into two separate categories: governmental activities and business-type activities. Governmental activities are the basic services provided by the City and include services such as public safety (police and fire), public works, parks and recreation, library, municipal airport, and general administration. Property taxes and franchise fees fund the majority of these services.

Business-type activities of the City are its water and sewer services. The City charges fees to customers to cover the costs of providing these services. The City Council reviews increases to the sewer and water rates on an annual basis to cover debt service for major construction projects and inflation.

Major Revenue Types:

Property taxes

The City of Albany levies the following property taxes:

- The City of Albany's permanent rate of \$6.3984 per \$1,000 of assessed value.
- In November of 2012, the citizens of Albany passed a five-year levy to fund police and fire services. The rate is \$1.15 per \$1,000 of assessed value. The budget passed for Fiscal Year 2013-14 is the second year of the levy.
- The City levies taxes to pay for bonded debt. In 2007, the citizens of Albany approved a bond sale to pay for the refunding of the 1996 Fire Substation GO Bonds and advance refund the 1999 Street Improvement GO Bonds. The amount assessed for 2013-14 was \$1,261,058.

Franchise fees

Fees charged to utilities for the use of public right-of-way.

Fees and charges for services

Fees received for services, including sewer, water, and park fees.

Licenses and fees

Revenue from the issuance of licenses such as permits, licenses, and fees, including court and library fines.

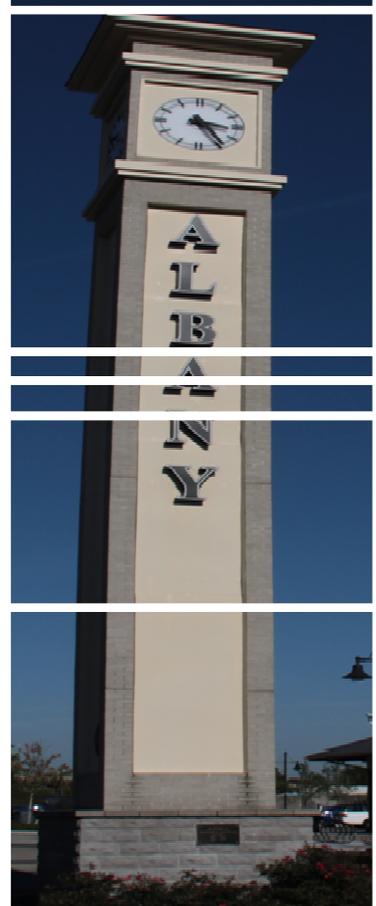
Intergovernmental revenue

Revenue received from other governments (federal, state, county) in the form of grants and shared revenues.

Property Taxes

Linn County assesses property taxes on behalf of all taxing jurisdictions within the county. In addition to the City, these include the county, schools, and special districts. For each dollar that is collected by the County, the City receives \$0.21 for general operations. The City also receives \$0.04 for the Public Safety Levy and debt service.

Miscellaneous*	2%
Education	37%
Albany Urban Renewal	3%
Albany Levy/Debt	4%
City of Albany	21%
Linn County	33%



*Miscellaneous includes Albany Rural Fire District and 4-H Extension Service

North Albany and Benton County

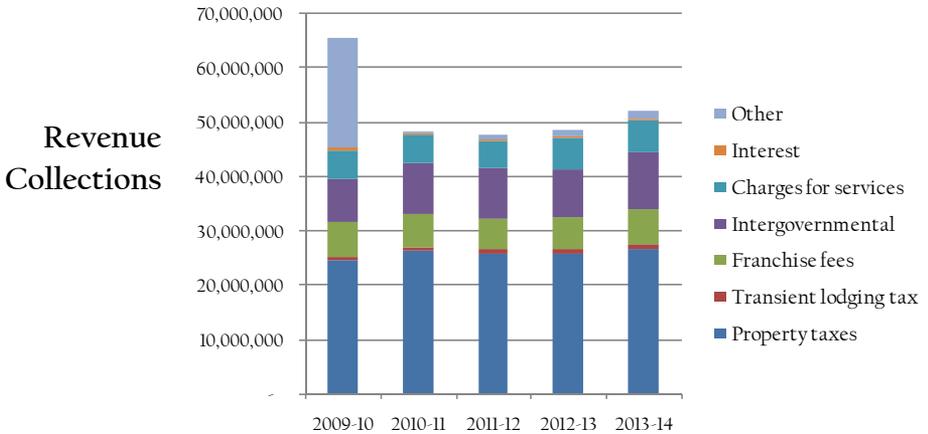
Residents of North Albany pay property taxes to Benton County as this portion of Albany lies across the Willamette River in Benton County.

Benton County assessed the residents of North Albany \$4,709,617 for the 2013-2014 fiscal year. This amount is not included in the graphic presented.

Revenue History

Governmental Activities Notes:

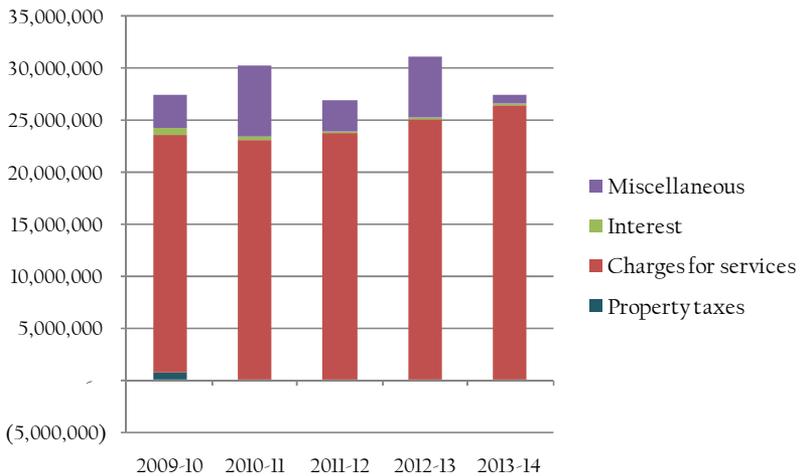
- In 2009-10, the City received an \$18.5 million settlement from SVC Manufacturing, a wholly-owned subsidiary of Pepsi, which explains the spike in Other Revenues for that year.
- Property taxes increased 2.69 percent over the previous year.
- Interest earned on investments and amounts held in the Local Government Investment Pool showed 33.92 percent growth over the previous year. Interest earned over the last five years has decreased 93.3 percent from \$ 595,031 in 2009-10.



Revenue History

Business-Type Activities Notes:

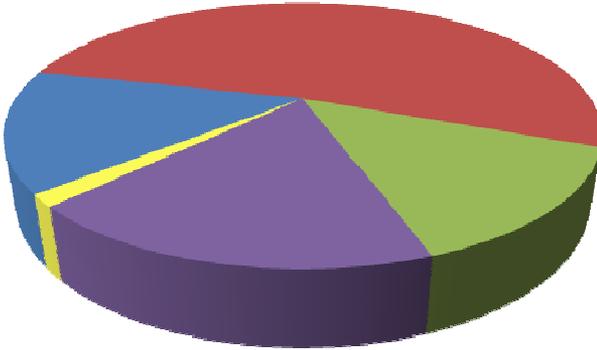
- In 1998 the City voted to issue \$7,865,000 of bonds secured by property tax revenue to pre-pay the Advance Refunding General Obligation Water Bonds, Series 1987. Since the bonds were paid in full during Fiscal Year 2009-10, the business-type funds only receive property tax revenue for certified sewer assessments.
- Interest earned on investments and amounts held in the Local Government Investment Pool (LGIP) have decreased 62.38 percent from 2009-10 to 2012-13.



Northwest Art & Air Festival 2013

Overview of Expenditures

As of June 30, 2014



Governmental Activity Functions

General government - This function includes expenses incurred by the City Council, City Manager, Finance, Human Resources, Information Technology, and Planning.

Public safety - This function includes expenses incurred by the Fire and Police departments, including the Public Safety Levy.

Highways and streets - This function includes expenses of the Public Works department.

Culture and recreation - This function includes expenditures incurred by the Library and Parks & Recreation.

Interest on long-term obligations - This function includes interest payments on general obligation, special assessment, and revenue bond debt issues financed by property taxes, and property assessments.

More than half of all governmental activity expenses are for public safety. Public safety accounts for 52.22 percent of expenses. Highways and streets represents 13.81 percent of total expenses, with general government at 14.73 percent.

Interest on long-term debt obligations accounts for 1.43 percent of governmental activity expenses, indicating a continuing favorable debt position for the City.

- General government
- Public safety
- Highways and streets
- Culture and recreation
- Interest on long-term obligations



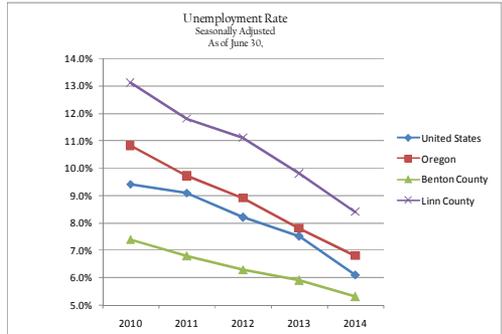
2014 Safe Haven Camp

Economic Outlook

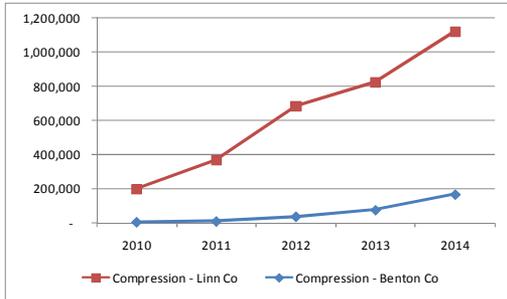
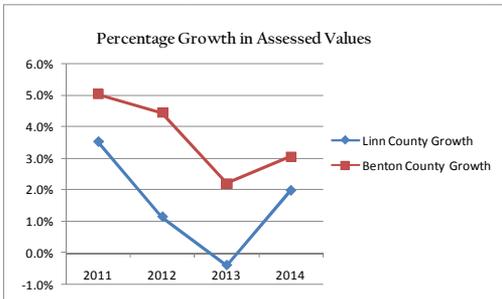
At June 30, 2014, Oregon had the seventh highest unemployment rate in the nation. Within the state Benton County has the second lowest rate while Linn County was 23rd. In the last 12 months non-farm employment increased by 850 jobs in Benton County and 120 jobs in Linn County.

Benton County's employment level has been steady, not showing significant growth during the last 12 months. The rate is slightly below its pre-recession level. Employment gains for Benton County in recent years can be attributed to record enrollment levels at Oregon State University. This has boosted employment in both the private and public sectors.

Employment growth for Linn County has been healthy. While it has grown 2.1 percent (2.8 percent in the private sector with 0.7 percent loss in the public sector) in the last 12 months, it still lags behind the state average.



Property taxes are a major source of revenue for the City. Assessed value in Linn County increased 6.37 percent since Fiscal Year 2009-10 while Benton County increased 15.55 percent. Compression continues to be a problem in both Linn and Benton Counties. In



Fiscal Year 2013-14, the City lost \$1,288,781 to compression. The majority of the loss was in the Public Safety Levy. The slow growth in assessed values is not enough to combat the negative affects of compression. New commercial dollars need to be added to the tax rolls. Commercial property isn't affected by the per-thousand-rate of Measure 50.

In 2013-14, the Building Division processed permits with over \$61,000,000 in valuation from a wide variety of new construction and alterations. New and altered commercial buildings accounted for approximately 50 percent of the total. Residential permits accounted for 44 percent and included 123 new single family residences, one duplex, and four manufactured homes. This was a total increase of 17% in residential permits over last year. The average value of residences per dwelling increased from \$168,000 in 2011, to \$175,000 in 2012, and to \$210,771 in 2013.

The Adopted Budget

Most local governments in Oregon must prepare and adopt an annual budget. Oregon Local Budget Law sets specific steps that must be followed during this process. The budget process must begin far enough in advance that all steps can be followed and the budget adopted before June 30. Without a budget for the new fiscal year in place on July 1, the City's authority to spend money expires and the ability to impose a property tax is gone.

The budget is the City's financial plan that contains estimates of revenues and expenses for the budgeted period. An adopted budget gives the City its authority to spend public money.

On May 15, 2013, the 14-member Budget Committee approved the City of Albany budget for Fiscal Year 2013-2014. On June 19, 2013, the Albany City Council adopted the budget in the amount of \$158,291,600. The adopted budgets for four fiscal years are detailed in the table below.

The overall budget for Fiscal Year 2013-2014 is 1.58 percent more than Fiscal Year 2012-2013. Contributing to the overall increase is an increase in contingency of 6.91 percent, personnel services of 5.19 percent, and an increase in transfers of 2.50 percent.

Personnel services is 44.19 percent of the operating budget and 28.27 percent of the total budget (an increase over prior year of 0.97 percent of total budget).

The increase of \$168,800 in contingency over the previous year is a result of an excess of anticipated revenues over expenses.

	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
Personnel Services	\$ 42,325,800	\$ 43,782,600	\$ 42,547,700	\$ 44,754,400
Materials & Services	32,210,800	33,176,500	31,666,800	32,270,000
Debt Service	23,154,000	20,130,000	18,487,500	17,191,200
Transfers	7,526,800	10,015,500	6,894,200	7,066,500
Total Operating Budget	105,217,400	107,104,600	99,596,200	101,282,100
Capital	76,735,600	55,068,600	53,660,000	54,266,500
Contingency	3,140,600	2,663,200	2,444,000	2,612,800
Unappropriated	130,900	129,800	130,400	130,200
Total City Budget	\$185,224,500	\$ 164,966,200	\$ 155,830,600	\$ 158,291,600

The City of Albany Budget Document

The City's published budget document can be found online at <http://www.cityofalbany.net>

Changing the Budget

During the year, it is sometimes necessary to make changes to the adopted budget. It is not always possible to foresee every revenue received or expense to be incurred. Because Oregon Local Budget Law makes it illegal to spend more than what has been appropriated (adopted), a process called the Supplemental Budget is available. Circumstances such as receiving state, federal or local funds (grants) that weren't anticipated at the time the budget was prepared require a supplemental budget.

The City Council must adopt a resolution to increase the spending authority of the City before any expenditure exceeds the existing appropriation. A Supplemental Budget cannot increase the taxing authority (how much the City can charge property owners) of the government.

Presented below are the final budgets and corresponding actual expenses for the last two fiscal years by category and by department.

By Category

	2012-2013		2013-2014	
	Final Budget	Actual Expenses	Final Budget	Actual Expenses
Personnel Services	\$ 43,748,600	\$ 40,630,929	\$ 44,763,800	\$ 41,848,987
Materials & Services	32,462,125	28,728,002	32,736,983	29,408,053
**Debt Service	49,203,900	40,988,979	17,191,200	9,837,219
Transfers	7,755,073	6,105,205	8,204,300	7,316,994
Total Operating Budget	133,169,698	116,453,115	102,896,233	88,411,253
*Capital	55,519,827	10,821,057	54,503,000	11,452,150
Contingency	2,511,400	-	2,452,300	-
Total City Budget	\$ 191,200,925	\$ 127,274,172	\$ 159,851,533	\$ 99,863,403

By Department

	2012-2013		2013-2014	
	Final Budget	Actual Expenses	Final Budget	Actual Expenses
Finance	\$ 29,959,500	\$ 11,548,390	\$ 26,280,100	\$ 10,530,528
City Manager/Council	2,329,900	2,125,106	2,463,300	2,276,518
Information Technology	3,697,600	1,902,445	3,802,100	2,292,642
Human Resources	596,300	596,807	612,200	563,917
Fire	13,554,100	12,329,403	13,314,533	12,978,912
Police	12,613,400	12,248,489	13,098,300	12,421,219
Parks & Recreation	8,980,200	7,591,827	8,018,300	6,650,579
Community Development	2,493,200	2,013,203	3,151,300	2,053,868
Library	2,652,600	2,410,373	2,718,000	2,556,607
**Public Works	114,324,125	74,508,129	86,393,400	47,538,613
Total City Budget	\$ 191,200,925	\$ 127,274,172	\$ 159,851,533	\$ 99,863,403

* In addition to budgeted projects not started/ completed, the difference in budgeted capital and actual is budgeted numbers include reserves for future projects of \$ 29,549,900 for 2012-13 and \$ 33,278,300 for 2013-14.

**Public Works refunded over \$ 30 million of Water Revenue Bonds in 2013 to save over \$ 5.6 million in future interest costs.

Financial Policies

Financial Policy

It is the policy of the City of Albany to actively manage financial, operational, and budgetary affairs within established guidelines in order to maintain financial stability both now and in the future.

Investment Policy

It is the policy of the City that all funds shall be managed and invested with three primary objectives, listed in the following order of priority:

1. **Safety of Principal** - Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. **Liquidity** - The City's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated.
3. **Yield-Return** - The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio. "Market rate of return" may be defined as the average yield of the current three-month U.S. Treasury bill or any other index that most closely matches the average maturity of the portfolio.

Risk Management Policy

It is the policy of the City of Albany to proactively identify and manage the inherent risks of providing municipal services. Potential losses will be mitigated through employee safety committees, loss prevention programs, property and liability insurances, workers' compensation, and employee health, life, and disability benefits.

The financial policy documents, in their entirety, can be found online at <http://www.cityofalbany.net> in the FY 2012-13 budget document.

General Financial Information

Most City services and projects are accounted for in a set of accounts known as governmental funds. The following are the funds (and descriptions) currently in use by the City:

- **General Fund** - Accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds.
- **Special Revenue Funds** - Account for proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than payment of debt or funding of capital projects. Special Revenue funds don't include resources held in trust for individuals, private organizations, or other governments.
- **Debt Service Fund** - Accounts for the accumulation of funds that are restricted, committed, or assigned to expenditure for principal and interest on debt.
- **Capital Projects Fund** - Accounts for resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition and construction of capital facilities and other capital assets. The Capital Projects Fund does not account for assets financed by proprietary funds, or for assets that will be held in trust for individuals, private organizations, or other governments.

Proprietary Funds - Account for activities the City operates similarly to a business. The City has two proprietary funds: the Sewer and Water Funds.

Fiduciary Funds - Used to report assets held in a trustee or agency capacity for others. These assets cannot be used by the City to support its own programs. The City has two fiduciary funds: the Senior Center Endowment Fund, which receives donations dedicated to the Senior Center; and the Library Trust Fund, which accounts for the Veda O. Torney Trust for the purchase of children's library books and the Manela Trust for the purchase of scientific, educational, and technical books.

The PAFR charts and graphs focus on the City's governmental activities and do not include proprietary or fiduciary funds or the City's component unit, the Albany Revitalization Agency.

Contact Us

City of Albany Finance Staff

Finance Director

Stewart Taylor, stewart.taylor@cityofalbany.net

Senior Accountant

Anne Baker, anne.baker@cityofalbany.net

Senior Accountant

Jeanna Yeager, jeanna.yeager@cityofalbany.net

City Clerk

Mary Dibble, mary.dibble@cityofalbany.net

The financial statements of the City are intended to provide its citizens, investors, creditors, and customers with a general overview of the finances of the City. The financial statements also demonstrate the City's accountability for the resources it receives and expends.

The information in this report is taken from the audited Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. The financial data in this report is consistent with Generally Accepted Accounting Principles (GAAP).

For further detail of the information provided in this report, the CAFR and the Fiscal Year 2013-14 Budget Document can be viewed online. Physical copies can be requested by email or requested in person at :

City Hall
333 Broadalbin St., SW
Albany, OR 97321

<http://www.cityofalbany.net>



Sunset on the Willamette River