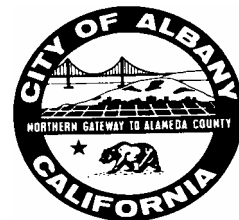


# *City of Albany*

*For the Fiscal Year Ended June 30, 2006*

*Comprehensive  
Annual  
Financial  
Report*



**CITY OF ALBANY, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**Prepared by:**  
**Department of Finance and Administrative Services**

**CITY OF ALBANY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
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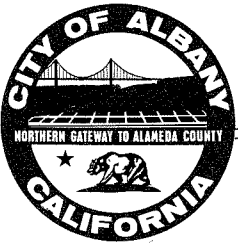
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# City of Albany

1000 SAN PABLO AVENUE • ALBANY, CALIFORNIA 94706-2295

December 4, 2006

Honorable Mayor and  
Members of the City Council  
City of Albany, California

**CITY ADMINISTRATOR**

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FAX (510) 528-5797

**CITY ATTORNEY**

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**CITY COUNCIL**

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**COMMUNITY DEVELOPMENT &  
ENVIRONMENTAL RESOURCES**

- Building
- Engineering
- Environmental Resources
- Maintenance
- Planning

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SERVICES**

**CITY TREASURER**  
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**FIRE & EMERGENCY MEDICAL  
SERVICES**

PH. (510) 528-5771  
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**PERSONNEL**

PH. (510) 528-5714  
FAX (510) 528-5797

**POLICE**

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FAX (510) 525-1360

**RECREATION & COMMUNITY  
SERVICES**

1249 Marin Avenue  
PH. (510) 524-9283  
FAX (510) 528-8914

- Friendship Club/  
Childcare Program  
PH. (510) 559-7220
- Senior Center  
PH. (510) 524-9122  
FAX (510) 524-8940
- Teen Center  
PH. (510) 525-0576

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Albany for the fiscal year ended June 30, 2006. This report consists of management's representations concerning the finances of the City of Albany. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Albany has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse, and to compile reliable information for the preparation of the City of Albany's financial statements, in conformity with United States generally accepted accounting principles (GAAP).

The cost of internal controls should not outweigh their benefits; therefore, the City of Albany's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

This report is composed of the following sections:

- ❖ **Introductory Section** This section includes this letter of transmittal, a directory of principal officials, an organization chart, a location map, and the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- ❖ **Financial Section** This section includes the City's independent auditors' report, management's discussion and analysis, basic financial statements, and required supplementary information.
- ❖ **Statistical Section** This section provides historical perspective and trend information including population, demographics, assessed valuations, revenues, expenditures and debt. This information is presented in both tabular form and graphically, where appropriate.

Odenberg, Ullakko, Muranishi & Co. LLP, a firm of licensed certified public accountants, has audited the accompanying City of Albany's financial statements. The goal of their independent audit was to provide reasonable assurance that the financial statements of the City of Albany, for the fiscal year ended June 30, 2006, are free of material misstatement. Their independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Albany's financial statements for the fiscal year ended June 30, 2006 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

*The City of Albany is dedicated to maintaining its small town ambience, responding to the needs of the community,  
and providing a safe, healthy environment now and in the future.*



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The engagement for this independent audit of the financial statements of the City of Albany was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The City's expenditures of federal funds for the year ended June 30, 2006 were below the level for which a separate "Single Audit" is required by federal guidelines.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Albany's MD&A can be found immediately following the report of the independent auditors.

### **AWARDS**

The City of Albany's CAFR for the year ended June 30, 2005, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). This was the thirteenth consecutive year that the City has received this prestigious award that is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and acceptable legal requirements.

The GFOA certificate is valid for a period of one year only. We believe that our current CAFR continues to meet the certificate award requirements, and we shall submit it to the GFOA for review and consideration for award.

### **PROFILE OF THE CITY**

The City lies in the northwestern corner of Alameda County, bordered by the cities of El Cerrito and Richmond on the north and the City of Berkeley on the east and south sides. The most distinguishing geographical feature in the city is Albany Hill, which anchors the northwest corner of the city. The City was incorporated in 1908 as the City of Ocean View, but the name was changed to Albany in 1909. In 1927 the City adopted its first charter, giving the City full control over its own affairs as long as there is no conflict with state or federal laws.

The City is governed by a five-member City Council who annually elects a council member to serve as Mayor. Council members serve four year staggered terms. Other elected officials are the City Treasurer and the City Attorney. A City Administrator is appointed by the Council to carryout the policies and ordinances of the Council and to supervise the daily activities of City employees.

The City provides a full range of services including police and fire protection, paramedic service, street and sewer maintenance, recreational activities and cultural events. A public library is operated by the County of Alameda, in facilities provided by the City.



The 2000 Census reported the following demographic information for the City:

❖ Population	16,444	
❖ Race		
○ White	9,461	57.6%
○ Asian	4,094	24.9%
○ Hispanic (any race)	1,312	8.0%
○ African American	644	3.9%
○ Other	153	.9%
○ Two or more races	780	4.7%
❖ Sex	Male 46.6%, Female 53.4%	
❖ Age		
○ Under 5 years		6.0%
○ 5 to 17 years		16.8%
○ 18 to 64 years		66.1%
○ 65 years and over		11.1%
❖ Housing Occupancy		
○ Occupied housing units	7,011	
○ Owner occupied	3,550	50.6%
○ Renter occupied	3,461	49.4%
❖ Highest Education (25 years and over)		
○ High school graduate		10.9%
○ Bachelor's degree		30.0%
○ Graduate or professional degree		34.0%

The estimated population of the City in 2006 is 16,680.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROLS**

The City of Albany maintains its financial records and prepares financial statements in accordance with generally accepted accounting principles applicable to governmental entities. The general ledger accounts of the City are organized on the basis of funds with each fund considered an individual accounting entity. The funds are categorized into three major fund types: Governmental, Proprietary and Fiduciary.

A biannual operating budget and a capital improvement program budget are adopted by the City Council prior to the beginning of the fiscal year, with budget reviews and revisions occurring within the fiscal year when necessary. The City Council may amend the budget through resolution or minute action throughout the fiscal year. In addition, the City Administrator and the Finance & Administrative Services Director may approve intrafund and interfund line-item transfers throughout the year, provided that the interfund transfer does not exceed the total initial appropriation. Operating appropriations not expended within the fiscal year are not carried over to the following fiscal year. Capital improvement program funds not expended within the fiscal year are carried forward each fiscal year until the project is completed or terminated.

Internal accounting controls that have been previously developed and implemented, as well as any new controls adopted during the year, are reviewed annually, to ensure that they provide for reasonable safeguarding of assets and reliability of financial records. To the extent feasible, the City maintains separation of duties so that no individual has access to both the City's assets and the City's accounting records. Additional accounting and administrative controls in place include dual custody check writer keys, serial numbered purchase orders, protected check stock, fund transfer restrictions, monthly bank account reconciliation,

review of payroll registers, and restricted access to computer programs and files.

## REPORTING ENTITY

As of June 30, 2006, four separate legal entities exist, which are controlled by or dependent upon the City of Albany. These entities are:

- ❖ ***The City of Albany Police and Fire Relief or Pension Plan*** is a separate legal trust established to provide pension benefits for eligible City employees. The Trust's governing board is comprised of the Mayor or designee, City Treasurer, City Clerk, Fire and Police representatives and appointed alternates. All accounting and administrative functions are performed by the City and the financial activities of the Trust are included in the accompanying financial statements as the Police and Fire Pension Trust Fund.
- ❖ ***The City of Albany Public Facilities Financing Authority*** was established to facilitate financing, by the City, of the acquisition of real property and improvements for the benefit of the community. The Authority's board is comprised of the City Council, all accounting and administrative functions are performed by City staff, and the Authority is financially dependent upon the City. The financial activities of the Authority are included in the accompanying financial statements in the Public Facilities Financing Authority Debt Service Fund.
- ❖ ***The Albany Community Reinvestment Agency*** was formed to promote economic development and redevelopment within the City. The redevelopment project area was formed in 1997 along the Cleveland Avenue/Eastshore Highway. The Agency is a component unit of the City and its financial activities have been included within the financial statements of the City.
- ❖ ***The Albany Municipal Services Joint Powers Authority (JPA)*** was established by the City of Albany and the Albany Community Reinvestment Agency to employ management employees of the City that are not members of an organized bargaining unit. Members of the Albany City Council serve on the governing board of the JPA, and all expenses of the JPA are reimbursed by the City of Albany.

## GENERAL GOVERNMENT FUNCTIONS

The City Council and staff management have established as a citywide objective, quick and efficient response to the needs of the citizens of Albany. Local government functions are performed by the nine departments listed below:

- City Administrator
- City Clerk
- City Treasurer
- City Attorney
- Finance & Administrative Services
- Police
- Fire & Emergency Medical Services (EMS)
- Recreation & Community Services
- Community Development

The functions of each department and major accomplishments, within the last year follow:

## **City Administrator**

The City Administrator advises and makes recommendations to the City Council concerning conditions or situations that require Council direction or policy determination. It is the responsibility of the City Administrator to implement the policies of the Council. In conjunction with the Finance and Administrative Services Director, the City Administrator prepares the recommended operating and capital improvement program budgets for Council consideration and adoption.

The City Administrator serves as the Municipal Employee Relations Officer, the City's Risk Manager, and as the Executive Director of the Albany Public Facilities Financing Authority and the Albany Community Reinvestment Agency. Personnel administration, city economic development activities, franchise agreement administration, and public information programs are all under the direct supervision of the City Administrator who is assisted by three staff members.

During this last year, the City Administrator completed two-year objectives established by Council in March 2005. Staff accomplishments include the negotiation of a collective bargaining agreement with the Albany Peace Officers Association, development of tax measures for pavement and drainage infrastructure improvements and Library services – which were successfully passed by the voters in June, 2006, the broadcasting of City Council meetings, and oversight over various capital improvement projects including the reconfiguration and traffic calming of Marin Avenue, and development of plans for rehabilitation of parks and the City Hall and Police & Fire Station complex.

## **City Clerk**

The City Clerk is the custodian of the official records of the City. The City Clerk prepares the agenda packet for City Council meetings, records official minutes of Council proceedings, and prepares and distributes the official documents for actions taken by the City Council. In addition, the City Clerk maintains the legislative history, certifies copies of official documents, receives and opens bid documents, publishes legal notices, administers oaths, receives claims and lawsuits against the City, and serves as the City's Elections Officer. The City Clerk is also certified as a passport agent and accepts applications at Albany City Hall. In addition, the City Clerk serves as the Deputy City Treasurer and is a member of the Police and Fire Relief and Pension Fund Board of Trustees. The City Clerk performs the above duties as a department of one person, with back-up support from Administrative staff.

## **City Treasurer**

The City Treasurer is an elected, part-time position responsible for the receipt and safe keeping of the City's financial assets. The Treasurer works closely with the Finance and Administrative Services Department, but the treasurer's position is independent from that department, and as such, provides enhanced internal control through segregation of duties, such as signing checks that are prepared by the Finance and Administrative Services Department. The Treasurer is responsible for investing the City's cash reserves and any other available funds, such as bond proceeds prior to their expenditure. The Treasurer is responsible for administration and compliance enforcement of the City's business license program.

The City Treasurer also serves as a Trustee of the Police and Fire Relief or Pension Fund, oversees the investment of the Fund's assets, and is responsible for the administration of the Fund. The City Treasurer performs the above duties as a department of one person, with support from Finance staff.

### **City Attorney**

The City Attorney is an elected official whose duty is to advise the City Council and staff on all matters of general and municipal law. The City Attorney provides legal counsel on municipal legal matters, including application of the California Environmental Quality Act, planning and development legislation, conduct of public meetings, employee-employer relations, contracts, real property transactions and other matters. The City Attorney also either oversees litigation matters that are being handled by special outside counsel or represents the City in litigation.

### **Finance & Administrative Services**

The Finance & Administrative Services Department has three primary areas of responsibility: (1) general accounting and financial reporting, (2) budget preparation and financial planning, and (3) telephonic communications systems development and maintenance.

General accounting and financial reporting includes accounts payable, accounts receivable, payroll, business license administration and issuance of various permits and other cashier functions. The department prepares monthly revenue and expenditure reports for internal management purposes, quarterly general fund revenue and expenditure statements for the City Council, and the City's Comprehensive Annual Financial Report (CAFR). The department prepares numerous reports required by the state, including the Cities Financial Transactions Report.

Budget preparation and financial planning responsibilities include preparation of the biannual operating budget, the five-year capital improvement program (CIP), analyses of labor contract proposals, budget oversight and control, debt issuance, and the financial component of grant administration.

The department administers the telephonic communications facilities of the City, including cellular phones and voicemail.

Major activities of the department in the past year were: preparation of an operating budget for fiscal years 2006-07 and 2007-08, coordination of the publication of a five year capital improvement plan for the fiscal years 2006-07 through 2010-11, updating and publication of the Master Fee Schedule, and facilitated the lump sum payment of unfunded pension liabilities of the City four Cal PERS pension plans, thus avoiding double digit percentage increases in pension contribution rates.

The staff of the Finance and Administrative Services Department consists of the Director, an Accountant and three Accounting Technicians.

### **Police**

The Albany Police Department is responsible for the preservation of public peace,

enforcement of laws, and protection of life and property. These responsibilities are accomplished through police patrol, traffic control and enforcement, criminal investigation and the ongoing dispatch and records management support functions.

The Albany Police Department provides a high level of service to the community by responding quickly to all calls for service. The department operates its own police and fire dispatch center, insuring that emergency calls (911) are answered by dispatchers who are supervised by Albany Police Department Sergeants under the direction of a Police Lieutenant.

The Albany Police Department focuses on crime prevention through an active community policing effort. In addition, the Police Department sponsors the City's Police Athletic League (PAL). The Albany PAL program provides a myriad of structured year-round athletic activities as well as supervised field excursions for teenagers. The Albany PAL also serves high school students who are interested in community service projects, through the Youth Directors Council (YDC).

The Police Department is staffed by the Department Chief, two Lieutenants, five Sergeants, sixteen patrol officers, two Detectives, one School Resource Officer, five Dispatchers, and various support personnel for the equivalent of thirty-seven full-time employees.

### **Fire and Emergency Medical Services**

The Albany Fire and Emergency Services Department provides the community with a wide range of services, including fire suppression and rescue services, paramedic emergency medical response and ambulance transport, fire prevention services, and community education and disaster preparedness. The Fire Department is also responsible for the City's Emergency Operations Center (EOC). The EOC facility will serve as the central command and communications center in the event of a major disaster.

The Fire Department conducts fire and life safety inspections of all businesses and commercial properties. Additionally, the Fire Prevention Office reviews plans and inspects all residential properties that require smoke detectors and fire extinguishing systems. The Department also has responsibilities in the areas of hazardous materials management and emergency response, and storm water inspections. These responsibilities require extensive interaction with merchants, vendors and the public, with a focus on customer service.

The Department is noted for its many successful community service programs and activities such as the sale of low cost bicycle helmets, CPR courses, smoke alarm installation for residents, annual open house and pancake breakfast, and collection of Christmas toys for underprivileged children.

The Department is staffed by a Fire Chief, Battalion Chief/Fire Marshal, 18 line personnel of which 15 are paramedics, and a part-time secretary.

### **Recreation and Community Services Department**

The Recreation and Community Services Department provides services in the following areas:

- Civic arts
- Facility administration
- Child care and summer camps

- Recreation classes, sports classes and special events
- Teen activities
- Senior services
- Paratransit services
- Volunteer Services
- Coordination of the local access cable TV channel

The Department manages four city-owned facilities:

- Albany Community Center
- Senior Center
- Memorial Park Child Care Center
- Teen Center

Management and rental of the City's tennis courts, athletic fields and picnic areas are also the responsibility of this department.

Administrative responsibilities include staff support to the Park and Recreation Commission, the Arts Committee, Citizen's Ad Hoc Cable TV Committee, Ad Hoc Dog Committee, and the Youth Task Force. Staff is also actively involved with the Friends of Albany Seniors, the Albany Police Activities League Board of Directors and the Prevention Council. The Department maintains a collaborative relationship with community groups and organizations such as the YMCA, Albany Unified School District, University Village, service groups, the Albany Chamber of Commerce and other similar entities.

### ***Youth and Childcare Services***

The Recreation and Community Services Department offers a range of programs for youth. There are pre-school classes and activities, school-age programs and a vibrant teen program. The Albany Teen Center offers recreational and social activities geared toward middle-school age youth. Activities include sports, computers, counseling, enrichment classes, a music video production studio, community service projects, special events and trips, and homework assistance.

The department's childcare program provides school year licensed childcare and summer camps at the Child Care Center in Memorial Park for children in first through fifth grade. Other programs include a wide variety of weekly specialty activities and special excursions during mid-winter and spring breaks to meet the changing needs of community youth.

### ***Classes, Facility Rentals and Special Events***

The Recreation and Community Services Department provides over 200 special interest classes each quarter that are publicized in the Recreation and Community Services Activity Guide. The community may also rent facilities for meetings, parties and special events. The department also sponsors community building special events such as Movie nights, Concerts in the Park, the Spring Arts and Music the July 4<sup>th</sup> Celebration.

### ***Senior Services***

The City of Albany is committed to providing quality senior services and a variety of activities for its senior citizens. Some services like Paratransit are also provided to those who are disabled and are under the age of 60. Activities and services include:

- Information, assistance and referrals for issues such as home assistance, in-home

support, legal, health insurance, counseling and case management.

- Modestly priced dinners offered at the Albany Senior Center and the delivery of meals for homebound elderly residents.
- Classes, including Humanities, World Literature, Paper Mache, Watercolor and Drawing, Rosen Movement Exercise, Bridge, Yoga, Tai Chi, Belly Dance, Theatre Exploration, Music Appreciation and Memoir Writing.
- Senior trips, health screenings by a licensed nurse, tax assistance, massage therapy and podiatry are provided for free or low cost.
- Free medical equipment loans, free video checkouts along with other income support materials such as groceries twice per month.
- Door-to-door Paratransit services through the use of taxis and a shopping van.

### ***Volunteer Services***

The Recreation and Community Services Department is responsible for maintaining the City's Volunteer Program. This program, designed to both encourage volunteer participation and to create a cohesive system for tracking and managing volunteers. Current activities of the program include creating and producing volunteer application materials, establishing a database for volunteer participation and advertising and expanding the program.

The department is staffed by a Director, 9.75 full-time staff members and 15 to 30 part-time and volunteer staff members, depending on the number of programs and activities in progress at any one time.

### **Community Development**

The Community Development Department provides a broad array of services to the citizens of Albany. The department's primary responsibility is to maintain and improve the physical environment of the City. As such, the department coordinates the current development of the City with the future needs and expectations of the community.

The department is composed of three divisions, Planning and Building, Public Works, and Environmental Resources. The Planning and Building Division is responsible for reviewing and processing all plans for private development in the City, to ensure compliance with applicable zoning and building codes. Approximately 200 zoning applications are processed each year, 850 building permits issued and 30-40 building inspections are conducted each week.

The Public Works Division is responsible for the design, construction, and maintenance of all City-owned public facilities, including streets, sewers, storm drains, parks, public building and grounds. Typical Public Works activities include reviewing the design of planned park improvements, managing the renovation of City buildings, maintaining street signs and markings, engineering plan checking of proposed new private construction, cleaning and repairing sewer lines, street sweeping, collecting trash from public receptacles, mowing parks, maintaining play fields and irrigation, and many others.

Activities of the Environmental Resources Division include management of the City's tree planting program, Waterfront area, Clean Water Program, Waste Management Program, administration of various environmental grants such as oil recycling, building material recycling, and procurement of recycled products.

The City Engineer is a contract employee of the City who reports to the Director of Community Development. The City Engineer provides technical oversight for City construction projects and computes the various special assessments collected by the County Tax Collector.

Department staff provides technical and administrative support for the Planning and Zoning Commission, Traffic and Safety Commission, Waterfront Committee, and the Reinvestment Agency. Staff members also represent the City and provide technical support on a number of interagency and multi-agency ventures, including the Alameda County Department of Housing and Community Development, the Alameda County Congestion Management Agency, the Alameda County Clean Water Program, and the Alameda County Waste Management Authority.

Major activities and accomplishments this past year included completion of the Marin Avenue traffic calming project, adoption of a Wireless Communications ordinance, draft Green Building ordinance, approval of the Civic Center improvement plans, approval of Phase II Memorial Park, Terrace Park and Ocean View Park improvement plans, and completion of several major sewer projects.

The department's staff consists of a Director, Planning Manager, Public Works Manager, and 17 planners, engineers, inspectors, maintenance workers and administrative staff.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Economic conditions in the City for the fiscal year ended June 30, 2006 were favorable, and the outlook for the fiscal year ending June 30, 2007 remains favorable. Most revenue sources increased in the June 30, 2006 year over the prior fiscal year. Property Tax Revenue (including vehicle license fee in-lieu payments from the State) increased \$1 million. Sales Tax revenue increased \$443,000 (28%) (Including sale tax in-lieu payments from the State). Earnings on Investments increased \$480,000 (101%). The State has resumed payment of additional mandated cost reimbursement claims.

The largest decline in revenue for fiscal year 2005-06 was in Property Transfer Taxes that dropped \$254,000 (14%) from \$1,814,000 to \$1,560,000. While the potential exists for further declines in fiscal year 2006-07, first quarter revenues for 2006-07 have exceeded the first quarter revenues for 2005-06.

The outlook for construction and property development in the City of Albany continues to be modest. The owners of Golden Gate Fields, Magna Entertainment, have terminated their application for permits for developing a portion of the Golden Gate Fields property for commercial, residential and recreational use.

Operating expenses for the City will increase in several areas in the next year. Salaries will increase 3% to 8%, as a result of rate increases, step progression, reclassification of employees, and filling of vacant positions. Health care costs are projected to continue to increase at double-digit percentage rates as a result of increase rates charged by the providers, and by employee labor agreements that require the City to pay a greater portion of the health care cost.

Workers compensation insurance costs declined in fiscal year 2005-06 and cost of claims and the premiums for excess liability coverage are expected to decline further as the reform



measures enacted by the State Legislature lower the cost of worker claims. General liability insurance and property damage self-insurance costs and excess insurance premiums are expected to remain near current levels unless unforeseen events create higher than normal losses.

A summary assessment of the economic forecast for the City of Albany is that the City can expect its principal sources of revenues to continue a trend of moderate growth, producing sufficient revenue to cover projected operating expenses for fiscal year 2006-07.

## **MAJOR INITIATIVES**

### **Economic Development/Redevelopment**

City officials continue to view the strengthening commercial base of the City as a necessary activity in order that the growth of operating revenues will match the increases in expenses expected to occur over the next several years. The City's economic development strategy is to enhance existing businesses and to attract and cultivate new businesses in the commercial areas of Solano Avenue, San Pablo Avenue, and the Cleveland Avenue/Eastshore Highway area.

Solano Avenue, the "*Main Street*" of "*small town Albany*" continues to be a strong regional attraction, visited by thousands of shoppers, diners and strollers each year. The City has continued its support of Solano Avenue merchants with cash and in-kind contributions to the annual "Solano Stroll."

The City Council continues to support retail development of San Pablo Avenue as outlined in the Streetscape Master Plan. The plan is designed to retain and attract retail business, improve aesthetics, and make the corridor more pedestrian friendly.

The Cleveland Avenue/Eastshore Highway corridor is included in the City's Redevelopment Area. In order to increase the attractiveness of this area for retail development, a freeway connector between the Eastshore Highway and Interstate 80/580 was completed in August 2002. This strategy has proven successful, as four retail outlets, Target, PetsMart, and Bridal Evening Prom Discount have opened in the corridor. Additional enhancements to traffic flow in this area are planned and efforts will continue to introduce revenue generating businesses to the area.

### **Open Space, Recreational Playfields and Creek Restoration**

In November 1996, the citizens of Albany approved Measure R to provide an annual parcel assessment for the acquisition, development and maintenance of Open Space, Recreational Playfields, and Creek Restoration. The proceeds are divided fifty percent (50%) for open space on Albany Hill and twenty five percent (25%) each for playfields and creek restoration.

In February 1999, the City issued a \$6.2 million limited obligation bond and pledged the revenues of the Measure R annual assessment to pay the bondholders. Utilizing the revenue from Measure R and the bond proceeds, the City purchased five acres of open space on Albany Hill.

The City is working with the City of Berkeley and the University of California on a project to restore Codornices Creek, and has successfully competed for grant monies to assist in this restoration effort. Creek restoration work along Cerrito Creek near Albany Hill is also being

pursued. The latter project is a follow-up to the joint Albany-Berkeley sewer project in the Cerrito Creek area. Creating new recreational playing fields remains a priority of the City.

The City is also working with the University on the replacement of the existing playing fields in University Village when the University undertakes its redevelopment project, and is working with four other cities and other agencies to locate playing fields on the waterfront at the end of Gilman Street adjacent to the Eastshore State Park.

The City continues to have discussions with CalTrans regarding acquisition property on Pierce Street for use as a park. Funds have been designated for purchase of the property, but funding for construction and maintenance of the park have not been secured.

### **Capital Projects**

The following is a brief description of the City's most significant capital projects or programs.

#### ***Renovation of Central Facilities***

In November 2006, Albany voters approve a bond measure of \$5 million to augment the previously approved project to improve Albany's fire safety and emergency response capability by renovating and expanding the Fire Station to better accommodate emergency equipment and personnel; to better serve the community during and after an emergency by constructing an Emergency Operations Center at the Fire/Police complex; and to add sustainable building features to the Fire/Police/Civic Center complex.

#### ***Sewer Operations***

Albany is continuing its multi-phase sewer rehabilitation program that will result in the replacement or rehabilitation of most of the City's sanitary sewer system. The purpose of the program is to comply with the Clean Water Act and federal and state mandates to reduce groundwater inflow and infiltration as well as to address and correct substandard sewer lines. To finance the sewer rehabilitation program, the existing Sewer Revenue Bonds were issued in September 2004.

The first phase of the program, relocation of the sewer line on San Pablo Avenue, has been completed. The entire line from the Berkeley border to the El Cerrito border was replaced and relocated.

#### ***Traffic Management Plan***

In May 2000, the City Council approved the Traffic Management Plan. This plan recommends a variety of improvements and programs designed to enhance pedestrian and bicycle safety, as well as traffic safety. Implementation will be a multi-year process and has begun with a number of grant submittals and development of design and implementation plans for traffic calming measures. Current funding is from the Alameda County's Measure B transportation funds and the City's Measure F funds. Reconfiguration of traffic flows on Marin Avenue was completed in October 2005.

#### ***Park Improvements***

Planning for Phase II of the Memorial Park Improvement Project and improvements to Terrace and Ocean View Parks was begun in 2005. The Memorial Park improvements will involve upgrading of infrastructure and landscaping, including renovation of the entry

promenade, turf improvements on the north side of the park, replacing all ball field elements, and several improvements to the picnic area. Terrace Park improvements include a renovated picnic area, new landscaping, drainage upgrades, repaved pathways and basketball courts, and a new restroom. Improvements at Ocean View Park include a new restroom, renovated picnic area, new playground area, new landscaping and pathways, community gardens, and renovated baseball/softball diamond and field lights. The Arts Committee is working to select art for each of the three parks. Bidding of the project is scheduled for February 2007.

### ***Sidewalk Repair Program***

This is a program in which the City reimburses homeowners a portion of the repair cost when a city owned tree is involved in the damage of a sidewalk. A pilot program involving about 50 sites in the Marin Avenue area commenced in fiscal year 2006-07.

### ***Sewer Compliance Program***

This is a 5-year program that will cover the entire City. The project to be undertaken in fiscal year 2006-07 will replace the easement sewers between Pomona and Key Route from Washington to Marin and the easement line between Adams and Madison Avenue.

### ***Ohlone Greenway Improvements***

This project will install light fixtures on the underside of the BART tracks to replicate the current BART lighting in El Cerrito. The project is being coordinated with the BART seismic upgrade and is scheduled for completion in fiscal year 2006-07.

### ***Curtis Neilson Storm Drains***

Phase I of the Codornices Creek restoration project has been complete and Phase II is in progress. A tax measure was passed in June 2006, which will provide funding for construction of a new 24-inch storm drain from Neilson Street to Santa Fe Avenue to Codornices Creek.

## **PENSION**

The City participates in the California Public Employees Retirement System (PERS) and maintains a City pension plan for police officers and firefighters employed by the City before July 1, 1971.

All qualified permanent and probationary employees are eligible to participate in PERS. Benefits vest after five years of service and are payable monthly for life upon retirement. Currently PERS requires City miscellaneous employees to contribute 7% and safety employees 9.8% of their annual salary, which is paid by the City. The miscellaneous employee contribution rate will increase to 8% January 1, 2007, as a result of a change in the benefit formula from 2% at 55 years of age to 2.5% at 55 years of age. Benefit provisions and all other requirements are established by state statute and city ordinance. PERS and its Board of Administration determine contributions necessary to fund PERS as indicated by annual actuarial projections.

## **DEBT ADMINISTRATION**

The City currently has general obligation bonded indebtedness of \$8 million and other long-term obligations that are comprised of the 1997 Refunding Certificates of Participation and the 2004 Sewer Revenue Bonds.

In December 1997, the City refunded through Certificates of Participation (COP) the 1989 and 1992 Lease Revenue Bonds. The 1989 Lease Revenue bonds financed the purchase of the Library/Community Center site, as well as, improvements to a new maintenance center. The 1992 Lease Revenue bonds financed the construction of the Library/Community Center complex.

The 2004 Sewer Revenue Bonds of \$8.674 million were issued to finance a comprehensive sewer rehabilitation program. Semi-annual interest and principal payments are secured by and payable from the Sewer Enterprise Fund's operating revenues.

Long-term debt is discussed in greater detail in the Notes to Financial Statements.

## **RISK MANAGEMENT**

The City of Albany is a member of the Bay Cities Joint Powers Insurance Authority (BCJPIA). This seventeen-member entity provides general liability insurance, property insurance, earthquake and automobile insurance and legal assistance. The City also carries employment practices insurance through BCJPIA

Albany is self-insured for workers' compensation costs up to \$150,000 per occurrence, and the City maintains a funded reserve workers' compensation claims. The Local Agency Workers' Excess Compensation (LAWXC) Joint Powers Authority covers claims in excess of \$150,000. The City is also self-insured for general liability claims up to \$50,000.

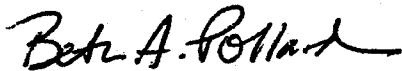
## **CASH MANAGEMENT**

The City Treasurer manages the City of Albany's investment portfolio. Cash that is not required for current operations is pooled and invested in accordance with City Council policy, which adheres to the "prudent man rule" (California Civil Code §2261, et seq.). This policy affords the City considerable discretion in pursuing investment opportunities provided that the investment is prudent and safe with respect to the protection of principal and is allowable under the current laws of the State of California (Government Code §53600, et seq.). However, the City maintains a conservative investment philosophy that emphasizes liquidity and the protection of principal. Hence, the City has not invested any funds in high-risk securities, including derivatives. In fiscal year 2004-05, the City's available cash (not including debt service accounts) was invested in the Local Agency Investment Fund (LAIF), a governmental agency pooled money fund managed by the California State Treasurer, and in government or government agencies securities, held in safekeeping by Wells Fargo Bank.

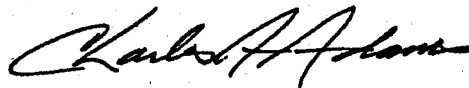
## ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report was accomplished through the coordinated efforts of Department of Finance and Administrative Services staff members Susan Hsieh, Stephanie Wellemeyer and Minnie Swygert. Guidance in preparation of the report was provided by the City's independent auditors, Odenberg, Ullakko, Muranishi & Co. LLP, Certified Public Accountants, under the direction of Chris Millias, Partner and Scott Miller, Manager. We also wish to express our appreciation to the Albany City Council for their support in our pursuit of excellence in financial reporting.

Respectfully submitted,



Beth A. Pollard  
City Administrator



Charles A. Adams  
Finance and Administrative  
Services Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Albany,  
California

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

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.



*Carla E. Perry*

President

*Jeffrey R. Emmer*

Executive Director

CITY OF ALBANY  
PRINCIPAL OFFICERS  
JUNE 30, 2006

CITY COUNCIL

Mayor	Allan Maris
Vice Mayor	Farid Javandel
Councilmember	Robert Good
Councilmember	Robert Lieber
Councilmember	Jewel Okawachi

ELECTED OFFICIALS

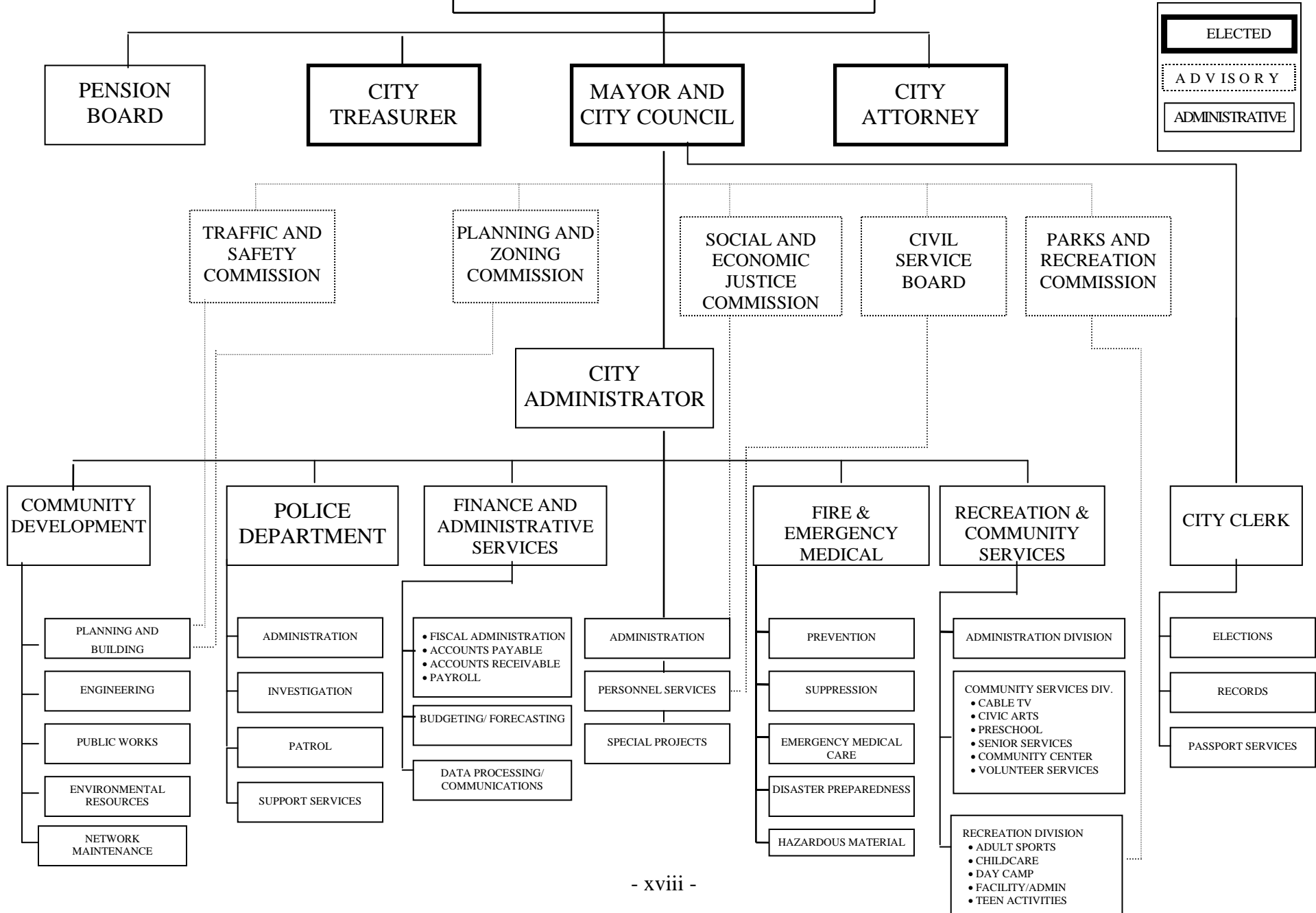
Treasurer	Kim Denton
City Attorney	Robert Zweben

APPOINTED DEPARTMENT HEADS

City Administrator	Beth Pollard
Finance and Administrative Services Director	Charles Adams
City Clerk	Jacqueline Bucholz
Community Development Director	Ann Chaney
Recreation & Community Services Director	Melinda Chinn
Fire Chief	Marc McGinn
Chief of Police	Mike McQuiston

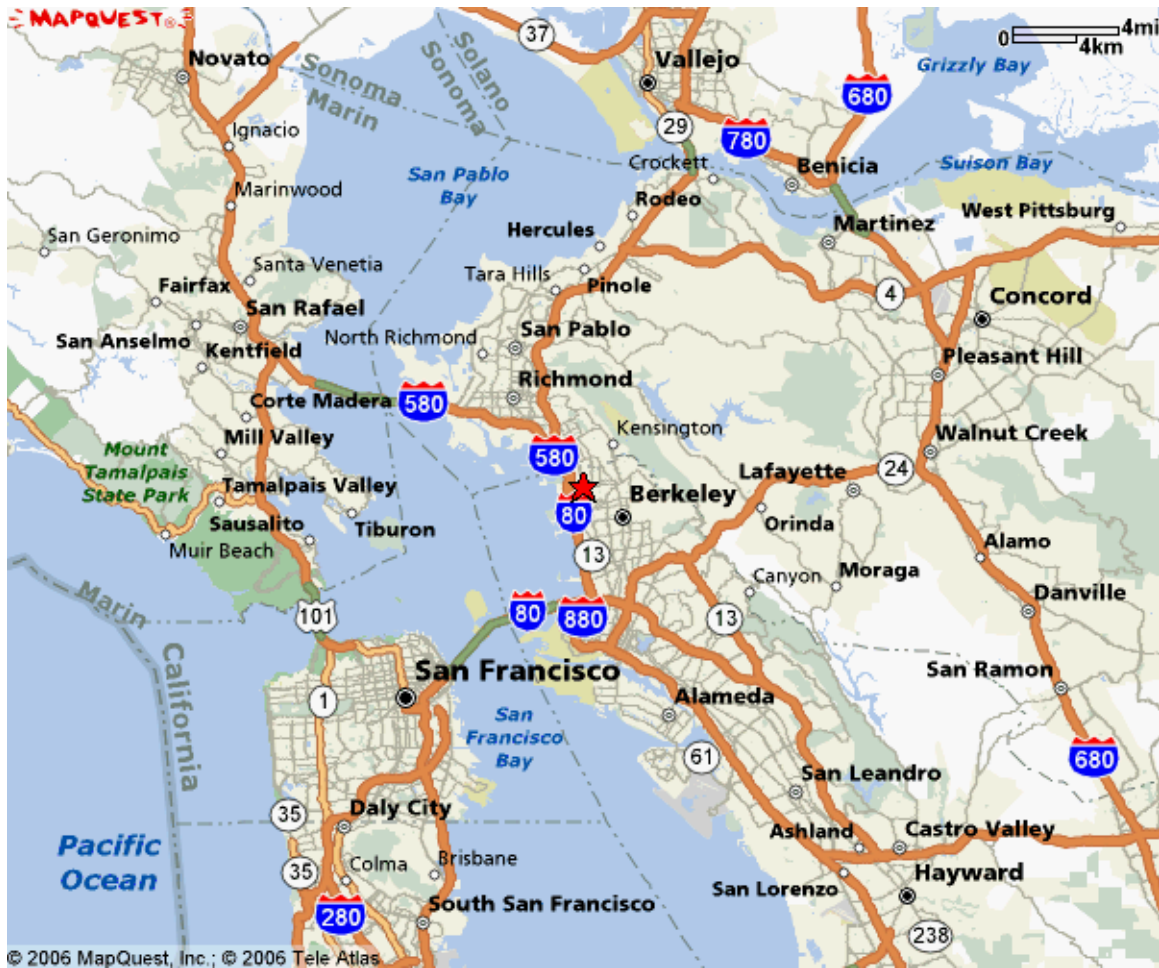
# ORGANIZATION CHART - CITY OF ALBANY

## CITIZENS OF ALBANY





# ALBANY CALIFORNIA 94706



## **INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Albany, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Albany, California, (the "City") as of and for the year ended June 30, 2006, 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's management. Our responsibility is to express an opinion on these basic 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 for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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 our opinion the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Albany at June 30, 2006, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the General Fund and the Pension Property Tax Fund 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 a report dated October 5, 2006 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages A3 through A18 and the schedule of funding progress on page D1 are not a required part of the basic financial statements, but are supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting primarily of inquiries of management regarding the methods of measurement

and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

Our audit was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables section listed in the table of contents 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.

*Oaenberg Ullakko Murawishi & Co LLP*

San Francisco, California  
October 5, 2006

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This is management's discussion and analysis of the City of Albany's financial activities and performance for the fiscal year ended June 30, 2006. Please read this discussion and analysis in conjunction with the transmittal letter, which can be found in the introductory section at the front of this report, and with the City's financial statements, which follow.

### FINANCIAL HIGHLIGHTS

#### Government-wide Financial Statements

- The Government-wide Statement of Net Assets is the first statement of the Basic Financial Statements (page B1) and is summarized on page A8 of this Management's Discussion and Analysis. The statement shows the City's assets of \$68,166,000, liabilities of \$24,702,000, and net assets of \$43,464,000.
- Net assets, as measured in the government-wide financial statements, increased \$2,870,000. Capital assets increased \$1,137,000 and long-term debt decreased \$1,658,000. The major capital asset additions were replacement of sanitary sewer lines and street improvements.
- The City's long-term debt decrease of \$1,658,000 resulted from bond and lease payments and the reclassification of \$907,000 accrued liability for compensated absences from long-term liability to current liability, recorded in an internal service fund.
- The Government-wide statement of activities and changes in net assets is summarized on page A9. This statement shows an increase in net assets of \$2,870,000 for the fiscal year ended June 30, 2006, as compared to an increase of \$3,135,000 for the fiscal year ended June 30, 2005. Expenses for the year increased \$1,099,000 and revenues increased \$834,000 over the prior year. The major increases in revenue occurred in property taxes and sales taxes. Property tax revenue increased \$1,000,000, largely attributable to the increase in assessed value and effect of the "Triple Flip" which provided the City additional property tax revenue of \$1,112,000 in lieu of vehicle license fee revenue. Tax increment revenue for the redevelopment area increased \$343,000. Sale tax revenue increased \$444,000 over the prior year largely due to the timing of State payment of additional property tax revenue to the City, in lieu of sales tax revenue preempted by the State as part of the 2004 "Triple Flip". In lieu payments received in fiscal year 2005-06 totaled \$406,000.

#### Governmental Funds Financial Statements

- A more targeted view of the financial status of the City is provided in the Governmental Funds Financial Statements. These statements appear on pages B3 – B4 of this report, and are discussed in detail in the Fund Financial Statements section of this Management's Discussion and Analysis.
- The core operations of the City are accounted for in the General Fund, and the General Fund fund balance is a key measure of the financial health of the City. As of June 30, 2006, the General Fund fund balance was \$4,188,000, a net increase of \$219,000 over the balance at June 30, 2005. As of June 30, 2006, the unreserved-undesignated fund balance for the General Fund was \$2,595,000.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- To provide for the City's commitment to initiate a waterfront planning study, and to continue systematic funding of general equipment replacement, transfers of \$350,000 and \$150,000 were made from the General Fund to Capital Projects Funds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Basic Financial Statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. This Financial Section of this report also contains supplementary information in pension funding, combining financial statements, and budgetary comparisons for individual funds.

#### Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide information about the activities of the City as a whole and present a long-term view of the City's finances.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between assets and liabilities 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 of Albany is strengthening or weakening.

The Statement of Activities and Changes in Net Assets presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash receipts or disbursements (full accrual basis accounting). Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts or disbursements in future fiscal periods, such as property taxes assessed for the year ended June 30, but received between July 1 and August 31, or vacation leave earned in the current year but not utilized until a subsequent year.

In the government-wide financial statements, the activities of the City are classified as governmental or business-type. Total activities are presented for both the current and prior years.

*Governmental activities* are activities that are principally supported by taxes and intergovernmental revenues. For the City of Albany, governmental activities include police services, fire and emergency medical services, community development and environmental resources, recreation and community services, general government administration, and the activities of four component units.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Component units are organizations whose governing body is: (1) either the governing body of the primary reporting government or (2) a body who reports to the governing body of the primary reporting government, or (3) organizations for which the nature and significance of their relationship with the primary reporting government is such that exclusion would cause the reporting government's financial statements to be misleading or incomplete.

The City of Albany is the primary reporting government in this report, and incorporated into these financial statements are the financial statements of the City of Albany Police and Fire Relief or Pension Plan (Trust), the City of Albany Public Facilities Financing Authority, the Albany Community Reinvestment Agency, and the Albany Municipal Services Joint Powers Authority.

*Business-type activities* are activities that are primarily funded through user charges. The only business-type activity to be reported by the City of Albany is sewer services.

### **Governmental Funds 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 of Albany, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds used by the City are divided into three categories: governmental funds, proprietary funds, and fiduciary 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 financial statements, which focus on the long-term, governmental funds financial statements focus on short-term inflows and outflows of spendable resources and the balances of these resources that are available for spending. This information is useful in evaluating a government's short-term financing requirements.

To assist the user of these financial statements in understanding the differences and the relationship between the government-wide financial statements and the governmental funds financial statements, reconciliations between the two sets of statements have been included in this report.

The reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets highlights the inclusion of capital assets and long-term liabilities in the government-wide financial statements.

The reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities and Changes in Net Assets highlights the exclusion of capital expenditures, depreciation of capital assets, amortization of intangible assets, and cash flows related to long-term debt from the governmental funds statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The City of Albany maintains numerous individual governmental funds, which for financial reporting, are grouped according to their type (general fund, special revenue, capital projects, and debt service). Funds whose expenditures exceed 10% of the total expenditures for all governmental funds, or that meet other specific criteria for determining their importance to the financial statement user, are designated Major Funds, and are reported separately in the governmental funds statements. All other funds are grouped together for reporting purposes. Major funds for the City of Albany are:

- General Fund
- Pension Property Tax
- 1996-1 Assessment District Bond Fund
- General Obligation Bond 2003

Individual fund data for each non-major governmental fund is provided in combining statements included in the *Combining Financial Statements and Other Supplementary Information* section of this report.

### Proprietary funds

Proprietary funds have as their focus the determination of operating income or cost recovery. There are two types of proprietary funds: enterprise funds and internal service funds.

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.
- Internal service funds are used to accumulate and allocate costs internally among the City's various funds and departments, and to record assets and liabilities related to self-insurance programs and compensated absences.

The City accounts for the construction and maintenance of City sewers in the Sewer Enterprise Fund. Revenues are obtained through special district assessments collected with property taxes. The assessment rate for fiscal year 2005-06 was \$248.52 per year, per residential unit. Total assessment revenue for the year was \$1,821,000; this was an increase of \$47,000 from the prior year. Revenues less expenditures and transfers, including interest on bonds of \$304,000, resulted in an increase of net assets for the year by \$567,000.

The City uses an internal service fund to account for anticipated replacement costs of public works and park equipment. Because this reserve predominantly benefits governmental activities, it has been included within the governmental activities in the government-wide financial statements.

### Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City utilizes two types of fiduciary funds:

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Trust funds are used to record the assets and liabilities held for the benefit of others, under a trust agreement that specifies the degree of management performed by the trustee organization. The City accounts for the activities of the City of Albany Police and Fire Relief and Pension Plan in the Police and Fire Pension Trust Fund. There are no current employee members of this plan, but the City will continue to hold its assets in trust and administer the plan as long as there are members receiving benefits.
- Agency funds are used to record assets of separate organizations for which the City serves as a custodian for the organization. All assets in agency funds are offset by a liability to the organization on whose behalf they are held. The City currently maintains four agency funds that are reported in the Statement of Fiduciary Net Assets.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Required Supplementary Information**

This section consists of schedules of funding progress for the City's PERS (California Public Employee Retirement System) pension plans and the Albany Police and Fire Relief Pension Plan.

### **Combining Financial Statements and Other Supplementary Information**

This section contains combining financial statements and budgetary comparison statements for the summary fund groups reported in the basic financial statements.

### **Statistical Section**

Graphic presentations of financial information and non-financial information, and statistical tables are included in this section, as an aid to understanding and evaluating the overall operation and status of the City.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### Analysis of Net Assets

Net assets are a measure of a government's financial position and, over time, a trend of increasing or decreasing net assets is an indicator of the financial health of the organization. The City of Albany's net assets exceeded liabilities by \$43,464,000 at June 30, 2006. A schedule of net assets is presented in the following table.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Net Assets  
June 30, 2006 and 2005  
(thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2006	2005	2006	2005	2006	2005	
Current and other assets	\$ 26,506	\$ 26,281	\$ 7,439	\$ 7,380	\$ 33,945	\$ 33,661	1%
Capital assets	22,571	21,683	11,650	11,401	34,221	33,084	3%
<b>Total assets</b>	<b>49,077</b>	<b>47,964</b>	<b>19,089</b>	<b>18,781</b>	<b>68,166</b>	<b>66,745</b>	<b>2%</b>
Current liabilities	6,099	5,915	479	433	6,578	6,348	4%
Noncurrent liabilities	10,265	11,639	7,859	8,164	18,124	19,803	-8%
<b>Total liabilities</b>	<b>16,364</b>	<b>17,554</b>	<b>8,338</b>	<b>8,597</b>	<b>24,702</b>	<b>26,151</b>	<b>-6%</b>
Net assets:							
Invested in capital assets, net of related debt	18,532	17,782	7,155	7,106	25,687	24,888	3%
Restricted	10,500	10,217			10,500	10,217	3%
Unrestricted	3,681	2,411	3,596	3,078	7,277	5,489	33%
<b>Total net assets</b>	<b>\$ 32,713</b>	<b>\$ 30,410</b>	<b>\$ 10,751</b>	<b>\$ 10,184</b>	<b>\$ 43,464</b>	<b>\$ 40,594</b>	<b>7%</b>

Net assets invested in capital assets (e.g., land, buildings, equipment and infrastructure) of \$25,687,000 represent the cost of these assets less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future expenditures. Resources needed to repay the outstanding debt must be provided from other sources other than the related assets, because the capital assets themselves cannot be used to repay these debts.

Restricted net assets of \$10,500,000 represent resources that are subject to restrictions on how they may be used. The largest component of restricted net assets is \$7,573,000 that is restricted for future capital projects. Special Revenue funds have combined restricted net assets of \$2,161,000. The balance of restricted net assets of \$766,000 is contained in bond debt service funds.

Unrestricted net assets of \$7,277,000 may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. However, all net assets are not liquid, meaning that they are not cash or securities that could be converted to cash within a year. An analysis of liquid fund balance is provided in the funds financial statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Analysis of Changes in Net Assets

The City's net assets increased by \$2,870,000 during the current fiscal year. This growth in the City's net assets is principally from the governmental activities. Information about changes in net assets is presented in the summary table below:

**Activities and Changes in Net Assets  
For the Fiscal Years Ended June 30, 2006 and 2005  
(thousands)**

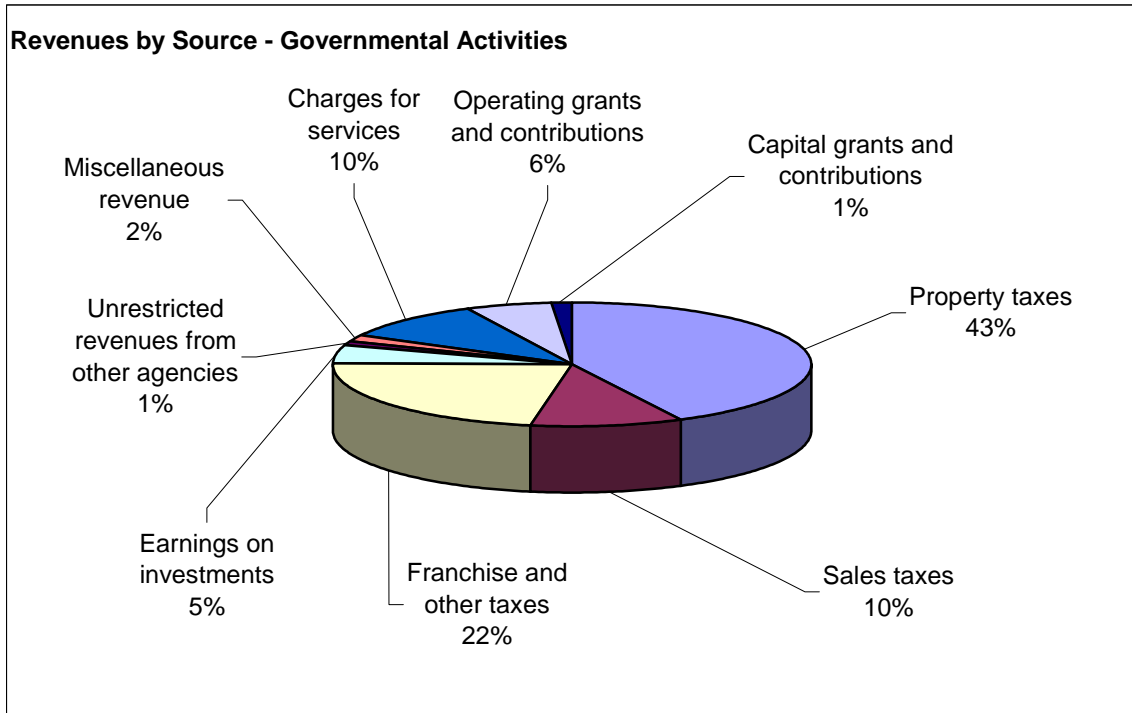
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2006	2005	2006	2005	2006	2005	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 1,976	\$ 1,961	\$ 1,821	\$ 1,774	\$ 3,797	\$ 3,735	2%
Operating grants and contributions	1,155	960	-	-	1,155	960	20%
Capital grants and contributions	259	1,314	-	-	259	1,314	-80%
General revenues:							
Property taxes	8,422	7,423	-	-	8,422	7,423	13%
Sales taxes	2,043	1,599	-	-	2,043	1,599	28%
Franchise and other taxes	4,443	4,557	-	-	4,443	4,557	-3%
Earnings on investment	924	475	236	175	1,160	650	78%
Revenues from other agencies	227	410	-	-	227	410	-45%
Other revenue	364	386	-	2	364	388	-6%
<b>Total revenues</b>	<b>19,813</b>	<b>19,085</b>	<b>2,057</b>	<b>1,951</b>	<b>21,870</b>	<b>21,036</b>	<b>4%</b>
<b>Program expenses:</b>							
General government	2,184	3,471	-	-	2,184	3,471	-37%
Police	5,551	3,896	-	-	5,551	3,896	42%
Fire and emergency medical services	4,477	3,212	-	-	4,477	3,212	39%
Community development and environmental resources	3,647	4,288	-	-	3,647	4,288	-15%
Recreation and community services	2,080	1,970	-	-	2,080	1,970	6%
Interest on long-term debt	423	445	-	-	423	445	-5%
Sewer	-	-	638	619	638	619	3%
<b>Total program expenses</b>	<b>18,362</b>	<b>17,282</b>	<b>638</b>	<b>619</b>	<b>19,000</b>	<b>17,901</b>	<b>6%</b>
<b>Increase/(decrease) in net assets before transfers and other sources</b>	<b>1,451</b>	<b>1,803</b>	<b>1,419</b>	<b>1,332</b>	<b>2,870</b>	<b>3,135</b>	<b>-8%</b>
Transfers	852	836	(852)	(836)	-	-	
<b>Change in net assets</b>	<b>2,303</b>	<b>2,639</b>	<b>567</b>	<b>496</b>	<b>2,870</b>	<b>3,135</b>	<b>-8%</b>
Net assets - beginning of year	30,410	27,771	10,184	9,688	40,594	37,459	8%
<b>Net assets - end of year</b>	<b>\$ 32,713</b>	<b>\$ 30,410</b>	<b>\$ 10,751</b>	<b>\$ 10,184</b>	<b>\$ 43,464</b>	<b>\$ 40,594</b>	<b>7%</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Activities

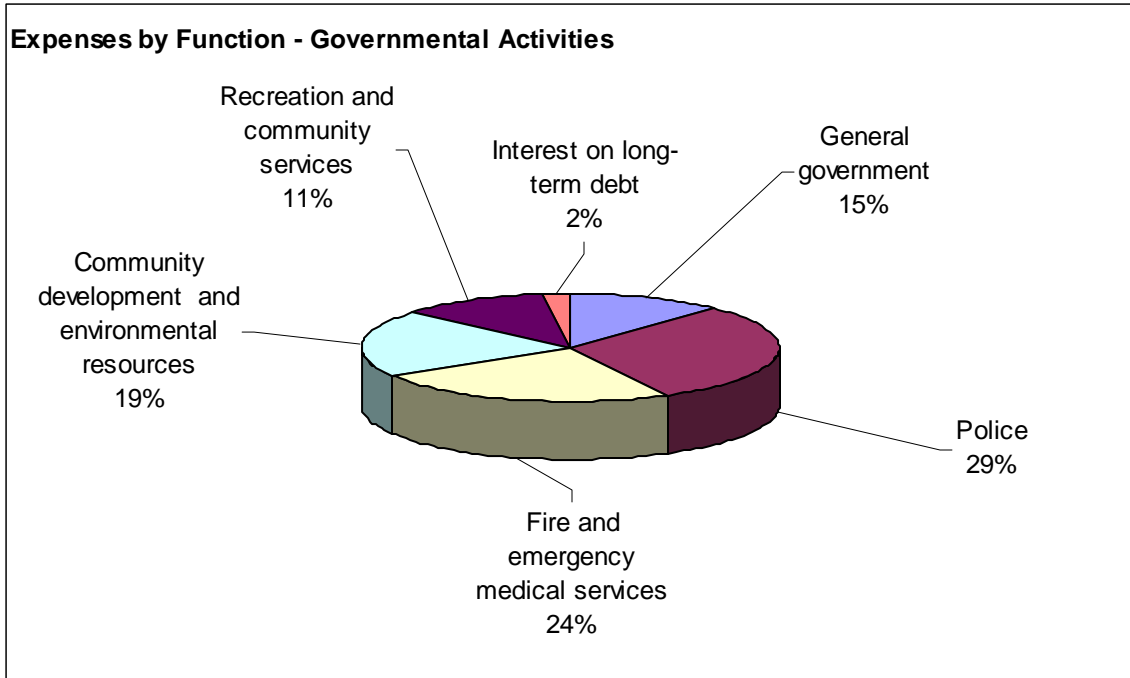
Net assets of governmental activities increased \$2,303,000 in fiscal year 2005-06. An increase in net assets occurs when revenue exceeds expenditures or when capital assets are acquired utilizing revenues received in the current year, and the cost of the acquired asset is to be expensed over the useful life of the asset.

Capital grants and contributions were 1% of total governmental activities revenues, down from 7% in the prior year. This decrease is due to less expenditures incurred for restoration of Codornices Creek. This project is primarily funded by the California Department of Water Resources.



The chart of revenues by source above, illustrates that property taxes are the largest source of operating revenue for the City. It is also one of the most stable and consistent growth revenues. Property taxes, at 43% of revenue, include the .0993% pension override tax, special district assessments, and bonded indebtedness, as well as the City's 0.2% share of the 1.0% countywide tax. Franchise and other taxes are the second largest source of operating revenue, with property transfer taxes composing approximately 36% of this revenue. The major components of this revenue category are: business license, property transfer taxes, utility user taxes, race track taxes, garbage collection franchise fees and cable TV transmission franchise fees.

## MANAGEMENT'S DISCUSSION AND ANALYSIS



The chart of expenses graphically portrays the relative proportion of expenditures by function, as listed in the summary statement on page A9 and the Statement of Activities and Changes in Net Assets Statement on page B2.

### Business-type Activities

The increase in business-type activities net assets of \$567,000 represents activity in the Sewer Enterprise Fund. The principal source of revenue of \$2,057,000 for this fund is charges for usage, and users are assessed on the basis of equivalent residential units (ERU). The assessment for this fiscal year was \$248.52/ERU, an increase of 1.2% over the prior year rate. Earnings on investments increased from \$175,000 to \$236,000 as a result of the improved earnings rate of LAIF (Local Agency Investment Fund). Bond interest expense and major maintenance expenses are recorded in this fund. Routine sewer operating and maintenance expenses are recorded in the General Fund, and net transfers of \$852,000 were made from the Sewer Fund to the General Fund to cover these expenditures.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure compliance with finance related legal requirements and restrictions. The fund basis financial statements presented in this report address the need of the City to demonstrate compliance with financial restrictions, and they allow the statements' users to separately analyze individual funds. The City maintains three types of funds: Governmental, Proprietary and Fiduciary.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Funds

Activity of the Governmental funds is summarized in the following table:

**Governmental Funds  
Revenues, Expenditures and Other Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2006  
(thousands)**

	<b>General Fund</b>	<b>Other Major Funds</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Revenues	\$ 12,895	\$ 2,137	\$ 4,811	\$ 19,843
Current expenditures	13,868	2,271	1,465	17,604
Capital outlay	-	620	794	1,414
Debt service	-	-	995	995
	<u>13,868</u>	<u>2,891</u>	<u>3,254</u>	<u>20,013</u>
Net transfers and other sources	<u>(2,059)</u>	<u>(797)</u>	<u>88</u>	<u>(2,768)</u>
Net change in fund balances	(3,032)	(1,551)	1,645	(2,938)
Fund balances, beginning of year	3,969	12,723	3,861	20,553
Prior period adjustment	<u>3,251</u>	<u>-</u>	<u>-</u>	<u>3,251</u>
<b>Fund balances, end of year</b>	<b><u>\$ 4,188</u></b>	<b><u>\$ 11,172</u></b>	<b><u>\$ 5,506</u></b>	<b><u>\$ 20,866</u></b>

The focus of the City's governmental funds is to provide information on cash near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's combined governmental funds reported an ending fund balance of \$20,866,000, an increase of \$313,000 from the prior year. Of the \$20,866,000 fund balance: \$1,250,000 is reserved for long-term receivables, \$13,959,000 is reserved to fund capital projects, \$930,000 is reserved for debt service, \$2,504,000 has been designated for specific purposes or is held in special revenue funds, and unreserved fund balances and fund deficits are a net \$2,223,000.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, the total fund balance was \$4,188,000, of which \$2,595,000 was unreserved and undesignated. The unreserved-undesignated fund balance serves as an operating reserve, and as such, it is important that it is maintained at an appropriate level in relationship to annual operating expenditures. The unreserved-undesignated fund balance increased by \$281,000 over the prior years balance, and it was 19% of General Fund expenditures.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Proprietary Funds

At June 30, 2006, net assets of the Sewer Fund (an enterprise fund) were \$10,751,000 and net assets of the internal service funds were \$14,000. The Sewer Fund net assets increased \$567,000 over their balance at June 30, 2006. Because the Sewer Fund is an enterprise fund, its fund balance largely represents capital assets, not assets that are available for future expenditures. The unrestricted fund balance is \$3,596,000, and it is planned that these funds will be utilized in completion of a five-year plan for renovation of the sewer system.

Prior to fiscal year 2005-06, the only internal service fund maintained by the City was the Recreation and Community Services Fund, which is use to accumulate funds for major maintenance requirements in Recreation facilities. This year three additional internal service funds were created:

- Workers' Compensation Claims
- General Insurance Retention
- Compensated Absences Reserves

Utilization of these internal service funds facilitates the segregation of cash that has been set aside to fund the associated accrued liabilities.

The Recreation and Community Services Reserve is funded by a surcharge on facilities rentals and does not reflect an estimate of expenditures that will be required to maintain these facilities. The Workers Compensation and General Liability Funds are funded by transfers from the General Fund that are based upon actuarial estimates of future claims expenses, and are currently funded at an approximate 90% confidence level. The Compensated Absence Fund is funded by transfers from the General Fund, based an actual recorded vacation, compensatory time and sick leave. Not all of the recorded hours will be paid and management believes the approximate 60% current funding to be adequate.

### Fiduciary Funds

The major fiduciary fund maintained by the City is the Police and Fire Relief or Pension Fund. The net assets of this fund totaled \$14,548,000 at June 30, 2006, which is a decrease of \$315,000 from the prior year. The assets of this fund will decrease, as the liability for future pension payments decreases. Based on the latest actuarial valuation of the Plan, the actuarial value of Plan assets exceed projected future expenses.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget</u>
<b>Beginning fund balances, July 1, 2005</b>	<b>\$ 3,705</b>	<b>\$ 3,871</b>	<b>\$ 3,969</b>	<b>\$ 98</b>
Resources:				
Revenues	11,880	11,764	12,895	1,131
Transfers in	2,425	2,725	2,687	(38)
Other sources of funds	-	-	-	-
<b>Total Resources</b>	<b><u>14,305</u></b>	<b><u>14,489</u></b>	<b><u>15,582</u></b>	<b><u>1,093</u></b>
Appropriations:				
Expenditures	14,178	14,339	13,868	(471)
Transfers out	103	127	4,746	4,619
<b>Total Appropriations</b>	<b><u>14,281</u></b>	<b><u>14,466</u></b>	<b><u>18,614</u></b>	<b><u>4,148</u></b>
<b>Resources over (under) appropriations</b>	<b>24</b>	<b>23</b>	<b>(3,032)</b>	<b>(3,055)</b>
<b>Prior period adjustment</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,251</u></b>	<b><u>3,251</u></b>
<b>Ending fund balances, June 30, 2006</b>	<b><u><u>\$ 3,729</u></u></b>	<b><u><u>\$ 3,894</u></u></b>	<b><u><u>\$ 4,188</u></u></b>	<b><u><u>\$ 294</u></u></b>

Budget Modifications

The original Fiscal Year 2005-06 budget was adopted in June 2004 as the first year of a two-year budget. The final revised budget for the fiscal year was adopted June 20, 2005. The net change in the revised budget was an increase in the excess of resources over charges to appropriations of \$23,000. The major changes in the final budget were revenue decreases in property transfer taxes, vehicle fines, and race track taxes totaling \$418,000. The budget projection for sales tax revenue increased \$237,000. The transfer of Pension Override Tax revenue to the General Fund, to partially fund increased Safety pension costs, was increased by \$300,000. Budgeted expenses increased approximately a net \$161,000, with the major item being PERS pension contributions.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Transfers

Transfers in to the General Fund are generally made to match restricted revenue with related costs that have been recorded in the General Fund. An example of this type of transfer is the special assessment revenue for EMS (Emergency Medical Services) that is used to pay wages of firefighters/paramedics. Transfers out of the General Fund are most frequently made to fund reserves or to provide for capital expenditures that have been recorded in capital project funds. In addition to the budgeted transfers to reserves, management determined a need to increase the General Equipment Reserve by \$150,000, and to transfer \$500,000 to the Capital Projects Fund, to provide supplemental funds for current or future projects. Also, as previously noted, \$350,000 was transferred from the General Fund to provide initial funding of a waterfront planning study.

### Operating Variances

The City experienced positive results for the year in a comparison of actual resources and appropriations to the final budget. The budget projected a net increase in fund balance of \$23,000, but the actual results were a net increase of \$219,000, a positive variance of \$196,000.

Total revenues exceeded budget by \$1,131,000. The major components of this budget variance were:

- Property taxes exceeded budget by \$572,000 as a result of increase in assessed values.
- Earnings on investments which exceeded budget by \$262,000 as the result of an improvement in the earnings rate of State Local Agency Investment Fund, and better than expected cash flows, providing additional funds for investment.
- Other revenue exceeded budget by \$178,000 with the major items being passport fees, reimbursements for planning projects, and reimbursements for work performed by fire fighters for the Katrina Relief Program.

Total expenditures were under budget by \$471,000, largely due to savings from salaries and benefits for vacant positions. Major individual account variances were:

- Salaries were \$250,000 below budget and fringe benefits were \$188,000 below budget as a result of vacant salaried positions that existed during the year.
- Professional services expense was \$395,000 above budget due to the high level of fee based services and the use of outside professionals to cover vacant positions.
- Insurance premiums and claim expenses were below budget by \$258,000 as a result of claims expenses being recorded in the Internal Service Funds rather than the General Fund. A transfer was made from the General Fund to the Internal Service Funds to cover these claim expenses.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

Detailed information regarding composition and activity in capital assets is provided in Note 5 to the financial statements. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2006 amounted to \$34,220,000 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, furniture and fixtures, machinery and equipment, vehicles, streets, highways, drainage systems, and construction in progress.

Major events affecting capital assets during the current fiscal year included the following:

- Sewer construction of \$520,000 including the replacement of the sewer line on several streets.
- Construction in progress at June 30, 2006 totaled \$781,000 and included resurfacing and other improvements on several streets, improvements for several parks, and \$362,000 for the city hall retrofit.
- Construction costs for the Marin Avenue Reconfiguration and the Street Pavement Program totaled \$493,000.

**Capital Assets, Net of Accumulated Depreciation  
June 30, 2006 and 2005  
(thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2006	2005	2006	2005	2006	2005
Land and construction in progress	\$ 8,808	\$ 8,282	\$ -	\$ -	\$ 8,808	\$ 8,282
Facilities, infrastructure, and equipment, net	13,763	13,401	11,649	11,401	25,412	24,802
<b>Total</b>	<b>\$ 22,571</b>	<b>\$ 21,683</b>	<b>\$ 11,649</b>	<b>\$ 11,401</b>	<b>\$ 34,220</b>	<b>\$ 33,084</b>

Additional information about the City's capital assets can be found in Note 5 to the financial statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Long-term Debt

At June 30, 2006, the City had total long-term debts and obligations as summarized below.

**Outstanding Long-term Obligations  
June 30, 2006 and 2005  
(thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2006	2005	2006	2005	2006	2005
1997 Refunding COPS	\$ 2,325	\$ 2,670	\$ -	\$ -	\$ 2,325	\$ 2,670
2003 general obligation bonds	7,715	7,875	-	-	7,715	7,875
Sewer revenue bonds	-	-	8,184	8,484	8,184	8,484
Capital leases	26	56	-	-	26	56
Workers' compensation	-	-	-	-	-	-
Other long-term obligations	750	1,573	-	-	750	1,573
<b>Total</b>	<b>\$ 10,816</b>	<b>\$ 12,174</b>	<b>\$ 8,184</b>	<b>\$ 8,484</b>	<b>\$ 19,000</b>	<b>\$ 20,658</b>

The City issued Sewer Revenue bonds in the amount of \$8,675,000 in September 2004. The bond proceeds were used for defeasance of outstanding bonds of \$2,750,000, and the balance will be used for major sewer rehabilitation and replacement projects over the next four years. Additional information about the City's long-term debt can be found in Notes 6, 7 and 8 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The economic factors related to City revenues continue to be stable and positive. Property tax is the largest source of City revenue and we expect it to continue to grow at a rate of two to four percent per year, as property is sold and reassessed. The rate of increase in property sale prices has leveled, but the run-up in prices the last few years has been so great that virtually any property sold the next two years will be assessed at a higher value than the current assessed value.

Property transfer taxes remain an important factor in the City's budget. Unlike property taxes, transfer taxes fluctuate significantly from year to year. Should the number of house sales decline, the City's revenue will decline proportionately; however, the fiscal year 2006-07 budget for transfer tax revenue of \$1,520,000 is \$50,000 below the actual revenue for fiscal year 2005-06, and the first quarter transactions for fiscal year 2006-07 were 74, as compared to 54 for the first quarter 2005-06.

A significant sales tax generator for the City is Albany Ford, but auto sales are subject to wide swings from year to year. The addition of department store sales from Target significantly stabilizes this revenue source. Also, the City of Albany has benefited from the redistribution of sales tax revenue that has resulted from the "Triple Flip" that occurred in 2004 when the State preempted sales tax revenue due cities and provided property tax revenue in lieu of the preempted sales tax. As a result of these events, the outlook for sales tax revenue for the City remains positive.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The increase in Interest rates that has occurred over the last year have been beneficial to the City, as the City has not needed to borrow at the higher rates and the City's long term debt is locked in at the lower rates of previous years. Because the City's reserves and any temporary excess funds are invested in short term investments, earnings have risen significantly in the last year. These favorable conditions are likely to continue through fiscal year 2006-07.

The labor agreement with the City's Fire Fighters/Paramedics expires December 31, 2006. Assuming a new wage and benefit agreement is negotiated that is in line with recent agreements with other employee units, the City will be able to maintain the current level of service.

The costs of medical insurance is expected to continue to increase at near double digit rates and because the City is paying a greater percentage of the costs than in past years, there is the potential that actual costs may exceed budget. However, there is reason for optimism that workers compensation expenses will moderate as the State workers compensation reforms take effect. Also, Albany does not expect to have budget breaking increases in pension costs, because of previous actions to maintain benefit formulas that the City can support and the decisions to pay off unfunded liabilities (PERS Side Funds) rather than amortizing these liabilities through future increases in pension contributions.

Retrofitting of City Hall, Police Department and the Fire Station is scheduled to begin in the Spring of 2007 and will require temporary relocation of all employees from these facilities for up to two years. Operational inefficiencies that may be incurred during the relocation may adversely affect operating costs and revenues during the period of retrofit.

The resumption of State payment of some mandated cost reimbursements and allocation of gasoline taxes to the cities for transportation projects are positive events that will aid the City in maintaining the level of services provided and in meeting the needs for infrastructure maintenance and renovation.

The Albany Reinvestment Agency has reached a point where the incremental property tax revenues are generating positive cash flow for the Agency. This means that partial repayment of the \$800,000 the Agency owes the City will be possible. This will free funds for capital projects or additional investment in the redevelopment area.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a comprehensive and understandable portrayal of the City's finances, and to fulfill the City's financial accountability to Albany citizens, governmental entities, and other interested parties. Questions about this report, requests for printed or computer disk copies of this report, and requests for separate financial statements for the Albany Community Reinvestment Agency, and the City of Albany Police and Fire Relief or Pension Fund may be addressed to:

Finance Department  
City of Albany  
1000 San Pablo Avenue  
Albany, CA 94706

**GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS**

**CITY OF ALBANY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**  
(With Comparative Totals for June 30, 2005)

	Governmental Activities	Business-Type Activities	Totals	
			2006	2005
<b>ASSETS</b>				
<b>Current assets:</b>				
Operating cash and investments	\$ 24,203,141	\$ 7,247,039	\$ 31,450,180	\$ 31,092,166
Debt service reserves held with trustee	480,897	-	480,897	476,741
Receivables:				
Other taxes	817,420	-	817,420	744,123
Accounts	142,056	9,944	152,000	401,223
Interest	340,015	-	340,015	209,241
Current portion of note receivable	7,891	-	7,891	7,537
Total current assets	<u>25,991,420</u>	<u>7,256,983</u>	<u>33,248,403</u>	<u>32,931,031</u>
<b>Noncurrent assets:</b>				
Note receivable, net	360,965	-	360,965	369,157
Deferred charges, net	154,246	182,396	336,642	361,335
Capital assets:				
Nondepreciable assets	8,807,952	-	8,807,952	8,281,964
Depreciable assets, net	13,763,009	11,649,441	25,412,450	24,801,796
Total capital assets, net	<u>22,570,961</u>	<u>11,649,441</u>	<u>34,220,402</u>	<u>33,083,760</u>
Total noncurrent assets	<u>23,086,172</u>	<u>11,831,837</u>	<u>34,918,009</u>	<u>33,814,252</u>
Total assets	<u>49,077,592</u>	<u>19,088,820</u>	<u>68,166,412</u>	<u>66,745,283</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	909,506	53,100	962,606	350,595
Accrued salaries & benefits	343,441	-	343,441	472,194
Accrued liabilities	1,172,647	101,068	1,273,715	982,353
Claims liabilities	2,691,843	-	2,691,843	3,250,843
Unearned revenue	430,995	-	430,995	437,011
Current portion of long-term debt	551,064	325,000	876,064	854,540
	<u>6,099,496</u>	<u>479,168</u>	<u>6,578,664</u>	<u>6,347,536</u>
<b>Noncurrent liabilities:</b>				
Long-term debt, net	<u>10,265,000</u>	<u>7,858,611</u>	<u>18,123,611</u>	<u>19,803,795</u>
Total liabilities	<u>16,364,496</u>	<u>8,337,779</u>	<u>24,702,275</u>	<u>26,151,331</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	18,532,193	7,155,248	25,687,441	24,888,220
Restricted for:				
Capital projects	7,572,749	-	7,572,749	6,354,916
Debt service	766,085	-	766,085	708,136
Specific purposes and programs	2,160,838	-	2,160,838	3,153,947
Unrestricted	<u>3,681,231</u>	<u>3,595,793</u>	<u>7,277,024</u>	<u>5,488,733</u>
Total net assets	<u>\$ 32,713,096</u>	<u>\$ 10,751,041</u>	<u>\$ 43,464,137</u>	<u>\$ 40,593,952</u>

**CITY OF ALBANY**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
						2006	2005	
<b>PRIMARY GOVERNMENT</b>								
<b>Governmental activities:</b>								
General government	\$ 2,184,226	\$ 104,049	\$ -	\$ -	\$ (2,080,177)	\$ -	\$ (2,080,177)	\$ (3,360,675)
Police	5,551,034	186,682	96,252	-	(5,268,100)	-	(5,268,100)	(3,516,256)
Fire and emergency medical services	4,476,642	500,289	106,053	-	(3,870,300)	-	(3,870,300)	(2,713,771)
Community development and environmental resources	3,647,228	469,326	887,994	259,193	(2,030,715)	-	(2,030,715)	(1,706,775)
Recreation and community services	2,079,675	715,321	65,003	-	(1,299,351)	-	(1,299,351)	(1,304,005)
Interest on long-term debt	422,768	-	-	-	(422,768)	-	(422,768)	(445,989)
Total governmental activities	18,361,573	1,975,667	1,155,302	259,193	(14,971,411)	-	(14,971,411)	(13,047,471)
<b>Business-type activities:</b>								
Sewer	638,270	1,821,311	-	-	-	1,183,041	1,183,041	1,154,751
Total business-type activities	638,270	1,821,311	-	-	-	1,183,041	1,183,041	1,154,751
<b>Change in net assets:</b>								
Net (expense) revenue	\$ 18,999,843	\$ 3,796,978	\$ 1,155,302	\$ 259,193	(14,971,411)	1,183,041	(13,788,370)	(11,892,720)
<b>General revenues:</b>								
Taxes:								
Property taxes					8,422,013	-	8,422,013	7,422,406
Sales taxes					2,042,834	-	2,042,834	1,599,449
Franchise and other taxes					4,442,459	-	4,442,459	4,557,311
Earnings on investments					924,454	235,892	1,160,346	650,296
Unrestricted revenues from other agencies					226,494	-	226,494	409,822
Other revenue					364,409	-	364,409	388,382
<b>Transfers</b>					852,226	(852,226)	-	-
Total general revenues and transfers					17,274,889	(616,334)	16,658,555	15,027,666
Change in net assets					2,303,478	566,707	2,870,185	3,134,946
Net assets, beginning of year					30,409,618	10,184,334	40,593,952	37,459,006
Net assets, end of year					\$ 32,713,096	\$ 10,751,041	\$ 43,464,137	\$ 40,593,952

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**FUND**  
**FINANCIAL**  
**STATEMENTS**



**CITY OF ALBANY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2006**  
(With Comparative Totals for June 30, 2005)

	Major Funds					Total Governmental Funds	
	General Fund	Pension Property Tax	1996-1 Assessment District Bond Fund	General Obligation Bond 2003	Other Governmental Funds	2006	2005
<b>ASSETS</b>							
Operating cash and investments	\$ 3,313,912	\$ 511,993	\$ 4,236,754	\$ 6,506,585	\$ 6,027,933	\$ 20,597,177	\$ 23,656,582
Debt service reserves held with trustee	-	-	-	-	480,897	480,897	476,741
Receivables:							
Other taxes	614,386	-	-	-	203,034	817,420	744,123
Accounts	50,875	-	-	-	91,181	142,056	393,336
Interest	292,937	-	47,078	-	-	340,015	209,241
Note	368,856	-	-	-	-	368,856	376,694
Due from other funds	89,989	-	-	-	-	89,989	229,268
Advances to other funds	881,398	-	-	-	-	881,398	881,398
Total assets	<u>\$ 5,612,353</u>	<u>\$ 511,993</u>	<u>\$ 4,283,832</u>	<u>\$ 6,506,585</u>	<u>\$ 6,803,045</u>	<u>\$ 23,717,808</u>	<u>\$ 26,967,383</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 701,263	\$ -	\$ 11,090	\$ 100,333	96,820	\$ 909,506	\$ 344,974
Accrued salaries & benefits	331,937	-	741	-	10,763	343,441	472,194
Accrued liabilities	16,118	-	-	13,455	71,512	101,085	702,892
Due to other funds	-	-	4,460	-	85,529	89,989	229,268
Claims liabilities	-	-	-	-	-	-	3,250,843
Unearned revenue	374,693	-	-	-	151,497	526,190	532,206
Advances from other funds	-	-	-	-	881,398	881,398	881,398
Total liabilities	<u>1,424,011</u>	<u>-</u>	<u>16,291</u>	<u>113,788</u>	<u>1,297,519</u>	<u>2,851,609</u>	<u>6,413,775</u>
<b>Fund balances</b>							
Reserved for long-term note receivable	368,856	-	-	-	-	368,856	376,694
Reserved for interfund receivable	881,398	-	-	-	-	881,398	881,398
Reserved for capital projects	-	-	4,267,541	6,392,797	3,298,296	13,958,634	13,185,078
Reserved for debt service	-	-	-	-	930,438	930,438	880,331
Unreserved:							
Designated - General Fund-equipment replacement	342,760	-	-	-	-	342,760	396,260
Designated - Special Revenue Funds	-	511,993	-	-	1,648,845	2,160,838	3,153,947
Undesignated - General Fund	2,595,328	-	-	-	-	2,595,328	2,314,585
Unreserved (deficit) - Capital Project Funds	-	-	-	-	-	-	(234,453)
Unreserved (deficit) - Debt Service Funds	-	-	-	-	(372,053)	(372,053)	(400,232)
Total fund balances	<u>4,188,342</u>	<u>511,993</u>	<u>4,267,541</u>	<u>6,392,797</u>	<u>5,505,526</u>	<u>20,866,199</u>	<u>20,553,608</u>
Total liabilities and fund balances	<u>\$ 5,612,353</u>	<u>\$ 511,993</u>	<u>\$ 4,283,832</u>	<u>\$ 6,506,585</u>	<u>\$ 6,803,045</u>	<u>\$ 23,717,808</u>	<u>\$ 26,967,383</u>
Total fund balances						\$ 20,866,199	\$ 20,553,608
Amounts reported for governmental activities in the statement of net assets are different because:							
Deferred charges for debt issuance expensed in government funds statement.						154,246	168,806
Net capital assets not reported in government funds statements.						22,563,748	21,672,693
Net assets and liabilities not requiring current resources; therefore not included in government funds statement.						(69,158)	(77,000)
Long-term liabilities not due within one year; therefore not included in government funds statement.						(10,816,064)	(12,173,913)
Net assets of internal service funds not included in government funds statement.						14,125	265,424
Net assets of governmental activities						<u>\$ 32,713,096</u>	<u>\$ 30,409,618</u>

\* See page D3 for schedule of funds.

\*\* See page D5 for details of the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets.

**CITY OF ALBANY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Major Funds					Total Governmental Funds	
	1996-1					2006	2005
	General Fund	Pension Property Tax	Assessment District Bond Fund	General Obligation Bond 2003	Other Governmental Funds		
*	**	***	***	****			
<b>REVENUES</b>							
Property taxes	\$ 4,037,091	\$ 1,583,289	\$ -	\$ -	\$ 2,801,633	\$ 8,422,013	\$ 7,422,406
Sales taxes	2,042,834	-	-	-	-	2,042,834	1,599,449
Franchise and other taxes	4,387,293	-	-	-	55,166	4,442,459	4,557,311
Licenses and permits	195,709	-	-	-	2,319	198,028	211,607
Fines and forfeitures	153,619	-	-	-	-	153,619	216,450
Earnings on investments	287,254	71,604	162,631	295,714	137,442	954,645	474,975
Revenues from other agencies	214,023	23,492	-	-	1,298,126	1,535,641	2,425,620
Current services charges	1,170,042	-	-	-	453,188	1,623,230	1,533,115
Other revenue	407,408	-	-	-	63,139	470,547	335,769
<b>Total revenues</b>	<b>12,895,273</b>	<b>1,678,385</b>	<b>162,631</b>	<b>295,714</b>	<b>4,811,013</b>	<b>19,843,016</b>	<b>18,776,702</b>
<b>EXPENDITURES</b>							
Current:							
General government	2,420,027	5,227	-	-	13,838	2,439,092	3,432,867
Police	4,347,333	1,046,847	-	-	12,609	5,406,789	3,952,335
Fire and emergency medical services	3,439,147	953,153	-	-	10,265	4,402,565	3,184,594
Community development and environmental resources	2,235,061	-	-	179,939	938,064	3,353,064	3,018,197
Recreation and community services	1,426,572	-	86,013	-	490,620	2,003,205	1,831,098
Capital outlay	-	-	113,534	506,483	793,782	1,413,799	1,912,220
Debt service:							
Principal	-	-	-	-	534,540	534,540	477,923
Interest	-	-	-	-	460,800	460,800	470,372
<b>Total expenditures</b>	<b>13,868,140</b>	<b>2,005,227</b>	<b>199,547</b>	<b>686,422</b>	<b>3,254,518</b>	<b>20,013,854</b>	<b>18,279,606</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(972,867)</b>	<b>(326,842)</b>	<b>(36,916)</b>	<b>(390,708)</b>	<b>1,556,495</b>	<b>(170,838)</b>	<b>497,096</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	2,687,606	-	-	-	1,908,732	4,596,338	3,666,021
Transfers out	(4,746,177)	(750,000)	-	(46,657)	(1,820,918)	(7,363,752)	(2,829,643)
Sale of receivable and insurance proceeds	-	-	-	-	-	-	308,357
<b>Total other financing sources (uses)</b>	<b>(2,058,571)</b>	<b>(750,000)</b>	<b>-</b>	<b>(46,657)</b>	<b>87,814</b>	<b>(2,767,414)</b>	<b>1,144,735</b>
Net change in fund balances	(3,031,438)	(1,076,842)	(36,916)	(437,365)	1,644,309	(2,938,252)	1,641,831
Fund balances, beginning of year	3,968,937	1,588,835	4,304,457	6,830,162	3,861,217	20,553,608	18,911,777
Prior period adjustment	3,250,843	-	-	-	-	3,250,843	-
<b>Fund balances, end of year</b>	<b>\$ 4,188,342</b>	<b>\$ 511,993</b>	<b>\$ 4,267,541</b>	<b>\$ 6,392,797</b>	<b>\$ 5,505,526</b>	<b>\$ 20,866,199</b>	<b>\$ 20,553,608</b>

\* See page B6 for budget comparisons.

\*\* See page B7 for budget comparisons.

\*\*\* See page D40 for budget comparisons.

\*\*\*\* See page D4 for schedule of funds.

**CITY OF ALBANY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	<u>2006</u>	<u>2005</u>
<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ (2,938,252)</b>	<b>\$ 1,641,831</b>
<p>Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capitalized expenditures	1,439,613	1,022,279
Depreciation expense	(548,558)	(531,023)
<p>Losses on the disposal of capital assets are reported in the Statement of Activities and Changes in Net Assets, but do not require the use of current financial resources. Therefore, it is not reported as an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
	-	(3,834)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Assets.</p>		
Principal repayments on long-term debt	534,540	477,923
Reduction in arbitrage liability	-	4,100
<p>Some expenses reported in the Statement of Activities and Changes in Net Assets do not require the use of current financial resources and therefore are not reported as expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
Amortization of bond issuance costs	(14,560)	(14,560)
Change in compensated absences	(83,900)	20,529
Change in accrued interest payable	7,842	6,851
<p>Some interest revenues due from other funds reported in the governmental funds are not reported in the Statement of Activities and Changes in Net Assets.</p>		
	(30,190)	-
<p>Some interest expenses due to other funds reported in the governmental funds are not reported in the Statement of Activities and Changes in Net Assets.</p>		
	30,190	17,532
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenue (expense) of the internal service funds is reported in the Statement of Activities and Changes in Net Assets but not in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
	<u>3,906,753</u>	<u>(3,091)</u>
<b>Total Changes in Net Assets of Governmental Activities</b>	<b><u>\$ 2,303,478</u></b>	<b><u>\$ 2,638,537</u></b>

**CITY OF ALBANY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/ (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 3,509,364	\$ 3,464,675	\$ 4,037,091	\$ 572,416
Sales taxes	1,810,957	2,048,000	2,042,834	(5,166)
Franchise and other taxes	4,642,764	4,353,500	4,387,293	33,793
Licenses and permits	187,018	193,018	195,709	2,691
Fines and forfeitures	316,210	204,000	153,619	(50,381)
Earnings on investments	25,000	25,000	287,254	262,254
Revenues from other agencies	160,225	126,903	214,023	87,120
Current services charges	1,007,530	1,119,460	1,170,042	50,582
Other revenue	220,673	229,473	407,408	177,935
<b>Total revenues</b>	<b>11,879,741</b>	<b>11,764,029</b>	<b>12,895,273</b>	<b>1,131,244</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,575,131	2,551,764	2,420,027	131,737
Police	4,535,262	4,707,860	4,347,333	360,527
Fire and emergency medical services	3,637,457	3,570,517	3,439,147	131,370
Community development and environmental resources	2,161,646	2,103,388	2,235,061	(131,673)
Recreation and community services	1,267,956	1,405,573	1,426,572	(20,999)
<b>Total expenditures</b>	<b>14,177,452</b>	<b>14,339,102</b>	<b>13,868,140</b>	<b>470,962</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,297,711)</b>	<b>(2,575,073)</b>	<b>(972,867)</b>	<b>1,602,206</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,424,629	2,724,629	2,687,606	(37,023)
Transfers out	(102,537)	(126,537)	(4,746,177)	(4,619,640)
<b>Total other financing sources (uses)</b>	<b>2,322,092</b>	<b>2,598,092</b>	<b>(2,058,571)</b>	<b>(4,656,663)</b>
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing uses	<u>\$ 24,381</u>	<u>\$ 23,019</u>	(3,031,438)	<u>\$ (3,054,457)</u>
Fund balances, beginning of year			3,968,937	
Prior period adjustment			<u>3,250,843</u>	
Fund balances, end of year			<u>\$ 4,188,342</u>	

**CITY OF ALBANY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - PENSION PROPERTY TAX**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/ (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,289,900	\$ 1,289,900	\$ 1,583,289	\$ 293,389
Earnings on investments	-	-	71,604	71,604
Revenues from other agencies	22,000	22,000	23,492	1,492
Total revenues	1,311,900	1,311,900	1,678,385	366,485
<b>EXPENDITURES</b>				
Current:				
General government	5,500	5,500	5,227	273
Police	-	-	1,046,847	(1,046,847)
Fire and emergency medical services	-	-	953,153	(953,153)
Total expenditures	5,500	5,500	2,005,227	(1,999,727)
REVENUES OVER (UNDER) EXPENDITURES	1,306,400	1,306,400	(326,842)	(1,633,242)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(750,000)	(750,000)	(750,000)	-
Total other financing sources (uses)	(750,000)	(750,000)	(750,000)	-
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing uses	\$ 556,400	\$ 556,400	(1,076,842)	\$ (1,633,242)
Fund balances, beginning of year			1,588,835	
Fund balances, end of year			\$ 511,993	

**PROPRIETARY FUNDS**

**FINANCIAL**

**STATEMENTS**

**CITY OF ALBANY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	<b>2006</b>		<b>2005</b>	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Operating cash and investments	\$ 7,247,039	\$ 3,605,964	\$ 7,180,463	\$ 255,121
Receivables	9,944	-	7,887	-
Total current assets	<u>7,256,983</u>	<u>3,605,964</u>	<u>7,188,350</u>	<u>255,121</u>
Noncurrent assets:				
Deferred charges, net	182,396	-	192,529	-
Capital assets, net	11,649,441	7,213	11,400,764	10,303
Total noncurrent assets	<u>11,831,837</u>	<u>7,213</u>	<u>11,593,293</u>	<u>10,303</u>
Total assets	<u>19,088,820</u>	<u>3,613,177</u>	<u>18,781,643</u>	<u>265,424</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	53,100	-	5,621	-
Accrued liabilities	101,068	-	107,266	-
Compensated absences	-	907,209	-	-
Claims liabilities	-	2,691,843	-	-
Current portion of long-term debt	325,000	-	320,000	-
Total current liabilities	<u>479,168</u>	<u>3,599,052</u>	<u>432,887</u>	<u>-</u>
Noncurrent liabilities:				
Long-term debt	7,858,611	-	8,164,422	-
Total liabilities	<u>8,337,779</u>	<u>3,599,052</u>	<u>8,597,309</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	7,155,248	7,213	7,106,252	10,303
Unrestricted	3,595,793	6,912	3,078,082	255,121
Total net assets	<u>\$ 10,751,041</u>	<u>\$ 14,125</u>	<u>\$ 10,184,334</u>	<u>\$ 265,424</u>

**CITY OF ALBANY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	<b>2006</b>		<b>2005</b>	
	<u>Business-Type Activities- Enterprise Fund Sewer Fund</u>	<u>Governmental Activities- Internal Service Funds</u>	<u>Business-Type Activities- Enterprise Fund Sewer Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
<b>OPERATING REVENUES</b>				
Services charges	\$ 1,821,311	\$ -	\$ 1,773,877	\$ -
Total operating revenue	<u>1,821,311</u>	<u>-</u>	<u>1,773,877</u>	<u>-</u>
<b>OPERATING EXPENSES</b>				
Materials, supplies and other	23,109	-	37,202	-
Claims expenses	-	368,797	-	-
Claims expenses for change of estimate	-	(659,000)	-	-
Amortization	29,323	-	29,323	-
Depreciation	281,569	3,090	250,728	3,091
Total operating expenses	<u>334,001</u>	<u>(287,113)</u>	<u>317,253</u>	<u>3,091</u>
Operating income (loss)	<u>1,487,310</u>	<u>287,113</u>	<u>1,456,624</u>	<u>(3,091)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	235,892	-	175,321	-
Miscellaneous	-	-	2,715	-
Interest expense	(304,269)	-	(301,873)	-
Net nonoperating revenues (expenses)	<u>(68,377)</u>	<u>-</u>	<u>(123,837)</u>	<u>-</u>
Income (loss) before transfers	1,418,933	287,113	1,332,787	(3,091)
Transfers in	-	3,619,640	-	-
Transfers out	(852,226)	-	(836,378)	-
Net transfers	<u>(852,226)</u>	<u>3,619,640</u>	<u>(836,378)</u>	<u>-</u>
Changes in net assets	566,707	3,906,753	496,409	(3,091)
Net assets, beginning of year	10,184,334	265,424	9,687,925	268,515
Prior period adjustment	-	(4,158,052)	-	-
Net assets, end of year	<u>\$ 10,751,041</u>	<u>\$ 14,125</u>	<u>\$ 10,184,334</u>	<u>\$ 265,424</u>



**CITY OF ALBANY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	2006		2005	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 1,819,254	\$ -	\$ 1,765,990	\$ -
Cash paid to suppliers	-	-	(7,296)	-
Cash received (payments to) from others	18,171	(268,797)	-	-
Net cash provided by (used by) operating activities	<u>1,837,425</u>	<u>(268,797)</u>	<u>1,758,694</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	-	3,619,640	-	-
Transfers out to other funds	(852,226)	-	(836,378)	-
Net cash provided by (used by) noncapital financing activities	<u>(852,226)</u>	<u>3,619,640</u>	<u>(836,378)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	-	-	8,407,661	-
Acquisition and construction of capital assets	(530,246)	-	(1,544,512)	-
Principal payments - bonds	(320,000)	-	(2,990,000)	-
Interest paid	(304,269)	-	(301,873)	-
Net cash provided by (used by) capital and related financing activities	<u>(1,154,515)</u>	<u>-</u>	<u>3,571,276</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	235,892	-	175,321	-
Decrease in restricted investments	-	-	388,442	-
Net cash provided by investing activities	<u>235,892</u>	<u>-</u>	<u>563,763</u>	<u>-</u>
Net change in cash and cash equivalents	66,576	3,350,843	5,057,355	-
Cash and cash equivalents at beginning of year	7,180,463	255,121	2,123,108	255,121
Cash and cash equivalents at end of year	<u>\$ 7,247,039</u>	<u>\$ 3,605,964</u>	<u>\$ 7,180,463</u>	<u>\$ 255,121</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
<b>Operating income (loss)</b>	\$ 1,487,310	\$ 287,113	\$ 1,456,624	\$ (3,091)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in estimates	-	(659,000)	-	-
Increase in claims expense reserve	-	100,000	-	-
Depreciation and amortization expense	310,892	3,090	280,051	3,091
Miscellaneous non-operating revenue (expense)	-	-	-	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(2,057)	-	(7,887)	-
Increase (decrease) in accounts payable and accrued liabilities	41,280	-	29,906	-
Net cash provided by (used by) operating activities	<u>\$ 1,837,425</u>	<u>\$ (268,797)</u>	<u>\$ 1,758,694</u>	<u>\$ -</u>

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**FIDUCIARY FUNDS**

**FINANCIAL**

**STATEMENTS**

**CITY OF ALBANY**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2006**  
(With Comparative Totals for June 30, 2005)

	<b>2006</b>		<b>2005</b>	
	<u>Pension Trust Fund (Police and Fire Pension)</u>	<u>Agency Funds</u>	<u>Pension Trust Fund (Police and Fire Pension)</u>	<u>Agency Funds</u>
<b>ASSETS</b>		*		
Operating cash and investments	\$ -	\$ 705,015	\$ -	\$ 693,350
Debt service reserves held with trustee	-	485,938	-	483,332
Receivables:				
Contributions and other	851	-	-	-
Interest	100,926	-	87,240	-
Investments, at fair value:				
U.S. government securities	5,018,908	-	4,783,058	-
Corporate bonds and debentures	2,511,300	-	2,415,670	-
Common stock	6,186,446	-	6,149,478	-
Investment pools	163,428	-	167,058	-
Money market fund	582,117	-	1,276,386	-
Total investments, fair value	<u>14,462,199</u>	<u>-</u>	<u>14,791,650</u>	<u>-</u>
Total assets	<u>14,563,976</u>	<u>1,190,953</u>	<u>14,878,890</u>	<u>1,176,682</u>
<b>LIABILITIES</b>				
Accounts payable	15,633	8,002	15,505	10,762
Due to bondholders	-	863,745	-	882,537
Refundable deposits	-	319,206	-	283,383
Total liabilities	<u>15,633</u>	<u>1,190,953</u>	<u>15,505</u>	<u>1,176,682</u>
<b>NET ASSETS</b>				
Assets held in trust for pension benefits	<u>14,548,343</u>	<u>-</u>	<u>14,863,385</u>	<u>-</u>
Total net assets	<u>\$ 14,548,343</u>	<u>\$ -</u>	<u>\$ 14,863,385</u>	<u>\$ -</u>

\* See page D49 for schedule of funds.

**CITY OF ALBANY**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	<b>2006</b>	<b>2005</b>
	Pension Trust Fund (Police and Fire Pension)	Pension Trust Fund (Police and Fire Pension)
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ -	\$ -
Plan members	-	-
Total contributions	<u>-</u>	<u>-</u>
Investment income:		
Net appreciation in fair value of investments	534,932	771,013
Interest	435,738	428,278
Dividends	107,929	116,920
Total investment income	<u>1,078,599</u>	<u>1,316,211</u>
Less investment expense	135,534	130,727
Net investment income	<u>943,065</u>	<u>1,185,484</u>
Other:		
Property tax override	-	-
Total additions to net assets	<u>943,065</u>	<u>1,185,484</u>
<b>DEDUCTIONS</b>		
Benefits paid	1,233,644	1,289,017
Administrative expenses	19,979	19,760
Other expenses	4,484	4,238
Total deductions from net assets	<u>1,258,107</u>	<u>1,313,015</u>
Changes in net assets	(315,042)	(127,531)
Net assets, beginning of year	<u>14,863,385</u>	<u>14,990,916</u>
Net assets, end of year	<u>\$ 14,548,343</u>	<u>\$ 14,863,385</u>

**NOTES TO  
BASIC FINANCIAL  
STATEMENTS**

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## CITY OF ALBANY

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2006

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#### NOTE 1 – Background

The City of Albany is a largely residential community located on San Francisco Bay in Alameda County, California. The City was incorporated in 1908. The population as of June 30, 2006, as estimated by the California Department of Finance was 16,680.

The City operates under the Council-Administrator form of government, with a full-time City Administrator. The governing body is a five-member council, with one council member serving as mayor. Other elected officials are the City Treasurer and the City Attorney.

In addition to finance and administrative functions, the City Administrator oversees approximately 104 fulltime-equivalent employees in the functions of:

- *Police services* - the Police Department is composed of a Chief, 27 sworn officers and 10 unsworn personnel. A force of 12 reserve officers augments the fulltime police force. In addition to enforcement of laws and protection of life and property, the department supports the Albany Police Activities League (APAL) and numerous other community service programs.
- *Fire and Emergency Medical Services* - the Fire and Emergency Medical Services Department is composed of a Chief, a Battalion Chief, and 18 fire fighters and paramedic personnel. The Fire Department is responsible for operation of the City's Emergency Operations Center. Department personnel perform numerous services to benefit the community, such as Christmas toy drives, sale of low cost bicycle helmets and conducting CPR courses.
- *Recreation and Community Services* - the City provides many recreational activities for its citizens, with emphasis on services to youth and seniors. City owned recreational facilities operated by the department are:
  - Community Center,
  - Senior Center,
  - Memorial Park Child Care Center, and
  - Albany Teen Center.
- *Community Development* - the functions of City infrastructure maintenance and administration of licensing, permit and zoning activities are assigned to this department. The department is composed of the following three divisions:
  - Planning and Building,
  - Public Works, and
  - Environmental Resources.



CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies**

The following is a summary of the accounting policies of the City, which conform with accounting principles generally accepted in the United States of America as applicable to governments.

A. Reporting Entity

The financial statements of the City include the financial activities of the City as well as separate legal entities, called component units, which are controlled by or dependent on the City. While these are separate legal entities, the City Council may serve, in separate session, as their governing body and their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed “blending”) with those of the City, in the accompanying financial statements.

- *The City of Albany Police and Fire Relief and Pension Plan (Trust)* is a separate legal trust whose purpose is to provide pension benefits for certain City employees. The Trust’s governing board is composed of the Mayor, City Treasurer, City Clerk, and two members of the Trust. All accounting and administrative functions are performed by the City. The activities of the Trust have been included in the Police and Fire Relief and Pension Trust Fund. Separate financial statements for the Pension Trust may be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.
- *The City of Albany Public Facilities Financing Authority* is a financing authority whose purpose is to provide financing assistance to the City for acquiring real property and improvements for the benefit of the City and surrounding areas. The Authority’s board is composed of the City Council, and all accounting and administrative functions are performed by City staff. The Authority is dependent upon the City for its cash flows, and the activities of the Authority have been recorded in the Public Facilities Financing Authority Debt Service Fund of the City.
- *The City of Albany Reinvestment Agency (Agency)* was activated in the 1998-99 fiscal year pursuant to the State of California Health and Safety Code Section 33000, entitled “Community Redevelopment Law.” Its purpose is to prepare and carry out plans for improvements, rehabilitation, and redevelopment of blighted areas with the territorial limits of the City of Albany. The Agency meets the definition of a “component unit”, and is presented on a “blended” basis, as if part of the primary government. Although it is a legally separate entity, the governing board of the Agency is comprised of the same membership as the City Council. The City may impose its will on the Agency, including the ability to appoint, hire, reassign, or dismiss management. There is also a financial benefit/burden relationship between the City and the Agency. Separate financial statements for the Agency can be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.
- *Albany Municipal Services Joint Powers Authority (Authority)* was established by the City of Albany and the Albany Reinvestment Agency to employ management employees of the City that are not members of an organized bargaining unit. Members of the City Council serve on the governing board, and the City reimburses the Authority for all expenses. Because the Authority’s financial activities are related solely to those of the City, they are included in the City’s financial statements.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

B. Basis of Accounting/Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

***Government - wide Financial Statements***

The City Government-wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City, accompanied by a total column. Internal Service Funds activities are excluded to avoid “doubling up” revenues and expenses. Fiduciary activities of the City are not included in the government-wide statements.

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities and Changes in Net Assets presents revenues, expenditure and fund transfers that produce changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liability is incurred.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, transactions between governmental and business-type activities have not been eliminated.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

***Governmental Fund Financial Statements***

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements.

Revenues subject to accrual are property taxes, franchise taxes, interest revenue, and charges for services. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue. Licenses and permits are not subject to accrual because, generally, they are not measurable until received in cash.

Expenditures are generally recognized when a liability is incurred, under the modified accrual basis of accounting. Principal and interest on general long-term debt are recognized when due. Financial resources are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Thus, amounts are not current liabilities of the debt service fund, as their settlement will not require expenditure of existing fund assets.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as subject to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The major governmental funds of the City are:

- *General Fund* – This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Pension Property Tax* – This fund is used to account for the property tax override passed by the voters to fund City retirement plans contributions.
- *1996-1 Assessment District Bond Fund* – This fund is used to pay for the acquisition, development and maintenance of open space on Albany Hill; the acquisition, development and maintenance of recreational playfields; and the activities relating to creek restoration, as part of the Open Space, Recreational Playfields and Creek Restoration Assessment District No.1996-1.
- *General Obligation Bond 2003* - This fund is used to account for the General Obligation Bond, Series 2003, issued to finance the repair and improvement of recreational facilities; structural improvements to the fire department, police department and city hall buildings; residential street improvements; bike path improvements, construction and safety lighting; create and improve new and existing parks; and resurface city streets.

***Proprietary Fund Financial Statements***

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

The City of Albany reports the Sewer Enterprise Fund as a major proprietary fund type. The Sewer Enterprise Fund accounts for sewage transmission provided to City residents. The cost of this service, including depreciation, is recovered through user charges.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

The City's internal service funds at June 30, 2006 are the Community Development Equipment Reserve Fund, Worker's Compensation Fund, General Liability Fund, and the Compensated Absences Fund. The Community Development Equipment Reserve Fund is used to accumulate resources to be used for replacement of public works and park equipment. The Worker's Compensation Fund is used to cover known and unknown claims that may occur relating to worker injuries. The General Liability Fund is used to cover future general liability claims against the City. The Compensated Absences Fund is used to reserve funds required to pay off accrued liabilities for vacations, compensatory time and sick leave upon employees' retirement or other termination of employment.

Proprietary funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund, all other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund, and all other expenses are reported as non-operating expenses.

***Fiduciary Fund Financial Statements***

Fiduciary Fund Financial Statements include a statement of net assets and a statement of changes in net assets. The City's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City includes in its Comprehensive Annual Financial Report (CAFR) the Police and Fire Pension Trust Fund, which accounts for the activities of the City of Albany Police and Fire Relief or Pension Plan.

Agency funds are custodial in nature and do not require reporting of the results of operations and no measurement focus is applied to these funds. The accrual basis of accounting is utilized for reporting revenues and expenditures in agency funds.

**C. Budgetary Policies**

Procedures followed in establishing the budgetary data reflected in the financial statements are presented below:

1. By June 1, of even-numbered years, the City Administrator submits to the City Council an operating budget and capital improvement budget for the two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings and work sessions are conducted to obtain comments from interested individuals and organizations.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

3. The budget is formalized and legally enacted through City Council resolution.
4. All intrafund transfers above \$5,000 require the approval of the City Administrator (or designee). All intrafund transfers below \$5,000 require the approval of the Finance and Administrative Services Director (or designee). Interfund transfer approval must be obtained from both the City Administrator and Finance and Administrative Services Director. Such approval shall only be given provided the interfund transfer does not change the total initial appropriation for all funds requiring budgets. Changes in appropriations at the fund level must be approved by the City Council.
5. Formal budgetary integration, in the form of the annual budgets, is employed as a management control device during the year for the General Fund, Special Revenue Funds and all Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is achieved through general obligation bond indenture provisions and other debt agreements.
6. Budgets for General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at the end of the fiscal year.
7. As needed, budgeted amounts are subjected to amendments presented to City Council for approval. Budgeted amounts appearing in these statements are as amended by the City Council through June 30, 2006.

**D. Revenue Recognition for the Sewer Enterprise Fund**

Sewer service charges are billed and collected by the County Auditor-Controller's Office. Semi-annual payments are due November 1 and February 1 of the fiscal year in which the service is provided. Any charges billed but not received, as of the end of the fiscal year, are accrued.

**E. Compensated Absences**

City employees have a vested interest in accrued vacation time and twenty-five percent of accrued sick leave time. This accrued leave time will eventually be used by employees or paid-off by the City. The City has obligations for accrued vacation and sick leave in the amount of \$907,209, which is recorded in the Compensated Absences Internal Service Fund.

**F. Property Tax**

Alameda County officials assess property, issue assessments and collect the tax proceeds. The County distributes taxes, plus any related interest and penalties, to the City.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and become delinquent on August 31.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings, which are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

G. Cash and Cash Equivalents, and Cash Flows

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Proprietary fund types operating cash and investments have been used to prepare the statements of cash flows. Debt service reserves with trustees have original maturity terms of more than three months, and are not included as cash equivalent in the statement of cash flows.

H. Capital Assets

Governmental activity capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Capital assets are recorded at cost and depreciated over their estimated useful lives. Depreciation is charged to governmental activities, by function.

Business-type activity capital assets are recorded at cost and depreciated over their estimated useful lives. The purpose of depreciation is to spread the costs of business-type capital assets equitably among all customers over the life of these assets, so that each customer’s bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of business-type activities capital assets.

The capitalization threshold for capital assets is \$5,000 with a useful life of at least two years. Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Assets as a reduction in the book value of capital assets.

Depreciation of capital assets in service is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Furniture and Equipment	5-10 years
Sewer transmission lines	50 years
Vehicles	5 years
Buildings	20-50 years
Infrastructure	20-70 years



CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

I. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them; distributions may be made only at termination of employment, retirement, death, or in an emergency as defined by the plan.

J. New Accounting Pronouncements

In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*. GASB Statement 44 provides guidance on the tables and narrative explanations in the statistical section of the CAFR. The purpose of the statistical section information is to provide financial statement users with additional historical perspective, context, and detail to assist them in using the information in the financial statements, notes to financial statements, and required supplementary information so as to understand and assess a government's economic condition. The provisions of GASB Statement No. 44 have been applied to this CAFR.

In June 2004, the GASB issue Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement 45 requires employers to apply accrual-basis accounting for expenses and measurement of the funding status of OPEB plans sponsored by the employer. Implementation of GASB Statement 45 will be required for the City of Albany not later than the fiscal year beginning July 1, 2009.

In December 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34*. GASB Statement 46 requires disclosure of the primary government's net assets at the end of the reporting period that are restricted by enabling legislation. Net assets are considered restricted by enabling legislation when the resources can only be used for purposes specified by the legislation. The provisions of GASB Statement No. 46 are effective for financial statements for periods beginning after June 15, 2005; however, the City elected to implement the provisions of the Statement for the fiscal year ended June 30, 2005 (see Note 10).

K. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

L. Reclassifications/Comparative Data

Certain prior period amounts have been reclassified in order to conform to the fiscal 2006 financial statement presentation. Prior year total columns on the accompanying financial statements are not necessary for a fair presentation of the financial statements, but are presented to facilitate financial analysis.



CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

M. Prior Period Adjustment

Internal service funds for workers compensation self-insurance liabilities, general insurance retention liabilities and accrued compensated absences liabilities were established in the current fiscal year to accommodate the City's policy of funding these liabilities, while complying with GASB 34 accounting principals that preclude the inclusion of these liabilities in the General Fund. Implementation of this change in reporting practice required a prior period adjustment to the General Fund of \$3,250,843, which represents workers' compensation claims liability as of June 30, 2005 of \$2,979,000 and general insurance liability of \$271,843 as of June 30, 2005. Additionally, the internal service fund includes a prior period adjustment of \$907,209 for compensated absences.

**NOTE 3 – Cash and Investments**

The City's dependence on property tax receipts and seasonal revenue sources requires it to maintain significant cash reserves to finance operations. Except debt service reserves with trustees, bond proceeds from special assessment districts, and bond proceeds from sewer revenue bonds, the City pools cash from all sources and funds, so that these funds may be invested at the maximum yield, consistent with safety and liquidity, while allowing expenditures from individual funds at any time. Disclosure for the Albany Police and Fire Relief or Pension Plan investments can be found in Note 12.

A. Summary of Cash and Investments

Cash and investments as of June 30, 2006 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 31,450,180
Debt service reserves held with trustee	480,897
Fiduciary funds:	
Cash and investments	15,167,214
Debt service reserves held with trustee	485,938
Total cash and investments	<u>\$ 47,584,229</u>

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 3 – Cash and Investments (Continued)**

**B. Cash and investments as of June 30, 2006 consist of the following:**

Cash on hand	\$	3,300
Deposits with financial institutions		1,230,478
Investments		46,350,451
 Total cash and investments	 \$	 47,584,229

**C. Authorized Investments**

The table below identifies the investment types that are authorized by the City's Investment Policy. The table also identifies certain provisions of the City's Investment Policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of *Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	N/A	N/A	N/A
U.S. Agency Securities	N/A	N/A	N/A
Banker's Acceptance	180 days	40%	10%
Commercial Paper	270 days	15%	10%
Medium-Term Notes	One year	15%	5%
Money Market Mutual Funds	N/A	N/A	N/A
Repurchase Agreements	7 days	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A
Negotiable Certificates of Deposits	One year	15%	N/A

\*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Debt Service Reserves with trustee are invested in accordance with indentures governing the related debt. The trustee may invest in U.S. treasury notes and bonds, and in pooled investments that invest in those securities.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

**NOTE 3 – Cash and Investments (Continued)**

D. Risk Disclosures

*Interest Rate Risk.* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the maturity of its portfolio. In accordance with the City's investment policy, the City is not allowed to invest more than 25% of its investment portfolio in maturities greater than one year. Investments which exceed five years in maturity require City Council's approval. Further, each individual security is limited to one million dollars.

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 1,088,697	\$ 1,088,697	-	-	-
Federal agency securities	966,565	490,000	\$ -	\$ 476,565	-
State investment pool	28,858,598	28,858,598	-	-	-
Money market funds	7,474	7,474	-	-	-
Held by bond trustee:					
U.S. Treasury notes	966,898	966,898	-	-	-
<b>Total</b>	<b>\$ 31,888,232</b>	<b>\$ 31,411,667</b>	<b>\$ -</b>	<b>\$ 476,565</b>	<b>\$ -</b>

*Credit Risk.* This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. That is measured by the assignment of a rating by a nationally recognized credit rating organization. Presented below is the actual rating as of year end for each investment type.

Investment Type	Fair Value	Exempt From Disclosure	Rating as of Year End	
			AAA	Not Rated
U.S. Treasury notes	\$ 1,088,697	\$ 1,088,697		
Federal agency securities	966,565		\$ 966,565	
State investment pool	28,858,598			\$ 28,858,598
Money market funds	7,474			7,474
Held by bond trustee:				
U.S. Treasury notes	966,898	966,898		
<b>Total</b>	<b>\$ 31,888,232</b>	<b>\$ 2,055,595</b>	<b>\$ 966,565</b>	<b>\$ 28,866,072</b>

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 3 – Cash and Investments (Continued)**

The City's general policy is to apply the prudent-investor rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. As of June 30, 2006, there are no investments in any one issuer that represent 5% or more of total City investments.

*Custodial Credit Risk.* Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a depositor will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, a depositor will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governments units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2006, City deposits of \$100,000 were held in accounts covered by depository insurance, and deposits of \$1,533,233 were held in accounts collateralized with securities held by the financial institution. As of June 30, 2006, there were no investments held by the same broker-dealer that was used by the City to buy the securities. Securities purchased through Wells Fargo Institutional Securities, LLC are held in the custody of Wells Fargo Bank National Association, in the name of the City.

**E. Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holding in LAIF. The City had a contractual withdrawal value of \$28,858,598 whose pro-rata share of fair value was estimated by the state Treasurer to be \$28,806,243. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 3 – Cash and Investments (Continued)**

F. Fair Value of Investments

Accounting pronouncement GASB Statement 31 generally applies to investments in external investment pools, investments purchased with maturities greater than one year, mutual funds, and certain investment pools/agreements. Generally, governmental entities need to report the “fair value” changes for these investments at year-end and records these gains or losses on their income statement.

Methods and assumptions used to estimate fair value: The City maintains investment accounting records on amortized cost, and adjusts those records to “fair value” for external reporting purpose. The Funds investment custodians provide market values on each investment instrument on a monthly basis. The investments held by the Funds are widely traded in the financial markets, and trading values are readily available from numerous published sources. The Funds have elected to report their money market investments (those investments with maturities of less than one year) at amortized cost adjusted to fair value. Unrealized gains and losses are recorded and the carrying value of their investments is considered “fair value”.

**NOTE 4 – Receivables**

Note Receivable

Per the employment agreement between the City and the City Administrator, the City, in September 2001, loaned the City Administrator \$400,000 to be used toward the purchase of her principal residence. The loan includes interest at one-eighth of a percentage point above the interest that the City earned from LAIF (Local Agency Investment Fund Account) as of the date of the loan. The outstanding principal balance of the loan at June 30, 2006, was \$368,856, and is recorded in the General Fund as a note receivable.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 5 – Capital Assets**

The following is a summary of capital assets as of June 30, 2006:

	Governmental Activities	Business- Type Activities	Total
Capital assets not being depreciated:			
Land and improvements	\$ 8,027,131	\$ -	\$ 8,027,131
Construction in progress	780,821	-	780,821
	<u>8,807,952</u>	<u>-</u>	<u>8,807,952</u>
Depreciable capital assets:			
Buildings	8,254,565	-	8,254,565
Furniture and fixtures	114,262	-	114,262
Machinery and equipment	724,950	10,565	735,515
Vehicles	1,871,219	-	1,871,219
Sewer lines	-	14,471,868	14,471,868
Infrastructure	8,236,628	-	8,236,628
Total	<u>19,201,624</u>	<u>14,482,433</u>	<u>33,684,057</u>
Less: accumulated depreciation	<u>5,438,615</u>	<u>2,832,992</u>	<u>8,271,607</u>
Depreciable capital assets, net	<u>13,763,009</u>	<u>11,649,441</u>	<u>25,412,450</u>
Total capital assets, net	<u>\$ 22,570,961</u>	<u>\$ 11,649,441</u>	<u>\$ 34,220,402</u>

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 5 – Capital Assets (Continued)**

Transactions and balances of capital assets were as follows:

	Balances June 30, 2005	Additions	Transfers/ Retirements	Balances June 30, 2006
<b>Governmental activities:</b>				
Nondepreciable assets:				
Land and improvements	\$ 7,966,023	\$ 61,108	\$ -	\$ 8,027,131
Construction in progress	315,941	780,821	315,941	780,821
Total nondepreciable assets	<u>8,281,964</u>	<u>841,929</u>	<u>315,941</u>	<u>8,807,952</u>
Depreciable assets:				
Buildings	8,254,565	-	-	8,254,565
Furniture and fixtures	114,262	-	-	114,262
Machinery and equipment	678,463	52,326	5,839	724,950
Vehicles	1,417,467	108,338	85,629	1,440,176
Infrastructure	7,483,667	752,961	-	8,236,628
Total depreciable assets	<u>17,948,424</u>	<u>913,625</u>	<u>91,468</u>	<u>18,770,581</u>
Less accumulated depreciation for:				
Buildings	2,289,259	164,380	-	2,453,639
Furniture and fixtures	82,082	5,809	-	87,891
Machinery and equipment	421,050	55,773	5,839	470,984
Vehicles	1,129,060	111,885	85,629	1,155,316
Infrastructure	636,244	210,711	-	846,955
Total accumulated depreciation	<u>4,557,695</u>	<u>548,558</u>	<u>91,468</u>	<u>5,014,785</u>
Total depreciable assets, net	<u>13,390,729</u>	<u>365,067</u>	<u>-</u>	<u>13,755,796</u>
Internal service fund fixed assets:				
Depreciable assets:				
Vehicles	431,043	-	-	431,043
Total depreciable assets	<u>431,043</u>	<u>-</u>	<u>-</u>	<u>431,043</u>
Less: accumulated depreciation	<u>420,740</u>	<u>3,090</u>	<u>-</u>	<u>423,830</u>
Total depreciable assets, net	<u>10,303</u>	<u>(3,090)</u>	<u>-</u>	<u>7,213</u>
Total governmental activities	<u>\$ 21,682,996</u>	<u>\$ 1,203,906</u>	<u>\$ 315,941</u>	<u>\$ 22,570,961</u>

Depreciation was charged to function as follows:

Governmental activities:	
General government	\$ 31,794
Police	85,785
Fire and emergency medical services	33,825
Community development and environmental resources	231,994
Recreation and community services	168,250
Total governmental activities depreciation expense	<u>\$ 551,648</u>

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 5 – Capital Assets (Continued)**

	Balances June 30, 2005	Additions	Retirements	Balances June 30, 2006
<b>Business-type activities:</b>				
Sewer Enterprise Fund fixed assets:				
Depreciable Assets:				
Sewer lines	\$ 13,952,188	\$ 519,680	\$ -	\$ 14,471,868
Machinery and equipment	-	10,565		10,565
Total depreciable assets	<u>13,952,188</u>	<u>530,245</u>	<u>-</u>	<u>14,482,433</u>
Less accumulated depreciation for:				
Sewer lines	2,551,424	279,455	-	2,830,879
Machinery and equipment	-	2,113		2,113
Total accumulated depreciation	<u>2,551,424</u>	<u>281,568</u>	<u>-</u>	<u>2,832,992</u>
Total depreciable assets, net	<u>\$ 11,400,764</u>	<u>\$ 248,677</u>	<u>\$ -</u>	<u>\$ 11,649,441</u>

**NOTE 6 – Governmental Activities Debt**

The City generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The City's debt issues and transactions related to governmental activities are summarized below and discussed in detail subsequently.

Debt-Governmental Activities	Balances June 30, 2005	Additions	Retirements	Balances June 30, 2006	Due within one year
Long-term debt:					
1997 Refunding COPS 4.25-4.8%, 9/1/12	\$ 2,670,000	\$ -	\$ 345,000	\$ 2,325,000	\$ 360,000
2003 general obligation bonds 3.00-4.00%, 8/1/33	7,875,000	-	160,000	7,715,000	165,000
Capital leases					
1997 Fire truck 6.1%, 2/15/2007	50,734	-	24,670	26,064	26,064
2001 vehicle lease	4,870	-	4,870	-	-
	<u>10,600,604</u>	<u>-</u>	<u>534,540</u>	<u>10,066,064</u>	<u>551,064</u>
Landfill postclosure costs	750,000	-	-	750,000	-
Total long-term debt	<u>\$ 11,350,604</u>	<u>\$ -</u>	<u>\$ 534,540</u>	<u>\$ 10,816,064</u>	<u>\$ 551,064</u>



CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 6 – Governmental Activities Debt (Continued)**

The liability for landfill postclosure costs relates to a construction landfill known as the Albany Bulb. It is anticipated that this land will be transferred to Eastshore State Park without additional costs to the City.

A. 1997 Refunding Certificates of Participation

On December 1, 1997 the City issued \$4,760,000 in Refunding Certificates of Participation (COPS) with interest rates ranging from 4.25 percent to 4.80 percent, to advance refund the \$1,465,000 1989 Refunding COPS with interest rates ranging from 6.6 percent to 7.85 percent, and the \$2,980,000 1992 Refunding COPS with interest rates ranging from 4.75 percent to 6.9 percent. The Net proceeds of \$ 4,579,934 (after payment of \$180,466 in underwriting fees, insurance, and other issuance costs) plus an additional \$500,516 of 1989 and 1992 reserve funds, were deposited into trust to defease the 1989 and 1992 bonds. The 1989 and 1992 lease revenue bonds that have been advanced refunded financed improvements to the maintenance center, and the acquisition of the Library/Community Center complex site and construction of the Center. The 1997 COPS are collateralized by the City's non-cancelable lease covering the Library/Community Center Complex, which terminates September 1, 2012.

B. 2003 General Obligation Bonds

In November 2002, voters passed a ballot measure authorizing the issuance of general obligation bonds in the amount of \$14,500,000, the proceeds to be used for various capital improvements over a period of several years. In June 2003, the City issued \$8,000,000 of the bonds. Interest payments are due February 1<sup>st</sup> and August 1<sup>st</sup> and principal payments are due August 1<sup>st</sup> of each year, with the final payment due August 1, 2033.

C. Capital Leases

On February 15, 1997, the City leased a fire truck in the amount of \$206,070. The lease requires annual principal and interest payments each February 15<sup>th</sup>. The City is using General Fund resources to make lease payments. The final lease payment of \$26,064 principal and \$1,473 interest is due February 15, 2007.

The City entered into a lease agreement during the 2000-01 fiscal year to acquire a vehicle. Final payment of this lease was made during this fiscal year.

D. Arbitrage

The City annually performs arbitrage calculations for the governmental activities long-term debt, and the City has no arbitrage liability as of June 30, 2006.

E. Landfill Postclosure Costs

See Note 15 for a complete discussion of the landfill postclosure costs.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 6 – Governmental Activities Debt (Continued)**

F. Future Governmental Activities Debt Service

Debt service schedules for the COPS, general obligation bonds and lease purchases are as follows:

	<u>Principal</u>			<u>Interest</u>		
	1997 COPS	2003		1997 COPS	2003	
		GO Bonds	Total		GO Bonds	Total
2007	\$ 360,000	\$ 165,000	\$ 525,000	\$ 101,900	\$ 303,076	\$ 404,976
2008	375,000	165,000	540,000	85,085	296,476	381,561
2009	395,000	170,000	565,000	67,178	289,776	356,954
2010	415,000	175,000	590,000	47,936	282,876	330,812
2011	245,000	180,000	425,000	32,096	275,776	307,872
2012-2016	535,000	995,000	1,530,000	26,584	1,272,952	1,299,536
2017-2021		1,205,000	1,205,000		1,087,611	1,087,611
2022-2026		1,485,000	1,485,000		833,532	833,532
2027-2031		1,855,000	1,855,000		485,209	485,209
2032-2034		1,320,000	1,320,000		85,850	85,850
<b>Totals</b>	<u>\$ 2,325,000</u>	<u>\$ 7,715,000</u>	<u>\$ 10,040,000</u>	<u>\$ 360,779</u>	<u>\$ 5,213,134</u>	<u>\$ 5,573,913</u>

**Equipment Lease - 1997**

	<u>Principal</u>	<u>Interest</u>
2007	\$ 26,064	\$ 1,473
<b>Totals</b>	<u>\$ 26,064</u>	<u>\$ 1,473</u>

General Fund, Sewer Fund, and Landscape and Lighting Special Revenue Fund revenues are used to service the COPS.

The City is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the above debt issues. These funds are pledged as reserves to be used if the City fails to meet its obligations under debt issues. These reserves totaled \$480,897 and \$476,741, respectively at June 30, 2006 and 2005.

The California Government Code requires these funds to be invested in accordance with the City ordinance, bond indentures or State statute. All funds have been invested as permitted under the Code.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 7 – Special Assessment District Debt**

On February 10, 1999 the City issued Limited Obligation Improvement Bonds in the amount of \$6,230,000, pursuant to the provisions of the Improvement Bond Act of 1915 and the 1972 LLMD Act. The bonds were issued to finance certain improvements and acquisitions in the City's Open Space, Recreational Playfield, and Creek Restoration Assessment District No. 1996-1 (the District). Assessments sufficient to meet annual debt service on the bonds are billed by the County of Alameda to owners of assessment parcels located within the District.

Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the bonds. Therefore, the debt is not recorded in the City's Government-wide Financial Statements.

The outstanding balance of the bonds as of June 30, 2006 is \$4,860,000.

**NOTE 8 – Business-Type Activities Debt**

On September 1, 2004, the City issued \$8,675,000 in Sewer Revenue Bonds, in which a portion of the proceeds was used to defease the City's 1993 Sewer Revenue Bonds in the amount of \$2,750,000 as of the issue date. The reacquisition price exceeded the net carrying amount of the old debt by \$142,377. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The remaining proceeds will be used to finance certain improvements to the City's sewer system. The bonds mature serially, each September 1, and semi-annual interest payments are due each September 1 and March 1.

The Bonds are special obligations of the City and are secured by and payable solely from operating revenue of the Sewer Enterprise Fund. The bonds maturing on or before September 1, 2014, are not subject to optional redemption prior to maturity. The bonds maturing on or after September 1, 2015, are subject to redemption prior to their respective maturity dates, at the option of the City, from any source of available funds, as a whole on any date on or after September 1, 2014, at a redemption price equal to the principal amount of the bonds together with a premium. These mandatory redemptions are to be made from sinking fund payments made by the City in the year of redemption. Bonds maturing on or after September 1, 2014 may be redeemed at par plus a 2 percent premium, which decreases until September 1, 2016, at which time they may be redeemed at par. The interest rates range from 2.00% to 4.40%.

The following is a summary of changes in long-term debt.

	Balances June 30, 2005	Additions	Retirements	Balances June 30, 2006	Due within one year
Sewer revenue bonds	\$ 8,675,000	\$ -	\$ 320,000	\$ 8,355,000	\$ 325,000
Deferred amortization on refunding	(126,557)	-	(15,820)	(110,737)	-
Original issue discount	(64,021)	-	(3,369)	(60,652)	-
	<u>\$ 8,484,422</u>	<u>\$ -</u>	<u>\$ 300,811</u>	<u>\$ 8,183,611</u>	<u>\$ 325,000</u>

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 8 – Business-Type Activities Debt (Continued)**

Annual debt service repayment requirements to repay the Sewer Revenue Bonds, and amortization of bond issuance costs and refunding discount at June 30, 2006 are:

Year ending June 30,	Bond Service Payments			Amortization		
	Principal	Interest	Total	Issuance Cost	Refunding Discount	Total
2007	\$ 325,000	\$ 299,952	\$ 624,952	\$ 10,133	\$ 19,189	\$ 29,322
2008	330,000	293,402	623,402	10,133	19,189	29,322
2009	340,000	286,362	626,362	10,133	19,189	29,322
2010	350,000	278,160	628,160	10,133	19,189	29,322
2011	355,000	268,550	623,550	10,133	19,189	29,322
2012-2016	1,980,000	1,155,445	3,135,445	50,665	48,485	99,150
2017-2021	2,380,000	747,433	3,127,433	50,665	16,845	67,510
2022-2025	2,295,000	205,155	2,500,155	30,401	10,114	40,515
<b>Totals</b>	<b>\$ 8,355,000</b>	<b>\$ 3,534,459</b>	<b>\$11,889,459</b>	<b>\$ 182,396</b>	<b>\$ 171,389</b>	<b>\$ 353,785</b>

**Internal Service Fund Debt**

The liability related to compensated absences at June 30, 2006 is summarized below:

Debt	Balances			Balances
	June 30, 2005	Additions	Retirements	June 30, 2006
Compensated absences	\$ 923,309	\$ 83,900	\$ 100,000	\$ 907,209

**NOTE 9 – Fund Equity**

The following fund has a deficit in fund balances at June 30, 2006:

Other governmental funds

Debt Service - Reinvestment                      \$372,053

*Debt Service – Reinvestment*

The Reinvestment Agency incurred a debt to the City of Albany General Fund of \$400,000, so as to pay the local share match of the cost of the construction of the Buchanan-Eastshore Highway interchange construction. The loan will be repaid from property tax increment revenue. Repayment of the loan will result in elimination of the negative fund balance in the Debt Service Fund.

*Budget Variances – Major Funds:*

- General Fund expenditures in the Community Development and Environmental Resources Department were \$2,235,061, which exceeded the budgeted amount by \$131,673. The excess expenditures resulted from professional services contracted to respond to requests from developers and property owners seeking permits for major construction projects. These costs were reimbursed to the City and partially accounted for the excess of “Other Revenue” of \$177,935 over budget. Recreation and Community Services expenditures of \$1,426,573 exceeded budget by \$29,999. The primary excess expenditure occurred in professional services, due to higher than budgeted participation

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

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in classes and activities conducted by contract instructors. Because instructors are paid a percentage of participant fees, all of the excess expenditures were recovered through participant fees.

**NOTE 9 – Fund Equity (Continued)**

- General Fund transfers out to other funds of \$4,746,177 exceeded the budgeted amount by \$4,619,640. The excess transfers were made in conjunction with the establishment of internal service funds to record accrued liabilities for workers' compensation claims and reserves for general liability self insurance. Transfers were also made to capital projects funds to cover capital expenditures not funded by other specific funding sources. All transfers are detailed in the schedule at Note 11, and all transfers were approved by the City Council.
- Pension Fund expenditures of \$2,005,227 exceeded the budgeted amount by \$1,999,727. The excess expenditures were made to pay down PERS Safety Retirement Plans "Side Funds" as discussed in Section E of Note 13.

**NOTE 10 – Net Assets**

Accounting pronouncement GASB Statement 46 requires state and local government to disclose the amount of the primary government's net assets at the end of the reporting period that are restricted by enabling legislation. As of June 30, 2006, the government-wide statement of net assets reports \$10,499,672 of restricted net assets, of which \$2,160,838 is restricted by enabling legislation. Restricted net assets will be used for the purposes specified by the legislation. The City's restricted net assets represent unspent resources received from granting agencies and fees and taxes levied for specific programs.

**NOTE 11 – Interfund Transactions**

Interfund Transfers

The principal purpose of interfund transfers is to match revenue, which is recorded in funds designated for specific purposes, with the expenditures funded by these revenues. Examples are the Emergency Medical Services fees that are used to pay paramedic service expenses recorded in the General Fund, and Lighting and Landscape Assessment fees that are used to pay expenditures in the debt service funds. Interfund transfers are also used to fund insurance reserves and equipment replacement funds.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

NOTE 11 – Interfund Transactions (Continued)

Fund	Transfers in	Transfers out
<b>MAJOR GOVERNMENTAL FUNDS</b>		
General	\$ 2,687,606	\$ 4,746,177
Pension Property Tax	-	750,000
General Obligation Bond 2003	-	46,657
<b>Total major funds</b>	2,687,606	5,542,834
<b>NON-MAJOR GOVERNMENTAL FUNDS</b>		
<b>Special revenue funds:</b>		
Gas Tax	-	245,752
Transportation for Clean Air	-	120,000
Community Development Block Grant	-	1,081
Streets	35,278	-
Lighting and Landscape Assessment District	-	484,235
Emergency Medical Services	-	962,122
	35,278	1,813,190
<b>Debt service funds:</b>		
Debt Service APFFA	462,853	-
	462,853	-
<b>Capital projects funds:</b>		
Fire Equipment	59,265	-
Police Equipment	51,000	-
Emergency Medical Service Equipment	22,500	-
Fire Operations Equipment	24,000	7,728
Capital Projects	753,836	-
Albany Bulb	350,000	-
Equipment Replacement Reserve Fund	150,000	-
	1,410,601	7,728
<b>Total non-major governmental funds</b>	1,908,732	1,820,918
<b>PROPRIETARY FUNDS</b>		
<b>Internal Service Funds:</b>		
Worker's Compensation	2,559,101	-
General Liability	401,539	-
Compensated Absences	659,000	-
	3,619,640	-
<b>Enterprise Fund</b>		
Sewer Fund	-	852,226
	-	852,226
<b>Total proprietary funds</b>	3,619,640	852,226
<b>Total Interfund Transfers</b>	\$ 8,215,978	\$ 8,215,978

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

**NOTE 11 – Interfund Transactions (Continued)**

Interfund Balances

The following is a summary of interfund balances as of June 30, 2006:

**MAJOR GOVERNMENTAL FUNDS**

General fund	\$ 89,989	\$ -
1996-1 Assessment District Bond Fund	-	4,460
<b>Total major funds</b>	<u>89,989</u>	<u>4,460</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

**Special revenue funds:**

Community Development Block Grant	-	12,480
Alameda County Measure B	-	4,153
M.T.C. Taxi Scrip	-	1,608
Emergency Medical Services	-	37,098
	-	<u>55,339</u>

**Capital projects funds:**

Reinvestment	-	15,360
	-	<u>15,360</u>

**Debt service funds:**

Reinvestment Debt Service	-	14,830
	-	<u>14,830</u>

**Total non-major governmental funds**

-	<u>85,529</u>
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**Total**

<u>\$ 89,989</u>	<u>\$ 89,989</u>
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Funds are primarily borrowed from the General Fund to cover current cash flow requirements. The amounts shown above are expected to be repaid in the following fiscal year.

Advances to and from other funds at June 30, 2006 were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
<b>MAJOR GOVERNMENTAL FUNDS</b>		
General	\$ 881,398	\$ -
<b>Total major governmental funds</b>	<u>881,398</u>	<u>-</u>
<b>NON-MAJOR GOVERNMENTAL FUNDS</b>		
Capital - Reinvestment	-	415,040
Debt Service - Reinvestment	-	466,358
<b>Total non-major governmental funds</b>	<u>-</u>	<u>881,398</u>
<b>Total</b>	<u>\$ 881,398</u>	<u>\$ 881,398</u>

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

**NOTE 11 – Interfund Transactions (Continued)**

The General Fund advanced certain monies on behalf of the Debt Service – Reinvestment Fund to finance certain costs and expenses, as set forth in the Cooperation Agreement between the City and the Albany Community Reinvestment Agency. Under the terms of the agreement, interest is accrued at rates based on the current Local Agency Investment Fund rate. Any unpaid accrued interest is added to the total obligation on an annual basis. At June 30, 2006, the balance of principal and interest was \$466,358. The total obligation is subordinate to any external debt of the Agency as well as the \$415,040 advance discussed below. The Agency expects to repay the obligation using future incremental tax revenues. There is no fixed due date for repayment.

A \$400,000 advance from the General Fund to the Capital Projects – Reinvestment Fund was made for the specific purpose of providing funds for the development of the Buchanan-Eastshore Highway Interchange project located in the Cleveland Avenue/Eastshore Highway Project Area. This advance is expected to be repaid from property tax increment revenues, in installments of principal plus interest at rates based on the current Local Agency Investment Fund rate. At June 30, 2006, the balance of principal and interest was \$415,040.

**NOTE 12 – Albany Police and Fire Relief and Pension Plan**

A. Plan Description

The Albany Police and Fire Relief and Pension Plan (Plan) is a sole employer defined benefit pension plan for the City of Albany’s police and fire employees hired before July 1, 1971. The Plan is closed to new participants. Participants in the plan are as follows:

Terminated vested participants:	
Retired	15
Disabled	9
Survivor	5
	<u>29</u>

Employees who retire, regardless of age, with 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two-thirds of the amount of the average yearly compensation attached to the rank he or she held during three years preceding retirement. A member may retire with an early allowance (computed in the same manner as above, but reduced by one-thirtieth for each year of service less than thirty) after attaining age 50 and with 25 years credited service. The Plan also provides death, disability, and survivor benefits. These benefit provisions and all other requirements are established by City Charter.

B. Cash and Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange, are valued at the last reported sales price. Investments that do not have an established market value are reported at estimated fair value. Net gains and losses, includes gains and losses from the sale of investments and unrealized net increases or decreases in market value.



CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 12 – Albany Police and Fire Relief and Pension Plan (Continued)**

The Plan's Investment Policy and the California Government Code allow the Plan to invest in the following type of investments:

- Fixed Income Securities – Fixed income securities include U.S. Government Obligations, federally sponsored credit agency securities, corporate bonds, Canadian government bonds, Yankee bonds, non-governmental asset-backed securities, collateralized mortgage obligations rated investment grade, money market funds, STIF accounts, certificates of deposit, bankers acceptances, commercial paper, or any other short-term securities rated investment grade Guaranteed Investment Contracts rated A+ by A. M. Best Company.
- Equity Securities – Equity securities are comprised of common stocks, convertible and non-convertible preferred stocks, convertible debt securities, and American Depository Receipts (ADRs) of foreign securities.
- Each type of investment is subject to a target allocation and includes maximum and minimum general guidelines as a percentage of the overall portfolio as set forth in the investment policy. No more than 5 percent of any single equity portfolio may be invested in one equity security at cost. Except for securities issued by the U.S. Government and its agencies, no more than 5 percent of any single fixed income portfolio based on market value shall be invested in securities of any one issuing corporation at the time of purchase.
- Common and convertible preferred stocks should be of investment grade quality and listed on the New York Stock Exchange, American Stock Exchange, NASDAQ system, or national market exchange. Fixed income securities must have a rating of BBB or higher by Standard & Poor's or Baa or higher by Moody's.

In accordance with the Plan's investment policy, the Plan can invest no more than 10% of the total investments in cash and cash equivalents, 45% in equities, and 75% in fixed income securities. As of June 30, 2006, the rating on the Plan's fixed income securities met the rating requirements set by the Plan's policy as described above.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 12 – Albany Police and Fire Relief and Pension Plan (Continued)**

The Plan’s assets (except for LAIF) are in the bank’s name, but are held by its Trust Department in a separate account in the Plan’s name. As of June 30, 2006, the Plan held the following securities:

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 1,526,143	\$ 1,089,309	\$ 316,560	\$ 120,274	-
Government-related securities	258,971	-	-	35,100	\$ 223,871
Mortgage-related debt instruments	3,233,794	-	-	372,993	2,860,801
Finance-related debt instruments	537,330	-	-	94,681	442,649
Industrial-related debt instruments	1,469,475	-	89,279	205,282	1,174,914
Transportation-related debt instruments	504,495	-	-	-	504,495
Common stocks	6,186,446	6,186,446	-	-	-
Local Agency Investment Fund (LAIF)	163,428	163,428	-	-	-
Money market funds	582,117	582,117	-	-	-
<b>Total</b>	<b>\$ 14,462,199</b>	<b>\$ 8,021,300</b>	<b>\$ 405,839</b>	<b>\$ 828,330</b>	<b>\$ 5,206,730</b>

**C. Funding Status and Progress**

The actuarial accrued liability presented below was determined as part of an actuarial valuation at June 30, 2003. The projected unit cost method and significant actuarial assumptions were used in determining the actuarial accrued liability and included: (a) a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, and (b) projected inflation rate of 4.5 percent per year. The Plan’s unfunded actuarial accrued liability was projected to be fully funded by June 30, 2004.

In valuing Plan assets used in determining funding status, the actuary spreads realized and unrealized gains and losses over five years. That is, only 20 percent of realized and unrealized gains and losses are recognized in any one-year. These modified asset values are called the Actuarial Book Value.

An actuarial valuation of the Plan as of June 30, 2006 is scheduled to be completed by December 15, 2006. The unfunded actuarial accrued liability for participants at June 30, 2003 (most recent available) is as follows:

Actuarial accrued liability	
Retirees and beneficiaries currently receiving benefits	\$ 14,950,360
Current employees vested	-
Total actuarial accrued liability	<u>14,950,360</u>
Actuarial book value of assets available for benefits	<u>14,415,847</u>
Unfunded actuarial accrued liability	<u>\$ 534,513</u>

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 12 – Albany Police and Fire Relief and Pension Plan (Continued)**

**D. Contribution Requirements and Contribution Made**

There are no active Plan participants and the plan is closed to new participants. Because the Plan carried an unfunded actuarial liability through June 30, 2003, an employer contribution was made each year, utilizing revenue from the property override tax initiated in 1982 to partially fund pension cost. Following the contribution of \$534,513 made in the fiscal year ended June 30, 2004, the Plan is fully funded and no additional contributions have been required. Actuarial valuation of the Plan continues on a three-year cycle, and any newly determined unfunded liability will be disposed by employer contributions.

The following is the three-year trend information for the Plan:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/04	\$ 534,513	100%	\$ -
6/30/05	-	0%	-
6/30/06	-	0%	-

**E. Contributions**

Annual contributions received by the Plan were as follows:

Year	Employee	Employer	Override	Total
1994-1995	\$ 20,704	\$ 20,704	\$ 783,008	\$ 824,416
1995-1996	23,738	23,738	815,722	863,198
1996-1997	19,110	19,110	853,184	891,404
1997-1998	17,396	17,396	859,910	894,702
1998-1999	18,451	18,451	943,373	980,275
1999-2000	14,798	14,798	1,046,235	1,075,831
2000-2001	11,175	11,175	1,006,065	1,028,415
2001-2002	7,199	7,199	1,164,678	1,179,076
2002-2003	2,885	2,885	1,251,176	1,256,946
2003-2004	-	-	534,513	534,513

F. The City implemented Governmental Accounting Standards Board Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" during the 1996-97 fiscal year.

G. Separate stand-alone financial statements for the Police and Fire Relief and Pension Plan can be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

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**NOTE 13 – PERS Pension Plan**

A. Plan Description

The City of Albany contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office – 400 P Street – Sacramento, California 95814.

B. Funding Policy

Participants are required to contribute 7 percent (9 percent for safety employees) of their annual covered salary. The City's actuarially determined contribution rates for fiscal year 2005-06 were:

City Miscellaneous	11.446%
Safety Police	26.619%
Safety Fire 7/1/05 - 3/31/06	17.699%
Safety Fire 4/1/06 - 6/30/06	24.700%
Albany JPA Miscellaneous	11.322%

As discussed in paragraph E of this note, the City's CalPERS plans have been placed in risk pools, and beginning in fiscal year 2005-06 the employer contribution to each of the plans will be based on a combination of a declining percentage of the normal cost of the plan as a stand-alone plan and an increasing percentage of the pools normal cost until fiscal year 2010-11 when the plans will be subject to 100% of the pool's normal cost.

C. Annual Pension

For fiscal 2005-06, the City's annual pension cost of \$1,874,797 for PERS plans was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service age, and type of employment, and (c) 3.25 percent per year payroll growth. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments such that the actuarial value of assets is 90% and 110% of the actual market value. Unfunded actuarial accrued liabilities are being amortized as a level percentage of assumed future payrolls. All changes in liability due to plan amendments are amortized separately over a closed 20-year period. Gains and losses are tracked and 10% of the net unamortized gain or loss is amortized each year.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

**NOTE 13 – PERS Pension Plan (Continued)**

D. Three Year Trend Information – Combined Contributions Made

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	\$ 980,850	100%	\$ -
6/30/2005	1,421,461	100%	-
6/30/2006	1,874,797	100%	-

E. Risk Pool & Side Funds

As part of a program to smooth the changes in required employer contributions for smaller plans, resulting from changes in actuarial assumptions and short-term experience factors, PERS placed plans of 100 or fewer members into “risk pools.” Formation of the risk pools required the establishment of “side funds,” that represent unfunded liabilities to be amortized over periods of 9 to 18 years for the City’s four plans. As of June 30, 2004 valuations, the balances of the side funds totaled \$4,360,431. In this fiscal year, lump sum payments totaling \$664,786 were made to pay off the side fund liability for both City Miscellaneous plans. Lump sum payments totaling \$2,000,000 were made in June 2006 to reduce the side funds liabilities of the Safety Police and Fire plans. Reduction of side fund balances has the effect of reducing future required employer contributions.

F. Social Security

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer’s existing systems as of January 1, 1992 be covered by either Social Security or an alternative plan.

The City’s Local 790 union members and part-time employees are covered under Social Security, which requires these employees and the City to each contribute 6.2 percent of the employee’s pay to the Social Security Fund. Total contributions to Social Security during the year ended June 30, 2006 were \$178,867, of which the City paid one-half.

The City’s seasonal and temporary employees are covered under an ICMA alternative plan that requires these employees to contribute 7.5 percent of the pay to the plan. Total contributions to the plan during the year ended June 30, 2006 were \$20,025. There is no matching contribution requirement for the City.

**NOTE 14 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006

**NOTE 14 – Risk Management (Continued)**

Public entity risk pools are formally organized separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these risk pools exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board. Obligations and liabilities of these risk pools are the City's responsibility.

A. Risk Pools

Bay Cities Joint Powers (BCJPIA) Insurance Authority covers general liability claims in an amount up to \$14,000,000. The City has a deductible or uninsured liability of up to \$50,000 per claim. Once the City's deductible is met BCJPIA becomes responsible for payments of all claims up to the limit. The City contributed \$259,438 for coverage during the fiscal year ended June 30, 2006.

Condensed audited financial information of BCJPIA at and for the fiscal year ended June 30, 2006 is as follows:

Total assets	\$14,681,898
Total liabilities	10,967,628
Net assets	<u>\$3,714,270</u>
Total revenues	\$8,910,573
Total expenses	8,471,833
Net revenue	<u>\$438,740</u>

The City is a participant in the BCJPIA workers compensation risk pool, which in turn participates in the Local Agency Workers Compensation Excess Insurance Joint Powers Authority's (LAWCX) risk pool, and LAWXCX in turn purchases coverage above the \$1 million coverage provided by its pool. The City has a self-insured retention of \$150,000 for claims, and the BCJPIA pool covers claims from \$150,000 to \$500,000. Claims from \$500,000 to \$50 million are covered by LAWXCX.

The City's contributions with each risk pool equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2006, the City incurred costs of \$201,450 for coverage premiums and administration of the risk pools.

During the past four fiscal (claims) years, none of the above programs have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Financial statements for BCJPIA and LAWXCX may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, CA 95814.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 14 – Risk Management (Continued)**

**B. Liability for Uninsured Claims**

The City estimates its liability for the uninsured portion of claims, including a provision for claims incurred but not reported, based on claims experience. Claims activity for the years ended June 30, 2006 and June 30, 2005 were as follows:

	2006			Fiscal
	Workers' Compensation	General Liability	Total	2005 Total
Claims liabilities, beginning of year	\$ 2,979,000	\$ 271,843	\$ 3,250,843	\$ 2,919,843
Provision for claims losses	239,101	129,696	368,797	765,166
Claim payments	(189,101)	(79,696)	(268,797)	(434,166)
Change of estimates	<u>(659,000)</u>	<u>-</u>	<u>(659,000)</u>	<u>-</u>
Claims liabilities, end of year	<u>\$ 2,370,000</u>	<u>\$ 321,843</u>	<u>\$ 2,691,843</u>	<u>\$ 3,250,843</u>

**NOTE 15 – Landfill Postclosure Costs**

The City of Albany operated a Class III landfill (construction debris only) in a 36-acre site known as the Albany Bulb, until 1974. In 1999 the California Regional Water Control Board (Board) issued a closure order for this site. On May 16, 2005, the Board issued a finding that the City was in compliance with the closure order and that no further action is required for the site. The City anticipates transferring this site to another governmental entity to be developed for public use. The City has accrued an unfunded liability of \$750,000 for potential costs related to the transfer of the site.

**NOTE 16 – Related Party Transaction**

In September 2001, per the employment agreement between the City and the City Administrator, the City loaned the City Administrator \$400,000 to be used toward the purchase of her principal residence. The outstanding principal balance of the loan at June 30, 2006 was \$368,856 (see Note 4).

**NOTE 17 – Commitments and Contingent Liabilities**

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants when required, in accordance with the provisions of the Federal Single Audit Act and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**CITY OF ALBANY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**NOTE 17 – Commitments and Contingent Liabilities (Continued)**

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation, which is likely to have a material adverse effect on the financial position of the City.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**CITY OF ALBANY  
PENSION PLANS  
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)**

**PERS:**

	Valuation Date *	(b) Entry Age Actuarial Accrued Liability	(a) Actuarial Asset Value	(c) Unfunded Liability/ (Excess Assets)	(a)/(b) Funded Ratio	(d) Annual Covered Payroll	(c)/(d) UAAL as a Percentage of Payroll
<b>Safety Police</b>	6/30/2004	1,252,474,736	1,026,500,742	225,973,994	82%	154,903,754	146%
	6/30/2005	1,325,510,754	1,105,298,221	220,212,533	83%	161,446,071	136%
	6/30/2006			*** not available ***			
<b>Safety Fire</b>	6/30/2004	996,203,370	885,549,650	110,653,720	89%	149,407,703	74%
	6/30/2005	1,325,510,754	1,105,298,221	220,212,533	83%	161,446,071	136%
	6/30/2006			*** not available ***			
<b>Miscellaneous</b>	6/30/2004	2,746,095,668	2,460,944,656	285,151,012	90%	743,691,970	38%
	6/30/2005	2,891,460,651	2,588,713,000	302,747,651	90%	755,046,679	40%
	6/30/2006			*** not available ***			

\* The City's CalPERS plans were consolidated into risk pools in fiscal year 2003 as part of a program to smooth the changes in required employer contributions for smaller plans. See Note 13 for details.

**Albany Police and Fire Relief Pension Plan:**

	Valuation Date **	(b) Entry Age Actuarial Accrued Liability	(a) Actuarial Asset Value	(c) Unfunded Liability/ (Excess Assets)	(a)/(b) Funded Ratio	(d) Annual Covered Payroll	(c)/(d) UAAL as a Percentage of Payroll
	1991	\$ 12,763,000	\$ 5,144,000	\$ 7,619,000	40%	\$ 468,800	1625%
	1992	14,785,000	5,477,000	9,308,000	37%	440,540	2113%
	1993	14,785,000	5,869,000	8,916,000	40%	476,607	1871%
	1994	14,785,000	6,272,000	8,513,000	42%	269,989	3153%
	1995	14,528,411	7,076,325	7,452,086	49%	230,459	3234%
	1998	14,861,531	9,613,552	5,247,979	65%	197,328	2660%
	2000	16,020,009	11,452,836	4,567,173	71%	162,826	2805%
	2002	15,573,854	13,453,340	2,120,514	86%	79,385	2671%
	2003	14,950,360	14,415,847	534,513	96%	32,055	1667%

\*\* Because this plan is closed to new participants and the actuarial liability is projected to be fully funded in 2004, the Pension Board adopted a policy in 1996 to perform actuarial valuations periodically, as needed. No actuarial valuations were performed for the years not listed.

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**COMBINING  
STATEMENTS**

## **NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ALBANY**

**Nonmajor Governmental Funds**

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**Other Special Revenue Funds** - accounts for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government.

**Other Capital Projects Funds** - accounts for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by proprietary funds.

**Other Debt Service Funds** - accounts for financial resources to be used for payment for City's long-term debt.

**CITY OF ALBANY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2006**  
(With Comparative Totals for June 30, 2005)

	Special Revenue Funds *	Capital Projects Funds **	Debt Service Funds ***	Totals	
				2006	2005
<b>ASSETS</b>					
Operating cash and investments	\$ 1,702,721	\$ 3,764,188	\$ 561,024	\$ 6,027,933	\$ 4,337,458
Debt service reserves held with trustee	-	-	480,897	480,897	476,741
Receivables:					
Other taxes	117,692	85,342	-	203,034	95,842
Accounts	65,972	25,209	-	91,181	319,888
Total assets	<u>\$ 1,886,385</u>	<u>\$ 3,874,739</u>	<u>\$ 1,041,921</u>	<u>\$ 6,803,045</u>	<u>\$ 5,229,929</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 61,847	\$ 32,625	\$ 2,348	\$ 96,820	\$ 49,906
Accrued salaries & benefits	9,614	1,149	-	10,763	11,155
Accrued liabilities	5,203	66,309	-	71,512	51,845
Due to other funds	55,339	15,360	14,830	85,529	217,811
Unearned revenue	105,537	45,960	-	151,497	156,597
Advance from other funds	-	415,040	466,358	881,398	881,398
Total liabilities	<u>237,540</u>	<u>576,443</u>	<u>483,536</u>	<u>1,297,519</u>	<u>1,368,712</u>
<b>Fund balances:</b>					
Reserved	-	3,298,296	930,438	4,228,734	2,930,790
Designated	1,648,845	-	-	1,648,845	1,565,112
Unreserved (deficit)	-	-	(372,053)	(372,053)	(634,685)
Total fund balances	<u>1,648,845</u>	<u>3,298,296</u>	<u>558,385</u>	<u>5,505,526</u>	<u>3,861,217</u>
Total liabilities and fund balances	<u>\$ 1,886,385</u>	<u>\$ 3,874,739</u>	<u>\$ 1,041,921</u>	<u>\$ 6,803,045</u>	<u>\$ 5,229,929</u>

\* See pages D8 - D11 for schedule of funds.  
\*\* See pages D28 - D30 for schedule of funds.  
\*\*\* See page D43 for schedule of funds.

**CITY OF ALBANY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Special Revenue Funds *	Capital Projects Funds **	Debt Service Funds ***	Totals	
				2006	2005
<b>REVENUES</b>					
Property taxes	\$1,942,210	\$ 319,437	\$ 539,986	<b>\$ 2,801,633</b>	<b>\$ 2,433,331</b>
Franchise and other taxes	55,166	-	-	<b>55,166</b>	<b>54,326</b>
Licenses and permits	2,319	-	-	<b>2,319</b>	<b>1,520</b>
Earnings on investments	73,558	34,760	29,124	<b>137,442</b>	<b>62,053</b>
Revenues from other agencies	1,160,974	129,733	7,419	<b>1,298,126</b>	<b>2,256,354</b>
Current services charges	362,519	90,669	-	<b>453,188</b>	<b>429,360</b>
Other revenue	51,642	11,497	-	<b>63,139</b>	<b>90,734</b>
Total revenues	<u>3,648,388</u>	<u>586,096</u>	<u>576,529</u>	<b><u>4,811,013</u></b>	<b><u>5,327,678</u></b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	13,838	<b>13,838</b>	<b>9,191</b>
Police	12,609	-	-	<b>12,609</b>	<b>143,853</b>
Fire and emergency medical services	2,574	7,691	-	<b>10,265</b>	<b>24,705</b>
Community development and environmental resources	880,987	57,077	-	<b>938,064</b>	<b>936,545</b>
Recreation and community services	490,620	-	-	<b>490,620</b>	<b>576,102</b>
Capital outlay	399,953	393,829	-	<b>793,782</b>	<b>1,038,121</b>
Debt service:					
Principal	-	29,540	505,000	<b>534,540</b>	<b>477,923</b>
Interest	-	18,542	442,258	<b>460,800</b>	<b>470,372</b>
Total expenditures	<u>1,786,743</u>	<u>506,679</u>	<u>961,096</u>	<b><u>3,254,518</u></b>	<b><u>3,676,812</u></b>
REVENUES OVER (UNDER) EXPENDITURES	1,861,645	79,417	(384,567)	<b>1,556,495</b>	<b>1,650,866</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	35,278	1,410,601	462,853	<b>1,908,732</b>	<b>1,298,218</b>
Transfers out	(1,813,190)	(7,728)	-	<b>(1,820,918)</b>	<b>(1,894,606)</b>
Total other financing sources (uses)	<u>(1,777,912)</u>	<u>1,402,873</u>	<u>462,853</u>	<b><u>87,814</u></b>	<b><u>(596,388)</u></b>
Net change in fund balances	83,733	1,482,290	78,286	<b>1,644,309</b>	<b>1,054,478</b>
Fund balances, beginning of year	1,565,112	1,816,006	480,099	<b>3,861,217</b>	<b>2,806,739</b>
Fund balances, end of year	<u>\$ 1,648,845</u>	<u>\$ 3,298,296</u>	<u>\$ 558,385</u>	<b><u>\$ 5,505,526</u></b>	<b><u>\$ 3,861,217</u></b>

\* See pages D12 - D16 for schedule of funds.  
\*\* See pages D31 - D33 for schedule of funds.  
\*\*\* See page D44 for schedules of funds.



**CITY OF ALBANY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

**JUNE 30, 2006**

(With Comparative Reconciliation for June 30, 2005)

	<u>2006</u>	<u>2005</u>
<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 20,866,199</b>	<b>\$ 20,553,608</b>
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Deferred charges represent costs associated with the issuance of long-term debt which are deferred and amortized over the period which the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds:</p>		
1997 Refunding COPS	74,391	85,985
2003 General Obligation Bonds	79,855	82,821
<p>Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.</p>		
Nondepreciable	8,807,952	8,281,964
Depreciable	18,770,581	17,948,424
Less accumulated depreciation	(5,014,785)	(4,557,695)
<p>Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.</p>		
	(164,353)	(172,195)
<p>Some assets will not be available to pay for current period expenditures because the focus of governmental fund is not short-term financing. Those assets are offset by deferred revenue in the funds.</p>		
	95,195	95,195
<p>Long-term liabilities are not due and payable in the current period and, therefore, were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:</p>		
Accrued compensated absences	-	(823,309)
1997 Refunding COPS	(2,325,000)	(2,670,000)
2003 General Obligation Bonds	(7,715,000)	(7,875,000)
Capital leases	(26,064)	(55,604)
Landfill postclosure cost liability	(750,000)	(750,000)
<p>Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-wide Statement of Net Assets.</p>		
	<u>14,125</u>	<u>265,424</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 32,713,096</u></b>	<b><u>\$ 30,409,618</u></b>

## CITY OF ALBANY

### Other Special Revenue Funds

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Special Revenue Funds are used to account for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government. The City's Other Special Revenue Funds and revenue sources are:

**Waterfront Fund** - accounts for the activities relating to the Regional Water Quality Central Board Closure Order and site security-population issues.

**Gas Tax Fund** - accounts for revenue received and expended under the State of California, Street and Highways Code Sections 2106, 2107, and 2107.5. These revenues must be expended for street maintenance or construction.

**Transportation Fund For Clean Air** - accounts for revenue received and expended for bike lane projects in order to improve air quality.

**Community Development Block Grant Fund** - accounts for revenues received and expended under the Federal Community Development Act of 1974. The funds are distributed through the Alameda County Housing and Community Development Department to assist low income and disabled people in Albany.

**Street Fund** - accounts for capital street improvements. Monies are transferred from other funds to pay for expenditures.

**Library Operations Fund** - accounts for voter approved parcel tax in support of library operations.

**Storm Drain Fund** - accounts for revenue and expenditures for programs and activities used to prevent non-point source pollution.

**Alameda County Measure B Fund** - accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes.

**Waste Management Fund** - accounts for monies received from the Alameda County Waste Management Authority. Expenditures are made from this fund on a variety of waste reduction programs to comply with State Legislation AB 939, and for oversight of the City's garbage franchise.

**M.T.C. Tax Scrip Fund** - accounts for reimbursement and purchase of van vouchers and taxi scrip.

**Lighting and Landscape Assessment District Fund** - accounts for assessments levied on district property and are used for landscape and lighting projects, services and maintenance, and debt service on the 1997 Refunding COPS.

**Emergency Medical Services Fund** - accounts for revenue received from emergency medical services including ambulance fees and Emergency Medical District assessments. These funds are expended for emergency medical services provided by the City.

## CITY OF ALBANY

### Other Special Revenue Funds

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**Open Space Fund** - accounts for the purchase of open space on Albany Hill, through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

**Recreational Playfields Fund** - accounts for the acquisition, development and maintenance of recreational playfields throughout the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

**Creek Restoration Fund** - accounts for restoration of creeks through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

**Park Bond Fund** - accounts for monies received for the City's per capita and block grant awards from the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Acts of 2000 and 2002. These funds are used for rehabilitation and restoration of parks and recreation facilities.

**Reinvestment Low-Moderate Housing** - accounts for the set-aside requirements for the tax increment received from the redevelopment area.

**Law Enforcement Grants** - accounts for revenues received under Legislation (AB3229) to fund various front line law enforcement activities.

**CITY OF ALBANY  
OTHER SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET**

**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Waterfront	Gas Tax	Transportation Fund For Clean Air	Community Development Block Grant	Streets
<b>ASSETS</b>					
Operating cash and investments	\$ 2,584	\$ 52,194	\$ -	\$ -	\$ 83,421
Receivables:					
Other taxes	-	52,096	-	-	-
Accounts	-	-	-	15,786	-
Total assets	<u>\$ 2,584</u>	<u>\$ 104,290</u>	<u>\$ -</u>	<u>\$ 15,786</u>	<u>\$ 83,421</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,363	\$ 519
Accrued salaries & benefits	-	-	-	509	-
Accrued liabilities	-	-	-	-	1,300
Due to other funds	-	-	-	12,480	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,352</u>	<u>1,819</u>
Fund balances:					
Unreserved-designated	2,584	104,290	-	434	81,602
Total fund balances	<u>2,584</u>	<u>104,290</u>	<u>-</u>	<u>434</u>	<u>81,602</u>
 Total liabilities and fund balances	 <u>\$ 2,584</u>	 <u>\$ 104,290</u>	 <u>\$ -</u>	 <u>\$ 15,786</u>	 <u>\$ 83,421</u>

Continued  
on next page

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Library Operations	Storm Drain	Alameda County Measure B	Waste Management	M.T.C. Taxi Scrip
<b>ASSETS</b>					
Operating cash and investments	\$ 476	\$ 228,542	\$ -	\$ 120,225	\$ -
Receivables:					
Other taxes	-	1,990	59,455	-	4,151
Accounts	-	-	-	5,000	-
Total assets	<u>\$ 476</u>	<u>\$ 230,532</u>	<u>\$ 59,455</u>	<u>\$ 125,225</u>	<u>\$ 4,151</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 200	\$ 6,971	\$ 4,482	\$ 9,861	\$ 2,191
Accrued salaries & benefits	-	4,396	-	2,516	352
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	4,153	-	1,608
Unearned revenue	-	-	-	-	-
Total liabilities	<u>200</u>	<u>11,367</u>	<u>8,635</u>	<u>12,377</u>	<u>4,151</u>
Fund balances:					
Unreserved-designated	276	219,165	50,820	112,848	-
Total fund balances	<u>276</u>	<u>219,165</u>	<u>50,820</u>	<u>112,848</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 476</u>	<u>\$ 230,532</u>	<u>\$ 59,455</u>	<u>\$ 125,225</u>	<u>\$ 4,151</u>

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on next page

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Lighting and Landscape Assessment District	Emergency Medical Services	Open Space	Recreational Playfields	Creek Restoration
<b>ASSETS</b>					
Operating cash and investments	\$ 449,135	\$ -	\$ 149,311	\$ 39,353	\$ 138,645
Receivables:					
Other taxes	-	-	-	-	-
Accounts	-	37,231	-	-	-
Total assets	<u>\$ 449,135</u>	<u>\$ 37,231</u>	<u>\$ 149,311</u>	<u>\$ 39,353</u>	<u>\$ 138,645</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 5,806	\$ 133	\$ 2,841	\$ -	\$ -
Accrued salaries & benefits	183	-	-	-	-
Accrued liabilities	3,153	-	-	-	-
Due to other funds	-	37,098	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>9,142</u>	<u>37,231</u>	<u>2,841</u>	<u>-</u>	<u>-</u>
Fund balances:					
Unreserved-designated	439,993	-	146,470	39,353	138,645
Total fund balances	<u>439,993</u>	<u>-</u>	<u>146,470</u>	<u>39,353</u>	<u>138,645</u>
 Total liabilities and fund balances	<u>\$ 449,135</u>	<u>\$ 37,231</u>	<u>\$ 149,311</u>	<u>\$ 39,353</u>	<u>\$ 138,645</u>

Continued  
on next page

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Park Bond	Reinvestment	Law	Totals	
		Low-Mod Housing	Enforcement Grants	2006	2005
<b>ASSETS</b>					
Operating cash and investments	\$ 100,004	\$ 209,221	\$ 129,610	\$ 1,702,721	\$ 1,623,036
Receivables:					
Other taxes	-	-	-	117,692	95,842
Accounts	-	-	7,955	65,972	227,193
Total assets	<u>\$ 100,004</u>	<u>\$ 209,221</u>	<u>\$ 137,565</u>	<u>\$ 1,886,385</u>	<u>\$ 1,946,071</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 5,895	\$ -	\$ 20,585	\$ 61,847	\$ 28,084
Accrued salaries & benefits	1,658	-	-	9,614	10,175
Accrued liabilities	-	-	750	5,203	34,322
Due to other funds	-	-	-	55,339	206,247
Unearned revenue	-	-	105,537	105,537	102,131
Total liabilities	<u>7,553</u>	<u>-</u>	<u>126,872</u>	<u>237,540</u>	<u>380,959</u>
Fund balances:					
Unreserved-designated	92,451	209,221	10,693	1,648,845	1,565,112
Total fund balances	<u>92,451</u>	<u>209,221</u>	<u>10,693</u>	<u>1,648,845</u>	<u>1,565,112</u>
 Total liabilities and fund balances	<u>\$ 100,004</u>	<u>\$ 209,221</u>	<u>\$ 137,565</u>	<u>\$ 1,886,385</u>	<u>\$ 1,946,071</u>

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Waterfront *	Gas Tax *	Transportation Fund For Clean Air **	Community Development Block Grant **	Streets ***
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	-	12,715	-	-	2,945
Revenues from other agencies	-	387,155	120,000	22,617	-
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	-	399,870	120,000	22,617	2,945
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	-	-	-	21,536	2,223
Recreation and community services	-	-	-	-	-
Capital outlay	-	197,296	-	-	33,055
Total expenditures	-	197,296	-	21,536	35,278
Excess of revenues over (under) expenditures	-	202,574	120,000	1,081	(32,333)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	35,278
Transfers out	-	(245,752)	(120,000)	(1,081)	-
Total other financing sources (uses)	-	(245,752)	(120,000)	(1,081)	35,278
Net change in fund balances	-	(43,178)	-	-	2,945
Fund balances, beginning of year	2,584	147,468	-	434	78,657
Fund balances, end of year	<u>\$ 2,584</u>	<u>\$ 104,290</u>	<u>\$ -</u>	<u>\$ 434</u>	<u>\$ 81,602</u>

\* See page D17 for budget comparisons.

\*\* See page D18 for budget comparisons.

\*\*\* See page D19 for budget comparisons.

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Library Operations *	Storm Drain **	Alameda County Measure B **	Waste Management ***	M.T.C. Taxi Scrip ***
<b>REVENUES</b>					
Property taxes	\$ 429,260	\$ 290,134	\$ -	\$ -	\$ -
Franchise and other taxes	-	55,166	-	-	-
License and permits	-	2,319	-	-	-
Earnings on investments	-	7,524	2,484	2,333	26
Revenues from other agencies	-	-	383,197	117,642	33,407
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	962
Total revenues	<u>429,260</u>	<u>355,143</u>	<u>385,681</u>	<u>119,975</u>	<u>34,395</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	-	290,298	306,805	94,611	-
Recreation and community services	430,351	-	-	-	38,407
Capital outlay	-	9,060	54,532	-	-
Total expenditures	<u>430,351</u>	<u>299,358</u>	<u>361,337</u>	<u>94,611</u>	<u>38,407</u>
Excess of revenues over (under) expenditures	<u>(1,091)</u>	<u>55,785</u>	<u>24,344</u>	<u>25,364</u>	<u>(4,012)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,091)	55,785	24,344	25,364	(4,012)
Fund balances, beginning of year	1,367	163,380	26,476	87,484	4,012
Fund balances, end of year	<u>\$ 276</u>	<u>\$ 219,165</u>	<u>\$ 50,820</u>	<u>\$ 112,848</u>	<u>\$ -</u>

\* See page D19 for budget comparisons.

\*\* See page D20 for budget comparisons.

\*\*\* See page D21 for budget comparisons.

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Lighting and Landscape Assessment District *	Emergency Medical Services *	Open Space **	Recreational Playfields **	Creek Restoration ***
<b>REVENUES</b>					
Property taxes	\$ 517,269	\$ 602,177	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	17,134	-	5,544	1,163	5,485
Revenues from other agencies	-	-	-	-	-
Current service charges	-	362,519	-	-	-
Other revenue	-	-	25,340	12,670	12,670
Total revenues	<u>534,403</u>	<u>964,696</u>	<u>30,884</u>	<u>13,833</u>	<u>18,155</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	2,574	-	-	-
Community development and environmental resources	165,514	-	-	-	-
Recreation and community services	-	-	9,454	-	-
Capital outlay	15,515	-	-	-	-
Total expenditures	<u>181,029</u>	<u>2,574</u>	<u>9,454</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>353,374</u>	<u>962,122</u>	<u>21,430</u>	<u>13,833</u>	<u>18,155</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	(484,235)	(962,122)	-	-	-
Total other financing sources (uses)	<u>(484,235)</u>	<u>(962,122)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(130,861)	-	21,430	13,833	18,155
Fund balances, beginning of year	570,854	-	125,040	25,520	120,490
Fund balances, end of year	<u>\$ 439,993</u>	<u>\$ -</u>	<u>\$ 146,470</u>	<u>\$ 39,353</u>	<u>\$ 138,645</u>

\* See page D22 for budget comparisons.

\*\* See page D23 for budget comparisons.

\*\*\* See page D24 for budget comparisons.

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Park Bond *	Reinvestment Low-Mod Housing **	Law Enforcement Grants **
<b>REVENUES</b>			
Property taxes	\$ -	\$ 103,370	\$ -
Franchise and other taxes	-	-	-
License and permits	-	-	-
Earnings on investments	4,377	5,393	6,435
Revenues from other agencies	-	-	96,956
Current service charges	-	-	-
Other revenue	-	-	-
Total revenues	<u>4,377</u>	<u>108,763</u>	<u>103,391</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Police	-	-	12,609
Fire and emergency medical services	-	-	-
Community development and environmental resources	-	-	-
Recreation and community services	12,408	-	-
Capital outlay	-	-	90,495
Total expenditures	<u>12,408</u>	<u>-</u>	<u>103,104</u>
Excess of revenues over (under) expenditures	<u>(8,031)</u>	<u>108,763</u>	<u>287</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,031)	108,763	287
Fund balances, beginning of year	100,482	100,458	10,406
Fund balances, end of year	<u>\$ 92,451</u>	<u>\$ 209,221</u>	<u>\$ 10,693</u>

\* See page D24 for budget comparisons.

\*\* See page D25 for budget comparisons.

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
<b>REVENUES</b>		
Property taxes	\$ 1,942,210	\$ 1,815,769
Franchise and other taxes	55,166	54,326
License and permits	2,319	1,520
Earnings on investments	73,558	33,966
Revenues from other agencies	1,160,974	1,148,152
Current service charges	362,519	370,524
Other revenue	51,642	51,821
Total revenues	<u>3,648,388</u>	<u>3,476,078</u>
<b>EXPENDITURES</b>		
General government	-	-
Police	12,609	143,853
Fire and emergency medical services	2,574	1,628
Community development and environmental resources	880,987	777,742
Recreation and community services	490,620	483,662
Capital outlay	399,953	-
Total expenditures	<u>1,786,743</u>	<u>1,406,885</u>
Excess of revenues over (under) expenditures	<u>1,861,645</u>	<u>2,069,193</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	35,278	-
Transfers out	(1,813,190)	(1,803,106)
Total other financing sources (uses)	<u>(1,777,912)</u>	<u>(1,803,106)</u>
Net change in fund balances	83,733	266,087
Fund balances, beginning of year	1,565,112	1,299,025
Fund balances, end of year	<u>\$ 1,648,845</u>	<u>\$ 1,565,112</u>

# **AGENCY FUNDS**

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Waterfront			Gas Tax		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	690	12,715	12,025
Revenues from other agencies	-	-	-	309,516	387,155	77,639
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	310,206	399,870	89,664
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	197,296	(197,296)
Total expenditures	-	-	-	-	197,296	(197,296)
Excess of revenues over (under) expenditures	-	-	-	310,206	202,574	(107,632)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(310,206)	(245,752)	64,454
Total other financing sources (uses)	-	-	-	(310,206)	(245,752)	64,454
Net change in fund balances	\$ -	-	\$ -	\$ -	(43,178)	\$ (43,178)
Fund balances, beginning of year		2,584			147,468	
Fund balances, end of year		\$ 2,584			\$ 104,290	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Transportation For Clean Air			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	120,000	120,000	79,940	22,617	(57,323)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	120,000	120,000	79,940	22,617	(57,323)
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	13,738	21,536	(7,798)
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	13,738	21,536	(7,798)
Excess of revenues over (under) expenditures	-	120,000	120,000	66,202	1,081	(65,121)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(120,000)	(120,000)	(66,140)	(1,081)	65,059
Total other financing sources (uses)	-	(120,000)	(120,000)	(66,140)	(1,081)	65,059
Net change in fund balances	\$ -	-	\$ -	\$ 62	-	\$ (62)
Fund balances, beginning of year		-			434	
Fund balances, end of year	\$ -	-			\$ 434	

Continued  
on next page

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Streets			Library Operations		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 417,000	\$ 429,260	\$ 12,260
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	884	2,945	2,061	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>884</u>	<u>2,945</u>	<u>2,061</u>	<u>417,000</u>	<u>429,260</u>	<u>12,260</u>
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	52,625	2,223	50,402	-	-	-
Recreation and community services	-	-	-	422,000	430,351	(8,351)
Capital outlay	-	33,055	(33,055)	-	-	-
Total expenditures	<u>52,625</u>	<u>35,278</u>	<u>17,347</u>	<u>422,000</u>	<u>430,351</u>	<u>(8,351)</u>
Excess of revenues over (under) expenditures	<u>(51,741)</u>	<u>(32,333)</u>	<u>19,408</u>	<u>(5,000)</u>	<u>(1,091)</u>	<u>3,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	50,000	35,278	(14,722)	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>35,278</u>	<u>(14,722)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,741)</u>	<u>2,945</u>	<u>\$ 4,686</u>	<u>\$ (5,000)</u>	<u>(1,091)</u>	<u>\$ 3,909</u>
Fund balances, beginning of year		<u>78,657</u>			<u>1,367</u>	
Fund balances, end of year		<u>\$ 81,602</u>			<u>\$ 276</u>	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Storm Drain			Alameda County Measure B		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ 292,000	\$ 290,134	\$ (1,866)	\$ -	\$ -	\$ -
Franchise and other taxes	54,000	55,166	1,166	-	-	-
License and permits	-	2,319	2,319	-	-	-
Earnings on investments	3,522	7,524	4,002	555	2,484	1,929
Revenues from other agencies	-	-	-	310,000	383,197	73,197
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>349,522</u>	<u>355,143</u>	<u>5,621</u>	<u>310,555</u>	<u>385,681</u>	<u>75,126</u>
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	315,583	290,298	25,285	310,000	306,805	3,195
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	9,060	(9,060)	-	54,532	(54,532)
Total expenditures	<u>315,583</u>	<u>299,358</u>	<u>16,225</u>	<u>310,000</u>	<u>361,337</u>	<u>(51,337)</u>
Excess of revenues over (under) expenditures	<u>33,939</u>	<u>55,785</u>	<u>21,846</u>	<u>555</u>	<u>24,344</u>	<u>23,789</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 33,939</u>	<u>55,785</u>	<u>\$ 21,846</u>	<u>\$ 555</u>	<u>24,344</u>	<u>\$ 23,789</u>
Fund balances, beginning of year		<u>163,380</u>			<u>26,476</u>	
Fund balances, end of year		<u>\$ 219,165</u>			<u>\$ 50,820</u>	

Continued  
on next page

**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Waste Management			M.T.C. Taxi Scrip		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	-	2,333	2,333	-	26	26
Revenues from other agencies	96,000	117,642	21,642	30,806	33,407	2,601
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	430	962	532
Total revenues	<u>96,000</u>	<u>119,975</u>	<u>23,975</u>	<u>31,236</u>	<u>34,395</u>	<u>3,159</u>
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	83,432	94,611	(11,179)	-	-	-
Recreation and community services	-	-	-	30,759	38,407	(7,648)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>83,432</u>	<u>94,611</u>	<u>(11,179)</u>	<u>30,759</u>	<u>38,407</u>	<u>(7,648)</u>
Excess of revenues over (under) expenditures	<u>12,568</u>	<u>25,364</u>	<u>12,796</u>	<u>477</u>	<u>(4,012)</u>	<u>(4,489)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 12,568</u>	<u>25,364</u>	<u>\$ 12,796</u>	<u>\$ 477</u>	<u>(4,012)</u>	<u>\$ (4,489)</u>
Fund balances, beginning of year		<u>87,484</u>			<u>4,012</u>	
Fund balances, end of year		<u>\$ 112,848</u>			<u>\$ -</u>	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Lighting and Landscape Assessment District			Emergency Medical Services		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ 521,000	\$ 517,269	\$ (3,731)	\$ 582,983	\$ 602,177	\$ 19,194
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	3,866	17,134	13,268	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	370,000	362,519	(7,481)
Other revenue	-	-	-	-	-	-
Total revenues	<u>524,866</u>	<u>534,403</u>	<u>9,537</u>	<u>952,983</u>	<u>964,696</u>	<u>11,713</u>
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	3,570	2,574	996
Community development and environmental resources	94,350	165,514	(71,164)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	15,515	(15,515)	-	-	-
Total expenditures	<u>94,350</u>	<u>181,029</u>	<u>(86,679)</u>	<u>3,570</u>	<u>2,574</u>	<u>996</u>
Excess of revenues over (under) expenditures	<u>430,516</u>	<u>353,374</u>	<u>(77,142)</u>	<u>949,413</u>	<u>962,122</u>	<u>12,709</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(448,137)	(484,235)	(36,098)	(949,413)	(962,122)	(12,709)
Total other financing sources (uses)	<u>(448,137)</u>	<u>(484,235)</u>	<u>(36,098)</u>	<u>(949,413)</u>	<u>(962,122)</u>	<u>(12,709)</u>
Net change in fund balances	<u>\$ (17,621)</u>	<u>(130,861)</u>	<u>\$ (113,240)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year		<u>570,854</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 439,993</u>			<u>\$ -</u>	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Open Space			Recreational Playfields		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	978	5,544	4,566	221	1,163	942
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	25,340	25,340	-	12,670	12,670	-
Total revenues	26,318	30,884	4,566	12,891	13,833	942
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	9,454	(9,454)	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	9,454	(9,454)	-	-	-
Excess of revenues over (under) expenditures	26,318	21,430	(4,888)	12,891	13,833	942
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ 26,318	21,430	\$ (4,888)	\$ 12,891	13,833	\$ 942
Fund balances, beginning of year		125,040			25,520	
Fund balances, end of year		\$ 146,470			\$ 39,353	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Creek Restoration			Park Bond		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	981	5,485	4,504	-	4,377	4,377
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	12,670	12,670	-	-	-	-
Total revenues	13,651	18,155	4,504	-	4,377	4,377
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	20,863	12,408	8,455
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	20,863	12,408	8,455
Excess of revenues over (under) expenditures	13,651	18,155	4,504	(20,863)	(8,031)	12,832
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ 13,651	18,155	\$ 4,504	\$ (20,863)	(8,031)	\$ 12,832
Fund balances, beginning of year		120,490			100,482	
Fund balances, end of year		\$ 138,645			\$ 92,451	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Reinvestment Low-Mod Housing			Law Enforcement Grants		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ 19,127	\$ 103,370	\$ 84,243	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	452	5,393	4,941	1,600	6,435	4,835
Revenues from other agencies	-	-	-	107,000	96,956	(10,044)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>19,579</u>	<u>108,763</u>	<u>89,184</u>	<u>108,600</u>	<u>103,391</u>	<u>(5,209)</u>
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Police	-	-	-	56,850	12,609	44,241
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	100,150	90,495	9,655
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,000</u>	<u>103,104</u>	<u>53,896</u>
Excess of revenues over (under) expenditures	<u>19,579</u>	<u>108,763</u>	<u>89,184</u>	<u>(48,400)</u>	<u>287</u>	<u>48,687</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 19,579</u>	<u>108,763</u>	<u>\$ 89,184</u>	<u>\$ (48,400)</u>	<u>287</u>	<u>\$ 48,687</u>
Fund balances, beginning of year		<u>100,458</u>			<u>10,406</u>	
Fund balances, end of year		<u>\$ 209,221</u>			<u>\$ 10,693</u>	

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**CITY OF ALBANY**  
**OTHER SPECIAL REVENUE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Total		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Property taxes	\$ 1,832,110	\$ 1,942,210	\$ 110,100
Franchise and other taxes	54,000	55,166	1,166
License and permits	-	2,319	2,319
Earnings on investments	13,749	73,558	59,809
Revenues from other agencies	933,262	1,160,974	227,712
Current service charges	370,000	362,519	(7,481)
Other revenue	51,110	51,642	532
Total revenues	<u>3,254,231</u>	<u>3,648,388</u>	<u>394,157</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Police	56,850	12,609	44,241
Fire and emergency medical services	3,570	2,574	996
Community development and environmental resources	869,728	880,987	(11,259)
Recreation and community services	473,622	490,620	(16,998)
Capital outlay	100,150	399,953	(299,803)
Total expenditures	<u>1,503,920</u>	<u>1,786,743</u>	<u>(282,823)</u>
Excess of revenues over (under) expenditures	<u>1,750,311</u>	<u>1,861,645</u>	<u>111,334</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	50,000	35,278	(14,722)
Transfers out	(1,773,896)	(1,813,190)	(39,294)
Total other financing sources (uses)	<u>(1,723,896)</u>	<u>(1,777,912)</u>	<u>(54,016)</u>
Net change in fund balances	<u>\$ 26,415</u>	83,733	<u>\$ 57,318</u>
Fund balances, beginning of year		<u>1,565,112</u>	
Fund balances, end of year		<u>\$ 1,648,845</u>	

## CITY OF ALBANY

### Other Capital Projects Funds

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by proprietary funds. The City's Other Capital Projects Funds are:

**Fire Equipment Reserve Fund** - is used to accumulate resources for replacement of fire engines and equipment.

**Police Equipment Fund** - is used to accumulate resources for replacement of police vehicles and equipment.

**Emergency Medical Service Equipment Reserve Fund** - is used to accumulate resources for replacement of emergency medical service equipment.

**Fire Operations Equipment Fund** - is used to accumulate resources for replacement of fire operations equipment.

**Capital Facilities Developer Fee** - is used to account for a fee on new development to assist in paying for capital improvements in the community. The fee is based on the City's anticipated capital improvement requirements and the proportion of the cost of these improvements attributable to the new developments.

**Capital Facilities Reserve Fund** - is used to accumulate resources for future construction of the Community Development Maintenance Center.

**Capital Projects Fund** - is used to account for major capital projects not provided for in one of the other capital projects funds.

**Reinvestment Fund** - is used to account for activities of the Albany Community Reinvestment Agency.

**Albany Bulb** - is used to account for activities related to environmental enhancement of the two lagoons on the Bulb in order to comply with a closure order for the Albany Landfill.

**Equipment Replacement Reserve Fund** - is used to accumulate resources for replacement of equipment not provided in other capital projects funds.

**R & CS Reserve Fund** - is used to accumulate resources for the replacement of equipment and furniture, and for maintenance and repair of the Community Center building.



**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Fire Equipment	Police Equipment	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
<b>ASSETS</b>					
Operating cash and investments	\$ 191,602	\$ 322,810	\$ 43,193	\$ 19,435	\$ 62,323
Receivables:					
Other taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Total assets	<u>\$ 191,602</u>	<u>\$ 322,810</u>	<u>\$ 43,193</u>	<u>\$ 19,435</u>	<u>\$ 62,323</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 5,719	\$ -	\$ 2,203	\$ 44
Accrued salaries & benefits	-	-	-	-	-
Accrued liabilities	-	19,987	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>25,706</u>	<u>-</u>	<u>2,203</u>	<u>44</u>
<b>Fund balances:</b>					
Reserved for capital projects	191,602	297,104	43,193	17,232	62,279
Unreserved (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>191,602</u>	<u>297,104</u>	<u>43,193</u>	<u>17,232</u>	<u>62,279</u>
Total liabilities and fund balances	<u>\$ 191,602</u>	<u>\$ 322,810</u>	<u>\$ 43,193</u>	<u>\$ 19,435</u>	<u>\$ 62,323</u>

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on next page

**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Capital Facilities	Capital Projects Fund	Reinvestment	Albany Bulb	Equipment Replacement Reserve
<b>ASSETS</b>					
Operating cash and investments	\$ 462,777	\$ 1,279,916	\$ 500,052	\$ 350,000	\$ 450,000
Receivables:					
Other taxes	-	-	85,342	-	-
Accounts	-	25,209	-	-	-
Total assets	<u>\$ 462,777</u>	<u>\$ 1,305,125</u>	<u>\$ 585,394</u>	<u>\$ 350,000</u>	<u>\$ 450,000</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 665	\$ 23,615	\$ 379	\$ -	\$ -
Accrued salaries & benefits	724	-	425	-	-
Accrued liabilities	-	-	46,322	-	-
Due to other funds	-	-	15,360	-	-
Unearned revenue	-	-	38,993	-	-
Advance from other funds	-	-	415,040	-	-
Total liabilities	<u>1,389</u>	<u>23,615</u>	<u>516,519</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>					
Reserved for capital projects	461,388	1,281,510	68,875	350,000	450,000
Unreserved (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>461,388</u>	<u>1,281,510</u>	<u>68,875</u>	<u>350,000</u>	<u>450,000</u>
Total liabilities and fund balances	<u>\$ 462,777</u>	<u>\$ 1,305,125</u>	<u>\$ 585,394</u>	<u>\$ 350,000</u>	<u>\$ 450,000</u>

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**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	R & CS Reserve	Totals	
		2006	2005
<b>ASSETS</b>			
Operating cash and investments	\$ 82,080	\$ 3,764,188	\$ 2,242,923
Receivables:			
Other taxes		85,342	-
Accounts	-	25,209	92,695
Total assets	\$ 82,080	\$ 3,874,739	\$ 2,335,618
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 32,625	\$ 20,039
Accrued salaries & benefits	-	1,149	980
Accrued liabilities	-	66,309	17,523
Due to other funds	-	15,360	11,564
Unearned revenue	6,967	45,960	54,466
Advance from other funds	-	415,040	415,040
Total liabilities	6,967	576,443	519,612
<b>Fund balances:</b>			
Reserved for capital projects	75,113	3,298,296	2,050,459
Unreserved (deficit)	-	-	(234,453)
Total fund balances (deficit)	75,113	3,298,296	1,816,006
Total liabilities and fund balances	\$ 82,080	\$ 3,874,739	\$ 2,335,618

**CITY OF ALBANY**

**OTHER CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Fire Equipment *	Police Equipment *	Emergency Medical Service Equipment **	Fire Operations Equipment **	Capital Facilities Developer Fee ***
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	971
Revenues from other agencies	-	-	-	-	-
Current service charges	-	-	-	-	51,002
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,973</u>
<b>EXPENDITURES</b>					
Current:					
Fire and emergency medical services	-	-	-	7,691	-
Community development and environmental resources	-	-	-	-	44
Recreation and community services	-	-	-	-	-
Capital outlay	-	20,039	51,969	-	-
Debt service:					
Principal	24,670	-	-	-	-
Interest	2,866	-	-	-	-
Total expenditures	<u>27,536</u>	<u>20,039</u>	<u>51,969</u>	<u>7,691</u>	<u>44</u>
Excess of revenues over (under) expenditures	<u>(27,536)</u>	<u>(20,039)</u>	<u>(51,969)</u>	<u>(7,691)</u>	<u>51,929</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	59,265	51,000	22,500	24,000	-
Transfers out	-	-	-	(7,728)	-
Total other financing sources (uses)	<u>59,265</u>	<u>51,000</u>	<u>22,500</u>	<u>16,272</u>	<u>-</u>
Net change in fund balances	31,729	30,961	(29,469)	8,581	51,929
Fund balances, beginning of year	159,873	266,143	72,662	8,651	10,350
Fund balances, end of year	<u>\$ 191,602</u>	<u>\$ 297,104</u>	<u>\$ 43,193</u>	<u>\$ 17,232</u>	<u>\$ 62,279</u>

\* See page D34 for budget comparisons.

\*\* See page D35 for budget comparisons.

\*\*\* See page D36 for budget comparisons.

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**CITY OF ALBANY**

**OTHER CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Capital Facilities *	Capital Projects Fund **	Reinvestment **	Albany Bulb ***	Equipment Replacement Reserve ***
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 319,437	\$ -	\$ -
Earnings on investments	20,071	-	13,718	-	-
Revenues from other agencies	-	129,733	-	-	-
Current service charges	-	-	-	-	-
Other revenue	-	-	11,497	-	-
Total revenues	<u>20,071</u>	<u>129,733</u>	<u>344,652</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	1,695	41,987	13,351	-	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	309,208	12,613	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	15,360	-	-
Total expenditures	<u>1,695</u>	<u>351,195</u>	<u>41,324</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>18,376</u>	<u>(221,462)</u>	<u>303,328</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	753,836	-	350,000	150,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>753,836</u>	<u>-</u>	<u>350,000</u>	<u>150,000</u>
Net change in fund balances	18,376	532,374	303,328	350,000	150,000
Fund balances, beginning of year	443,012	749,136	(234,453)	-	300,000
Fund balances, end of year	<u>\$ 461,388</u>	<u>\$ 1,281,510</u>	<u>\$ 68,875</u>	<u>\$ 350,000</u>	<u>\$ 450,000</u>

\* See page D36 for budget comparisons.

\*\* See page D37 for budget comparisons.

\*\*\* See page D38 for budget comparisons.

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**CITY OF ALBANY**

**OTHER CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

		<u>Totals</u>	
	R & CS Reserve *	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ 319,437	\$ 51,485
Earnings on investments	-	34,760	16,282
Revenues from other agencies	-	129,733	1,108,202
Current service charges	39,667	90,669	58,836
Other revenue	-	11,497	38,913
Total revenues	<u>39,667</u>	<u>586,096</u>	<u>1,273,718</u>
<b>EXPENDITURES</b>			
Current:			
Fire and emergency medical services	-	7,691	23,077
Community development and environmental resources	-	57,077	158,803
Recreation and community services	-	-	92,440
Capital outlay	-	393,829	1,038,121
Debt service:			
Principal	4,870	29,540	27,923
Interest	316	18,542	13,720
Total expenditures	<u>5,186</u>	<u>506,679</u>	<u>1,354,084</u>
Excess of revenues over (under) expenditures	<u>34,481</u>	<u>79,417</u>	<u>(80,366)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,410,601	840,452
Transfers out	-	(7,728)	(91,500)
Total other financing sources (uses)	<u>-</u>	<u>1,402,873</u>	<u>748,952</u>
Net change in fund balances	34,481	1,482,290	668,586
Fund balances, beginning of year	40,632	1,816,006	1,147,420
Fund balances, end of year	<u>\$ 75,113</u>	<u>\$ 3,298,296</u>	<u>\$ 1,816,006</u>

\* See page D39 for budget comparisons.

**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Fire Equipment			Police Equipment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	2,410	-	(2,410)
Total revenues	-	-	-	2,410	-	(2,410)
<b>EXPENDITURES</b>						
Current:						
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	20,039	(20,039)
Debt Service:						
Principal	24,670	24,670	-	-	-	-
Interest	2,867	2,866	1	-	-	-
Total expenditures	27,537	27,536	1	-	20,039	(20,039)
Excess of revenues over (under) expenditures	(27,537)	(27,536)	1	2,410	(20,039)	(22,449)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	51,537	59,265	7,728	51,000	51,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	51,537	59,265	7,728	51,000	51,000	-
Net change in fund balances	\$ 24,000	31,729	\$ 7,729	\$ 53,410	30,961	\$ (22,449)
Fund balances, beginning of year		159,873			266,143	
Fund balances, end of year		\$ 191,602			\$ 297,104	

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**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Emergency Medical Service Equipment			Fire Operations Equipment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Current:						
Fire and emergency medical services	-	-	-	24,000	7,691	16,309
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	51,969	(51,969)	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	51,969	(51,969)	24,000	7,691	16,309
Excess of revenues over (under) expenditures	-	(51,969)	(51,969)	(24,000)	(7,691)	16,309
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	22,500	22,500	-	24,000	24,000	-
Transfers out	-	-	-	-	(7,728)	(7,728)
Total other financing sources (uses)	22,500	22,500	-	24,000	16,272	(7,728)
Net change in fund balances	<u>\$ 22,500</u>	<u>(29,469)</u>	<u>\$ (51,969)</u>	<u>\$ -</u>	<u>8,581</u>	<u>\$ 8,581</u>
Fund balances, beginning of year		<u>72,662</u>			<u>8,651</u>	
Fund balances, end of year		<u>\$ 43,193</u>			<u>\$ 17,232</u>	

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**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Capital Facilities Developer Fee			Capital Facilities		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	971	971	3,757	20,071	16,314
Revenues from other agencies	-	-	-	-	-	-
Current service charges	20,000	51,002	31,002	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>20,000</u>	<u>51,973</u>	<u>31,973</u>	<u>3,757</u>	<u>20,071</u>	<u>16,314</u>
<b>EXPENDITURES</b>						
Current:						
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	44	(44)	20,862	1,695	19,167
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>44</u>	<u>(44)</u>	<u>20,862</u>	<u>1,695</u>	<u>19,167</u>
Excess of revenues over (under) expenditures	<u>20,000</u>	<u>51,929</u>	<u>31,929</u>	<u>(17,105)</u>	<u>18,376</u>	<u>35,481</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 20,000</u>	<u>51,929</u>	<u>\$ 31,929</u>	<u>\$ (17,105)</u>	<u>18,376</u>	<u>\$ 35,481</u>
Fund balances, beginning of year		<u>10,350</u>			<u>443,012</u>	
Fund balances, end of year		<u>\$ 62,279</u>			<u>\$ 461,388</u>	

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**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Capital Projects Fund			Reinvestment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 36,509	\$ 319,437	\$ 282,928
Earnings on investments	-	-	-	942	13,718	12,776
Revenues from other agencies	28,700	129,733	101,033	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	11,497	11,497
Total revenues	<u>28,700</u>	<u>129,733</u>	<u>101,033</u>	<u>37,451</u>	<u>344,652</u>	<u>307,201</u>
<b>EXPENDITURES</b>						
Current:						
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	94,840	41,987	52,853	21,701	13,351	8,350
Recreation and community services	-	-	-	-	-	-
Capital outlay	50,000	309,208	(259,208)	10,000	12,613	(2,613)
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	15,360	(15,360)
Total expenditures	<u>144,840</u>	<u>351,195</u>	<u>(206,355)</u>	<u>31,701</u>	<u>41,324</u>	<u>(9,623)</u>
Excess of revenues over (under) expenditures	<u>(116,140)</u>	<u>(221,462)</u>	<u>(105,322)</u>	<u>5,750</u>	<u>303,328</u>	<u>297,578</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	116,140	753,836	637,696	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>116,140</u>	<u>753,836</u>	<u>637,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>532,374</u>	<u>\$ 532,374</u>	<u>\$ 5,750</u>	<u>303,328</u>	<u>\$ 297,578</u>
Fund balances, beginning of year		<u>749,136</u>			<u>(234,453)</u>	
Fund balances, end of year		<u>\$ 1,281,510</u>			<u>\$ 68,875</u>	

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**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Albany Bulb			Equipment Replacement		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Current:						
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	350,000	350,000	-	150,000	150,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	350,000	350,000	-	150,000	150,000
Net change in fund balances	\$ -	350,000	\$ 350,000	\$ -	150,000	\$ 150,000
Fund balances, beginning of year		-			300,000	
Fund balances, end of year		\$ 350,000			\$ 450,000	

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**CITY OF ALBANY**  
**OTHER CAPITAL PROJECTS FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	R & CS Reserve			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 36,509	\$ 319,437	\$ 282,928
Earnings on investments	-	-	-	4,699	34,760	30,061
Revenues from other agencies	-	-	-	28,700	129,733	101,033
Current service charges	35,000	39,667	4,667	55,000	90,669	35,669
Other revenue	-	-	-	2,410	11,497	9,087
Total revenues	35,000	39,667	4,667	127,318	586,096	458,778
<b>EXPENDITURES</b>						
Current:						
Fire and emergency medical services	-	-	-	24,000	7,691	16,309
Community development and environmental resources	-	-	-	137,403	57,077	80,326
Recreation and community services	69,751	-	69,751	69,751	-	69,751
Capital outlay	-	-	-	60,000	393,829	(333,829)
Debt Service:						
Principal	-	4,870	(4,870)	24,670	29,540	(4,870)
Interest	-	316	(316)	2,867	18,542	(15,675)
Total expenditures	69,751	5,186	64,565	318,691	506,679	(187,988)
Excess of revenues over (under) expenditures	(34,751)	34,481	69,232	(191,373)	79,417	270,790
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	265,177	1,410,601	1,145,424
Transfers out	-	-	-	-	(7,728)	(7,728)
Total other financing sources (uses)	-	-	-	265,177	1,402,873	1,137,696
Net change in fund balances	\$ (34,751)	34,481	\$ 69,232	\$ 73,804	1,482,290	\$ 1,408,486
Fund balances, beginning of year		40,632			1,816,006	
Fund balances, end of year		\$ 75,113			\$ 3,298,296	

**CITY OF ALBANY**  
**CAPITAL PROJECTS FUNDS - MAJOR FUNDS**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	1996-1 Assessment District Bond Fund			General Obligation Bond 2003		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	39,608	162,631	123,023	110,000	295,714	185,714
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>39,608</u>	<u>162,631</u>	<u>123,023</u>	<u>110,000</u>	<u>295,714</u>	<u>185,714</u>
<b>EXPENDITURES</b>						
Current:						
Community development and environmental resources	-	-	-	118,860	179,939	(61,079)
Recreation and community services	64,166	86,013	(21,847)	-	-	-
Capital outlay	856,839	113,534	743,305	506,000	506,483	(483)
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>921,005</u>	<u>199,547</u>	<u>721,458</u>	<u>624,860</u>	<u>686,422</u>	<u>(61,562)</u>
Excess of revenues over (under) expenditures	<u>(881,397)</u>	<u>(36,916)</u>	<u>844,481</u>	<u>(514,860)</u>	<u>(390,708)</u>	<u>124,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(46,657)	(46,657)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,657)</u>	<u>(46,657)</u>
Net change in fund balances	<u>\$ (881,397)</u>	<u>(36,916)</u>	<u>\$ 844,481</u>	<u>\$ (514,860)</u>	<u>(437,365)</u>	<u>\$ 77,495</u>
Fund balances, beginning of year		<u>4,304,457</u>			<u>6,830,162</u>	
Fund balances, end of year		<u>\$ 4,267,541</u>			<u>\$ 6,392,797</u>	

Continued  
on next page

**CITY OF ALBANY**  
**CAPITAL PROJECTS FUNDS - MAJOR FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Total		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Earnings on investments	149,608	458,345	308,737
Revenues from other agencies	-	-	-
Current service charges	-	-	-
Other revenue	-	-	-
Total revenues	<u>149,608</u>	<u>458,345</u>	<u>308,737</u>
<b>EXPENDITURES</b>			
Current:			
Community development and environmental resources	118,860	179,939	(61,079)
Recreation and community services	64,166	86,013	(21,847)
Capital outlay	1,362,839	620,017	742,822
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,545,865</u>	<u>885,969</u>	<u>659,896</u>
Excess of revenues over (under) expenditures	<u>(1,396,257)</u>	<u>(427,624)</u>	<u>968,633</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	(46,657)	(46,657)
Total other financing sources (uses)	<u>-</u>	<u>(46,657)</u>	<u>(46,657)</u>
Net change in fund balances	<u>\$(1,396,257)</u>	<u>(474,281)</u>	<u>\$ 921,976</u>
Fund balances, beginning of year		<u>11,134,619</u>	
Fund balances, end of year		<u><u>\$ 10,660,338</u></u>	

## CITY OF ALBANY

### Other Debt Service Funds

---

Debt Service Funds are used to account for financial resources to be used for payment for City's long-term debt. The City's Other Debt Service Funds are:

**Public Facilities Financing Authority Fund** - accounts for accumulation of resources for the payments of general long-term debt principal and interest.

**Reinvestment Debt Service** - accounts for property tax increment and other revenues generated by activities in the redevelopment area and used to service debt incurred by the Reinvestment Agency.

**G.O. Bond Debt Service** - accounts for accumulation of resources for the payments of general obligation bond principal and interest.

**CITY OF ALBANY**  
**OTHER DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2006**

(With Comparative Totals for June 30, 2005)

	Debt Service APFFA	Reinvestment Debt Service	G.O. Bond Debt Service	Totals	
				2006	2005
<b>ASSETS</b>					
Operating cash and investments	\$ 20,783	\$ 109,135	\$ 431,106	\$ 561,024	\$ 471,499
Debt service reserves held with trustee	480,897	-	-	480,897	476,741
Total assets	<u>\$ 501,680</u>	<u>\$ 109,135</u>	<u>\$ 431,106</u>	<u>\$ 1,041,921</u>	<u>\$ 948,240</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,848	\$ -	\$ 500	\$ 2,348	\$ 1,783
Due to other funds	-	14,830	-	14,830	-
Advances from other funds	-	466,358	-	466,358	466,358
Total liabilities	<u>1,848</u>	<u>481,188</u>	<u>500</u>	<u>483,536</u>	<u>468,141</u>
<b>Fund balances:</b>					
Reserved for debt service	499,832	-	430,606	930,438	880,331
Unreserved (deficit)	-	(372,053)	-	(372,053)	(400,232)
Total fund balances	<u>499,832</u>	<u>(372,053)</u>	<u>430,606</u>	<u>558,385</u>	<u>480,099</u>
Total liabilities and fund balances	<u>\$ 501,680</u>	<u>\$ 109,135</u>	<u>\$ 431,106</u>	<u>\$ 1,041,921</u>	<u>\$ 948,240</u>



**CITY OF ALBANY**  
**OTHER DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2005)

	Debt Service APFFA *	Reinvestment Debt Service *	G.O. Bond Debt Service **	Totals	
				2006	2005
<b>REVENUES</b>					
Property taxes	\$ -	\$ 40,000	\$ 499,986	\$ 539,986	\$ 566,077
Earnings on investments	16,796	3,009	9,319	29,124	-
Revenues from other agencies	-	-	7,419	7,419	11,805
Total revenues	16,796	43,009	516,724	576,529	577,882
<b>EXPENDITURES</b>					
Current:					
General government	10,687	-	3,151	13,838	9,191
Debt service:					
Principal	345,000	-	160,000	505,000	450,000
Interest	117,853	14,830	309,575	442,258	456,652
Total expenditures	473,540	14,830	472,726	961,096	915,843
Excess of revenues over (under) expenditures	(456,744)	28,179	43,998	(384,567)	(337,961)
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt proceeds	-	-	-	-	-
Transfers in	462,853	-	-	462,853	457,766
Total other financing sources (uses)	462,853	-	-	462,853	457,766
Net change in fund balances	6,109	28,179	43,998	78,286	119,805
Fund balances, beginning of year	493,723	(400,232)	386,608	480,099	360,294
Fund balances, end of year	\$ 499,832	\$ (372,053)	\$ 430,606	\$ 558,385	\$ 480,099

\* See page D45 for budget comparisons.

\*\* See page D46 for budget comparisons.

**CITY OF ALBANY  
OTHER DEBT SERVICE FUNDS  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Debt Service APFFA			Reinvestment Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ -
Earnings on investments	6,250	16,796	10,546	218	3,009	2,791
Total revenues	<u>6,250</u>	<u>16,796</u>	<u>10,546</u>	<u>40,218</u>	<u>43,009</u>	<u>2,791</u>
<b>EXPENDITURES</b>						
Current:						
General government	9,833	10,687	(854)	-	-	-
Debt Service:						
Principal	345,000	345,000	-	40,000	-	40,000
Interest	117,853	117,853	-	-	14,830	(14,830)
Total expenditures	<u>472,686</u>	<u>473,540</u>	<u>(854)</u>	<u>40,000</u>	<u>14,830</u>	<u>25,170</u>
Excess of revenues over (under) expenditures	<u>(466,436)</u>	<u>(456,744)</u>	<u>9,692</u>	<u>218</u>	<u>28,179</u>	<u>27,961</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	462,853	462,853	-	-	-	-
Total other financing sources (uses)	<u>462,853</u>	<u>462,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,583)</u>	<u>6,109</u>	<u>\$ 9,692</u>	<u>\$ 218</u>	<u>28,179</u>	<u>\$ 27,961</u>
Fund balances, beginning of year		<u>493,723</u>			<u>(400,232)</u>	
Fund balances, end of year		<u>\$ 499,832</u>			<u>\$ (372,053)</u>	

Continued  
on next page

**CITY OF ALBANY**  
**OTHER DEBT SERVICE FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	G.O. Bond Debt Service			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Property taxes	\$ 472,834	\$ 507,405	\$ 34,571	\$ 512,834	\$ 547,405	\$ 34,571
Earnings on investments	4,600	9,319	4,719	11,068	29,124	18,056
Total revenues	<u>477,434</u>	<u>516,724</u>	<u>39,290</u>	<u>523,902</u>	<u>576,529</u>	<u>52,627</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,000	3,151	(151)	12,833	13,838	(1,005)
Debt Service:						
Principal	160,000	160,000	-	545,000	505,000	40,000
Interest	309,576	309,575	1	427,429	442,258	(14,829)
Total expenditures	<u>472,576</u>	<u>472,726</u>	<u>(150)</u>	<u>985,262</u>	<u>961,096</u>	<u>24,166</u>
Excess of revenues over (under) expenditures	<u>4,858</u>	<u>43,998</u>	<u>39,140</u>	<u>(461,360)</u>	<u>(384,567)</u>	<u>76,793</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	462,853	462,853	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>462,853</u>	<u>462,853</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,858</u>	<u>43,998</u>	<u>\$ 39,140</u>	<u>\$ 1,493</u>	<u>78,286</u>	<u>\$ 76,793</u>
Fund balances, beginning of year		<u>386,608</u>			<u>480,099</u>	
Fund balances, end of year		<u>\$ 430,606</u>			<u>\$ 558,385</u>	

## CITY OF ALBANY

### Agency Funds

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Agency Funds are used to account for assets held by the City in a fiduciary capacity or as an agent for individuals, governmental entities and others. Such funds are operated to carry out the specific actions of trust agreements, ordinances, bylaws, and other governing regulations. The City's Agency Funds are:

**Codornices Trail** – is used to track activities of funds held for third parties, which the funds will be used to provide maintenance for the Codornices Creek.

**Bond and Trust Fund** - is used to track security or performance bond deposits on projects that encroach upon the City facilities right of ways.

**School Facility Fee Fund** - accounts for development impact fees levied by and due to the Albany Unified School District.

**1996-1 Assessment District Bond Fund** - is used to pay for acquisition, development and maintenance of open space on Albany Hill; the acquisition, development and maintenance of recreational playfields; and the activities relating to creek restoration as part of the Open Space, Recreational Playfields and Creek Restoration Assessment District No. 1996-1.

**CITY OF ALBANY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2006**  
(With Comparative Totals for June 30, 2005)

	Codornices Trail	Bond & Trust	School Facility Fee	1996-1 Assessment District Bond Funds	Totals	
					2006	2005
<b>ASSETS</b>						
Operating cash and investments	\$ 107,217	\$ 216,267	\$ 3,724	\$ 377,807	\$ 705,015	\$ 693,350
Debt service reserves held with trustee	-	-	-	485,938	485,938	483,332
Total assets	<u>\$ 107,217</u>	<u>\$ 216,267</u>	<u>\$ 3,724</u>	<u>\$ 863,745</u>	<u>\$ 1,190,953</u>	<u>\$ 1,176,682</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 4,278	\$ 3,724	\$ -	\$ 8,002	\$ 10,762
Due to bondholders	-	-	-	863,745	863,745	882,537
Refundable deposits	107,217	211,989	-	-	319,206	283,383
Total liabilities	<u>\$ 107,217</u>	<u>\$ 216,267</u>	<u>\$ 3,724</u>	<u>\$ 863,745</u>	<u>\$ 1,190,953</u>	<u>\$ 1,176,682</u>

**CITY OF ALBANY**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006
<b>Codornices Trail</b>				
Assets:				
Operating cash and investments	\$ 102,550	\$ 4,667	\$ -	\$ 107,217
Total assets	<u>\$ 102,550</u>	<u>\$ 4,667</u>	<u>\$ -</u>	<u>\$ 107,217</u>
Liabilities:				
Refundable deposits	\$ 102,550	\$ 4,667	\$ -	\$ 107,217
Total liabilities	<u>\$ 102,550</u>	<u>\$ 4,667</u>	<u>\$ -</u>	<u>\$ 107,217</u>
<b>Bond and Trust</b>				
Assets:				
Operating cash and investments	\$ 183,112	\$ 33,155	\$ -	\$ 216,267
Liabilities:				
Accounts payable	\$ 2,279	\$ 1,999	\$ -	\$ 4,278
Refundable deposits	180,833	31,156	-	211,989
Total liabilities	<u>\$ 183,112</u>	<u>\$ 33,155</u>	<u>\$ -</u>	<u>\$ 216,267</u>
<b>School Facility Fees</b>				
Assets:				
Operating cash and investments	\$ 8,483	\$ -	\$ 4,759	\$ 3,724
Liabilities:				
Accounts payable	\$ 8,483	\$ -	\$ 4,759	\$ 3,724
<b>1996-1 Assessment District Bond Funds</b>				
Assets:				
Operating cash and investments	\$ 399,205	\$ -	\$ 21,398	\$ 377,807
Debt service reserves held with trustee	483,332	2,606	-	485,938
Accounts receivable	-	-	-	-
Total assets	<u>\$ 882,537</u>	<u>\$ 2,606</u>	<u>\$ 21,398</u>	<u>\$ 863,745</u>
Liabilities:				
Due to bondholders	\$ 882,537	\$ -	\$ 18,792	\$ 863,745
<b>Total Agency Funds</b>				
Assets:				
Operating cash and investments	\$ 693,350	\$ 37,822	\$ 26,157	\$ 705,015
Debt service reserves held with trustee	483,332	2,606	-	485,938
Total assets	<u>\$ 1,176,682</u>	<u>\$ 40,428</u>	<u>\$ 26,157</u>	<u>\$ 1,190,953</u>
Liabilities:				
Accounts payable	\$ 10,762	\$ 1,999	\$ 4,759	\$ 8,002
Due to bondholders	882,537	-	18,792	863,745
Refundable deposits	283,383	35,823	-	319,206
Total liabilities	<u>\$ 1,176,682</u>	<u>\$ 37,822</u>	<u>\$ 23,551</u>	<u>\$ 1,190,953</u>

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**STATISTICAL  
SECTION**



CITY OF ALBANY  
NET ASSETS BY COMPONENT  
LAST FOUR FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 16,470,476	\$ 17,257,455	\$ 17,781,968	\$ 18,532,193
Restricted	6,026,653	6,699,173	10,216,999	10,499,672
Unrestricted	2,025,323	3,814,453	2,410,651	3,681,231
Total governmental activities assets	<u>\$ 24,522,452</u>	<u>\$ 27,771,081</u>	<u>\$ 30,409,618</u>	<u>\$ 32,713,096</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 7,140,132	\$ 7,116,979	\$ 7,106,252	\$ 7,155,248
Restricted	-	-	-	-
Unrestricted	2,182,527	2,570,946	3,078,082	3,595,793
Total business-type activities net assets	<u>\$ 9,322,659</u>	<u>\$ 9,687,925</u>	<u>\$ 10,184,334</u>	<u>\$ 10,751,041</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 23,610,608	\$ 24,374,434	\$ 24,888,220	\$ 25,687,441
Restricted	6,026,653	6,699,173	10,216,999	10,499,672
Unrestricted	4,207,850	6,385,399	5,488,733	7,277,024
Total business-type activities net assets	<u>\$ 33,845,111</u>	<u>\$ 37,459,006</u>	<u>\$ 40,593,952</u>	<u>\$ 43,464,137</u>

**Source:** Financial statements.

**Note:** The City of Albany implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. Ten years of historical statistical data is the preferred presentation, but only 4 years are presented in this report because comparable data was not available for years prior to 2003.

CITY OF ALBANY  
 CHANGES IN NET ASSETS  
 LAST FOUR FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses:				
Governmental activities:				
General government	\$ 4,322,523	\$ 3,554,262	\$ 3,470,925	\$ 2,184,226
Police	3,878,639	3,647,028	3,895,781	5,551,034
Fire and emergency medical services	2,805,622	2,999,573	3,211,605	4,476,642
Community development and environmental resources	3,288,021	3,570,329	4,288,600	3,647,228
Recreation and community services	2,644,832	1,901,735	1,970,000	2,079,675
Interest on long-term debt	255,332	345,487	445,989	422,768
Total governmental activities expenses	<u>17,194,969</u>	<u>16,018,414</u>	<u>17,282,900</u>	<u>18,361,573</u>
Business-type activities:				
Sewer	<u>656,722</u>	<u>598,948</u>	<u>619,126</u>	<u>638,270</u>
Total business-type activities expenses	<u>656,722</u>	<u>598,948</u>	<u>619,126</u>	<u>638,270</u>
Total primary government expenses	<u>17,851,691</u>	<u>16,617,362</u>	<u>17,902,026</u>	<u>18,999,843</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	88,680	120,222	110,250	104,049
Police	374,842	317,736	242,783	186,682
Fire and emergency medical services	496,918	473,413	497,834	500,289
Community development and environmental resources	394,254	671,357	504,282	469,326
Recreation and community services	551,564	610,685	606,022	715,321
Operating grants and contributions	1,298,073	1,031,928	960,257	1,155,302
Capital grants and contributions	1,147,086	494,691	1,314,001	259,193
Total governmental activities program revenues	<u>4,351,417</u>	<u>3,720,032</u>	<u>4,235,429</u>	<u>3,390,162</u>
Business-type activities:				
Charges for services:				
Sewer	<u>1,786,322</u>	<u>1,729,775</u>	<u>1,773,877</u>	<u>1,821,311</u>
Total business-type activities program revenues	<u>1,786,322</u>	<u>1,729,775</u>	<u>1,773,877</u>	<u>1,821,311</u>
Total primary government program revenues	<u>6,137,739</u>	<u>5,449,807</u>	<u>6,009,306</u>	<u>5,211,473</u>
Net revenues (expenses):				
Governmental activities	(12,843,552)	(12,298,382)	(13,047,471)	(14,971,411)
Business-type activities	1,129,600	1,130,827	1,154,751	1,183,041
Total net revenues (expenses)	<u>(11,713,952)</u>	<u>(11,167,555)</u>	<u>(11,892,720)</u>	<u>(13,788,370)</u>

CITY OF ALBANY  
 CHANGES IN NET ASSETS  
 LAST FOUR FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
General revenues and other changes in assets:				
Governmental activities:				
Taxes:				
Property taxes	5,279,747	6,146,426	7,422,406	8,422,013
Sales taxes	1,339,720	1,356,985	1,599,449	2,042,834
Franchise and other taxes	3,656,177	4,506,463	4,557,311	4,442,459
Earnings on investments	322,236	353,941	474,975	924,454
Unrestricted revenues from other agencies	1,000,893	802,813	409,822	226,494
Other revenue	278,811	1,599,794	385,667	364,409
Transfers	769,800	780,589	836,378	852,226
Total governmental activities	<u>12,647,384</u>	<u>15,547,011</u>	<u>15,686,008</u>	<u>17,274,889</u>
Business-type activities:				
Earnings on investments	45,801	15,028	175,321	235,892
Other revenue	2,125	-	2,715	-
Transfers	(758,600)	(780,589)	(836,378)	(852,226)
Total business-type activities	<u>(710,674)</u>	<u>(765,561)</u>	<u>(658,342)</u>	<u>(616,334)</u>
Total primary government	<u>11,936,710</u>	<u>14,781,450</u>	<u>15,027,666</u>	<u>16,658,555</u>
Changes in net assets				
Governmental activities	(196,168)	3,248,629	2,638,537	2,303,478
Business-type activities	418,926	365,266	496,409	566,707
Total primary government	<u>\$ 222,758</u>	<u>\$ 3,613,895</u>	<u>\$ 3,134,946</u>	<u>\$ 2,870,185</u>

**Source:** Financial statements.

**Note:** The City of Albany implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

CITY OF ALBANY  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST FOUR FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
General fund:				
Reserved	\$ 2,565,571	\$ 1,247,459	\$ 1,258,092	\$ 1,250,254
Unreserved	1,175,158	2,614,386	2,710,845	2,938,088
Total general fund	<u>\$ 3,740,729</u>	<u>\$ 3,861,845</u>	<u>\$ 3,968,937</u>	<u>\$ 4,188,342</u>
All other governmental funds:				
Reserved	\$ 14,015,359	\$ 14,006,950	\$ 14,065,409	\$ 14,889,072
Unreserved, reported in:				
Special revenue funds	1,826,290	1,745,347	3,153,947	2,160,838
Capital project funds	(1,569,470)	(270,093)	(234,453)	-
Debt service funds	<u>(426,778)</u>	<u>(432,272)</u>	<u>(400,232)</u>	<u>(372,053)</u>
Total all other governmental funds	<u>\$ 13,845,401</u>	<u>\$ 15,049,932</u>	<u>\$ 16,584,671</u>	<u>\$ 16,677,857</u>

**Source:** Various City financial records.

**Note:** The City of Albany has elected to show only four years of data for this schedule.

CITY OF ALBANY  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST FOUR FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues:</b>				
Taxes				
Property taxes	\$ 5,279,747	\$ 6,146,426	\$ 7,422,406	\$ 8,422,013
Sales taxes	1,339,720	1,356,985	1,599,449	2,042,834
Franchise and other taxes	3,656,177	4,506,463	4,557,311	4,442,459
Licenses and permits	175,403	347,046	211,607	198,028
Fines and forfeitures	333,702	281,592	216,450	153,619
Earnings on investments	322,236	353,941	474,975	954,645
Revenues from other agencies	3,446,053	2,329,432	2,425,620	1,535,641
Current services charges	1,397,153	1,564,775	1,533,115	1,623,230
Other revenue	275,747	1,599,794	335,769	470,547
Total revenues	<u>16,225,938</u>	<u>18,486,454</u>	<u>18,776,702</u>	<u>19,843,016</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	3,915,322	3,906,930	3,432,867	2,439,092
Police	3,825,952	3,646,731	3,952,335	5,406,789
Fire and emergency medical services	2,742,208	2,940,876	3,184,594	4,402,565
Community development and environmental resources	2,800,042	3,275,181	3,018,197	3,353,064
Recreation and community services	1,470,303	1,650,727	1,831,098	2,003,205
Capital outlay	2,591,462	1,735,721	1,912,220	1,413,799
<b>Debt service:</b>				
Principal	329,952	351,083	477,923	534,540
Interest	246,333	384,147	470,372	460,800
Total expenditures	<u>17,921,574</u>	<u>17,891,396</u>	<u>18,279,606</u>	<u>20,013,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,695,636)</u>	<u>595,058</u>	<u>497,096</u>	<u>(170,838)</u>
<b>Other financing sources (uses):</b>				
Debt proceeds	8,002,787	-	-	-
Transfers in	3,300,298	4,668,815	3,666,021	4,596,338
Transfers out	(2,710,925)	(3,938,226)	(2,829,643)	(7,363,752)
Other sources	-	-	308,357	-
Total other financing sources (uses)	<u>8,592,160</u>	<u>730,589</u>	<u>1,144,735</u>	<u>(2,767,414)</u>
Net change in fund balances	<u>\$ 6,896,524</u>	<u>\$ 1,325,647</u>	<u>\$ 1,641,831</u>	<u>\$ (2,938,252)</u>
Debt service as a percentage of noncapital expenditures	3.9%	4.8%	6.2%	5.7%

**Source:** Financial statements.

**Note:** The City of Albany has elected to show only four years of data for this schedule. The deficit in fiscal year 2006 was caused by the fund transfers to the internal service fund from the general fund. The transfers were to cover the workers compensation and general claims liabilities transferred to the internal service fund. As a result of this reclassification, a prior period adjustment in the amount of \$3,250,843 was recorded in the general fund. This adjustment offsets the deficit in change of fund balances.

CITY OF ALBANY  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST FIVE FISCAL YEARS

Fiscal Year	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2002	\$ 1,099,261,478	\$ 23,877,056	\$ (40,716,651)	\$ 1,082,421,883	\$ 17,886,683	\$ 2,879,039	\$ -	\$ 20,765,722	\$ 10.993
2003	1,168,926,831	25,519,959	(44,656,389)	1,149,790,401	20,124,273	3,222,655	-	23,346,928	10.993
2004	1,254,009,051	27,641,504	(45,551,795)	1,236,098,760	21,013,185	3,743,462	-	24,756,647	11.375
2005	1,362,896,003	25,370,594	(45,609,972)	1,342,656,625	24,387,612	3,525,924	-	27,913,536	11.345
2006	1,503,322,634	26,840,708	(46,073,595)	1,484,089,747	44,405,587	4,324,536	-	48,730,123	11.311

**Source:** Alameda County Auditor-Controller Office and City financial records.

**Note:** In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxes. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

CITY OF ALBANY  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(Rates per \$1,000 of assessed value)  
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Direct Rates:</b>					
1% county tax	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000
City Direct Rate	<u>0.993</u>	<u>0.993</u>	<u>1.375</u>	<u>1.345</u>	<u>1.311</u>
Total Direct Rate	10.993	10.993	11.375	11.345	11.311
<b>Overlapping Rates:</b>					
Albany Unified School District	1.403	1.481	1.312	1.611	1.316
Peralta Community College	0.154	0.176	0.159	0.208	0.238
Bay Area Rapid Transit	-	-	-	-	0.048
East Bay Regional Park	0.072	0.065	0.057	0.057	0.057
East Bay Mud Special District 1	<u>0.084</u>	<u>0.084</u>	<u>0.079</u>	<u>0.076</u>	<u>0.072</u>
Total Direct and Overlapping Rate	<u>\$ 12.706</u>	<u>\$ 12.799</u>	<u>\$ 12.982</u>	<u>\$ 13.297</u>	<u>\$ 13.042</u>

**Source:** Alameda County Treasurer and Tax Collector

**Note:** In 1978, California votes passed Proposition 13 which sets the property tax rate at 1.00% assessed value. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% and other direct taxes listed in the table, property owners are charged various fixed charges and special assessments.

CITY OF ALBANY  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Assessed Name	2006		1997	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Ladbroke Land Holdings Inc	\$ 43,659,469	2.94%	\$ -	0.00%
Target Corporation	28,344,300	1.91%	-	0.00%
Biggs, Edward & Charlotte	7,176,501	0.48%	3,768,660	0.47%
Eichner, Erik & Rose	6,779,522	0.46%	5,265,692	0.65%
Safeway Inc	4,069,743	0.27%	3,976,948	0.49%
Albany Bowl Properties	3,961,512	0.27%	2,879,812	0.36%
Nassiri Matt & Farrokhtala Katy Trs Etal Exmp Trust	3,862,588	0.26%	-	0.00%
Meier Charles L & Friedman Sharon G Trs & Has E	3,823,954	0.26%	-	0.00%
Biggs, Edward & Charlotte	2,747,102	0.19%	-	0.00%
Hillside Partners	1,634,327	0.11%	-	0.00%
Bayside Commons, Ltd.	-	0.00%	24,154,434	2.99%
Catellus Development Corporation	-	0.00%	17,414,694	2.15%
Farrokhtaka, Javad & Kafieh	-	0.00%	3,574,464	0.44%
Southern Pacific Transportation Co.	-	0.00%	3,163,966	0.39%
Kelly, James & Barbara	-	0.00%	2,760,547	0.34%
Rago, Basil M	-	0.00%	1,229,761	0.15%
Top Ten Total	<u>\$ 106,059,018</u>	<u>7.15%</u>	<u>\$ 68,188,978</u>	<u>8.43%</u>
City Total	<u>\$ 1,484,089,747</u>		<u>\$ 808,926,820</u>	

**Source:** Alameda County Auditor-Controller Office

**Note:** The amounts shown above include assessed value data for both the City and the Redevelopment Agency.



CITY OF ALBANY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST FIVE FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2002	\$ 2,300,137	\$ 2,245,812	97.64%
2003	2,367,418	2,306,724	97.44%
2004	2,466,661	2,413,152	97.83%
2005	2,713,815	2,657,474	97.92%
2006	2,828,892	2,832,614	100.13%

**Source:** Alameda County Auditor-Controller Office

**Note:** The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the Redevelopment Agency that were passed-through to other agencies.

CITY OF ALBANY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST FIVE FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Certificates of Participation	Total Governmental Activities	Sewer Revenue Bonds	Total Business-type Activities			
2002	\$ -	\$ 3,620,000	\$ 3,620,000	\$ 3,430,000	\$ 3,430,000	\$ 7,050,000	0.01%	\$ 421
2003	8,000,000	3,315,000	11,315,000	3,215,000	3,215,000	14,530,000	0.03%	865
2004	8,000,000	2,995,000	10,995,000	2,990,000	2,990,000	13,985,000	0.02%	837
2005	7,875,000	2,670,000	10,545,000	8,675,000	8,675,000	19,220,000	Not available	1,148
2006	7,715,000	2,325,000	10,040,000	8,355,000	8,355,000	18,395,000	Not available	1,103

**Source:** City of Albany financial reports  
Alameda County Auditor-Controller Office  
California Department of Finance

**Notes:**

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) The Sewer Revenue Bonds outstanding at 2004 were refunded by issuance of revenue bonds of \$8,675,000 in 2005.
- (3) The county personal income is used for the percentage of personal income calculation. The data at the city level is not available.

CITY OF ALBANY  
 RATIO OF GENERAL BONDED DEBT OUTSTANDING  
 LAST FOUR FISCAL YEARS

Fiscal Year	Outstanding General Bonded Debt		Percentage of Assessed Value	Per Capita
	General Obligation Bonds			
2003	\$	8,000,000	0.70%	\$ 476
2004		8,000,000	0.65%	479
2005		7,875,000	0.59%	470
2006		7,715,000	0.52%	463

**Source:** City of Albany financial reports  
 Alameda County Auditor-Controller Office  
 California Department of Finance

**Note:** Percentage of assessed value is presented because the actual value of taxable property is not readily available in the State of California.

CITY OF ALBANY  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2006

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/06	% Applicable (1)	City's Share of Debt 6/30/06
Bay Area Rapid Transit District	\$100,000,000	0.408%	\$ 408,000
Peralta Community College District	198,190,000	3.192%	6,326,225
Albany Unified School District	33,780,000	100.000%	33,780,000
City of Albany	7,715,000	100.000%	7,715,000
East Bay Municipal Utility District	2,100,000	1.157%	24,297
East Bay Municipal Utility District, Special District No. 1	36,505,000	2.937%	1,072,152
East Bay Regional Park District	111,170,000	0.0597%	663,685
City of Albany Assessment District No. 1996-1	4,860,000	100.000%	4,860,000
<b>TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$54,849,359</b>
Less: East Bay Municipal Utility District (100% self-supporting)			24,297
<b>TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$54,825,062</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County General Fund Obligations	\$ 611,306,000	1.021%	\$ 6,241,434 (2)
Alameda County Pension Obligations	282,077,926	1.021%	2,880,016
Alameda County Board of Education Certificates of Participation	1,285,000	1.021%	13,120
Alameda-Contra Costa Transit District Certificates of Participation	19,855,000	1.222%	242,628
City of Albany Certificates of Participation	2,325,000	100.000%	2,325,000
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$11,702,198</b>
 <b>GROSS COMBINED TOTAL DEBT</b>			<b>\$66,551,557 (3)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$66,527,260</b>

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

(2) Includes share of City of Oakland-Alameda County Coliseum obligations.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2005-06 Assessed Valuation:

Direct Debt (\$7,715,000)..... 0.51%  
Total Gross Direct and Overlapping Tax and Assessment Debt 3.64%  
Total Net Direct and Overlapping Tax and Assessment Debt.. 4.41%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$10,040,000) ..... 0.68%  
Gross Combined Total Debt ..... 4.51%  
Net Combined Total Debt ..... 4.51%

**Source:** California Municipal Statistics, Inc.

**Notes:**

- (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.
- (2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF ALBANY  
LEGAL DEBT MARGIN INFORMATION  
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2002	2003	2004	2005	2006
Assessed valuation	\$ 1,082,421,883	\$ 1,149,790,401	\$ 1,236,098,760	\$ 1,342,656,625	\$ 1,484,089,747
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 270,605,471	\$ 287,447,600	\$ 309,024,690	\$ 335,664,156	\$ 371,022,437
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	40,590,821	43,117,140	46,353,704	50,349,623	55,653,366
Total net debt applicable to limit: General obligation bonds	<u>-</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>7,875,000</u>	<u>7,715,000</u>
Legal debt margin	<u>\$ 40,590,821</u>	<u>\$ 35,117,140</u>	<u>\$ 38,353,704</u>	<u>\$ 42,474,623</u>	<u>\$ 47,938,366</u>
Total debt applicable to the limit: as a percentage of debt limit	0.00%	22.78%	20.86%	18.54%	16.09%

**Source:** City of Albany financial reports  
Alameda County Auditor-Controller Office

**Note:** The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

CITY OF ALBANY  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST FIVE CALENDAR YEARS

Calendar Year	City Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	16,700	Not available	\$ 38,172	4.8%
2002	16,750	\$ 55,316,772	37,788	6.8%
2003	16,800	56,257,943	38,583	7.0%
2004	16,700	59,419,623	40,920	6.0%
2005	16,743	Not available	Not available	5.2%

**Source:** (1) California Department of Finance  
 (2) Office of Economic Development  
 (3) State of California Employment Development Department

**Note:** Data shown for personal income, per capita personal income and unemployment is for the county.

CITY OF ALBANY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Company	Product /Service	2006		1997	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Albany Unified School District	Education	450	5.00%	381	Not available
United States Department of Agriculture and Research	Agricultural Research	208	2.31%	237	Not available
Target Store	Department Store	185	2.06%	-	Not available
City of Albany	Government	104	1.16%	127	Not available
Golden Gate Fields	Race Track	100	1.11%	620	Not available
Safeway Store	Retail Grocery	88	0.98%	90	Not available
United States Department of Forest Services	Forest Research	45	0.50%	100	Not available
Albany Ford Subaru	Automotive Dealer	44	0.49%	65	Not available
NVT Technologies Inc.	Maintenance Services	32	0.36%	-	Not available
Albany Bowl	Bowling	30	0.33%	30	Not available
Orientation Center for the Blind	Career Service	-	0.00%	41	Not available
The Adhesive Products, Inc.	Adhesive Goods	-	0.00%	37	Not available
Joe Sio - Chevrolet-Geo	Automotive Dealer	-	0.00%	35	Not available

"Total Employment" as used above represents the total employment of all employers located within City limits.

**Source:** City of Albany business license applications and survey of employers  
State of California Employment Development Department

**Note:** The employment number for 1997 is not available. Thus the percentage of total employment is not presented.

CITY OF ALBANY  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 LAST FIVE FISCAL YEARS

Function	Full-time Equivalent Employees as of June 30				
	2002	2003	2004	2005	2006
General government	12	12	12	12	12
Public safety	59	59	59	61	61
Public works	10	10	10	10	10
Community development	9	9	9	12	12
Recreation	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Total	<u><u>99</u></u>	<u><u>99</u></u>	<u><u>99</u></u>	<u><u>104</u></u>	<u><u>104</u></u>

**Source:** City of Albany Finance Department



CITY OF ALBANY  
 OPERATING INDICATORS BY FUNCTION  
 LAST FIVE FISCAL YEARS

	Fiscal Year				
	2002	2003	2004	2005	2006
Police:					
Arrests	462	506	703	537	663
Parking citations issued	Not available	13,247	9,627	6,665	4,717
Fire:					
Number of emergency calls	1,373	1,364	1,316	1,360	1,460
Inspections	750	750	750	750	750
Parks and Recreation:					
Number of recreation classes	525	670	877	871	225
Number of facility rentals	1,151	1,252	1,507	852	755

**Source:** Various City records.

CITY OF ALBANY  
CAPITAL ASSET STATISTICS  
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2002	2003	2004	2005	2006
Police:					
Stations	1	1	1	1	1
Fire:					
Stations	1	1	1	1	1
Public Works:					
Street (miles)	29	29	29	29	29
Streetlights	870	870	870	870	870
Traffic signals	15	15	15	15	15
Parks and Recreation:					
Parks	8	8	8	8	8
Community centers	1	1	1	1	1
Wastewater:					
Sanitary sewers (miles)	35	35	35	35	35
Storm sewers (miles)	7	7	7	7	7

**Source:** Various City records.

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