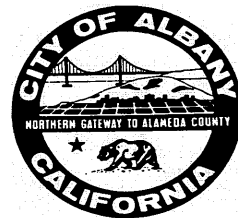


City of Albany

For the Fiscal Year Ended June 30, 2007

*Comprehensive
Annual
Financial
Report*



CITY OF ALBANY, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Prepared by:
Department of Finance and Administrative Services

This page left blank intentionally.

CITY OF ALBANY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	xvi
Principal Officers.....	xvii
Organization Chart.....	xviii
Regional Map.....	xix

FINANCIAL SECTION

Independent Auditors' Report.....	A1
Management's Discussion and Analysis.....	A3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Assets.....	B1
Statement of Activities and Changes in Net Assets.....	B2

Fund Financial Statements:

Balance Sheet - Governmental Funds.....	B3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	B4
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.....	B5
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	B6

Proprietary Funds:

Statement of Net Assets.....	B7
Statement of Revenues, Expenses and Changes in Net Assets.....	B8
Statement of Cash Flows.....	B9

Fiduciary Funds:

Statement of Fiduciary Net Assets.....	B10
Statement of Changes in Fiduciary Net Assets.....	B11

Notes to Basic Financial Statements.....	C1
--	----

TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

Pension Plans – Schedule of Funding Progress (Unaudited) D1

COMBINING FINANCIAL STATEMENTS AND OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds: D2

Combining Balance Sheet D3

Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... D4

Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets D5

Other Special Revenue Funds: D6

Combining Balance Sheet D8

Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... D13

Budgetary Comparison Schedule D18

Other Capital Projects Funds: D28

Combining Balance Sheet D29

Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... D32

Budgetary Comparison Schedule D35

Major Capital Projects Funds: D41

Budgetary Comparison Schedule D42

Other Debt Service Funds: D44

Combining Balance Sheet D45

Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... D46

Budgetary Comparison Schedule D47

Agency Funds: D49

Combining Statement of Fiduciary Assets and Liabilities..... D50

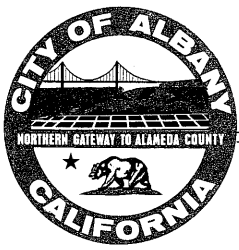
Combining Statement of Changes in Fiduciary Assets and Liabilities..... D51

TABLE OF CONTENTS

STATISTICAL SECTION

Net Assets by Component – Last Five Fiscal Years	E2
Changes in Net Assets – Last Five Fiscal Years	E3
Fund Balances of Governmental Funds – Last Five Fiscal Years	E5
Changes in Fund Balances of Governmental Funds – Last Five Fiscal Years	E6
Assessed Value and Estimated Actual Value of Taxable Property – Last Six Fiscal Years.....	E7
Direct and Overlapping Property Tax Rates – Last Six Fiscal Years	E8
Principal Taxpayers – Current Year and Nine Years Ago	E9
Property Tax Levies and Collections – Last Six Fiscal Years	E10
Ratios of Outstanding Debt by Type – Last Six Fiscal Years.....	E11
Ratio of General Bonded Debt Outstanding – Last Five Fiscal Years.....	E12
Direct and Overlapping Debt.....	E13
Legal Debt Margin Information – Last Six Fiscal Years	E14
Demographic and Economic Statistics – Last Six Calendar Years	E15
Principal Employers – Current Year and Nine Years Ago.....	E16
Full-time Equivalent Employees by Function – Last Six Fiscal Years	E17
Operating Indicators by Function – Last Six Fiscal Years.....	E18
Capital Asset Statistics – Last Six Fiscal Years	E19

This page left blank intentionally



City of Albany

1000 SAN PABLO AVENUE • ALBANY, CALIFORNIA 94706-2295

December 3, 2007

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

CITY ADMINISTRATOR

PH. (510) 528-5710
FAX (510) 528-5797

CITY ATTORNEY

PH. (510) 528-5858
FAX (510) 526-9190

CITY CLERK

PH. (510) 528-5720
FAX (510) 528-5797

CITY COUNCIL

PH. (510) 528-5720
FAX (510) 528-5797

**COMMUNITY DEVELOPMENT &
ENVIRONMENTAL RESOURCES**

- Building
- Engineering
- Environmental Resources
- Maintenance
- Planning

PH. (510) 528-5760
FAX (510) 524-9359

**FINANCE & ADMINISTRATIVE
SERVICES**

CITY TREASURER

PH. (510) 528-5730
FAX (510) 528-2743

**FIRE & EMERGENCY MEDICAL
SERVICES**

PH. (510) 528-5771
FAX (510) 528-5774

PERSONNEL

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

POLICE

PH. (510) 525-7300
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, 2007. 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.

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, 2007, 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, 2007 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 engagement for this independent audit of the financial statements of the City of Albany includes performance of a "Single Audit" designed to meet the special needs of federal grantor agencies. However, the City's expenditures of federal funds for the year ended June 30, 2007 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.

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.



PRINTED ON RECYCLED PAPER

AWARDS

The City of Albany's CAFR for the year ended June 30, 2006, 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 fourteenth 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 at January 1, 2007 was 16,764.

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, 2007, 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.

Staff accomplishments during this last year include the negotiation of a collective bargaining agreement with the Albany Fire Fighters Association; commencement of capital improvement projects including the renovation of three City parks, lighting and access improvements to the Ohlone Greenway, and continued sewer, paving and creek restoration work; and the initiation of carbon emission reduction efforts such as green building ordinances.

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. Business licensing generated revenue of \$514,950 in fiscal year 2006-07.

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.

General accounting and financial reporting includes accounts payable, accounts receivable, payroll, business license, pet license, and general 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. Annual reports include the City's Comprehensive Annual Financial Report (CAFR), Police and Fire Relief or Pension Fund, and the Albany Reinvestment Agency. 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 is also called upon to perform special tasks such as reviewing the financial reports of organizations with close ties to the City, and budget review and analysis for such organizations.

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: updating the 2007-08 operating budget, updating and publication of the Master Fee Schedule, and facilitated the lump sum payment of unfunded pension liabilities of the City's Safety Cal PERS pension plans, and coordination of the issuance of General Obligation bonds totaling \$11,500,000.

The staff of the Finance and Administrative Services Department consists of the Director, Senior 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 station KALB channel 33

The Department manages four city-owned facilities:

- o Albany Community Center
- o Senior Center
- o Memorial Park Child Care Center
- o 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 Community Media Access 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, arts and crafts, enrichment classes, music video production activities, community service projects, special events and trips, as well as 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 arts and crafts activities, daily homework assistance, 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 4th 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:

- o Information, assistance and referrals for issues such as home assistance, in-home support, legal, health insurance, counseling and case management.
- o 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.

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, 2007 were favorable, and the outlook for the fiscal year ending June 30, 2008 is stable. Total revenues increased \$890,000 over the prior fiscal year. Property Tax Revenue (including vehicle license fee in-lieu payments from the State) increased \$420,000. Sales Tax revenue increased \$200,000 (Including sale tax in-lieu payments from the State). Earnings on Investments increased \$116,000.

The largest decline in revenue for fiscal year 2006-07 was in Property Transfer Taxes that dropped \$103,000 from the prior year. Further declines in fiscal years 2007-08 and 2008-09 are anticipated due to the nationwide slowdown in home sales.

The outlook for construction and property development in the City of Albany continues to be modest.

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 2006-07 and the premiums for excess liability coverage are expected to remain level for the coming year. 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 2007-08.

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 retail outlets, Target, PetsMart, and Toyota of Berkeley have opened new locations on Eastshore Highway.

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 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 Alameda County regarding acquisition of the Veterans' Building in Memorial Park. Discussion sessions are also being held with Albany citizens regarding potential funding for renovation and continuing maintenance of the building, should it be acquired by the City.

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. Construction is scheduled to begin in the Spring of 2008.

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 is a multi-year process and has included a number of grant submittals and development of design and the implementation of plans for traffic calming measures, including the reconfiguration of Marin Avenue. Current funding is from the Alameda County's Measure B transportation funds and the City's Measure F funds.

Park Improvements

Phase II of the Memorial Park Improvement Project and improvements to Terrace and Ocean View Parks was begun in 2007. 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.

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 current project, which commenced 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 commenced 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 8% and safety employees 9.8% of their annual salary, which is paid by the City. 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 \$14.6 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.

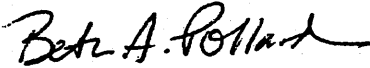
CASH MANAGEMENT

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 2006-07, 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.

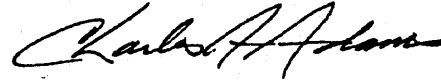
ACKNOWLEDGEMENTS

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, Minnie Swygert and Maria Ligaya-Cantiller. 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 and Scott Miller - Partners, and Robert Karmann - 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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

CITY OF ALBANY
PRINCIPAL OFFICERS
JUNE 30, 2007

CITY COUNCIL

Mayor	Robert Lieber
Vice Mayor	Marge Atkinson
Councilmember	Farid Javandel
Councilmember	Jewel Okawachi
Councilmember	Joanne Wile

ELECTED OFFICIALS

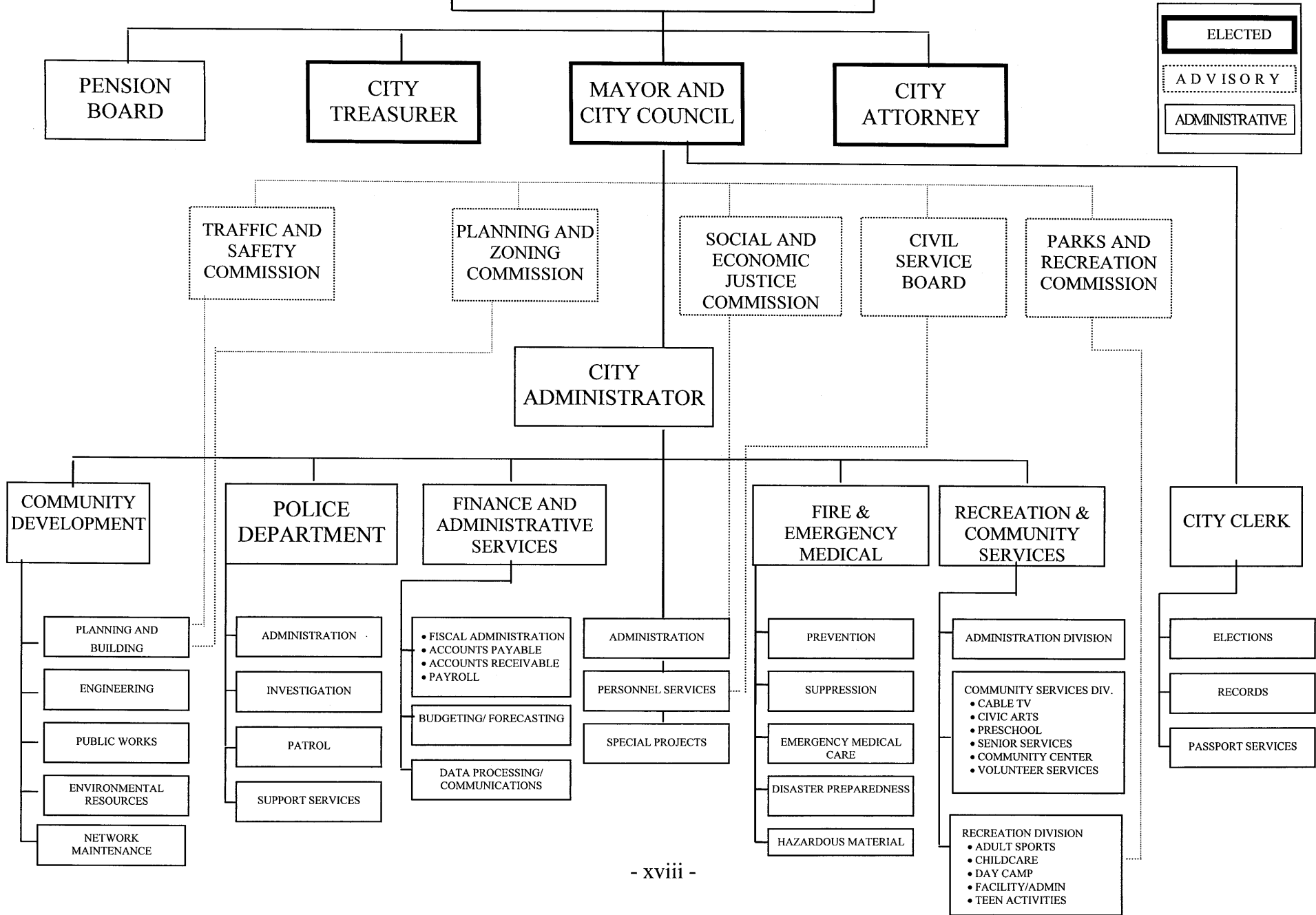
Treasurer	Kim Denton
City Attorney	Robert Zweben

APPOINTED DEPARTMENT HEADS

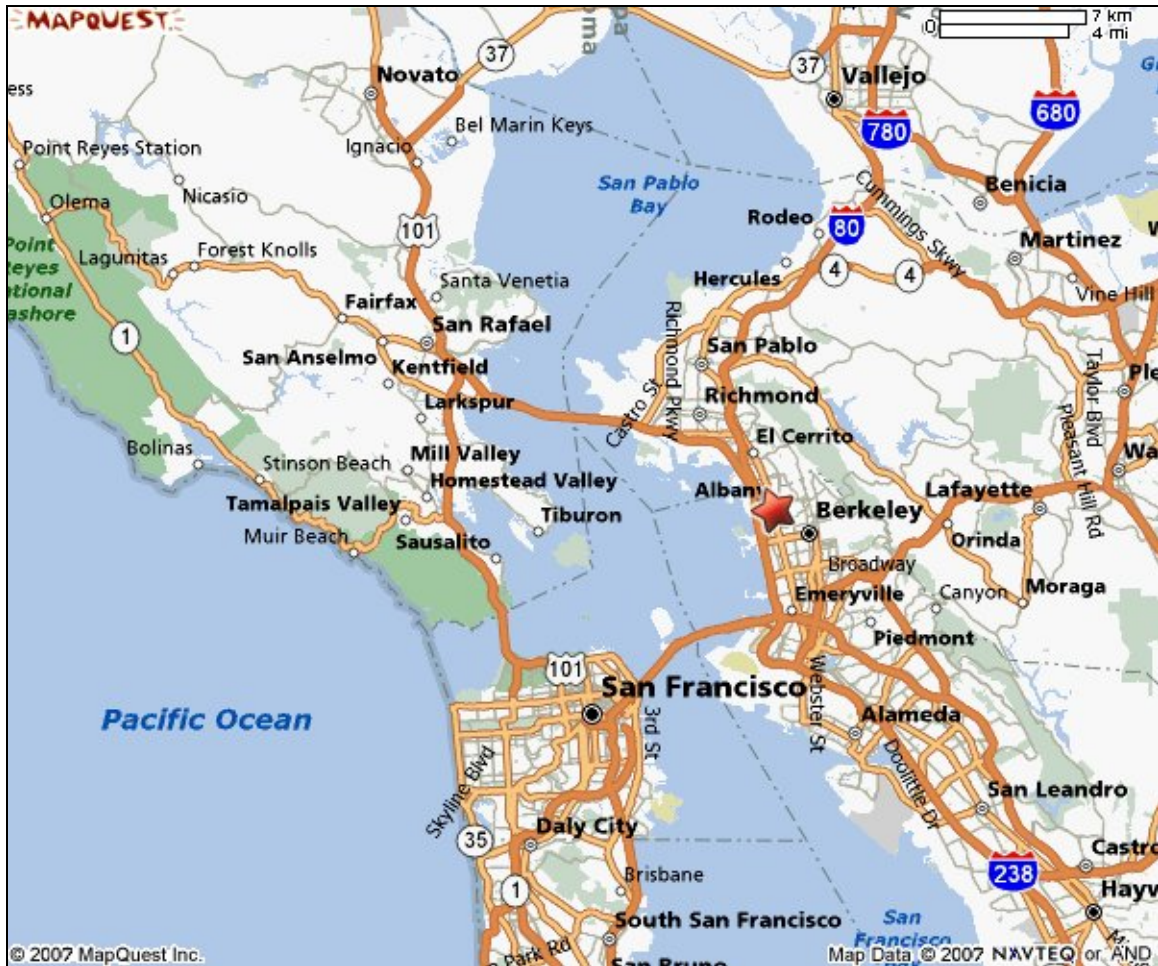
City Administrator	Beth Pollard
Finance and Administrative Services Director	Charles Adams
City Clerk	Jacqueline Bucholz
Community Development Director	Ann Chaney
Recreation & Community Services Director	Penelope Leach
Fire Chief	Marc McGinn
Chief of Police	Mike McQuiston

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, 2007, 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, 2007, 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 26, 2007 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 A19 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.

Odeberg Ullakko Munaiski & Co LLP

San Francisco, California
October 26, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

This is management's discussion and analysis of the City of Albany's financial activities and performance for the fiscal year ended June 30, 2007. 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 \$71,929,000, liabilities of \$24,019,000, and net assets of \$47,910,000.
- Net assets, as measured in the government-wide financial statements, increased \$4,446,000. Capital assets increased \$3,213,000 and net long-term debt decreased \$851,000. The major capital asset additions were park improvements and replacement of sanitary sewer lines. The decrease in long-term debt resulted from bond and lease payments.
- 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 \$4,446,000 for the fiscal year ended June 30, 2007, as compared to an increase of \$2,870,000 for the fiscal year ended June 30, 2006. Revenues for the year increased \$2,831,000 and expenses increased by \$1,255,000 over the prior year. The major increases in revenue occurred in capital grants and contributions, property taxes and earnings on investments. Capital grants and contributions increased \$922,000, primarily attributed to grant revenue of \$871,000 received for the Codornices Creek restoration. Property tax revenue increased \$1,340,000, largely attributable to the increase in assessed value and new library supplemental tax and the street and storm drain tax effective in the current fiscal year. Earnings on investment increased \$402,000, primarily due to the higher LAIF yield, which averaged 5.11%, compared to 3.84% for the prior year.
- The increase in expenses of \$1,458,000 for the Community Development and Environmental Resources Department reflects expenditures of \$1,440,000 associated with the restoration of Codornices Creek. This principal funding for this phase of the project is: Coastal Conservatory grant of \$700,000, Department of Water Resources grant of \$170,000 and Measure R Bonds – Ballfields of \$550,000.

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, 2007, the General Fund fund balance was \$4,602,000, a net increase of \$414,000 over the balance at June 30, 2006. As of June 30, 2007, the unreserved-undesignated fund balance for the General Fund was \$3,183,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Transfers of \$2,464,000 from the General Fund were made to reserve funds of Safety equipment replacement - \$126,000, self insurance reserve accounts - \$329,000, accrued liabilities for compensated absences - \$409,000, and to reserve funds for capital expenditures - \$1,600,000.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Relief or Pension Fund (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.

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
- 1996-1 Assessment District Bond Fund
- General Obligation Bond 2003
- Capital Projects Fund

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2006-07 was \$253.44 per residential unit. Total assessment revenue for the year was \$1,838,000; this was an increase of \$17,000 from the prior year. Revenues less expenditures and transfers, including interest on bonds of \$298,000, resulted in an increase in net assets of \$598,000.

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:

- 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 or Pension Fund in the Police and Fire Relief or 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$47,910,000 at June 30, 2007. A schedule of net assets is presented in the following table.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Net Assets
June 30, 2007 and 2006
(thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2007	2006	2007	2006	2007	2006	
Current and other assets	\$ 27,661	\$ 26,506	\$ 6,834	\$ 7,439	\$ 34,495	\$ 33,945	2%
Capital assets	24,939	22,571	12,495	11,650	37,434	34,221	9%
Total assets	52,600	49,077	19,329	19,089	71,929	68,166	6%
Current liabilities	6,314	6,099	432	479	6,746	6,578	3%
Noncurrent liabilities	9,725	10,265	7,548	7,859	17,273	18,124	-5%
Total liabilities	16,039	16,364	7,980	8,338	24,019	24,702	-3%
Net assets:							
Invested in capital assets, net of related debt	19,778	18,532	7,191	7,155	26,969	25,687	5%
Restricted	12,086	10,500			12,086	10,500	15%
Unrestricted	4,697	3,681	4,158	3,596	8,855	7,277	22%
Total net assets	\$ 36,561	\$ 32,713	\$ 11,349	\$ 10,751	\$ 47,910	\$ 43,464	10%

Net assets invested in capital assets (e.g., land, buildings, equipment and infrastructure) of \$26,969,000 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 \$12,086,000 represent resources that are subject to restrictions on how they may be used. The largest component of restricted net assets is \$9,061,000 that is restricted for future capital projects, special revenue funds have combined restricted net assets of \$2,621,000, and the balance of restricted net assets of \$404,000 is contained in bond debt service funds.

Unrestricted net assets of \$8,855,000 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 at B3 and B7.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Changes in Net Assets

The City's net assets increased \$4,446,000 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, 2007 and 2006 (thousands)

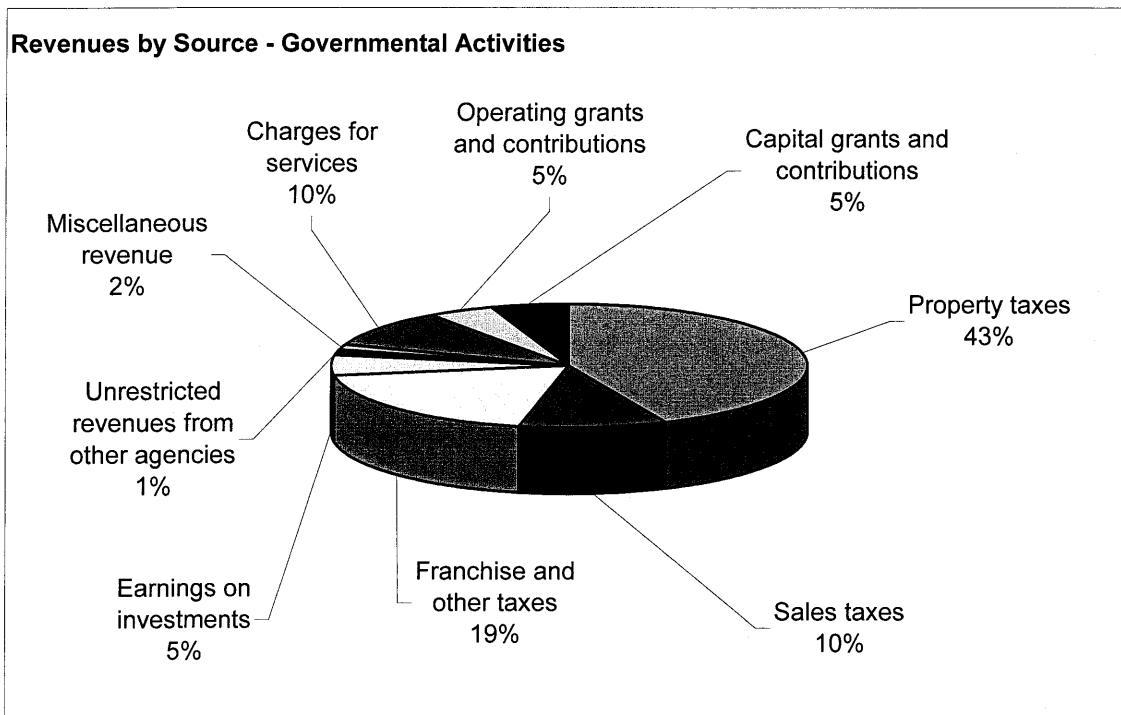
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2007	2006	2007	2006	2007	2006	
Revenues:							
Program revenues:							
Charges for services	\$ 2,159	\$ 1,976	\$ 1,838	\$ 1,821	\$ 3,997	\$ 3,797	5%
Operating grants and contributions	1,017	1,155	-	-	1,017	1,155	-12%
Capital grants and contributions	1,181	259	-	-	1,181	259	356%
General revenues:							
Property taxes	9,762	8,422	-	-	9,762	8,422	16%
Sales taxes	2,242	2,043	-	-	2,242	2,043	10%
Franchise and other taxes	4,317	4,443	-	-	4,317	4,443	-3%
Earnings on investment	1,237	924	325	236	1,562	1,160	35%
Unrestricted revenues from other agencies	281	227	-	-	281	227	24%
Other revenue	342	364	-	-	342	364	-6%
Total revenues	22,538	19,813	2,163	2,057	24,701	21,870	13%
Program expenses:							
General government	2,511	2,184	-	-	2,511	2,184	15%
Police	5,226	5,551	-	-	5,226	5,551	-6%
Fire and emergency medical services	4,046	4,477	-	-	4,046	4,477	-10%
Community development and environmental resources	5,105	3,647	-	-	5,105	3,647	40%
Recreation and community services	2,268	2,080	-	-	2,268	2,080	9%
Interest on long-term debt	398	423	-	-	398	423	-6%
Sewer	-	-	701	638	701	638	10%
Total program expenses	19,554	18,362	701	638	20,255	19,000	7%
Increase/(decrease) in net assets before transfers and other sources	2,984	1,451	1,462	1,419	4,446	2,870	55%
Transfers	864	852	(864)	(852)	-	-	
Change in net assets	3,848	2,303	598	567	4,446	2,870	55%
Net assets - beginning of year	32,713	30,410	10,751	10,184	43,464	40,594	7%
Net assets - end of year	\$ 36,561	\$ 32,713	\$ 11,349	\$ 10,751	\$ 47,910	\$ 43,464	10%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

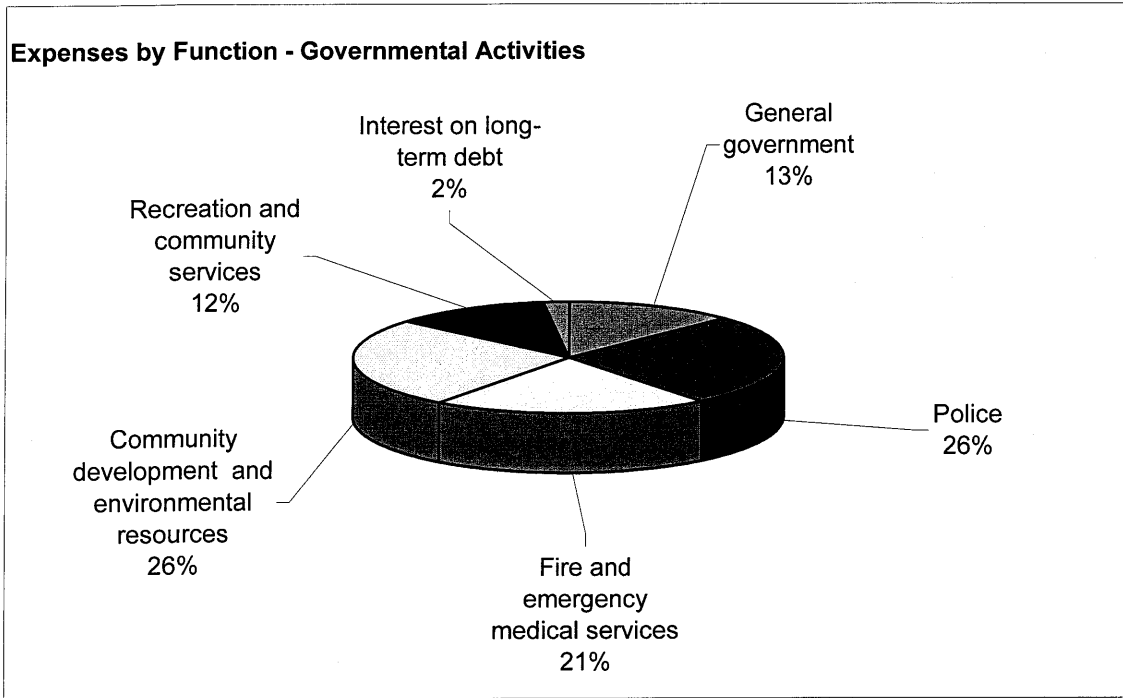
Net assets of governmental activities increased \$3,848,000 in fiscal year 2006-07. An increase in net assets occurs when revenue exceeds expenditures or when capital assets are acquired utilizing revenues received in the current year, and the cost of the acquired asset is to be expensed over the useful life of the asset.

The percentages for all revenue categories are comparable to prior year except for the Capital Grants and Contributions. Capital grants and contributions were 5% of total governmental activities revenues, up from 1% in the prior year. This increase is due to more expenditure incurred for restoration of Codornices Creek. This project is primarily funded by the California Department of Water Resources and Department of Coastal Conservancy.



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 safety pension override tax, special district assessments, and bonded indebtedness, as well as the City's 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 35% of this revenue. Other 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. Property transfer taxes declined from \$1,560,000 for fiscal year 2005-06 to \$1,457,000 for fiscal year 2006-07.

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. The percentages for General Government, Recreation and Community Services, and Interest on Long-term Debt are comparable with prior year. Departments with large variances are discussed below.

- Expenditures for the Community Development and Environmental Resources Department represent 26% of the total expenditures, up from 19% in the prior year. The increase is primarily due to expenditures incurred for restoration of Codornices Creek. The increase in expenditures corresponds to the increase in capital grants and contributions as the project is partially funded by grants.
- Expenditures for the Police and Fire Departments represent 47% of total expenditures, down from 53% in the prior year. The decrease resulted from a reduction of the payment made to CalPERS for side fund liabilities. These payments are discretionary and totaled \$2,000,000 in fiscal year 2005-06 and \$1,000,000 in fiscal year 2006-07.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

The increase in business-type activities net assets of \$598,000 represents activity in the Sewer Enterprise Fund. The principal source of revenue of \$2,163,000 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 \$253.44/ERU, an increase of 1.98% over the prior year rate. Earnings on investments increased from \$236,000 to \$325,000 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 \$864,000 were made from the Sewer Fund to the General Fund to cover these expenditures.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure compliance with legal and grantor requirements and restrictions on expenditures of funds. The fund basis financial statements presented in this report demonstrate the City's compliance with financial restrictions, and they allow users of the statements to separately analyze individual funds. The City maintains three types of funds: Governmental, Proprietary and Fiduciary.

Governmental Funds

Activity of the Governmental funds is summarized in the following table (the full statement is located on page B4):

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental Funds
Revenues, Expenditures and Other Changes in Fund Balances
For the Fiscal Year Ended June 30, 2007
(thousands)**

	General Fund	Other Major Funds	Other Governmental Funds	Total Governmental Funds
Revenues	\$ 13,786	\$ 1,468	\$ 7,419	\$ 22,673
Current expenditures	13,787	567	2,640	16,994
Capital outlay	-	3,269	756	4,025
Debt service	-	-	998	998
	<u>13,787</u>	<u>3,836</u>	<u>4,394</u>	<u>22,017</u>
Net transfers	415	1,538	(1,826)	127
Net change in fund balances	414	(830)	1,199	783
Fund balances, beginning of year	4,188	11,942	4,736	20,866
Fund balances, end of year	<u>\$ 4,602</u>	<u>\$ 11,112</u>	<u>\$ 5,935</u>	<u>\$ 21,649</u>

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.

At June 30, 2007, the City's combined governmental funds reported an ending fund balance of \$21,649,000, an increase of \$783,000 from the prior year. Of the \$21,649,000 fund balance: \$1,147,000 is reserved for long-term receivables, \$13,865,000 is reserved to fund capital projects, \$655,000 is reserved for debt service, \$2,894,000 has been designated for specific purposes or is held in special revenue funds, and unreserved fund balances are a net \$3,087,000.

The General Fund is the principal operating fund of the City. At June 30, 2007, the total fund balance was \$4,602,000, of which \$3,183,000 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 \$587,000 over the prior years balance, and it was 23% of General Fund expenditures.

The Other Major Funds are: 1996-1 Landscape and Lighting Assessment District Bond Fund, 2003 General Obligation Bond Fund, and the Capital Projects Fund. Descriptions of these funds are provided at Page D41. The designation as a major fund is based upon a fund having either assets, liabilities, revenues or expenditures equal to or greater than 10% of their fund type total or 5% of the grand total of all funds. Funds designated as major funds in fiscal year 2006-07 differ from those of fiscal year 2005-06; thus, comparisons to the prior year funds are not meaningful.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The 1996-1 Landscape and Lighting Assessment District Bond Fund, commonly referred to as Measure R, had expenditures of \$969,000, principally for creek restoration, and its fund balance was reduced by \$749,00 to \$3,519,000.

The 2003 General Obligation Bond Fund, commonly referred to as Measure F, had expenditures of \$1,884,000 for various projects. At June 30, 2007 there remained a fund balance of \$4,808,000, which is fully committed to current capital projects.

The Capital Projects Fund became a major fund as a result of the transfer to the fund of \$1,600,000 from the General Fund, to be used for capital projects as specified by the City Council.

Other Governmental Funds are a combination of 33 funds that are scheduled at pages D13 through D46.

Proprietary Funds

At June 30, 2007, net assets of the Sewer Fund (an enterprise fund) were \$11,349,000 and net assets of the internal service funds were \$259,000. The Sewer Fund net assets increased \$598,000 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 \$4,158,000, and it is planned that these funds will be utilized in completion of a five-year plan for renovation of the sewer system.

The internal service funds consist of the following four funds:

- Community Development Reserve Fund
- Workers' Compensation Claims
- General Insurance Retention
- Compensated Absences Reserves

The Community Development Reserve Fund is used to fund replacement costs for public works and park equipment. 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 fully funded at the end of the year. The Compensated Absence Fund is funded by transfers from the General Fund, based on actual recorded vacation, compensatory time and sick leave. The accrued benefits were fully funded at the end of June 30, 2007. Cash and investments held in these funds increased \$140,000 to a balance of \$3,746,000 and June 30, 2007.

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 \$14,892,000 at June 30, 2007, an increase of \$344,000 over the prior year. The increase is the result of appreciation in fair value of investments. 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

The original Fiscal Year 2006-07 budget was adopted in June 2006 as the first year of a two-year budget. The budget was not amended during fiscal year 2006-07. The budget projected an excess of resources over charges to appropriations of \$94,000. The table below summarizes the variances between budget and actual results for the year ended June 30, 2007.

General Fund Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2007
(thousands)

	Original Budget	Final Budget	Actual	Variance Final Budget
Beginning fund balances, July 1, 2006	\$ 4,431	\$ 4,431	\$ 4,188	\$ (243)
Resources:				
Revenues	12,411	12,411	13,786	1,375
Transfers in	2,906	2,906	2,879	(27)
Total Resources	15,317	15,317	16,665	1,348
Appropriations:				
Expenditures	14,727	14,727	13,787	(940)
Transfers out	496	496	2,464	1,968
Total Appropriations	15,223	15,223	16,251	1,028
Resources over (under) appropriations	94	94	414	320
Ending fund balances, June 30, 2007	\$ 4,525	\$ 4,525	\$ 4,602	\$ 77

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.

Actual transfers to other funds were above budget by \$1,968,000. There were transfers to the Capital Projects Fund of \$1,600,000 and to the Compensated Absences Reserve Fund of \$409,000. The transfer to the Compensated Absences Reserve Fund is to fully fund the accrued vacation and sick leave at June 30, 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Variances

The City experienced positive results for the year in a comparison of actual resources and appropriations to the budget. The budget projected a net increase in fund balance of \$94,000, but the actual results were a net increase of \$414,000, a positive variance of \$320,000.

Total revenues exceeded budget by \$1,375,000. The major components of this budget variance were:

- Property taxes exceeded budget by \$585,000 as the results of increase in assessed values and the termination of ERAF III in fiscal year 2006-07.
- Sales taxes exceeded budget by \$166,000, primarily due to increase in payment from the State as part of the 2004 Triple Flip (in lieu of sales tax revenue).
- Earnings on investments exceeded budget by \$412,000 as the results of higher return earned on funds invested with the State Local Agency Investment Fund and payment received from the Albany Reinvestment Agency for prior years' interest owed to the City on advances.

Total expenditures were under budget by \$940,000, largely due to savings from salaries and benefits for vacant positions. In addition, the \$2,000,000 paydown of CalPERS side fund liabilities in the prior year resulted in lower pension costs in current fiscal year. Major individual account variances were:

- Salaries were \$424,000 below budget and fringe benefits were \$619,000 below budget as the results of vacant salaried positions that existed during the year and savings from pension costs noted earlier.
- Professional services expense was \$213,000 above budget due to the high level of fee-based services and the use of outside professionals to cover vacant positions. Increase associated with fee-based services is recovered from the excess revenue in current service charges.

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, 2007 amounted to \$37,434,000 (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 \$1,407,000 including the replacement of the sewer lines on several streets based on the Sewer Compliance Program.
- Major additions to construction projects in progress include \$657,000 for City Hall Retrofit and \$1,655,000 for Oceanview Park, Memorial Park and Terrace Park improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Capital Assets, Net of Accumulated Depreciation
June 30, 2007 and 2006
(thousands)**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land and construction in progress	\$ 11,203	\$ 8,808	\$ -	\$ -	\$ 11,203	\$ 8,808
Facilities, infrastructure, and equipment, net	13,736	13,763	12,495	11,650	26,231	25,413
Total	\$ 24,939	\$ 22,571	\$ 12,495	\$ 11,650	\$ 37,434	\$ 34,221

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

Long-term Debt

At June 30, 2007, the City had total long-term debts and obligations as summarized below.

**Outstanding Long-term Obligations
June 30, 2007 and 2006
(thousands)**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
1997 Refunding COPS	\$ 1,965	\$ 2,325	\$ -	\$ -	\$ 1,965	\$ 2,325
2003 general obligation bonds	7,550	7,715	-	-	7,550	7,715
Sewer revenue bonds	-	-	7,878	8,184	7,878	8,184
Capital leases	-	26	-	-	-	26
Other long-term obligations	750	750	-	-	750	750
Total	\$ 10,265	\$ 10,816	\$ 7,878	\$ 8,184	\$ 18,143	\$ 19,000

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.

In November 2002, voters passed Measure F to authorize the issuance of \$14.5 million of general obligation bonds. The first issuance of \$8 million took place in fiscal year 2003. In November 2006, voters also passed Measure C to authorize the issuance of \$5 million of general obligation bonds. The Measure C bonds and the remaining \$6.5 million Measure F bonds were issued in August 2007. The proceeds from both issuances will be used for various capital facilities as approved by the voters of the City.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's ability to balance its operating budget is dependent on growth in existing revenue sources at a rate equal to or greater than inflationary growth in the cost of delivering existing services. While most City revenues tend to be stable, two major sources, sales tax and property transfer tax, are sensitive to the general economy. The nationwide decline in housing sales has been mirrored in Albany, where the values of housing transfers has only shown small declines, and the number of transfer has declined significantly. The number of home sales in the first quarter of fiscal year 2007-08 was 64, down from 74 in the same quarter in fiscal year 2006-07. At the time the 2007-08 revised budget was prepared, the budget for proper transfer tax was reduced to \$941,000 in anticipation of the decline. Should the level of property transfer remain at current low levels or decline further, the effect will be significant to future City budgets.

Property tax is the City's largest revenue source and we expect it to continue to grow at a minimum rate of two to four percent per year. For the budget year 2007-08, the General Fund property tax is projected to grow 3.3% over the fiscal year 2006-07 actual revenue.

Sales tax is the third largest revenue source for the City. The overall economy has a significant impact on consumers spending. Albany has consistently outperformed surrounding cities in sale tax generation. Albany's sales tax growth for fiscal year 2006-07 was 5.9% as compared to 1% for both Alameda County and the State. The only city in Alameda County that experienced greater growth than Albany was Union City.

Revenue from Golden Gate Field as been declining for several years, but it appears that increased allotment of racing dates to Golden Gate Fields by the California Horse Racing Board, for calendar year 2008, will reverse the declining trend in revenue.

The tax increment revenue accruing to the Albany Reinvestment Agency will exceed the interest and operating costs of the Agency, allowing for additional capital investment or repayment of advances and loans from the City.

The recent decrease in interest rates means lower returns on earnings from investments for fiscal year 2007-08. However, the decrease is not likely to have a significant impact on the budget.

Labor agreements expire: March 2009 for administrative employees, October 2009 for Police and December 2010 for Fire/Paramedics. There are no wage re-openers in the agreements and the City expects to be able to absorb the scheduled wage increases. Increases in the costs of medical care benefits remain a matter of concern, but the announced increases for fiscal year 2007-08 are within the City's budget provisions.

The City has no unfunded obligations for post employment benefits.

Retrofitting of City Hall, Police Department and the Fire Station is scheduled to begin in 2008 and will require temporary relocation of all employees from these facilities for up to two years. Operational inefficiencies that may be experienced during the relocation may adversely affect operating costs and revenues during the period of retrofit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This page left blank intentionally.

GOVERNMENT-WIDE

FINANCIAL

STATEMENTS

CITY OF ALBANY

STATEMENT OF NET ASSETS

JUNE 30, 2007

(With Comparative Totals for June 30, 2006)

	Governmental Activities	Business-Type Activities	Totals	
			2007	2006
ASSETS				
Current assets:				
Operating cash and investments	\$ 25,365,403	\$ 6,654,850	\$ 32,020,253	\$ 31,450,180
Debt service reserves held with trustee	200,457	-	200,457	480,897
Receivables:				
Other taxes	748,136	-	748,136	817,420
Accounts	422,067	6,875	428,942	152,000
Interest	409,395	-	409,395	340,015
Current portion of note receivable	8,263	-	8,263	7,891
Total current assets	<u>27,153,721</u>	<u>6,661,725</u>	<u>33,815,446</u>	<u>33,248,403</u>
Noncurrent assets:				
Deposits	15,400	-	15,400	-
Note receivable, net	352,702	-	352,702	360,965
Deferred charges, net	139,686	172,263	311,949	336,642
Capital assets:				
Nondepreciable assets	11,202,586	-	11,202,586	8,807,952
Depreciable assets, net	13,736,170	12,494,519	26,230,689	25,412,450
Total capital assets, net	<u>24,938,756</u>	<u>12,494,519</u>	<u>37,433,275</u>	<u>34,220,402</u>
Total noncurrent assets	<u>25,446,544</u>	<u>12,666,782</u>	<u>38,113,326</u>	<u>34,918,009</u>
Total assets	<u>52,600,265</u>	<u>19,328,507</u>	<u>71,928,772</u>	<u>68,166,412</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,044,425	2,835	1,047,260	962,606
Accrued salaries & benefits	417,127	-	417,127	343,441
Accrued liabilities	1,424,524	98,901	1,523,425	1,273,715
Claims liabilities	2,433,139	-	2,433,139	2,691,843
Deferred revenue	454,449	-	454,449	430,995
Current portion of long-term debt	540,000	330,000	870,000	876,064
	<u>6,313,664</u>	<u>431,736</u>	<u>6,745,400</u>	<u>6,578,664</u>
Noncurrent liabilities:				
Long-term debt, net	9,725,000	7,547,800	17,272,800	18,123,611
Total liabilities	<u>16,038,664</u>	<u>7,979,536</u>	<u>24,018,200</u>	<u>24,702,275</u>
NET ASSETS				
Invested in capital assets, net of related debt	19,778,241	7,190,702	26,968,943	25,687,441
Restricted for:				
Capital projects	9,061,195	-	9,061,195	7,572,749
Debt service	404,071	-	404,071	766,085
Other purposes	2,621,275	-	2,621,275	2,160,838
Unrestricted	4,696,819	4,158,269	8,855,088	7,277,024
Total net assets	<u>\$ 36,561,601</u>	<u>\$ 11,348,971</u>	<u>\$ 47,910,572</u>	<u>\$ 43,464,137</u>

CITY OF ALBANY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

JUNE 30, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

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	
						2007	2006	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 2,510,778	\$ 106,353	\$ -	\$ -	\$ (2,404,425)	\$ -	\$ (2,404,425)	\$ (2,080,177)
Police	5,225,675	248,400	34,051	-	(4,943,224)	-	(4,943,224)	(5,268,100)
Fire and emergency medical services	4,045,725	605,087	8,328	-	(3,432,310)	-	(3,432,310)	(3,870,300)
Community development and environmental resources	5,104,975	378,470	913,463	1,180,524	(2,632,518)	-	(2,632,518)	(2,030,715)
Recreation and community services	2,268,245	820,731	60,682	-	(1,386,832)	-	(1,386,832)	(1,299,351)
Interest on long-term debt	398,238	-	-	-	(398,238)	-	(398,238)	(422,768)
Total governmental activities	<u>19,553,636</u>	<u>2,159,041</u>	<u>1,016,524</u>	<u>1,180,524</u>	<u>(15,197,547)</u>	<u>-</u>	<u>(15,197,547)</u>	<u>(14,971,411)</u>
Business-type activities:								
Sewer	701,291	1,838,255	-	-	-	1,136,964	1,136,964	1,183,041
Total business-type activities	<u>701,291</u>	<u>1,838,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,136,964</u>	<u>1,136,964</u>	<u>1,183,041</u>
Change in net assets:								
Net (expense) revenue	<u>\$ 20,254,927</u>	<u>\$ 3,997,296</u>	<u>\$ 1,016,524</u>	<u>\$ 1,180,524</u>	<u>(15,197,547)</u>	<u>1,136,964</u>	<u>(14,060,583)</u>	<u>(13,788,370)</u>
General revenues:								
Taxes:								
Property taxes					9,761,603	-	9,761,603	8,422,013
Sales taxes					2,242,377	-	2,242,377	2,042,834
Franchise and other taxes					4,317,435	-	4,317,435	4,442,459
Earnings on investments					1,237,048	325,365	1,562,413	1,160,346
Unrestricted revenues from other agencies					281,474	-	281,474	226,494
Other revenue					341,716	-	341,716	364,409
Transfers					864,399	(864,399)	-	-
Total general revenues and transfers					<u>19,046,052</u>	<u>(539,034)</u>	<u>18,507,018</u>	<u>16,658,555</u>
Change in net assets					3,848,505	597,930	4,446,435	2,870,185
Net assets, beginning of year					<u>32,713,096</u>	<u>10,751,041</u>	<u>43,464,137</u>	<u>40,593,952</u>
Net assets, end of year					<u>\$ 36,561,601</u>	<u>\$ 11,348,971</u>	<u>\$ 47,910,572</u>	<u>\$ 43,464,137</u>

This page left blank intentionally.

FUND

FINANCIAL

STATEMENTS

CITY OF ALBANY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007

(With Comparative Totals for June 30, 2006)

	Major Funds					Total Governmental Funds	
	1996-1					2007	2006
	General Fund	Assessment District Bond Fund	General Obligation Bond 2003	Capital Projects Fund	Other Governmental Funds		
ASSETS					*	**	
Operating cash and investments	\$ 2,905,226	\$ 3,832,725	\$ 5,262,392	\$ 2,674,661	\$ 6,944,849	\$ 21,619,853	\$ 20,597,177
Debt service reserves held with trustee	-	-	-	-	200,457	200,457	480,897
Receivables:							
Other taxes	613,161	-	-	-	134,975	748,136	817,420
Accounts	113,946	-	-	130,457	177,664	422,067	142,056
Interest	358,333	51,062	-	-	-	409,395	340,015
Note	360,965	-	-	-	-	360,965	368,856
Deposits	15,400	-	-	-	-	15,400	-
Due from other funds	436,435	-	-	-	-	436,435	89,989
Advances to other funds	786,203	-	-	-	-	786,203	881,398
Total assets	\$ 5,589,669	\$ 3,883,787	\$ 5,262,392	\$ 2,805,118	\$ 7,457,945	\$ 24,998,911	\$ 23,717,808
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 285,691	\$ 265,025	\$ 384,589	\$ 20,335	72,435	\$ 1,028,075	\$ 909,506
Accrued salaries & benefits	405,444	1,237	-	-	10,446	417,127	343,441
Accrued liabilities	69,984	41,374	69,672	-	46,410	227,440	101,085
Due to other funds	-	57,537	-	-	378,898	436,435	89,989
Deferred revenue	226,060	-	-	-	228,389	454,449	526,190
Advances from other funds	-	-	-	-	786,203	786,203	881,398
Total liabilities	987,179	365,173	454,261	20,335	1,522,781	3,349,729	2,851,609
Fund balances							
Reserved for long-term note receivable	360,965	-	-	-	-	360,965	368,856
Reserved for interfund receivable	786,203	-	-	-	-	786,203	881,398
Reserved for capital projects	-	3,518,614	4,808,131	2,784,783	2,753,675	13,865,203	13,958,634
Reserved for debt service	-	-	-	-	655,474	655,474	930,438
Unreserved:							
Designated - General Fund-equipment replacement	272,741	-	-	-	-	272,741	342,760
Designated - Special Revenue Funds (Note 9)	-	-	-	-	2,621,275	2,621,275	2,160,838
Undesignated - General Fund	3,182,581	-	-	-	-	3,182,581	2,595,328
Unreserved (deficit) - Capital Project Funds	-	-	-	-	-	-	-
Unreserved (deficit) - Debt Service Funds	-	-	-	-	(95,260)	(95,260)	(372,053)
Total fund balances	4,602,490	3,518,614	4,808,131	2,784,783	5,935,164	21,649,182	20,866,199
Total liabilities and fund balances	\$ 5,589,669	\$ 3,883,787	\$ 5,262,392	\$ 2,805,118	\$ 7,457,945	\$ 24,998,911	\$ 23,717,808
Total fund balances						\$ 21,649,182	\$ 20,866,199
Amounts reported for governmental activities in the statement of net assets are different because:							
Deferred charges for debt issuance expensed in government funds statement.						139,686	154,246
Net capital assets not reported in government funds statements.						24,934,633	22,563,748
Net assets and liabilities not requiring current resources; therefore not included in government funds statement.						(156,143)	(69,158)
Long-term liabilities not due within one year; therefore not included in government funds statement.						(10,265,000)	(10,816,064)
Net assets of internal service funds not included in government funds statement.						259,243	14,125
Net assets of governmental activities						\$ 36,561,601	\$ 32,713,096

* 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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Major Funds					Total Governmental Funds	
	1996-1					2007	2006
	General Fund	Assessment District Bond Fund	General Obligation Bond 2003	Capital Projects Fund	Other Governmental Funds		
*	**	**	***	****			
REVENUES							
Property taxes	\$ 4,457,035	\$ -	\$ -	\$ -	\$ 5,304,568	\$ 9,761,603	\$ 8,422,013
Sales taxes	2,242,377	-	-	-	-	2,242,377	2,042,834
Franchise and other taxes	4,261,793	-	-	-	55,642	4,317,435	4,442,459
Licenses and permits	153,817	-	-	-	211	154,028	198,028
Fines and forfeitures	188,961	-	-	-	-	188,961	153,619
Earnings on investments	625,642	213,578	299,706	-	230,751	1,369,677	954,645
Revenues from other agencies	269,041	-	-	948,477	1,250,676	2,468,194	1,535,641
Current services charges	1,296,091	-	-	-	519,960	1,816,051	1,623,230
Other revenue	290,744	6,400	-	-	57,639	354,783	470,547
Total revenues	13,785,501	219,978	299,706	948,477	7,419,447	22,673,109	19,843,016
EXPENDITURES							
Current:							
General government	1,985,488	-	-	-	27,202	2,012,690	2,439,092
Police	4,569,735	-	-	-	536,229	5,105,964	5,406,789
Fire and emergency medical services	3,521,204	-	-	-	491,573	4,012,777	4,402,565
Community development and environmental resources	2,140,577	69,012	445,494	52,692	1,024,859	3,732,634	3,353,064
Recreation and community services	1,569,795	-	-	-	559,941	2,129,736	2,003,205
Capital outlay	-	899,893	1,438,878	929,962	756,414	4,025,147	1,413,799
Debt service:							
Principal	-	-	-	-	551,063	551,063	534,540
Interest	-	-	-	-	446,623	446,623	460,800
Total expenditures	13,786,799	968,905	1,884,372	982,654	4,393,904	22,016,634	20,013,854
REVENUES OVER (UNDER) EXPENDITURES	(1,298)	(748,927)	(1,584,666)	(34,177)	3,025,543	656,475	(170,838)
OTHER FINANCING SOURCES (USES)							
Transfers in	2,879,874	-	-	1,600,000	387,712	4,867,586	4,596,338
Transfers out	(2,464,428)	-	-	(62,550)	(2,214,100)	(4,741,078)	(7,363,752)
Total other financing sources (uses)	415,446	-	-	1,537,450	(1,826,388)	126,508	(2,767,414)
Net change in fund balances	414,148	(748,927)	(1,584,666)	1,503,273	1,199,155	782,983	(2,938,252)
Fund balances, beginning of year	4,188,342	4,267,541	6,392,797	1,281,510	4,736,009	20,866,199	20,553,608
Prior period adjustment	-	-	-	-	-	-	3,250,843
Fund balances, end of year	\$ 4,602,490	\$ 3,518,614	\$ 4,808,131	\$ 2,784,783	\$ 5,935,164	\$ 21,649,182	\$ 20,866,199

* See page B6 for budget comparisons.
 ** See page D41 for budget comparisons.
 *** See page D42 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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	<u>2007</u>	<u>2006</u>
Net Changes in Fund Balances - Total Governmental Funds	782,983	\$ (2,938,252)
<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	3,053,018	1,439,613
Depreciation expense	(672,071)	(548,558)
<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>		
	(10,061)	-
<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	551,063	534,540
<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)
Change in accrued interest payable	8,210	7,842
<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>		
	(135,370)	(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>		
	40,175	30,190
<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>245,118</u>	<u>3,906,753</u>
Total Changes in Net Assets of Governmental Activities	<u>\$ 3,848,505</u>	<u>\$ 2,303,478</u>

CITY OF ALBANY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/ (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 3,871,580	\$ 3,871,580	\$ 4,457,035	\$ 585,455
Sales taxes	2,076,555	2,076,555	2,242,377	165,822
Franchise and other taxes	4,356,313	4,356,313	4,261,793	(94,520)
Licenses and permits	178,030	178,030	153,817	(24,213)
Fines and forfeitures	165,000	165,000	188,961	23,961
Earnings on investments	213,590	213,590	625,642	412,052
Revenues from other agencies	190,440	190,440	269,041	78,601
Current services charges	1,166,517	1,166,517	1,296,091	129,574
Other revenue	192,981	192,981	290,744	97,763
Total revenues	12,411,006	12,411,006	13,785,501	1,374,495
EXPENDITURES				
Current:				
General government	2,108,524	2,108,524	1,985,488	123,036
Police	4,945,269	4,945,269	4,569,735	375,534
Fire and emergency medical services	3,895,308	3,895,308	3,521,204	374,104
Community development and environmental resources	2,192,963	2,192,963	2,140,577	52,386
Recreation and community services	1,585,222	1,585,222	1,569,795	15,427
Total expenditures	14,727,286	14,727,286	13,786,799	940,487
REVENUES OVER (UNDER) EXPENDITURES	(2,316,280)	(2,316,280)	(1,298)	2,314,982
OTHER FINANCING SOURCES (USES)				
Transfers in	2,905,887	2,905,887	2,879,874	(26,013)
Transfers out	(495,537)	(495,537)	(2,464,428)	(1,968,891)
Total other financing sources (uses)	2,410,350	2,410,350	415,446	(1,994,904)
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing uses	<u>\$ 94,070</u>	<u>\$ 94,070</u>	414,148	<u>\$ 320,078</u>
Fund balances, beginning of year			<u>4,188,342</u>	
Fund balances, end of year			<u>\$ 4,602,490</u>	

This page left blank intentionally.

PROPRIETARY FUNDS

FINANCIAL

STATEMENTS

CITY OF ALBANY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2007

(With Comparative Totals for June 30, 2006)

	2007		2006	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
ASSETS				
Current assets:				
Operating cash and investments	\$ 6,654,850	\$ 3,745,550	\$ 7,247,039	\$ 3,605,964
Receivables	6,875	-	9,944	-
Total current assets	<u>6,661,725</u>	<u>3,745,550</u>	<u>7,256,983</u>	<u>3,605,964</u>
Noncurrent assets:				
Deferred charges, net	172,263	-	182,396	-
Capital assets, net	12,494,519	4,123	11,649,441	7,213
Total noncurrent assets	<u>12,666,782</u>	<u>4,123</u>	<u>11,831,837</u>	<u>7,213</u>
Total assets	<u>19,328,507</u>	<u>3,749,673</u>	<u>19,088,820</u>	<u>3,613,177</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,835	16,350	53,100	-
Accrued liabilities	98,901	3,944	101,068	-
Compensated absences	-	1,036,997	-	907,209
Claims liabilities	-	2,433,139	-	2,691,843
Current portion of long-term debt	330,000	-	325,000	-
Total current liabilities	<u>431,736</u>	<u>3,490,430</u>	<u>479,168</u>	<u>3,599,052</u>
Noncurrent liabilities:				
Long-term debt	7,547,800	-	7,858,611	-
Total liabilities	<u>7,979,536</u>	<u>3,490,430</u>	<u>8,337,779</u>	<u>3,599,052</u>
NET ASSETS				
Invested in capital assets, net of related debt	7,190,702	4,123	7,155,248	7,213
Unrestricted	4,158,269	255,120	3,595,793	6,912
Total net assets	<u>\$ 11,348,971</u>	<u>\$ 259,243</u>	<u>\$ 10,751,041</u>	<u>\$ 14,125</u>

CITY OF ALBANY

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	2007		2006	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
OPERATING REVENUES				
Services charges	\$ 1,838,255	\$ -	\$ 1,821,311	\$ -
Total operating revenue	<u>1,838,255</u>	<u>-</u>	<u>1,821,311</u>	<u>-</u>
OPERATING EXPENSES				
Salaries and benefits	-	160,434	-	-
Materials, supplies and other	84,635	-	23,109	-
Claims expenses	-	329,249	-	368,797
Claims expenses for change of estimate	-	-	-	(659,000)
Amortization	29,323	-	29,323	-
Depreciation	289,547	3,090	281,569	3,090
Total operating expenses	<u>403,505</u>	<u>492,773</u>	<u>334,001</u>	<u>(287,113)</u>
Operating income (loss)	<u>1,434,750</u>	<u>(492,773)</u>	<u>1,487,310</u>	<u>287,113</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	325,365	-	235,892	-
Miscellaneous	-	-	-	-
Interest expense	(297,786)	-	(304,269)	-
Net nonoperating revenues (expenses)	<u>27,579</u>	<u>-</u>	<u>(68,377)</u>	<u>-</u>
Income (loss) before transfers	1,462,329	(492,773)	1,418,933	287,113
Transfers in	-	737,891	-	3,619,640
Transfers out	(864,399)	-	(852,226)	-
Net transfers	<u>(864,399)</u>	<u>737,891</u>	<u>(852,226)</u>	<u>3,619,640</u>
Changes in net assets	597,930	245,118	566,707	3,906,753
Net assets, beginning of year	10,751,041	14,125	10,184,334	265,424
Prior period adjustment	-	-	-	(4,158,052)
Net assets, end of year	<u>\$ 11,348,971</u>	<u>\$ 259,243</u>	<u>\$ 10,751,041</u>	<u>\$ 14,125</u>

CITY OF ALBANY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	2007		2006	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,841,324	\$ -	\$ 1,819,254	\$ -
Cash paid to suppliers	-	-	-	-
Cash received (payments to) from others	(137,069)	(598,305)	18,171	(268,797)
Net cash provided by (used by) operating activities	1,704,255	(598,305)	1,837,425	(268,797)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	737,891	-	3,619,640
Transfers out to other funds	(864,399)	-	(852,226)	-
Net cash provided by (used by) noncapital financing activities	(864,399)	737,891	(852,226)	3,619,640
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	-	-
Acquisition and construction of capital assets	(1,134,624)	-	(530,246)	-
Principal payments - bonds	(325,000)	-	(320,000)	-
Interest paid	(297,786)	-	(304,269)	-
Net cash provided by (used by) capital and related financing activities	(1,757,410)	-	(1,154,515)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	325,365	-	235,892	-
Decrease in restricted investments	-	-	-	-
Net cash provided by investing activities	325,365	-	235,892	-
Net change in cash and cash equivalents	(592,189)	139,586	66,576	3,350,843
Cash and cash equivalents at beginning of year	7,247,039	3,605,964	7,180,463	255,121
Cash and cash equivalents at end of year	\$ 6,654,850	\$ 3,745,550	\$ 7,247,039	\$ 3,605,964
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,434,750	\$ (492,773)	\$ 1,487,310	\$ 287,113
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in estimates	-	-	-	(659,000)
Increase (decrease) in compensated absences	-	129,788	-	-
Increase (decrease) in claims expense reserve	-	(258,704)	-	100,000
Depreciation and amortization expense	318,868	3,090	310,892	3,090
Miscellaneous non-operating revenue (expense)	-	-	-	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	3,069	-	(2,057)	-
Increase (decrease) in accounts payable and accrued liabilities	(52,432)	20,294	41,280	-
Net cash provided by (used by) operating activities	\$ 1,704,255	\$ (598,305)	\$ 1,837,425	\$ (268,797)

FIDUCIARY FUNDS

FINANCIAL

STATEMENTS

CITY OF ALBANY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007
(With Comparative Totals for June 30, 2006)

	2007		2006	
	<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>
ASSETS		*		
Operating cash and investments	\$ 4,812	\$ 697,280	\$ -	\$ 705,015
Debt service reserves held with trustee	-	488,764	-	485,938
Receivables:				
Interest	106,868	-	100,926	-
Other	851	111,776	851	-
Investments, at fair value:				
U.S. government securities	1,032,620	-	1,785,114	-
Mortgage related securities	3,252,992	-	3,233,794	-
Corporate notes and bonds	2,865,358	-	2,511,300	-
Corporate securities	6,512,347	-	6,186,446	-
Local Agency Investment Fund	159,862	-	163,428	-
Money market funds	976,405	-	582,117	-
Total investments, fair value	<u>14,799,584</u>	<u>-</u>	<u>14,462,199</u>	<u>-</u>
Total assets	<u>14,912,115</u>	<u>1,297,820</u>	<u>14,563,976</u>	<u>1,190,953</u>
LIABILITIES				
Accounts payable	19,835	76,791	15,633	8,002
Due to bondholders	-	861,770	-	863,745
Refundable deposits	-	359,259	-	319,206
Total liabilities	<u>19,835</u>	<u>1,297,820</u>	<u>15,633</u>	<u>1,190,953</u>
NET ASSETS				
Assets held in trust for pension benefits	14,892,280	-	14,548,343	-
Total net assets	<u>\$ 14,892,280</u>	<u>\$ -</u>	<u>\$ 14,548,343</u>	<u>\$ -</u>

* See page D50 for schedule of funds.

**CITY OF ALBANY
FIDUCIARY FUNDS**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	<u>2007</u>	<u>2006</u>
	Pension Trust Fund (Police and Fire Pension)	Pension Trust Fund (Police and Fire Pension)
ADDITIONS		
Contributions:		
Employer	\$ -	\$ -
Plan members	-	-
Total contributions	<u>-</u>	<u>-</u>
Investment income:		
Net appreciation in fair value of investments	1,177,628	534,932
Interest	485,012	435,738
Dividends	125,449	107,929
Total investment income	<u>1,788,089</u>	<u>1,078,599</u>
Less investment expenses	<u>139,352</u>	<u>135,534</u>
Net investment income	<u>1,648,737</u>	<u>943,065</u>
Other:		
Property tax override	<u>-</u>	<u>-</u>
Total additions to net assets	<u>1,648,737</u>	<u>943,065</u>
DEDUCTIONS		
Benefits paid	1,274,936	1,233,644
Administrative expenses	20,764	19,979
Other expenses	<u>9,100</u>	<u>4,484</u>
Total deductions from net assets	<u>1,304,800</u>	<u>1,258,107</u>
Changes in net assets	343,937	(315,042)
Net assets, beginning of year	<u>14,548,343</u>	<u>14,863,385</u>
Net assets, end of year	<u>\$ 14,892,280</u>	<u>\$ 14,548,343</u>

This page left blank intentionally.

**NOTES TO
BASIC FINANCIAL
STATEMENTS**

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007, as estimated by the California Department of Finance was 16,764.

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 106 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 5 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, 2007

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, 2007

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. The City does not have internal payments that are treated as program revenue. 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, 2007

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, 2007

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

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, 2007

NOTE 2 – Summary of Significant Accounting Policies (Continued)

The City's internal service funds at June 30, 2007 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 Fund.

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. The City collects and distributes fees, special assessments, and deposits for outside parties based on agreements. Agency fund transactions are presented in the statement of changes in fiduciary assets and liabilities on page D51.

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.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 – Summary of Significant Accounting Policies (Continued)

2. Public hearings and work sessions are conducted to obtain comments from interested individuals and organizations.
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, 2007.

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 \$1,036,997, 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, 2007

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, 2007

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 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.

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 2007 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.

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 prior 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 in fiscal year 2005-06, 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.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 32,020,253
Debt service reserves held with trustee	200,457
Fiduciary funds:	
Cash and investments	15,501,676
Debt service reserves held with trustee	488,764
Total cash and investments	<u>\$ 48,211,150</u>

B. Cash and investments as of June 30, 2007 consist of the following:

Cash on hand	\$ 15,251
Deposits with financial institutions	69,187
Investments	<u>48,126,712</u>
Total cash and investments	<u>\$ 48,211,150</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 3 – Cash and Investments (Continued)

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.

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.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3 – Cash and Investments (Continued)

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal agency securities	\$ 488,595	-	\$ 488,595	-	-
State investment pool	32,149,165	\$ 32,149,165	-	-	-
Money market funds	132	132	-	-	-
Held by bond trustee:					
Money market funds	689,220	689,220	-	-	-
Total	\$ 33,327,112	\$ 32,838,517	\$ 488,595	\$ -	\$ -

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
Federal agency securities	\$ 488,595		\$ 488,595	
State investment pool	32,149,165			\$ 32,149,165
Money market funds	132			132
Held by bond trustee:				
Money market funds	689,220	\$ 689,220		
Total	\$ 33,327,112	\$ 689,220	\$ 488,595	\$ 32,149,297

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, 2007, 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.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3 – Cash and Investments (Continued)

As of June 30, 2007, City deposits of \$100,000 were held in accounts covered by depository insurance, and deposits of \$315,311 were held in accounts collateralized with securities held by the financial institution. As of June 30, 2007, 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 \$32,149,165 whose pro-rata share of fair value was estimated by the state Treasurer to be \$32,134,538. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

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, 2007, was \$360,965, and is recorded in the General Fund as a note receivable.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 5 – Capital Assets

The following is a summary of capital assets as of June 30, 2007:

	Governmental Activities	Business- Type Activities	Total
Capital assets not being depreciated:			
Land and improvements	\$ 8,027,131	\$ -	\$ 8,027,131
Construction in progress	3,175,455	-	3,175,455
	<u>11,202,586</u>	<u>-</u>	<u>11,202,586</u>
Depreciable capital assets:			
Buildings	8,254,565	-	8,254,565
Furniture and fixtures	180,357	-	180,357
Machinery and equipment	786,293	10,565	796,858
Vehicles	1,990,449	-	1,990,449
Sewer lines	-	15,606,492	15,606,492
Infrastructure	8,515,172	-	8,515,172
Total	<u>19,726,836</u>	<u>15,617,057</u>	<u>35,343,893</u>
Less: accumulated depreciation	<u>5,990,666</u>	<u>3,122,538</u>	<u>9,113,204</u>
Depreciable capital assets, net	<u>13,736,170</u>	<u>12,494,519</u>	<u>26,230,689</u>
Total capital assets, net	<u>\$ 24,938,756</u>	<u>\$ 12,494,519</u>	<u>\$ 37,433,275</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 5 – Capital Assets (Continued)

Transactions and balances of capital assets were as follows:

	Balances June 30, 2006	Additions	Transfers/ Retirements	Balances June 30, 2007
Governmental activities:				
Nondepreciable assets:				
Land and improvements	\$ 8,027,131	\$ -	\$ -	\$ 8,027,131
Construction in progress	780,821	2,508,293	113,659	3,175,455
Total nondepreciable assets	<u>8,807,952</u>	<u>2,508,293</u>	<u>113,659</u>	<u>11,202,586</u>
Depreciable assets:				
Buildings	8,254,565	-	-	8,254,565
Furniture and fixtures	114,262	78,405	12,310	180,357
Machinery and equipment	724,950	66,868	5,525	786,293
Vehicles	1,440,176	234,567	115,337	1,559,406
Infrastructure	8,236,628	278,544	-	8,515,172
Total depreciable assets	<u>18,770,581</u>	<u>658,384</u>	<u>133,172</u>	<u>19,295,793</u>
Less accumulated depreciation for:				
Buildings	2,453,639	164,380	-	2,618,019
Furniture and fixtures	87,891	10,484	12,310	86,065
Machinery and equipment	470,984	61,717	5,525	527,176
Vehicles	1,155,316	192,775	105,275	1,242,816
Infrastructure	846,955	242,715	-	1,089,670
Total accumulated depreciation	<u>5,014,785</u>	<u>672,071</u>	<u>123,110</u>	<u>5,563,746</u>
Total depreciable assets, net	<u>13,755,796</u>	<u>(13,687)</u>	<u>10,062</u>	<u>13,732,047</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	423,830	3,090	-	426,920
Total depreciable assets, net	<u>7,213</u>	<u>(3,090)</u>	<u>-</u>	<u>4,123</u>
Total governmental activities	<u>\$ 22,570,961</u>	<u>\$ 2,491,516</u>	<u>\$ 123,721</u>	<u>\$ 24,938,756</u>

Depreciation was charged to function as follows:

Governmental activities:	
General government	\$ 41,866
Police	93,746
Fire and emergency medical services	32,947
Community development and environmental resources	341,083
Recreation and community services	165,519
Total governmental activities depreciation expense	<u>\$ 675,161</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 5 – Capital Assets (Continued)

	Balances June 30, 2006	Additions	Retirements	Balances June 30, 2007
Business-type activities:				
Sewer Enterprise Fund fixed assets:				
Depreciable Assets:				
Sewer lines	\$ 14,471,868	\$ 1,407,232	\$ 272,608	\$ 15,606,492
Machinery and equipment	10,565	-	-	10,565
Total depreciable assets	<u>14,482,433</u>	<u>1,407,232</u>	<u>272,608</u>	<u>15,617,057</u>
Less accumulated depreciation for:				
Sewer lines	2,830,879	287,433	-	3,118,312
Machinery and equipment	2,113	2,113	-	4,226
Total accumulated depreciation	<u>2,832,992</u>	<u>289,546</u>	<u>-</u>	<u>3,122,538</u>
Total depreciable assets, net	<u>\$ 11,649,441</u>	<u>\$ 1,117,686</u>	<u>\$ 272,608</u>	<u>\$ 12,494,519</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, 2006	Additions	Retirements	Balances June 30, 2007	Due within one year
Long-term debt:					
1997 Refunding COPS 4.25-4.8%, 9/1/12	\$ 2,325,000	\$ -	\$ 360,000	\$ 1,965,000	\$ 375,000
2003 general obligation bonds 3.00-4.00%, 8/1/33	7,715,000	-	165,000	7,550,000	165,000
Capital leases					
1997 Fire truck 6.1%, 2/15/2007	26,064	-	26,064	-	-
	<u>10,066,064</u>	<u>-</u>	<u>551,064</u>	<u>9,515,000</u>	<u>540,000</u>
Landfill postclosure costs	750,000	-	-	750,000	-
Total long-term debt	<u>\$ 10,816,064</u>	<u>\$ -</u>	<u>\$ 551,064</u>	<u>\$ 10,265,000</u>	<u>\$ 540,000</u>

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

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 1st and August 1st and principal payments are due August 1st of each year, with the final payment due August 1, 2033.

C. Capital Leases

The City entered into a lease agreement during the 1996-97 fiscal year to acquire a fire truck. Final payment of this lease was made during this fiscal year.

D. Arbitrage

At June 30, 2007, unexpended proceeds of the bonds issued in June 2003 were \$5,262,392. The earnings on these funds are subject to arbitrage rebate to the federal government if the earnings exceed the interest expense on the related debt. An interim calculation of the excess earnings through June 24, 2007, produced a yield restriction liability of \$50,500. The actual rebate liability will be payable in fiscal year 2007-08, and the calculation of the liability will incorporate the investment and spending activity incurred during fiscal year 2007-08. Because the amount payable is subject to change pursuant to computations undertaken up to June 24, 2008, this amount has not been recorded as a liability as of June 30, 2007 on the accompanying government-wide financial statements.

Arbitrage calculations for other outstanding bonds have not resulted in potential arbitrage liabilities.

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, 2007**

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:

	Principal			Interest		
	1997 COPS	2003 GO Bonds	Total	1997 COPS	2003 GO Bonds	Total
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	260,000	185,000	445,000	19,846	268,476	288,322
2013-2017	275,000	1,035,000	1,310,000	6,738	1,238,540	1,245,278
2018-2022		1,250,000	1,250,000		1,043,383	1,043,383
2023-2027		1,555,000	1,555,000		771,856	771,856
2028-2032		1,935,000	1,935,000		404,224	404,224
2033-2034		900,000	900,000		38,675	38,675
Totals	\$ 1,965,000	\$ 7,550,000	\$ 9,515,000	\$ 258,879	\$ 4,910,058	\$ 5,168,937

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 \$200,457 and \$480,897, respectively at June 30, 2007 and 2006.

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.

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, 2007 is \$4,600,000.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

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			Balances	
	June 30, 2006	Additions	Retirements	June 30, 2007	Due within one year
Sewer revenue bonds	\$ 8,355,000	\$ -	\$ 325,000	\$ 8,030,000	\$ 330,000
Deferred amortization on refunding	(110,737)	-	(15,820)	(94,917)	-
Original issue discount	(60,652)	-	(3,369)	(57,283)	-
	<u>\$ 8,183,611</u>	<u>\$ -</u>	<u>\$ 305,811</u>	<u>\$ 7,877,800</u>	<u>\$ 330,000</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

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, 2007 are:

Year ending June 30,	Bond Service Payments			Amortization		
	Principal	Interest	Total	Issuance Cost	Refunding Discount	Total
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	370,000	257,575	627,575	10,133	19,189	29,322
2013-2017	2,050,000	1,084,218	3,134,218	50,665	32,665	83,330
2018-2022	2,480,000	648,928	3,128,928	50,665	16,845	67,510
2023-2025	1,755,000	117,312	1,872,312	20,268	6,745	27,013
Totals	\$ 8,030,000	\$ 3,234,507	\$11,264,507	\$ 172,263	\$ 152,200	\$ 324,463

Internal Service Fund Debt

The liability related to compensated absences at June 30, 2007 is summarized below:

Debt	Balances			Balances June 30, 2007
	June 30, 2006	Additions	Retirements	
Compensated absences	\$ 907,209	\$ 160,434	\$ 30,646	\$ 1,036,997

NOTE 9 – Fund Equity

A. Designation

Designations are resources designated for future activities associated with special programs. The City intends to use the designated funds for Community Development, Recreation, Police, and Fire projects. These projects include various street and facility maintenance programs, park, open space and library operations, front line law enforcement activities, and safety pension plans.

B. Deficit Fund Balance

The following funds have a deficit in fund balances at June 30, 2007:

<u>Other governmental funds</u>	
Park Bond	\$123,230
Debt Service - Reinvestment	95,260

Park Bond

The Park Bond Fund incurred costs for the Terrace Park Improvements and the Community Center Repairs during the current fiscal year. These projects are partially funded by the State's Prop 12 and Prop 40 bond funds and will be completed in fiscal year 2007-08. Upon completion the State will reimburse the costs to the City. The payment will eliminate the deficit fund balance in the Park Bond Fund.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 9 – Fund Equity (Continued)

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.

C. Major Fund Budget Variances – General Fund

- Property taxes were \$4,457,035, which exceeded the budgeted amount by \$585,455. The excess in taxes resulted from increase in assessed valuation and the termination of ERAF III in 2006-07. Earnings on investments of \$625,642 exceeded the budgeted amount by \$412,052. Increase in LAIF yield and the recognition of prior years' interest earnings owed from Reinvestment Agency loans were the primary contribution to the excess revenue.
- Expenditures of \$4,569,735 for the Police Department and \$3,521,204 for the Fire Department were below budget by \$375,534 and \$374,104, respectively. The lower than budgeted expenditures resulted from salary and benefit savings on vacant positions and the paydown of pension side fund liability.
- The transfers out of \$2,464,428 were above the budget by \$1,968,891. Transfers were made to the internal service fund for compensated absences reserve. In addition, transfers were made to the capital projects fund for potential use of these funds for the city hall retrofit project. The funds will be also used to cover future 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.

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, 2007, the government-wide statement of net assets reports \$12,086,541 of restricted net assets, of which \$2,621,275 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, 2007

NOTE 11 – Interfund Transactions (Continued)

Fund	Transfers in	Transfers out
MAJOR GOVERNMENTAL FUNDS		
General	\$ 2,879,874	\$ 2,464,428
Capital Projects Fund	1,600,000	62,550
Total major funds	4,479,874	2,526,978
NON-MAJOR GOVERNMENTAL FUNDS		
Special revenue funds:		
Waterfront	-	2,584
Gas Tax	-	290,416
Pension Property Tax	-	750,000
Streets	12,592	-
Lighting and Landscape Assessment District	-	101,689
Emergency Medical Services	-	1,069,411
	12,592	2,214,100
Debt service funds:		
Debt Service APFFA	163,533	-
	163,533	-
Capital projects funds:		
Fire Equipment	51,537	-
Police Equipment	51,000	-
Emergency Medical Service Equipment	22,500	-
Fire Operations Equipment	24,000	-
Capital Facilities Developer Fee	62,550	-
	211,587	-
Total non-major governmental funds	387,712	2,214,100
PROPRIETARY FUNDS		
Internal Service Funds:		
Worker's Compensation	225,951	-
General Liability	103,298	-
Compensated Absences	408,642	-
	737,891	-
Enterprise Fund		
Sewer Fund	-	864,399
	-	864,399
Total proprietary funds	737,891	864,399
Total Interfund Transfers	\$ 5,605,477	\$ 5,605,477

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 11 – Interfund Transactions (Continued)

Interfund Balances

The following is a summary of interfund balances as of June 30, 2007:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
MAJOR GOVERNMENTAL FUNDS		
General fund	\$ 436,435	\$ -
1996-1 Assessment District Bond Fund	-	57,537
Total major funds	<u>436,435</u>	<u>57,537</u>
NON-MAJOR GOVERNMENTAL FUNDS		
Special revenue funds:		
Community Development Block Grant	-	2,995
Alameda County Measure B	-	120,561
Emergency Medical Services	-	92,679
Park Bond	-	122,475
	<u>-</u>	<u>338,710</u>
Capital projects funds:		
Reinvestment	-	20,440
	<u>-</u>	<u>20,440</u>
Debt service funds:		
Reinvestment Debt Service	-	19,735
G.O. Bond Debt Service	-	13
	<u>-</u>	<u>19,748</u>
Total non-major governmental funds	<u>-</u>	<u>378,898</u>
Total	<u>\$ 436,435</u>	<u>\$ 436,435</u>

Funds are primarily advanced from the General Fund to cover current cash flow requirements. The amounts shown above are expected to be repaid in the following fiscal year.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 11 – Interfund Transactions (Continued)

Advances to and from other funds at June 30, 2007 were as follows:

Fund	Advances to Other Funds	Advances from Other Funds
MAJOR GOVERNMENTAL FUNDS		
General	\$ 786,203	\$ -
Total major governmental funds	786,203	-
NON-MAJOR GOVERNMENTAL FUNDS		
Capital - Reinvestment	-	400,000
Debt Service - Reinvestment	-	386,203
Total non-major governmental funds	-	786,203
Total	\$ 786,203	\$ 786,203

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, 2007, the balance of principal was \$386,203. The total obligation is subordinate to any external debt of the Agency as well as the \$400,000 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, 2007, the balance of principal was \$400,000.

NOTE 12 – Albany Police and Fire Relief or Pension Fund

A. Plan Description

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

Terminated vested participants:	
Retired	15
Disabled	9
Survivor	5
	29
	29

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 12 – Albany Police and Fire Relief or Pension Fund (Continued)

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 Fund 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.

The Fund's Investment Policy and the California Government Code allow the Fund 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 Fund's investment policy, the Fund 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, 2007, the rating on the Fund's fixed income securities met the rating requirements set by the Fund's policy as described above.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 12 – Albany Police and Fire Relief or Pension Fund (Continued)

The Fund's assets (except for LAIF) are in the bank's name, but are held by its Trust Department in a separate account in the Fund's name. As of June 30, 2007, the Fund 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	\$ 751,868	\$ 188,664	\$ 122,656	\$ 440,548	-
Government-related securities	280,752	-	21,002	-	\$ 259,750
Mortgage-related debt instruments	3,252,992	5,973	105,565	118,050	3,023,404
Asset-related debt instruments	174,993	-	-	-	174,993
Finance-related debt instruments	613,839	-	-	170,806	443,033
Industrial-related debt instruments	2,076,526	75,000	75,188	367,208	1,559,130
Common stocks	6,512,347	6,512,347	-	-	-
Local Agency Investment Fund (LAIF)	159,862	159,862	-	-	-
Money market funds	976,405	976,405	-	-	-
Total	\$ 14,799,584	\$ 7,918,251	\$ 324,411	\$ 1,096,612	\$ 5,460,310

C. Funding Status and Progress

The actuarial accrued liability presented below was determined as part of an actuarial valuation at June 30, 2006. The accrued benefit 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 Fund's unfunded actuarial accrued liability was fully funded in June 30, 2004.

In valuing Fund 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.

The actuarial accrued liability and asset for participants at June 30, 2006 (most recent available) is as follows:

Actuarial accrued liability	
Retirees and beneficiaries currently receiving benefits	\$ 14,075,219
Current employees vested	-
Total actuarial accrued liability	<u>14,075,219</u>
Actuarial book value of assets available for benefits	<u>14,479,158</u>
Excess assets	<u>\$ 403,939</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 12 – Albany Police and Fire Relief or Pension Fund (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.

As the Plan was fully funded in fiscal year 2003-04, annual pension cost and net pension obligation were not applicable to the Plan for the three following years; thus there is no three-year trend information to be presented for the Plan.

E. Contributions

Annual contributions received by the Plan were as follows:

Fiscal Year	Employee	Employer	Pension Tax Override	Total
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
2005-2006	-	-	-	-
2006-2007	-	-	-	-

F. 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.

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.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 13 – PERS Pension Plan (Continued)

B. Funding Policy

Participants are required to contribute 7 percent (9 percent for safety employees) of their annual covered salary. The contribution rate for the City's two miscellaneous plans was changed to 8 percent effective January 1, 2007, due to the change in benefit computation from 2% per year at age 55 to 2.5% at age 55. The City's actuarially determined contribution rates for fiscal year 2006-07 were:

City Miscellaneous 7/1/06 - 12/31/06	8.438%
City Miscellaneous 1/1/07 - 6/30/07	10.216%
Safety Police	22.340%
Safety Fire	19.538%
Albany JPA Miscellaneous 7/1/06 - 12/31/06	9.440%
Albany JPA Miscellaneous 1/1/07 - 6/30/07	10.932%

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 2006-07, the City's annual pension cost of \$1,826,613 for PERS plans was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004 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.

D. Three Year Trend Information – Combined Contributions Made

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	\$ 1,421,461	100%	-
6/30/2006	1,874,797	100%	-
6/30/2007	1,826,613	100%	-

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 13 – PERS Pension Plan (Continued)

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, 2006, the balances of the side funds totaled \$3,257,531. In this fiscal year, lump sum payments totaling \$1,000,000 were made in June 2007 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, 2007 were \$196,512, 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, 2007 were \$18,961. 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.

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.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 14 – Risk Management (Continued)

A. Risk Pools

The City participates in the BCJPIA general liability risk pool, which in turn participates in the California Affiliated Risk Management Authorities (CARMA) risk pool. Bay Cities Joint Powers (BCJPIA) Insurance Authority covers general liability claims in an amount up to \$1,000,000. 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 \$1,000,000. CARMA covers claims from \$1,000,000 to \$19,000,000. The City contributed \$123,978 for coverage during the fiscal year ended June 30, 2007.

Condensed audited financial information of BCJPIA at and for the fiscal year ended June 30, 2007 is as follows:

Total assets	\$18,493,395
Total liabilities	13,343,525
Net assets	<u>\$5,149,870</u>
Total revenues	\$9,545,178
Total expenses	8,109,578
Net revenue	<u>\$1,435,600</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 LAWXC 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 \$1,000,000. Claims from \$1,000,000 to \$200,000,000 are covered by LAWXC.

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, 2007, the City incurred costs of \$225,951 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 LAWXC may be obtained from Bickmore Risk Services, 1831 K Street, Sacramento, CA 95814.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

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, 2007 and June 30, 2006 were as follows:

	2007			Fiscal
	Workers' Compensation	General Liability	Total	2006 Total
Claims liabilities, beginning of year	\$ 2,370,000	\$ 321,843	\$ 2,691,843	\$ 3,250,843
Provision for claims losses	-	-	-	368,797
Claim payments	(138,724)	(119,980)	(258,704)	(268,797)
Change of estimates	-	-	-	(659,000)
Claims liabilities, end of year	<u>\$ 2,231,276</u>	<u>\$ 201,863</u>	<u>\$ 2,433,139</u>	<u>\$ 2,691,843</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, 2007 was \$360,965 (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, 2007**

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.

NOTE 18 – Subsequent Events

The City issued general obligation bonds in the amount of \$11.5 million in August 2007. The bond proceeds will be used for various capital facilities, as approved by the voters of the City.

This page left blank intentionally.

**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
Safety	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	1,473,284,852	1,252,059,468	221,225,384	85%	177,088,890	125%
Miscellaneous	6/30/2004	434,267,445	379,807,592	54,459,853	87%	97,227,479	56%
	6/30/2005	579,276,103	500,388,523	78,887,580	86%	129,379,492	61%
	6/30/2006	912,988,585	787,758,909	125,229,676	86%	200,320,145	63%

* The most recent actuarial valuation information is presented here. 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) 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%
	2006	14,075,219	14,479,158	(403,939)	103%	-	N/A

** Because this plan is closed to new participants and the actuarial liability was 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.

**COMBINING
STATEMENTS**

This page left blank intentionally.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ALBANY

Nonmajor Governmental Funds

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, 2007
(With Comparative Totals for June 30, 2006)

	Special Revenue Funds *	Capital Projects Funds **	Debt Service Funds ***	Totals	
				2007	2006
ASSETS					
Operating cash and investments	\$ 2,901,413	\$ 3,276,576	\$ 766,860	\$ 6,944,849	\$ 5,260,010
Debt service reserves held with trustee	-	-	200,457	200,457	480,897
Receivables:					
Other taxes	134,975	-	-	134,975	203,034
Accounts	176,783	-	881	177,664	65,972
Total assets	<u>\$ 3,213,171</u>	<u>\$ 3,276,576</u>	<u>\$ 968,198</u>	<u>\$ 7,457,945</u>	<u>\$ 6,009,913</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 53,603	\$ 16,799	\$ 2,033	\$ 72,435	\$ 73,205
Accrued salaries & benefits	9,206	1,240	-	10,446	10,763
Accrued liabilities	4,940	41,470	-	46,410	71,512
Due to other funds	338,710	20,440	19,748	378,898	85,529
Deferred revenue	185,437	42,952	-	228,389	151,497
Advance from other funds	-	400,000	386,203	786,203	881,398
Total liabilities	<u>591,896</u>	<u>522,901</u>	<u>407,984</u>	<u>1,522,781</u>	<u>1,273,904</u>
Fund balances:					
Reserved	-	2,753,675	655,474	3,409,149	2,947,224
Unreserved					
Designated	2,621,275	-	-	2,621,275	2,160,838
Unreserved (deficit)	-	-	(95,260)	(95,260)	(372,053)
Total fund balances	<u>2,621,275</u>	<u>2,753,675</u>	<u>560,214</u>	<u>5,935,164</u>	<u>4,736,009</u>
Total liabilities and fund balances	<u>\$ 3,213,171</u>	<u>\$ 3,276,576</u>	<u>\$ 968,198</u>	<u>\$ 7,457,945</u>	<u>\$ 6,009,913</u>

* See pages D8 - D12 for schedule of funds.
** See pages D29 - D31 for schedule of funds.
*** See page D45 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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Special Revenue Funds *	Capital Projects Funds **	Debt Service Funds ***	Totals	
				2007	2006
REVENUES					
Property taxes	\$3,793,610	\$ 775,935	\$ 735,023	\$ 5,304,568	\$ 4,384,922
Franchise and other taxes	55,642	-	-	55,642	55,166
Licenses and permits	211	-	-	211	2,319
Earnings on investments	132,272	39,431	59,048	230,751	209,046
Revenues from other agencies	1,243,884	-	6,792	1,250,676	1,191,885
Current services charges	454,402	65,558	-	519,960	453,188
Other revenue	55,494	2,145	-	57,639	63,139
Total revenues	<u>5,735,515</u>	<u>883,069</u>	<u>800,863</u>	<u>7,419,447</u>	<u>6,359,665</u>
EXPENDITURES					
Current:					
General government	7,493	6,852	12,857	27,202	19,065
Police	536,229	-	-	536,229	1,059,456
Fire and emergency medical services	477,986	13,587	-	491,573	963,418
Community development and environmental resources	950,066	74,793	-	1,024,859	896,077
Recreation and community services	559,941	-	-	559,941	490,620
Capital outlay	541,855	214,559	-	756,414	484,574
Debt service:					
Principal	-	26,063	525,000	551,063	534,540
Interest	-	21,913	424,710	446,623	460,800
Total expenditures	<u>3,073,570</u>	<u>357,767</u>	<u>962,567</u>	<u>4,393,904</u>	<u>4,908,550</u>
REVENUES OVER (UNDER) EXPENDITURES	2,661,945	525,302	(161,704)	3,025,543	1,451,115
OTHER FINANCING SOURCES (USES)					
Transfers in	12,592	211,587	163,533	387,712	1,154,896
Transfers out	(2,214,100)	-	-	(2,214,100)	(2,570,918)
Total other financing sources (uses)	<u>(2,201,508)</u>	<u>211,587</u>	<u>163,533</u>	<u>(1,826,388)</u>	<u>(1,416,022)</u>
Net change in fund balances	460,437	736,889	1,829	1,199,155	35,093
Fund balances, beginning of year	<u>2,160,838</u>	<u>2,016,786</u>	<u>558,385</u>	<u>4,736,009</u>	<u>4,700,916</u>
Fund balances, end of year	<u>\$2,621,275</u>	<u>\$2,753,675</u>	<u>\$ 560,214</u>	<u>\$ 5,935,164</u>	<u>\$ 4,736,009</u>

* See pages D13 - D17 for schedule of funds.

** See pages D32 - D34 for schedule of funds.

*** See page D46 for schedules of funds.

CITY OF ALBANY

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

JUNE 30, 2007

(With Comparative Reconciliation for June 30, 2006)

	<u>2007</u>	<u>2006</u>
Total Fund Balances - Total Governmental Funds	\$ 21,649,182	\$ 20,866,199
<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	62,798	74,391
2003 General Obligation Bonds	76,888	79,855
<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	11,202,586	8,807,952
Depreciable	19,295,793	18,770,581
Less accumulated depreciation	(5,563,746)	(5,014,785)
<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>		
	(156,143)	(164,353)
<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
<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>		
1997 Refunding COPS	(1,965,000)	(2,325,000)
2003 General Obligation Bonds	(7,550,000)	(7,715,000)
Capital leases	-	(26,064)
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>259,243</u>	<u>14,125</u>
Net Assets of Governmental Activities	<u>\$ 36,561,601</u>	<u>\$ 32,713,096</u>

This page left blank intentionally.

OTHER SPECIAL REVENUE FUNDS

CITY OF ALBANY

Other Special Revenue Funds

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.

Pension Property Tax – accounts for the property tax override passed by the voters to fund City safety retirement plans contributions.

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 taxes 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 Paramedic Emergency Medical Service and Advanced Life Support assessments. These funds are expended for emergency medical services provided by the City.

CITY OF ALBANY

Other Special Revenue Funds

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 revenue received from the redevelopment area.

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

Asset Forfeiture - accounts for assets forfeited by someone convicted of drug sales or manufacturing charges. These funds are restricted to law enforcement and/or training related expenses.

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2007

(With Comparative Totals for June 30, 2006)

	Waterfront	Gas Tax	Pension Property Tax	Community Development Block Grant	Streets
ASSETS					
Operating cash and investments	\$ -	\$ 230,352	\$ 489,411	\$ -	\$ 87,414
Receivables:					
Other taxes	-	30,984	-	-	-
Accounts	-	-	3,124	4,000	-
Total assets	<u>\$ -</u>	<u>\$ 261,336</u>	<u>\$ 492,535</u>	<u>\$ 4,000</u>	<u>\$ 87,414</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 573
Accrued salaries & benefits	-	-	-	571	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	2,995	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,566</u>	<u>573</u>
Fund balances:					
Unreserved-designated (Note 9)		261,336	492,535	434	86,841
Total fund balances	<u>-</u>	<u>261,336</u>	<u>492,535</u>	<u>434</u>	<u>86,841</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 261,336</u>	<u>\$ 492,535</u>	<u>\$ 4,000</u>	<u>\$ 87,414</u>

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2007
(With Comparative Totals for June 30, 2006)

	Library Operations	Storm Drain	Alameda County Measure B	Waste Management	M.T.C. Taxi Scrip
ASSETS					
Operating cash and investments	\$ 98,522	\$ 277,542	\$ -	\$ 115,787	\$ 3,013
Receivables:					
Other taxes	-		97,022	-	6,969
Accounts	-	1,562	75,000	-	-
Total assets	<u>\$ 98,522</u>	<u>\$ 279,104</u>	<u>\$ 172,022</u>	<u>\$ 115,787</u>	<u>\$ 9,982</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 5,358	\$ 2,606	\$ 416	\$ 1,409
Accrued salaries & benefits	-	5,195	-	2,685	-
Accrued liabilities	-	-	-	4,940	-
Due to other funds	-	-	120,561	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>10,553</u>	<u>123,167</u>	<u>8,041</u>	<u>1,409</u>
Fund balances:					
Unreserved-designated (Note 9)	98,522	268,551	48,855	107,746	8,573
Total fund balances	<u>98,522</u>	<u>268,551</u>	<u>48,855</u>	<u>107,746</u>	<u>8,573</u>
 Total liabilities and fund balances	 <u>\$ 98,522</u>	 <u>\$ 279,104</u>	 <u>\$ 172,022</u>	 <u>\$ 115,787</u>	 <u>\$ 9,982</u>

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2007
(With Comparative Totals for June 30, 2006)

	Lighting and Landscape Assessment District	Emergency Medical Services	Open Space	Recreational Playfields	Creek Restoration
ASSETS					
Operating cash and investments	\$ 698,260	\$ -	\$ 178,150	\$ 54,933	\$ 155,568
Receivables:					
Other taxes	-	-	-	-	-
Accounts	-	93,097	-	-	-
Total assets	<u>\$ 698,260</u>	<u>\$ 93,097</u>	<u>\$ 178,150</u>	<u>\$ 54,933</u>	<u>\$ 155,568</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,056	\$ 418	\$ 1,640	\$ -	\$ -
Accrued salaries & benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	92,679	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>13,056</u>	<u>93,097</u>	<u>1,640</u>	<u>-</u>	<u>-</u>
Fund balances:					
Unreserved-designated (Note 9)	685,204	-	176,510	54,933	155,568
Total fund balances	<u>685,204</u>	<u>-</u>	<u>176,510</u>	<u>54,933</u>	<u>155,568</u>
 Total liabilities and fund balances	<u>\$ 698,260</u>	<u>\$ 93,097</u>	<u>\$ 178,150</u>	<u>\$ 54,933</u>	<u>\$ 155,568</u>

Continued
on next page

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

JUNE 30, 2007

(With Comparative Totals for June 30, 2006)

	Park Bond	Reinvestment Low-Mod Housing	Law Enforcement Grants	Asset Forfeiture
ASSETS				
Operating cash and investments	\$ -	\$ 298,509	\$ 202,001	\$ 11,951
Receivables:				
Other taxes	-	-	-	-
Accounts	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 298,509</u>	<u>\$ 202,001</u>	<u>\$ 11,951</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 28,127	\$ -
Accrued salaries & benefits	755	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	122,475	-	-	-
Deferred revenue	-	-	173,486	11,951
Total liabilities	<u>123,230</u>	<u>-</u>	<u>201,613</u>	<u>11,951</u>
Fund balances:				
Unreserved-designated (Note 9)	(123,230)	298,509	388	-
Total fund balances	<u>(123,230)</u>	<u>298,509</u>	<u>388</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 298,509</u>	<u>\$ 202,001</u>	<u>\$ 11,951</u>

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

JUNE 30, 2007

(With Comparative Totals for June 30, 2006)

	<u>Totals</u>	
	<u>2007</u>	<u>2006</u>
ASSETS		
Operating cash and investments	\$ 2,901,413	\$ 2,214,714
Receivables:		
Other taxes	134,975	117,692
Accounts	176,783	65,972
Total assets	<u>\$ 3,213,171</u>	<u>\$ 2,398,378</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 53,603	\$ 61,847
Accrued salaries & benefits	9,206	9,614
Accrued liabilities	4,940	5,203
Due to other funds	338,710	55,339
Deferred revenue	185,437	105,537
Total liabilities	<u>591,896</u>	<u>237,540</u>
Fund balances:		
Unreserved-designated (Note 9)	<u>2,621,275</u>	<u>2,160,838</u>
Total fund balances	<u>2,621,275</u>	<u>2,160,838</u>
 Total liabilities and fund balances	 <u>\$ 3,213,171</u>	 <u>\$ 2,398,378</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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Waterfront *	Gas Tax *	Pension Property Tax **	Community Development Block Grant **	Streets ***
REVENUES					
Property taxes	\$ -	\$ -	\$ 1,680,716	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	-	11,935	33,238	-	5,239
Revenues from other agencies	-	435,527	24,081	170,311	-
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>447,462</u>	<u>1,738,035</u>	<u>170,311</u>	<u>5,239</u>
EXPENDITURES					
General government	-	-	7,493	-	-
Police	-	-	523,422	-	-
Fire and emergency medical services	-	-	476,578	-	-
Community development and environmental resources	-	-	-	86,733	12,592
Recreation and community services	-	-	-	13,264	-
Capital outlay	-	-	-	70,314	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,007,493</u>	<u>170,311</u>	<u>12,592</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>447,462</u>	<u>730,542</u>	<u>-</u>	<u>(7,353)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	12,592
Transfers out	(2,584)	(290,416)	(750,000)	-	-
Total other financing sources (uses)	<u>(2,584)</u>	<u>(290,416)</u>	<u>(750,000)</u>	<u>-</u>	<u>12,592</u>
Net change in fund balances	(2,584)	157,046	(19,458)	-	5,239
Fund balances, beginning of year	2,584	104,290	511,993	434	81,602
Fund balances, end of year	<u>\$ -</u>	<u>\$ 261,336</u>	<u>\$ 492,535</u>	<u>\$ 434</u>	<u>\$ 86,841</u>

* See page D18 for budget comparisons.

** See page D19 for budget comparisons.

*** See page D20 for budget comparisons.

Continued
on next page

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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Library Operations *	Storm Drain **	Alameda County Measure B **	Waste Management ***	M.T.C. Taxi Scrip ***
REVENUES					
Property taxes	\$ 612,691	\$ 291,118	\$ -	\$ -	\$ -
Franchise and other taxes	-	55,642	-	-	-
License and permits	-	211	-	-	-
Earnings on investments	2,308	10,587	2,548	4,377	92
Revenues from other agencies	-	-	458,467	94,469	28,978
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	1,168
Total revenues	<u>614,999</u>	<u>357,558</u>	<u>461,015</u>	<u>98,846</u>	<u>30,238</u>
EXPENDITURES					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	-	308,172	302,494	103,948	-
Recreation and community services	516,753	-	-	-	21,665
Capital outlay	-	-	160,486	-	-
Total expenditures	<u>516,753</u>	<u>308,172</u>	<u>462,980</u>	<u>103,948</u>	<u>21,665</u>
Excess of revenues over (under) expenditures	<u>98,246</u>	<u>49,386</u>	<u>(1,965)</u>	<u>(5,102)</u>	<u>8,573</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	98,246	49,386	(1,965)	(5,102)	8,573
Fund balances, beginning of year	276	219,165	50,820	112,848	-
Fund balances, end of year	<u>\$ 98,522</u>	<u>\$ 268,551</u>	<u>\$ 48,855</u>	<u>\$ 107,746</u>	<u>\$ 8,573</u>

* See page D20 for budget comparisons.

** See page D21 for budget comparisons.

*** See page D22 for budget comparisons.

Continued
on next page

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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Lighting and Landscape Assessment District *	Emergency Medical Services *	Open Space **	Recreational Playfields **	Creek Restoration ***
REVENUES					
Property taxes	\$ 514,902	\$ 616,417	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	23,323	-	7,435	1,998	7,043
Revenues from other agencies	-	-	-	-	-
Current service charges	-	454,402	-	-	-
Other revenue	-	-	27,162	13,582	13,582
Total revenues	<u>538,225</u>	<u>1,070,819</u>	<u>34,597</u>	<u>15,580</u>	<u>20,625</u>
EXPENDITURES					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	1,408	-	-	-
Community development and environmental resources	136,127	-	-	-	-
Recreation and community services	-	-	4,557	-	3,702
Capital outlay	55,198	-	-	-	-
Total expenditures	<u>191,325</u>	<u>1,408</u>	<u>4,557</u>	<u>-</u>	<u>3,702</u>
Excess of revenues over (under) expenditures	<u>346,900</u>	<u>1,069,411</u>	<u>30,040</u>	<u>15,580</u>	<u>16,923</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(101,689)	(1,069,411)	-	-	-
Total other financing sources (uses)	<u>(101,689)</u>	<u>(1,069,411)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	245,211	-	30,040	15,580	16,923
Fund balances, beginning of year	439,993	-	146,470	39,353	138,645
Fund balances, end of year	<u>\$ 685,204</u>	<u>\$ -</u>	<u>\$ 176,510</u>	<u>\$ 54,933</u>	<u>\$ 155,568</u>

* See page D23 for budget comparisons.

** See page D24 for budget comparisons.

*** See page D25 for budget comparisons.

Continued
on next page

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, 2007
(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Park Bond *	Reinvestment Low-Mod Housing **	Law Enforcement Grants **	Asset Forfeiture ***
REVENUES				
Property taxes	\$ -	\$ 77,766	\$ -	\$ -
Franchise and other taxes	-	-	-	-
License and permits	-	-	-	-
Earnings on investments	1,733	11,522	8,894	-
Revenues from other agencies	-	-	32,051	-
Current service charges	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>1,733</u>	<u>89,288</u>	<u>40,945</u>	<u>-</u>
EXPENDITURES				
General government	-	-	-	-
Police	-	-	12,807	-
Fire and emergency medical services	-	-	-	-
Community development and environmental resources	-	-	-	-
Recreation and community services	-	-	-	-
Capital outlay	217,414	-	38,443	-
Total expenditures	<u>217,414</u>	<u>-</u>	<u>51,250</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(215,681)</u>	<u>89,288</u>	<u>(10,305)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(215,681)	89,288	(10,305)	-
Fund balances, beginning of year	92,451	209,221	10,693	-
Fund balances, end of year	<u>\$ (123,230)</u>	<u>\$ 298,509</u>	<u>\$ 388</u>	<u>\$ -</u>

* See page D25 for budget comparisons.
** See page D26 for budget comparisons.
*** See page D27 for budget comparisons.

Continued
on next page

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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	<u>Totals</u>	
	<u>2007</u>	<u>2006</u>
REVENUES		
Property taxes	\$ 3,793,610	\$ 3,525,499
Franchise and other taxes	55,642	55,166
License and permits	211	2,319
Earnings on investments	132,272	145,162
Revenues from other agencies	1,243,884	1,184,466
Current service charges	454,402	362,519
Other revenue	55,494	51,642
Total revenues	<u>5,735,515</u>	<u>5,326,773</u>
EXPENDITURES		
General government	7,493	5,227
Police	536,229	1,059,456
Fire and emergency medical services	477,986	955,727
Community development and environmental resources	950,066	880,987
Recreation and community services	559,941	490,620
Capital outlay	541,855	399,953
Total expenditures	<u>3,073,570</u>	<u>3,791,970</u>
Excess of revenues over (under) expenditures	<u>2,661,945</u>	<u>1,534,803</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	12,592	35,278
Transfers out	(2,214,100)	(2,563,190)
Total other financing sources (uses)	<u>(2,201,508)</u>	<u>(2,527,912)</u>
Net change in fund balances	460,437	83,733
Fund balances, beginning of year	2,160,838	2,077,105
Fund balances, end of year	<u>\$ 2,621,275</u>	<u>\$ 2,160,838</u>

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Waterfront			Gas Tax		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	5,943	11,935	5,992
Revenues from other agencies	-	-	-	410,000	435,527	25,527
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	415,943	447,462	31,519
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	415,943	447,462	31,519
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(2,584)	(2,584)	(410,000)	(290,416)	119,584
Total other financing sources (uses)	-	(2,584)	(2,584)	(410,000)	(290,416)	119,584
Net change in fund balances	\$ -	(2,584)	\$ (2,584)	\$ 5,943	157,046	\$ 151,103
Fund balances, beginning of year		2,584			104,290	
Fund balances, end of year		\$ -			\$ 261,336	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Pension Property Tax			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$1,450,000	\$1,680,716	\$ 230,716	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	86,453	33,238	(53,215)	-	-	-
Revenues from other agencies	24,000	24,081	81	157,819	170,311	12,492
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>1,560,453</u>	<u>1,738,035</u>	<u>177,582</u>	<u>157,819</u>	<u>170,311</u>	<u>12,492</u>
EXPENDITURES						
General government	5,000	7,493	(2,493)	-	-	-
Police	-	523,422	(523,422)	-	-	-
Fire and emergency medical services	-	476,578	(476,578)	-	-	-
Community development and environmental resources	-	-	-	14,510	86,733	(72,223)
Recreation and community services	-	-	-	-	13,264	(13,264)
Capital outlay	-	-	-	143,959	70,314	73,645
Total expenditures	<u>5,000</u>	<u>1,007,493</u>	<u>(1,002,493)</u>	<u>158,469</u>	<u>170,311</u>	<u>(11,842)</u>
Excess of revenues over (under) expenditures	<u>1,555,453</u>	<u>730,542</u>	<u>(824,911)</u>	<u>(650)</u>	<u>-</u>	<u>650</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(750,000)	(750,000)	-	-	-	-
Total other financing sources (uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 805,453</u>	<u>(19,458)</u>	<u>\$ (824,911)</u>	<u>\$ (650)</u>	<u>-</u>	<u>\$ 650</u>
Fund balances, beginning of year		<u>511,993</u>			<u>434</u>	
Fund balances, end of year		<u>\$ 492,535</u>			<u>\$ 434</u>	

Continued
on next page

**CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Streets			Library Operations		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 438,080	\$ 612,691	\$ 174,611
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	4,092	5,239	1,147	-	2,308	2,308
Revenues from other agencies	338,000	-	(338,000)	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>342,092</u>	<u>5,239</u>	<u>(336,853)</u>	<u>438,080</u>	<u>614,999</u>	<u>176,919</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	52,600	12,592	40,008	-	-	-
Recreation and community services	-	-	-	436,500	516,753	(80,253)
Capital outlay	280,000	-	280,000	-	-	-
Total expenditures	<u>332,600</u>	<u>12,592</u>	<u>320,008</u>	<u>436,500</u>	<u>516,753</u>	<u>(80,253)</u>
Excess of revenues over (under) expenditures	<u>9,492</u>	<u>(7,353)</u>	<u>(16,845)</u>	<u>1,580</u>	<u>98,246</u>	<u>96,666</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000	12,592	(37,408)	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>12,592</u>	<u>(37,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 59,492</u>	<u>5,239</u>	<u>\$ (54,253)</u>	<u>\$ 1,580</u>	<u>98,246</u>	<u>\$ 96,666</u>
Fund balances, beginning of year		<u>81,602</u>			<u>276</u>	
Fund balances, end of year		<u>\$ 86,841</u>			<u>\$ 98,522</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Storm Drain			Alameda County Measure B		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 299,000	\$ 291,118	\$ (7,882)	\$ -	\$ -	\$ -
Franchise and other taxes	54,000	55,642	1,642	-	-	-
License and permits	-	211	211	-	-	-
Earnings on investments	9,298	10,587	1,289	1,089	2,548	1,459
Revenues from other agencies	-	-	-	403,279	458,467	55,188
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>362,298</u>	<u>357,558</u>	<u>(4,740)</u>	<u>404,368</u>	<u>461,015</u>	<u>56,647</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	345,976	308,172	37,804	363,279	302,494	60,785
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	160,486	(160,486)
Total expenditures	<u>345,976</u>	<u>308,172</u>	<u>37,804</u>	<u>363,279</u>	<u>462,980</u>	<u>(99,701)</u>
Excess of revenues over (under) expenditures	<u>16,322</u>	<u>49,386</u>	<u>33,064</u>	<u>41,089</u>	<u>(1,965)</u>	<u>(43,054)</u>
OTHER FINANCING SOURCES (USES)						
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>\$ 16,322</u>	<u>49,386</u>	<u>\$ 33,064</u>	<u>\$ 41,089</u>	<u>(1,965)</u>	<u>\$ (43,054)</u>
Fund balances, beginning of year		<u>219,165</u>			<u>50,820</u>	
Fund balances, end of year		<u>\$ 268,551</u>			<u>\$ 48,855</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Waste Management			M.T.C. Taxi Scrip		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	2,317	4,377	2,060	-	92	92
Revenues from other agencies	99,600	94,469	(5,131)	27,446	28,978	1,532
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	900	1,168	268
Total revenues	<u>101,917</u>	<u>98,846</u>	<u>(3,071)</u>	<u>28,346</u>	<u>30,238</u>	<u>1,892</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	105,967	103,948	2,019	-	-	-
Recreation and community services	-	-	-	28,383	21,665	6,718
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>105,967</u>	<u>103,948</u>	<u>2,019</u>	<u>28,383</u>	<u>21,665</u>	<u>6,718</u>
Excess of revenues over (under) expenditures	<u>(4,050)</u>	<u>(5,102)</u>	<u>(1,052)</u>	<u>(37)</u>	<u>8,573</u>	<u>8,610</u>
OTHER FINANCING SOURCES (USES)						
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>\$ (4,050)</u>	<u>(5,102)</u>	<u>\$ (1,052)</u>	<u>\$ (37)</u>	<u>8,573</u>	<u>\$ 8,610</u>
Fund balances, beginning of year		<u>112,848</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 107,746</u>			<u>\$ 8,573</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Lighting and Landscape Assessment District			Emergency Medical Services		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 532,000	\$ 514,902	\$ (17,098)	\$ 613,332	\$ 616,417	\$ 3,085
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	19,350	23,323	3,973	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	402,500	454,402	51,902
Other revenue	-	-	-	-	-	-
Total revenues	<u>551,350</u>	<u>538,225</u>	<u>(13,125)</u>	<u>1,015,832</u>	<u>1,070,819</u>	<u>54,987</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	1,408	(1,408)
Community development and environmental resources	85,366	136,127	(50,761)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	201,242	55,198	146,044	-	-	-
Total expenditures	<u>286,608</u>	<u>191,325</u>	<u>95,283</u>	<u>-</u>	<u>1,408</u>	<u>(1,408)</u>
Excess of revenues over (under) expenditures	<u>264,742</u>	<u>346,900</u>	<u>82,158</u>	<u>1,015,832</u>	<u>1,069,411</u>	<u>53,579</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(437,713)	(101,689)	336,024	(1,015,832)	(1,069,411)	(53,579)
Total other financing sources (uses)	<u>(437,713)</u>	<u>(101,689)</u>	<u>336,024</u>	<u>(1,015,832)</u>	<u>(1,069,411)</u>	<u>(53,579)</u>
Net change in fund balances	<u>\$ (172,971)</u>	<u>245,211</u>	<u>\$ 418,182</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year		<u>439,993</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 685,204</u>			<u>\$ -</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Open Space			Recreational Playfields		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	5,901	7,435	1,534	1,553	1,998	445
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	17,771	27,162	9,391	8,886	13,582	4,696
Total revenues	<u>23,672</u>	<u>34,597</u>	<u>10,925</u>	<u>10,439</u>	<u>15,580</u>	<u>5,141</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	4,557	(4,557)	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>4,557</u>	<u>(4,557)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>23,672</u>	<u>30,040</u>	<u>6,368</u>	<u>10,439</u>	<u>15,580</u>	<u>5,141</u>
OTHER FINANCING SOURCES (USES)						
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>\$ 23,672</u>	<u>30,040</u>	<u>\$ 6,368</u>	<u>\$ 10,439</u>	<u>15,580</u>	<u>\$ 5,141</u>
Fund balances, beginning of year		<u>146,470</u>			<u>39,353</u>	
Fund balances, end of year		<u>\$ 176,510</u>			<u>\$ 54,933</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Creek Restoration			Park Bond		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	5,430	7,043	1,613	3,303	1,733	(1,570)
Revenues from other agencies	-	-	-	401,670	-	(401,670)
Current service charges	-	-	-	-	-	-
Other revenue	8,886	13,582	4,696	-	-	-
Total revenues	<u>14,316</u>	<u>20,625</u>	<u>6,309</u>	<u>404,973</u>	<u>1,733</u>	<u>(403,240)</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	3,702	(3,702)	21,655	-	21,655
Capital outlay	-	-	-	401,670	217,414	184,256
Total expenditures	<u>-</u>	<u>3,702</u>	<u>(3,702)</u>	<u>423,325</u>	<u>217,414</u>	<u>205,911</u>
Excess of revenues over (under) expenditures	<u>14,316</u>	<u>16,923</u>	<u>2,607</u>	<u>(18,352)</u>	<u>(215,681)</u>	<u>(197,329)</u>
OTHER FINANCING SOURCES (USES)						
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>\$ 14,316</u>	<u>16,923</u>	<u>\$ 2,607</u>	<u>\$ (18,352)</u>	<u>(215,681)</u>	<u>\$ (197,329)</u>
Fund balances, beginning of year		<u>138,645</u>			<u>92,451</u>	
Fund balances, end of year		<u>\$ 155,568</u>			<u>\$ (123,230)</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Reinvestment Low-Mod Housing			Law Enforcement Grants		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 70,000	\$ 77,766	\$ 7,766	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	5,995	11,522	5,527	4,478	8,894	4,416
Revenues from other agencies	-	-	-	100,000	32,051	(67,949)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>75,995</u>	<u>89,288</u>	<u>13,293</u>	<u>104,478</u>	<u>40,945</u>	<u>(63,533)</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	10,000	12,807	(2,807)
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	70,000	38,443	31,557
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>51,250</u>	<u>28,750</u>
Excess of revenues over (under) expenditures	<u>75,995</u>	<u>89,288</u>	<u>13,293</u>	<u>24,478</u>	<u>(10,305)</u>	<u>(34,783)</u>
OTHER FINANCING SOURCES (USES)						
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>\$ 75,995</u>	<u>89,288</u>	<u>\$ 13,293</u>	<u>\$ 24,478</u>	<u>(10,305)</u>	<u>\$ (34,783)</u>
Fund balances, beginning of year		<u>209,221</u>			<u>10,693</u>	
Fund balances, end of year		<u>\$ 298,509</u>			<u>\$ 388</u>	

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Law Enforcement Grants			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 3,402,412	\$ 3,793,610	\$ 391,198
Franchise and other taxes	-	-	-	54,000	55,642	1,642
License and permits	-	-	-	-	211	211
Earnings on investments	-	-	-	155,202	132,272	(22,930)
Revenues from other agencies	-	-	-	1,961,814	1,243,884	(717,930)
Current service charges	-	-	-	402,500	454,402	51,902
Other revenue	-	-	-	36,443	55,494	19,051
Total revenues	-	-	-	6,012,371	5,735,515	(276,856)
EXPENDITURES						
General government	-	-	-	5,000	7,493	(2,493)
Police	-	-	-	10,000	536,229	(526,229)
Fire and emergency medical services	-	-	-	-	477,986	(477,986)
Community development and environmental resources	-	-	-	967,698	950,066	17,632
Recreation and community services	-	-	-	486,538	559,941	(73,403)
Capital outlay	-	-	-	1,096,871	541,855	555,016
Total expenditures	-	-	-	2,566,107	3,073,570	(507,463)
Excess of revenues over (under) expenditures	-	-	-	3,446,264	2,661,945	(784,319)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	50,000	12,592	(37,408)
Transfers out	-	-	-	(2,613,545)	(2,214,100)	399,445
Total other financing sources (uses)	-	-	-	(2,563,545)	(2,201,508)	362,037
Net change in fund balances	\$ -	-	\$ -	\$ 882,719	460,437	\$ (422,282)
Fund balances, beginning of year		-			2,160,838	
Fund balances, end of year		\$ -			\$ 2,621,275	

Continued
on next page

This page left blank intentionally.

OTHER CAPITAL PROJECTS FUNDS

CITY OF ALBANY

Other Capital Projects Funds

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 Reserve 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 Reserve 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 developments, 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 maintenance center and other facilities as determined by the City Council.

Street & Storm Fund – is used to fund activities for various street and storm drain projects.

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

Waterfront Plan - is used to account for activities related to Albany waterfront on San Pablo Bay.

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

R & CS Reserve Fund (Recreation & Community Services) - 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, 2007
(With Comparative Totals for June 30, 2006)

	Fire Equipment	Police Equipment	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
ASSETS					
Operating cash and investments	\$ 215,603	\$ 251,242	\$ 68,428	\$ 27,645	\$ 143,911
Receivables:					
Other taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Total assets	<u>\$ 215,603</u>	<u>\$ 251,242</u>	<u>\$ 68,428</u>	<u>\$ 27,645</u>	<u>\$ 143,911</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,889	\$ -	\$ -	\$ -
Accrued salaries & benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,889</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for capital projects	215,603	249,353	68,428	27,645	143,911
Unreserved (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>215,603</u>	<u>249,353</u>	<u>68,428</u>	<u>27,645</u>	<u>143,911</u>
Total liabilities and fund balances	<u>\$ 215,603</u>	<u>\$ 251,242</u>	<u>\$ 68,428</u>	<u>\$ 27,645</u>	<u>\$ 143,911</u>

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2007
(With Comparative Totals for June 30, 2006)

	Capital Facilities	Street & Storm Fund	Reinvestment	Waterfront Plan	Equipment Replacement Reserve
ASSETS					
Operating cash and investments	\$ 484,287	\$ 718,714	\$ 531,331	\$ 348,762	\$ 413,198
Receivables:					
Other taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Total assets	<u>\$ 484,287</u>	<u>\$ 718,714</u>	<u>\$ 531,331</u>	<u>\$ 348,762</u>	<u>\$ 413,198</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 137	\$ 10,204	\$ 69	\$ 4,500	\$ -
Accrued salaries & benefits	755	-	485	-	-
Accrued liabilities	-	-	41,470	-	-
Due to other funds	-	-	20,440	-	-
Deferred revenue	-	-	36,847	-	-
Advance from other funds	-	-	400,000	-	-
Total liabilities	<u>892</u>	<u>10,204</u>	<u>499,311</u>	<u>4,500</u>	<u>-</u>
Fund balances:					
Reserved for capital projects	483,395	708,510	32,020	344,262	413,198
Unreserved (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>483,395</u>	<u>708,510</u>	<u>32,020</u>	<u>344,262</u>	<u>413,198</u>
Total liabilities and fund balances	<u>\$ 484,287</u>	<u>\$ 718,714</u>	<u>\$ 531,331</u>	<u>\$ 348,762</u>	<u>\$ 413,198</u>

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2007
(With Comparative Totals for June 30, 2006)

	R & CS Reserve	Totals	
		2007	2006
ASSETS			
Operating cash and investments	\$ 73,455	\$ 3,276,576	\$ 2,484,272
Receivables:			
Other taxes		-	85,342
Accounts	-	-	-
Total assets	<u>\$ 73,455</u>	<u>\$ 3,276,576</u>	<u>\$ 2,569,614</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 16,799	\$ 9,010
Accrued salaries & benefits	-	1,240	1,149
Accrued liabilities	-	41,470	66,309
Due to other funds	-	20,440	15,360
Deferred revenue	6,105	42,952	45,960
Advance from other funds	-	400,000	415,040
Total liabilities	<u>6,105</u>	<u>522,901</u>	<u>552,828</u>
Fund balances:			
Reserved for capital projects	67,350	2,753,675	2,016,786
Unreserved (deficit)	-	-	-
Total fund balances (deficit)	<u>67,350</u>	<u>2,753,675</u>	<u>2,016,786</u>
Total liabilities and fund balances	<u>\$ 73,455</u>	<u>\$ 3,276,576</u>	<u>\$ 2,569,614</u>

CITY OF ALBANY

OTHER CAPITAL PROJECTS FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Fire Equipment *	Police Equipment *	Emergency Medical Service Equipment **	Fire Operations Equipment **	Capital Facilities Developer Fee ***
REVENUES					
Property taxes	\$ -	\$ -	\$ 2,735	\$ -	\$ -
Earnings on investments	-	-	-	-	4,296
Revenues from other agencies	-	-	-	-	-
Current service charges	-	-	-	-	14,786
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,735</u>	<u>-</u>	<u>19,082</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Fire and emergency medical services	-	-	-	13,587	-
Community development and environmental resources	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	98,751	-	-	-
Debt service:					
Principal	26,063	-	-	-	-
Interest	1,473	-	-	-	-
Total expenditures	<u>27,536</u>	<u>98,751</u>	<u>-</u>	<u>13,587</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(27,536)</u>	<u>(98,751)</u>	<u>2,735</u>	<u>(13,587)</u>	<u>19,082</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	51,537	51,000	22,500	24,000	62,550
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>51,537</u>	<u>51,000</u>	<u>22,500</u>	<u>24,000</u>	<u>62,550</u>
Net change in fund balances	24,001	(47,751)	25,235	10,413	81,632
Fund balances, beginning of year	191,602	297,104	43,193	17,232	62,279
Fund balances, end of year	<u>\$ 215,603</u>	<u>\$ 249,353</u>	<u>\$ 68,428</u>	<u>\$ 27,645</u>	<u>\$ 143,911</u>

* See page D35 for budget comparisons.

** See page D36 for budget comparisons.

*** See page D37 for budget comparisons.

Continued
on next page

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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Capital Facilities *	Street & Storm Fund *	Reinvestment **	Waterfront Plan ***	Equipment Replacement Reserve ***
REVENUES					
Property taxes	\$ -	\$ 773,200	\$ -	\$ -	\$ -
Earnings on investments	23,206	11,929	-	-	-
Revenues from other agencies	-	-	-	-	-
Current service charges	-	-	-	-	-
Other revenue	-	-	2,145	-	-
Total revenues	<u>23,206</u>	<u>785,129</u>	<u>2,145</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	6,852
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	1,199	49,296	18,560	5,738	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	27,323	-	-	29,950
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	20,440	-	-
Total expenditures	<u>1,199</u>	<u>76,619</u>	<u>39,000</u>	<u>5,738</u>	<u>36,802</u>
Excess of revenues over (under) expenditures	<u>22,007</u>	<u>708,510</u>	<u>(36,855)</u>	<u>(5,738)</u>	<u>(36,802)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,007	708,510	(36,855)	(5,738)	(36,802)
Fund balances, beginning of year	461,388	-	68,875	350,000	450,000
Fund balances, end of year	<u>\$ 483,395</u>	<u>\$ 708,510</u>	<u>\$ 32,020</u>	<u>\$ 344,262</u>	<u>\$ 413,198</u>

* See page D37 for budget comparisons.

** See page D38 for budget comparisons.

*** See page D39 for budget comparisons.

Continued
on next page

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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

		<u>Totals</u>	
	R & CS Reserve *	<u>2007</u>	<u>2006</u>
REVENUES			
Property taxes	\$ -	\$ 775,935	\$ 319,437
Earnings on investments	-	39,431	34,760
Revenues from other agencies	-	-	-
Current service charges	50,772	65,558	90,669
Other revenue	-	2,145	11,497
Total revenues	<u>50,772</u>	<u>883,069</u>	<u>456,363</u>
EXPENDITURES			
Current:			
General government	-	6,852	-
Fire and emergency medical services	-	13,587	7,691
Community development and environmental resources	-	74,793	15,090
Recreation and community services	-	-	-
Capital outlay	58,535	214,559	84,621
Debt service:			
Principal	-	26,063	29,540
Interest	-	21,913	18,542
Total expenditures	<u>58,535</u>	<u>357,767</u>	<u>155,484</u>
Excess of revenues over (under) expenditures	<u>(7,763)</u>	<u>525,302</u>	<u>300,879</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	211,587	656,765
Transfers out	-	-	(7,728)
Total other financing sources (uses)	<u>-</u>	<u>211,587</u>	<u>649,037</u>
Net change in fund balances	(7,763)	736,889	949,916
Fund balances, beginning of year	75,113	2,016,786	1,066,870
Fund balances, end of year	<u>\$ 67,350</u>	<u>\$ 2,753,675</u>	<u>\$ 2,016,786</u>

* See page D40 for budget comparisons.

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Fire Equipment			Police Equipment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	3,000	-	(3,000)
Total revenues	-	-	-	3,000	-	(3,000)
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	98,751	(98,751)
Debt Service:						
Principal	24,670	26,063	(1,393)	-	-	-
Interest	2,867	1,473	1,394	-	-	-
Total expenditures	27,537	27,536	1	-	98,751	(98,751)
Excess of revenues over (under) expenditures	(27,537)	(27,536)	1	3,000	(98,751)	(101,751)
OTHER FINANCING SOURCES (USES)						
Transfers in	51,537	51,537	-	51,000	51,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	51,537	51,537	-	51,000	51,000	-
Net change in fund balances	<u>\$ 24,000</u>	<u>24,001</u>	<u>\$ 1</u>	<u>\$ 54,000</u>	<u>(47,751)</u>	<u>\$ (101,751)</u>
Fund balances, beginning of year		<u>191,602</u>			<u>297,104</u>	
Fund balances, end of year		<u>\$ 215,603</u>			<u>\$ 249,353</u>	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Emergency Medical Service Equipment			Fire Operations Equipment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ 2,735	\$ 2,735	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	2,735	2,735	-	-	-
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	13,587	(13,587)
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	-	-	13,587	(13,587)
Excess of revenues over (under) expenditures	-	2,735	2,735	-	(13,587)	(13,587)
OTHER FINANCING SOURCES (USES)						
Transfers in	22,500	22,500	-	-	24,000	24,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	22,500	22,500	-	-	24,000	24,000
Net change in fund balances	\$ 22,500	25,235	\$ 2,735	\$ -	10,413	\$ 10,413
Fund balances, beginning of year		43,193			17,232	
Fund balances, end of year		\$ 68,428			\$ 27,645	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Capital Facilities Developer Fee			Capital Facilities		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	902	4,296	3,394	17,715	23,206	5,491
Revenues from other agencies	-	-	-	-	-	-
Current service charges	20,000	14,786	(5,214)	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>20,902</u>	<u>19,082</u>	<u>(1,820)</u>	<u>17,715</u>	<u>23,206</u>	<u>5,491</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	21,654	1,199	20,455
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	10,000	-	10,000
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,654</u>	<u>1,199</u>	<u>30,455</u>
Excess of revenues over (under) expenditures	<u>20,902</u>	<u>19,082</u>	<u>(1,820)</u>	<u>(13,939)</u>	<u>22,007</u>	<u>35,946</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	62,550	62,550	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>62,550</u>	<u>62,550</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 20,902</u>	<u>81,632</u>	<u>\$ 60,730</u>	<u>\$ (13,939)</u>	<u>22,007</u>	<u>\$ 35,946</u>
Fund balances, beginning of year		<u>62,279</u>			<u>461,388</u>	
Fund balances, end of year		<u>\$ 143,911</u>			<u>\$ 483,395</u>	

Continued
on next page

**CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Street & Storm Fund			Reinvestment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ 773,200	\$ 773,200	\$ 280,000	\$ -	\$ (280,000)
Earnings on investments	-	11,929	11,929	14,368	-	(14,368)
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	2,145	2,145
Total revenues	-	785,129	785,129	294,368	2,145	(292,223)
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	49,296	(49,296)	24,249	18,560	5,689
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	27,323	(27,323)	330,743	-	330,743
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	20,440	(20,440)
Total expenditures	-	76,619	(76,619)	354,992	39,000	315,992
Excess of revenues over (under) expenditures	-	708,510	708,510	(60,624)	(36,855)	23,769
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>708,510</u>	<u>\$ 708,510</u>	<u>\$ (60,624)</u>	<u>(36,855)</u>	<u>\$ 23,769</u>
Fund balances, beginning of year		-			68,875	
Fund balances, end of year		<u>\$ 708,510</u>			<u>\$ 32,020</u>	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Waterfront Plan			Equipment Replacement		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES						
Current:						
General government	-	-	-	-	6,852	(6,852)
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	5,738	(5,738)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	29,950	(29,950)
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	5,738	(5,738)	-	36,802	(36,802)
Excess of revenues over (under) expenditures	-	(5,738)	(5,738)	-	(36,802)	(36,802)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ -	(5,738)	\$ (5,738)	\$ -	(36,802)	\$ (36,802)
Fund balances, beginning of year		350,000			450,000	
Fund balances, end of year		\$ 344,262			\$ 413,198	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	R & CS Reserve			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 280,000	\$ 775,935	\$ 495,935
Earnings on investments	-	-	-	32,985	39,431	6,446
Revenues from other agencies	-	-	-	-	-	-
Current service charges	42,450	50,772	8,322	62,450	65,558	3,108
Other revenue	-	-	-	3,000	2,145	(855)
Total revenues	42,450	50,772	8,322	378,435	883,069	504,634
EXPENDITURES						
Current:						
General government	-	-	-	-	6,852	(6,852)
Fire and emergency medical services	-	-	-	-	13,587	(13,587)
Community development and environmental resources	-	-	-	45,903	74,793	(28,890)
Recreation and community services	2,225	-	2,225	2,225	-	2,225
Capital outlay	-	58,535	(58,535)	340,743	214,559	126,184
Debt Service:						
Principal	-	-	-	24,670	26,063	(1,393)
Interest	-	-	-	2,867	21,913	(19,046)
Total expenditures	2,225	58,535	(56,310)	416,408	357,767	58,641
Excess of revenues over (under) expenditures	40,225	(7,763)	(47,988)	(37,973)	525,302	563,275
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	125,037	211,587	86,550
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	125,037	211,587	86,550
Net change in fund balances	\$ 40,225	(7,763)	\$ (47,988)	\$ 87,064	736,889	\$ 649,825
Fund balances, beginning of year		75,113			2,016,786	
Fund balances, end of year		\$ 67,350			\$ 2,753,675	

MAJOR CAPITAL PROJECTS FUNDS

CITY OF ALBANY

Major Capital Projects Funds

The City's Major Capital Projects Funds are:

1996-1 Assessment District Bond 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 - 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.

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

CITY OF ALBANY
CAPITAL PROJECTS FUNDS - MAJOR FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	1996-1 Assessment District Bond Fund			General Obligation Bond 2003		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	155,241	213,578	58,337	210,279	299,706	89,427
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	6,400	6,400	-	-	-
Total revenues	<u>155,241</u>	<u>219,978</u>	<u>64,737</u>	<u>210,279</u>	<u>299,706</u>	<u>89,427</u>
EXPENDITURES						
Current:						
Community development and environmental resources	-	69,012	(69,012)	733	445,494	(444,761)
Recreation and community services	35,465	-	35,465	-	-	-
Capital outlay	1,501,050	899,893	601,157	2,971,618	1,438,878	1,532,740
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,536,515</u>	<u>968,905</u>	<u>567,610</u>	<u>2,972,351</u>	<u>1,884,372</u>	<u>1,087,979</u>
Excess of revenues over (under) expenditures	<u>(1,381,274)</u>	<u>(748,927)</u>	<u>632,347</u>	<u>(2,762,072)</u>	<u>(1,584,666)</u>	<u>1,177,406</u>
OTHER FINANCING SOURCES (USES)						
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><u>\$(1,381,274)</u></u>	<u><u>(748,927)</u></u>	<u><u>\$ 632,347</u></u>	<u><u>\$(2,762,072)</u></u>	<u><u>(1,584,666)</u></u>	<u><u>\$ 1,177,406</u></u>
Fund balances, beginning of year		<u>4,267,541</u>			<u>6,392,797</u>	
Fund balances, end of year		<u><u>\$3,518,614</u></u>			<u><u>\$ 4,808,131</u></u>	

Continued
on next page

CITY OF ALBANY
CAPITAL PROJECTS FUNDS - MAJOR FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Capital Projects Fund			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	365,520	513,284	147,764
Revenues from other agencies	1,261,237	948,477	(312,760)	1,261,237	948,477	(312,760)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	6,400	6,400
Total revenues	<u>1,261,237</u>	<u>948,477</u>	<u>(312,760)</u>	<u>1,626,757</u>	<u>1,468,161</u>	<u>(158,596)</u>
EXPENDITURES						
Current:						
Community development and environmental resources	-	52,692	(52,692)	733	567,198	(566,465)
Recreation and community services	-	-	-	35,465	-	35,465
Capital outlay	1,338,237	929,962	408,275	5,810,905	3,268,733	2,542,172
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,338,237</u>	<u>982,654</u>	<u>355,583</u>	<u>5,847,103</u>	<u>3,835,931</u>	<u>2,011,172</u>
Excess of revenues over (under) expenditures	<u>(77,000)</u>	<u>(34,177)</u>	<u>42,823</u>	<u>(4,220,346)</u>	<u>(2,367,770)</u>	<u>1,852,576</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	1,600,000	1,600,000	-	1,600,000	1,600,000
Transfers out	-	(62,550)	(62,550)	-	(62,550)	(62,550)
Total other financing sources (uses)	<u>-</u>	<u>1,537,450</u>	<u>1,537,450</u>	<u>-</u>	<u>1,537,450</u>	<u>1,537,450</u>
Net change in fund balances	<u>\$ (77,000)</u>	<u>1,503,273</u>	<u>\$ 1,580,273</u>	<u>\$(4,220,346)</u>	<u>(830,320)</u>	<u>\$ 3,390,026</u>
Fund balances, beginning of year		<u>1,281,510</u>			<u>11,941,848</u>	
Fund balances, end of year		<u>\$ 2,784,783</u>			<u>\$ 11,111,528</u>	

Continued
on next page

OTHER DEBT SERVICE FUNDS

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:

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

Reinvestment Debt Service - accounts for property tax increment revenue 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, 2007

(With Comparative Totals for June 30, 2006)

	Debt Service APFFA	Reinvestment Debt Service	G.O. Bond Debt Service	Totals	
				2007	2006
ASSETS					
Operating cash and investments	\$ 6,230	\$ 310,678	\$ 449,952	\$ 766,860	\$ 561,024
Debt service reserves held with trustee	200,457	-	-	200,457	480,897
Accounts receivable	-	-	881	881	-
Total assets	<u>\$ 206,687</u>	<u>\$ 310,678</u>	<u>\$ 450,833</u>	<u>\$ 968,198</u>	<u>\$ 1,041,921</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,533	\$ -	\$ 500	\$ 2,033	\$ 2,348
Due to other funds	-	19,735	13	19,748	14,830
Advances from other funds	-	386,203	-	386,203	466,358
Total liabilities	<u>1,533</u>	<u>405,938</u>	<u>513</u>	<u>407,984</u>	<u>483,536</u>
Fund balances:					
Reserved for debt service	205,154	-	450,320	655,474	930,438
Unreserved (deficit)	-	(95,260)	-	(95,260)	(372,053)
Total fund balances	<u>205,154</u>	<u>(95,260)</u>	<u>450,320</u>	<u>560,214</u>	<u>558,385</u>
Total liabilities and fund balances	<u>\$ 206,687</u>	<u>\$ 310,678</u>	<u>\$ 450,833</u>	<u>\$ 968,198</u>	<u>\$ 1,041,921</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, 2007

(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Debt Service APFFA *	Reinvestment Debt Service *	G.O. Bond Debt Service **	Totals	
				2007	2006
REVENUES					
Property taxes	\$ -	\$ 260,975	\$ 474,048	\$ 735,023	\$ 539,986
Earnings on investments	12,919	35,553	10,576	59,048	29,124
Revenues from other agencies	-	-	6,792	6,792	7,419
Total revenues	12,919	296,528	491,416	800,863	576,529
EXPENDITURES					
Current:					
General government	9,230	-	3,627	12,857	13,838
Debt service:					
Principal	360,000	-	165,000	525,000	505,000
Interest	101,900	19,735	303,075	424,710	442,258
Total expenditures	471,130	19,735	471,702	962,567	961,096
Excess of revenues over (under) expenditures	(458,211)	276,793	19,714	(161,704)	(384,567)
OTHER FINANCING SOURCES (USES)					
Transfers in	163,533	-	-	163,533	462,853
Total other financing sources (uses)	163,533	-	-	163,533	462,853
Net change in fund balances	(294,678)	276,793	19,714	1,829	78,286
Fund balances, beginning of year	499,832	(372,053)	430,606	558,385	480,099
Fund balances, end of year	\$ 205,154	\$ (95,260)	\$ 450,320	\$ 560,214	\$ 558,385

* See page D47 for budget comparisons.

** See page D48 for budget comparisons.

**CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Debt Service APFFA			Reinvestment Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 260,975	\$ 260,975
Earnings on investments	19,343	12,919	(6,424)	2,691	35,553	32,862
Revenues from other agencies	-	-	-	-	-	-
Total revenues	<u>19,343</u>	<u>12,919</u>	<u>(6,424)</u>	<u>2,691</u>	<u>296,528</u>	<u>293,837</u>
EXPENDITURES						
Current:						
General government	7,000	9,230	(2,230)	-	-	-
Debt Service:						
Principal	360,000	360,000	-	209,000	-	209,000
Interest	101,900	101,900	-	9,000	19,735	(10,735)
Total expenditures	<u>468,900</u>	<u>471,130</u>	<u>(2,230)</u>	<u>218,000</u>	<u>19,735</u>	<u>198,265</u>
Excess of revenues over (under) expenditures	<u>(449,557)</u>	<u>(458,211)</u>	<u>(8,654)</u>	<u>(215,309)</u>	<u>276,793</u>	<u>492,102</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	449,557	163,533	(286,024)	-	-	-
Total other financing sources (uses)	<u>449,557</u>	<u>163,533</u>	<u>(286,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(294,678)</u>	<u>\$ (294,678)</u>	<u>\$ (215,309)</u>	<u>276,793</u>	<u>\$ 492,102</u>
Fund balances, beginning of year		<u>499,832</u>			<u>(372,053)</u>	
Fund balances, end of year		<u>\$ 205,154</u>			<u>\$ (95,260)</u>	

Continued
on next page

**CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	G.O. Bond Debt Service			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 484,000	\$ 474,048	\$ (9,952)	\$ 484,000	\$ 735,023	\$ 251,023
Earnings on investments	15,776	10,576	(5,200)	37,810	59,048	21,238
Revenues from other agencies	-	6,792	6,792	-	6,792	6,792
Total revenues	<u>499,776</u>	<u>491,416</u>	<u>(8,360)</u>	<u>521,810</u>	<u>800,863</u>	<u>279,053</u>
EXPENDITURES						
Current:						
General government	4,000	3,627	373	11,000	12,857	(1,857)
Debt Service:						
Principal	165,000	165,000	-	734,000	525,000	209,000
Interest	306,375	303,075	3,300	417,275	424,710	(7,435)
Total expenditures	<u>475,375</u>	<u>471,702</u>	<u>3,673</u>	<u>1,162,275</u>	<u>962,567</u>	<u>199,708</u>
Excess of revenues over (under) expenditures	<u>24,401</u>	<u>19,714</u>	<u>(4,687)</u>	<u>(640,465)</u>	<u>(161,704)</u>	<u>478,761</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	449,557	163,533	(286,024)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,557</u>	<u>163,533</u>	<u>(286,024)</u>
Net change in fund balances	<u>\$ 24,401</u>	<u>19,714</u>	<u>\$ (4,687)</u>	<u>\$ (190,908)</u>	<u>1,829</u>	<u>\$ 192,737</u>
Fund balances, beginning of year		<u>430,606</u>			<u>558,385</u>	
Fund balances, end of year		<u>\$ 450,320</u>			<u>\$ 560,214</u>	

AGENCY FUNDS

CITY OF ALBANY

Agency Funds

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, to be used to provide maintenance for 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, 2007
(With Comparative Totals for June 30, 2006)

	Codornices Trail	Bond & Trust	School Facility Fee	1996-1 Assessment District Bond Funds	Totals	
					2007	2006
ASSETS						
Operating cash and investments	\$ 98,069	\$ 220,365	\$ 5,840	\$ 373,006	\$ 697,280	\$ 705,015
Debt service reserves held with trustee	-	-	-	488,764	488,764	485,938
Receivables	-	111,776	-	-	111,776	-
Total assets	<u>\$ 98,069</u>	<u>\$ 332,141</u>	<u>\$ 5,840</u>	<u>\$ 861,770</u>	<u>\$ 1,297,820</u>	<u>\$ 1,190,953</u>
LIABILITIES						
Accounts payable	\$ -	\$ 70,951	\$ 5,840	\$ -	\$ 76,791	\$ 8,002
Due to bondholders	-	-	-	861,770	861,770	863,745
Refundable deposits	98,069	261,190	-	-	359,259	319,206
Total liabilities	<u>\$ 98,069</u>	<u>\$ 332,141</u>	<u>\$ 5,840</u>	<u>\$ 861,770</u>	<u>\$ 1,297,820</u>	<u>\$ 1,190,953</u>

CITY OF ALBANY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance June 30, 2006	Additions	Reductions	Balance June 30, 2007
Codornices Trail				
Assets:				
Operating cash and investments	\$ 107,217	\$ -	\$ 9,148	\$ 98,069
Total assets	<u>\$ 107,217</u>	<u>\$ -</u>	<u>\$ 9,148</u>	<u>\$ 98,069</u>
Liabilities:				
Refundable deposits	\$ 107,217	\$ -	\$ 9,148	\$ 98,069
Total liabilities	<u>\$ 107,217</u>	<u>\$ -</u>	<u>\$ 9,148</u>	<u>\$ 98,069</u>
Bond and Trust				
Assets:				
Operating cash and investments	\$ 216,267	\$ 4,098	\$ -	\$ 220,365
Receivables	-	111,776	-	111,776
Total assets	<u>\$ 216,267</u>	<u>\$ 115,874</u>	<u>\$ -</u>	<u>\$ 332,141</u>
Liabilities:				
Accounts payable	\$ 4,278	\$ 66,673	\$ -	\$ 70,951
Refundable deposits	211,989	49,201	-	261,190
Total liabilities	<u>\$ 216,267</u>	<u>\$ 115,874</u>	<u>\$ -</u>	<u>\$ 332,141</u>
School Facility Fees				
Assets:				
Operating cash and investments	\$ 3,724	\$ 2,116	\$ -	\$ 5,840
Liabilities:				
Accounts payable	\$ 3,724	\$ 2,116	\$ -	\$ 5,840
1996-1 Assessment District Bond Funds				
Assets:				
Operating cash and investments	\$ 377,807	\$ -	\$ 4,801	\$ 373,006
Debt service reserves held with trustee	485,938	2,826	-	488,764
Accounts receivable	-	-	-	-
Total assets	<u>\$ 863,745</u>	<u>\$ 2,826</u>	<u>\$ 4,801</u>	<u>\$ 861,770</u>
Liabilities:				
Due to bondholders	\$ 863,745	\$ -	\$ 1,975	\$ 861,770
Total Agency Funds				
Assets:				
Operating cash and investments	\$ 705,015	\$ 6,214	\$ 13,949	\$ 697,280
Debt service reserves held with trustee	485,938	2,826	-	488,764
Receivables	-	111,776	-	111,776
Total assets	<u>\$ 1,190,953</u>	<u>\$ 120,816</u>	<u>\$ 13,949</u>	<u>\$ 1,297,820</u>
Liabilities:				
Accounts payable	\$ 8,002	\$ 68,789	\$ -	\$ 76,791
Due to bondholders	863,745	-	1,975	861,770
Refundable deposits	319,206	49,201	9,148	359,259
Total liabilities	<u>\$ 1,190,953</u>	<u>\$ 117,990</u>	<u>\$ 11,123</u>	<u>\$ 1,297,820</u>

**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	E2
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	E7
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	E11
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	E15
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	E17

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Government Accounting Standard Board Statement 34 in fiscal year 2002-03, and schedules that present government-wide information include data beginning in fiscal year 2002-03.

This page left blank intentionally.

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 16,470,476	\$ 17,257,455	\$ 17,781,968	\$ 18,532,193	\$ 19,778,241
Restricted	6,026,653	6,699,173	10,216,999	10,499,672	12,086,541
Unrestricted	2,025,323	3,814,453	2,410,651	3,681,231	4,696,819
Total governmental activities assets	<u>\$ 24,522,452</u>	<u>\$ 27,771,081</u>	<u>\$ 30,409,618</u>	<u>\$ 32,713,096</u>	<u>\$ 36,561,601</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 7,140,132	\$ 7,116,979	\$ 7,106,252	\$ 7,155,248	\$ 7,190,702
Restricted	-	-	-	-	-
Unrestricted	2,182,527	2,570,946	3,078,082	3,595,793	4,158,269
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>	<u>\$ 11,348,971</u>
Primary government:					
Invested in capital assets, net of related debt	\$ 23,610,608	\$ 24,374,434	\$ 24,888,220	\$ 25,687,441	\$ 26,968,943
Restricted	6,026,653	6,699,173	10,216,999	10,499,672	12,086,541
Unrestricted	4,207,850	6,385,399	5,488,733	7,277,024	8,855,088
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>	<u>\$ 47,910,572</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 5 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 FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	\$ 4,322,523	\$ 3,554,262	\$ 3,470,925	\$ 2,184,226	\$ 2,510,778
Police	3,878,639	3,647,028	3,895,781	5,551,034	5,225,675
Fire and emergency medical services	2,805,622	2,999,573	3,211,605	4,476,642	4,045,725
Community development and environmental resources	3,288,021	3,570,329	4,288,600	3,647,228	5,104,975
Recreation and community services	2,644,832	1,901,735	1,970,000	2,079,675	2,268,245
Interest on long-term debt	255,332	345,487	445,989	422,768	398,238
Total governmental activities expenses	<u>17,194,969</u>	<u>16,018,414</u>	<u>17,282,900</u>	<u>18,361,573</u>	<u>19,553,636</u>
Business-type activities:					
Sewer	656,722	598,948	619,126	638,270	701,291
Total business-type activities expenses	<u>656,722</u>	<u>598,948</u>	<u>619,126</u>	<u>638,270</u>	<u>701,291</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>	<u>20,254,927</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	88,680	120,222	110,250	104,049	106,353
Police	374,842	317,736	242,783	186,682	248,400
Fire and emergency medical services	496,918	473,413	497,834	500,289	605,087
Community development and environmental resources	394,254	671,357	504,282	469,326	378,470
Recreation and community services	551,564	610,685	606,022	715,321	820,731
Operating grants and contributions	1,298,073	1,031,928	960,257	1,155,302	1,016,524
Capital grants and contributions	1,147,086	494,691	1,314,001	259,193	1,180,524
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>	<u>4,356,089</u>
Business-type activities:					
Charges for services:					
Sewer	1,786,322	1,729,775	1,773,877	1,821,311	1,838,255
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>	<u>1,838,255</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>	<u>6,194,344</u>
Net revenues (expenses):					
Governmental activities	(12,843,552)	(12,298,382)	(13,047,471)	(14,971,411)	(15,197,547)
Business-type activities	1,129,600	1,130,827	1,154,751	1,183,041	1,136,964
Total net revenues (expenses)	<u>(11,713,952)</u>	<u>(11,167,555)</u>	<u>(11,892,720)</u>	<u>(13,788,370)</u>	<u>(14,060,583)</u>

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

	Fiscal Year				
	2003	2004	2005	2006	2007
General revenues and other changes in assets:					
Governmental activities:					
Taxes:					
Property taxes	5,279,747	6,146,426	7,422,406	8,422,013	9,761,603
Sales taxes	1,339,720	1,356,985	1,599,449	2,042,834	2,242,377
Franchise and other taxes	3,656,177	4,506,463	4,557,311	4,442,459	4,317,435
Earnings on investments	322,236	353,941	474,975	924,454	1,237,048
Unrestricted revenues from other agencies	1,000,893	802,813	409,822	226,494	281,474
Other revenue	278,811	1,599,794	385,667	364,409	341,716
Transfers	769,800	780,589	836,378	852,226	864,399
Total governmental activities	<u>12,647,384</u>	<u>15,547,011</u>	<u>15,686,008</u>	<u>17,274,889</u>	<u>19,046,052</u>
Business-type activities:					
Earnings on investments	45,801	15,028	175,321	235,892	325,365
Other revenue	2,125	-	2,715	-	-
Transfers	(758,600)	(780,589)	(836,378)	(852,226)	(864,399)
Total business-type activities	<u>(710,674)</u>	<u>(765,561)</u>	<u>(658,342)</u>	<u>(616,334)</u>	<u>(539,034)</u>
Total primary government	<u>11,936,710</u>	<u>14,781,450</u>	<u>15,027,666</u>	<u>16,658,555</u>	<u>18,507,018</u>
Changes in net assets					
Governmental activities	(196,168)	3,248,629	2,638,537	2,303,478	3,848,505
Business-type activities	418,926	365,266	496,409	566,707	597,930
Total primary government	<u>\$ 222,758</u>	<u>\$ 3,613,895</u>	<u>\$ 3,134,946</u>	<u>\$ 2,870,185</u>	<u>\$ 4,446,435</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 FIVE FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General fund:					
Reserved	\$ 2,565,571	\$ 1,247,459	\$ 1,258,092	\$ 1,250,254	\$ 1,147,168
Unreserved	1,175,158	2,614,386	2,710,845	2,938,088	3,455,322
Total general fund	<u>\$ 3,740,729</u>	<u>\$ 3,861,845</u>	<u>\$ 3,968,937</u>	<u>\$ 4,188,342</u>	<u>\$ 4,602,490</u>
All other governmental funds:					
Reserved	\$ 14,015,359	\$ 14,006,950	\$ 14,065,409	\$ 14,889,072	\$ 14,520,677
Unreserved, reported in:					
Special revenue funds	1,826,290	1,745,347	3,153,947	2,160,838	2,621,275
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>	<u>(95,260)</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>	<u>\$ 17,046,692</u>

Source: Various City financial records.

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

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues:					
Taxes					
Property taxes	\$ 5,279,747	\$ 6,146,426	\$ 7,422,406	\$ 8,422,013	\$ 9,761,603
Sales taxes	1,339,720	1,356,985	1,599,449	2,042,834	2,242,377
Franchise and other taxes	3,656,177	4,506,463	4,557,311	4,442,459	4,317,435
Licenses and permits	175,403	347,046	211,607	198,028	154,028
Fines and forfeitures	333,702	281,592	216,450	153,619	188,961
Earnings on investments	322,236	353,941	474,975	954,645	1,369,677
Revenues from other agencies	3,446,053	2,329,432	2,425,620	1,535,641	2,468,194
Current services charges	1,397,153	1,564,775	1,533,115	1,623,230	1,816,051
Other revenue	275,747	1,599,794	335,769	470,547	354,783
Total revenues	<u>16,225,938</u>	<u>18,486,454</u>	<u>18,776,702</u>	<u>19,843,016</u>	<u>22,673,109</u>
Expenditures:					
Current:					
General government	3,915,322	3,906,930	3,432,867	2,439,092	2,012,690
Police	3,825,952	3,646,731	3,952,335	5,406,789	5,105,964
Fire and emergency medical services	2,742,208	2,940,876	3,184,594	4,402,565	4,012,777
Community development and environmental resources	2,800,042	3,275,181	3,018,197	3,353,064	3,732,634
Recreation and community services	1,470,303	1,650,727	1,831,098	2,003,205	2,129,736
Capital outlay	2,591,462	1,735,721	1,912,220	1,413,799	4,025,147
Debt service:					
Principal	329,952	351,083	477,923	534,540	551,063
Interest	246,333	384,147	470,372	460,800	446,623
Total expenditures	<u>17,921,574</u>	<u>17,891,396</u>	<u>18,279,606</u>	<u>20,013,854</u>	<u>22,016,634</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>	<u>656,475</u>
Other financing sources (uses):					
Debt proceeds	8,002,787	-	-	-	-
Transfers in	3,300,298	4,668,815	3,666,021	4,596,338	4,867,586
Transfers out	(2,710,925)	(3,938,226)	(2,829,643)	(7,363,752)	(4,741,078)
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>	<u>126,508</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>	<u>\$ 782,983</u>
Debt service as a percentage of noncapital expenditures	3.9%	4.8%	6.2%	5.7%	5.9%

Source: Financial statements.

Note: The City of Albany has elected to show only five 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 SIX 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
2007	1,636,617,663	26,512,627	(46,967,897)	1,616,162,393	47,806,043	3,357,892	-	51,163,935	11.281

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 SIX FISCAL YEARS

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Direct Rates:						
1% county tax	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000
City Direct Rate	0.993	0.993	1.375	1.345	1.311	1.281
Total Direct Rate	10.993	10.993	11.375	11.345	11.311	11.281
Overlapping Rates:						
Albany Unified School District	1.403	1.481	1.312	1.611	1.316	1.653
Peralta Community College	0.154	0.176	0.159	0.208	0.238	0.272
Bay Area Rapid Transit	-	-	-	-	0.048	0.050
East Bay Regional Park	0.072	0.065	0.057	0.057	0.057	0.085
East Bay Mud Special District 1	0.084	0.084	0.079	0.076	0.072	0.068
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>	<u>\$ 13.409</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	2007		1998	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Ladbroke Land Holdings Inc	\$ 44,532,546	2.76%	\$ -	0.00%
Target Corporation	28,911,186	1.79%	-	0.00%
Eichner, Erik & Rose	6,917,313	0.43%	5,370,920	0.63%
Biggs, Edward & Charlotte	4,944,226	0.31%	3,768,000	0.44%
Albany Bowl Properties	4,490,566	0.28%	3,065,297	0.36%
Safeway Inc	4,085,094	0.25%	4,185,763	0.49%
1001 Eastshore Partners	4,328,880	0.27%	-	0.00%
Nassiri Matt & Farrokhtala Katy Trs Etal Exmp Trust	3,941,673	0.24%	-	0.00%
Biggs, Edward & Charlotte	2,801,520	0.17%	-	0.00%
Hillside Partners	1,666,591	0.10%	-	0.00%
Bayside Commons, Ltd.	-	0.00%	19,710,630	2.32%
Catellus Development Corporation	-	0.00%	17,764,128	2.09%
Union Pacific Railroad, Co.	-	0.00%	3,367,826	0.40%
Farrokhtaka, Javad & Kafieh	-	0.00%	3,291,693	0.39%
Blank, Kerome & Muriel	-	0.00%	2,421,425	0.29%
Rago, Basil M	-	0.00%	1,254,215	0.15%
Top Ten Total	<u>\$ 106,619,595</u>	<u>6.60%</u>	<u>\$ 64,199,897</u>	<u>7.57%</u>
City Total	<u>\$ 1,616,162,393</u>		<u>\$ 848,365,183</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 SIX 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	3,264,081	3,463,063	106.10%
2007	3,671,315	3,603,724	98.16%

Source: Alameda County Auditor-Controller Office

Notes:

(1) 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.

(2) Subsequent collections are reported in year of collection.

CITY OF ALBANY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX 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			
2002	\$ -	\$ 3,620,000	\$ 3,620,000	\$ 3,430,000	\$ 7,050,000	1.11%	\$ 421
2003	8,000,000	3,315,000	11,315,000	3,215,000	14,530,000	2.24%	865
2004	8,000,000	2,995,000	10,995,000	2,990,000	13,985,000	2.05%	837
2005	7,875,000	2,670,000	10,545,000	8,675,000	19,220,000	2.67%	1,148
2006	7,715,000	2,325,000	10,040,000	8,355,000	18,395,000	Not available	1,103
2007	7,550,000	1,965,000	9,515,000	8,030,000	17,545,000	Not available	1,047

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 FIVE 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
2007	7,550,000		0.47%	450

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

Notes:

(1) Percentage of assessed value is presented because the actual value of taxable property is not readily available in the State of California.

(2) The general obligation bonds were issued in fiscal year 2003.

CITY OF ALBANY
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2007

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/07	% Applicable (1)	City's Share of Debt 6/30/07
Bay Area Rapid Transit District	\$ 87,185,000	0.407%	\$ 354,843
Peralta Community College District	269,680,000	3.219%	8,680,999
Albany Unified School District	38,125,000	100.000%	38,125,000
City of Albany	7,550,000	100.000%	7,550,000
East Bay Municipal Utility District	1,095,000	1.165%	12,757
East Bay Municipal Utility District, Special District No. 1	34,405,000	2.967%	1,020,796
East Bay Regional Park District	166,295,000	0.592%	984,466
City of Albany Assessment District No. 1996-1	4,600,000	100.000%	<u>4,600,000</u>
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$61,328,861
Less: East Bay Municipal Utility District (100% self-supporting)			<u>12,757</u>
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$61,316,104
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County General Fund Obligations	\$582,739,000	1.024%	\$ 5,967,247 (2)
Alameda County Pension Obligations	254,826,843	1.024%	2,609,427
Alameda County Board of Education Certificates of Participation	490,000	1.024%	5,018
Peralta Community College District Pension Obligations	152,024,832	3.219%	4,893,679
Alameda-Contra Costa Transit District Certificates of Participation	18,905,000	1.232%	232,910
City of Albany Certificates of Participation	1,965,000	100.000%	<u>1,965,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$15,673,281
GROSS COMBINED TOTAL DEBT			<u>\$77,002,281(3)</u>
NET COMBINED TOTAL DEBT			<u>\$76,989,385</u>

- (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 2006-07 Assessed Valuation:

Direct Debt (\$7,550,000)	0.46%
Total Gross Direct and Overlapping Tax and Assessment Debt	3.74%
Total Net Direct and Overlapping Tax and Assessment Debt	3.74%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$9,515,000)	0.59%
Gross Combined Total Debt	4.79%
Net Combined Total Debt	4.79%

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 SIX FISCAL YEARS

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Assessed valuation	\$ 1,082,421,883	\$ 1,149,790,401	\$ 1,236,098,760	\$ 1,342,656,625	\$ 1,484,089,747	\$ 1,616,162,393
Conversion percentage	<u>25%</u>	<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	\$ 404,040,598
Debt limit percentage	<u>15%</u>	<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	60,606,090
Total net debt applicable to limit: General obligation bonds	-	8,000,000	8,000,000	7,875,000	7,715,000	7,550,000
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>	<u>\$ 53,056,090</u>
Total debt applicable to the limit as a percentage of debt limit	0.00%	18.55%	17.26%	15.64%	13.86%	12.46%

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 SIX CALENDAR YEARS

Calendar Year	City Population (1)	Personal Income (in thousands) (2) & (4)	Per Capita Personal Income (2) & (4)	Unemployment Rate (3)
2001	16,700	Not available	\$ 38,172	4.8%
2002	16,750	\$ 55,316,772	37,788	6.7%
2003	16,800	56,257,943	38,583	6.9%
2004	16,700	59,419,623	40,920	5.9%
2005	16,743	62,331,734	42,956	5.1%
2006	16,680	Not available	Not available	4.4%

Source: (1) California Department of Finance
 (2) Office of Economic Development
 (3) State of California Employment Development Department
 (4) U.S. Department of Commerce, Bureau of Economic Analysis

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		1998
		Number of Employees	Percent of Total Employment	Number of Employees
Albany Unified School District	Education	500	5.56%	381
United States Department of Agriculture and Research	Agricultural Research	198	2.20%	237
Golden Gate Fields	Race Track	197	2.19%	620
Target Store	Department Store	185	2.06%	-
City of Albany	Government	106	1.18%	127
Safeway Store	Retail Grocery	85	0.94%	90
Albany Bowl	Bowling	50	0.56%	30
Albany Ford Subaru	Automotive Dealer	44	0.49%	65
United States Department of Forest Services	Forest Research	42	0.47%	100
Orientation Center for the Blind	Career Service	-	0.00%	41
The Adhesive Products, Inc.	Adhesive Goods	29	0.32%	37

"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

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

Function	Full-time Equivalent Employees as of June 30					
	2002	2003	2004	2005	2006	2007
General government	12	12	12	12	12	12
Public safety	59	59	59	61	61	61
Public works	10	10	10	10	10	10
Community development	9	9	9	12	12	12
Recreation	9	9	9	9	9	11
Total	99	99	99	104	104	106

Source: City of Albany Finance Department

CITY OF ALBANY
OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Police:						
Arrests	462	506	703	537	663	850
Parking citations issued	Not available	13,247	9,627	6,665	4,717	7,057
Fire:						
Number of emergency calls	1,373	1,364	1,316	1,360	1,515	1,525
Inspections	750	750	750	750	750	750
Parks and Recreation:						
Number of recreation classes	525	670	877	871	821	780
Number of facility rentals	1,151	1,252	1,507	852	755	458

Source: Various City records.

CITY OF ALBANY
CAPITAL ASSET STATISTICS
LAST SIX FISCAL YEARS

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Police:						
Stations	1	1	1	1	1	1
Fire:						
Stations	1	1	1	1	1	1
Public Works:						
Street (miles)	29	29	29	29	29	29
Streetlights	870	870	870	870	870	870
Traffic signals	15	15	15	15	15	15
Parks and Recreation:						
Parks	8	8	8	8	8	8
Community centers	1	1	1	1	1	1
Wastewater:						
Sanitary sewers (miles)	35	35	35	35	35	35
Storm sewers (miles)	7	7	7	7	7	7

Source: Various City records.