

City of Albany

Albany, California

Comprehensive Annual Financial Report

For the year ended June 30, 2015

Prepared by:
Finance Department
David Glasser
Finance Director



City of Albany

Comprehensive Annual Financial Report

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i
GFOA Certificate of Achievement.....	v
Principal Officers.....	vi
Organization Chart.....	vii
Regional Map.....	viii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management Discussion and Analysis	5
Basic Financial Statements:	
Government – Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
<i>Governmental Fund Financial Statements:</i>	
Balance Sheet	28
Reconciliation of the Governmental Funds Balance Sheet to the Government –Wide Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balances.....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government- Wide Statement of Activities - Governmental Funds.....	34
<i>Proprietary Fund Financial Statements:</i>	
Statement of Fund Net Position	36
Statement of Revenues, Expenses and Changes in Net Position	37
Statement of Cash Flows	38
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Funds Assets and Liabilities.....	40
Statement of Changes in Fiduciary Net Position.....	41
Notes to Basic Financial Statements	43
Required Supplemental Information	95

SUPPLEMENTAL INFORMATION:

Major Capital Project Funds:

Budgetary Comparison Schedule - Street and Storm Capital Project Fund.....	121
--	-----

Non-Major Governmental Funds:

Combining Balance Sheet	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	125

Non-Major Special Revenue Funds:

Combining Balance Sheet	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	134
Budgetary Comparison Schedule	140

Non-Major Capital Projects Funds:

Combining Balance Sheet	152
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	156
Budgetary Comparison Schedule	160

Non-Major Debt Service Funds:

Combining Balance Sheet	168
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	169
Budgetary Comparison Schedule	170

Agency Funds:

Combining Statement of Assets and Liabilities.....	174
Combining Statement of Changes in Assets and Liabilities	175

STATISTICAL SECTION (Unaudited)

Net Position by Component	178
Changes in Net Position	179
Fund Balances of Governmental Funds	181
Changes in Fund Balances of Governmental Funds	183
Assessed Value and Estimated Actual Value of Taxable Property	185
Property Tax Rates – Direct and Overlapping Governments	186
Principal Taxpayers	187
Property Tax Levies and Collections	188
Ratios of Outstanding Debt by Type	189
Ratio of General Bonded Debt Outstanding	190
Direct and Overlapping Governmental Activities Debt	191
Legal Debt Margin Information.....	192
Demographic and Economic Statistics	193
Principal Employers	194
Full-time Equivalent City Government Employees by Function.....	195
Operating Indicators by Function	196
Capital Asset Statistics	197

ALBANY CALIFORNIA



CITY OF ALBANY
1000 SAN PABLO AVENUE
ALBANY, CA 94706
www.AlbanyCA.org

March 15, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Albany for the fiscal year ended June 30, 2015. The information transmitted in this document is prepared in accordance with United States Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB).

The City is responsible for accurate and fair reporting concerning the finances of the City of Albany. Consequently, management staff assumes full responsibility for the completeness and reliability of all of the information presented in this report.

Badawi & Associates, 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, 2015, 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 unmodified opinion that the City of Albany's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditors' report is included in this Comprehensive Annual Financial Report.

This transmittal letter serves as an overview to assist readers with background information in reviewing the City's financial statements. This includes a brief overview of the economic conditions impacting the City. For a more detailed discussion of the financial statements readers are directed to the information presented in a separate narrative section comprised of Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and comparisons and information on certain trends based on information in the financial statements.

PROFILE OF THE CITY

The City of Albany lies in the northwestern corner of Alameda County, on the north side it is bordered by the cities of El Cerrito and Richmond (which are located in Contra Costa County) and to both the east and south is the City of Berkeley. 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 limits cover approximately 1.7 square miles including shoreline areas along the San Francisco Bay. The California State Department of Finance estimated Albany's population as of January 1, 2015 at 18,565.

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. The City Treasurer is also an elected position. A City Manager is appointed by the Council to carry out the policies and ordinances of the Council and to supervise the daily activities of City employees.

GENERAL GOVERNMENT FUNCTIONS

The City provides a full range of services including police and fire protection, paramedic service, street and sanitary sewer maintenance, recreational activities and cultural events. The City owns the building which houses a branch library in the Alameda County Library system. In addition, the City financially supplements the operation of a public library operated by the County of Alameda. The current full-time City Staffing is comprised of approximately 95 positions.

Current City services include the following functions: City Manager; City Clerk; City Treasurer (an elected position); City Attorney (an appointed contract position); Finance & Administrative Services; Police; Fire & Emergency Medical Services (EMS); Recreation & Community Services; Community Development (including land-use planning and building regulation); and Public Works (including street maintenance; park maintenance; storm and sanitary sewer maintenance; and engineering).

ECONOMIC CONDITIONS AND OUTLOOK

The City of Albany is a full-service city, responsible for providing most of the essential services required by its citizens. The City's ability to provide high level of services to its citizens is dependent upon a stable revenue stream and consistent revenue growth over time. While the City's economic health is tied to the State and the Nation's economy, the economic fluctuations for the City have been moderate, and we expect them to continue to be moderate.

The City's major revenues include property taxes, sales taxes, and property transfer taxes. The growth of these tax revenues depends on the well being of the overall economy. The economy's impacts on these three revenue sources are discussed below.

Employers within the City include both manufacturing and non manufacturing; service industries and retail outlets. Among the largest employers are government agencies which include the Albany Unified School District; United States Department of Agriculture; and the California Department of Rehabilitation. Overall employment in the region has increased since 2010 as reported by the California Economic Development Department. Like much of the nation the rate of employment growth has been in rather small increments.

Property tax is the City's largest revenue source representing 56% of General Fund Revenue. Given that the majority of parcels in the City are residential uses, increased revenue is impacted by the sales price which has been increasing in recent years. In January 2016, the East Bay Economic Development Alliance released a report prepared by the firm of Beacon Economics to assess the regional economic trends.

The Beacon Economic Report noted that East Bay labor market continues to move forward as employment levels reach new highs amid solid hiring. Total nonfarm employment in the East Bay rose 1.7% year over year to almost 1.1 million—its highest level ever—while the region's unemployment rate fell 1.18 percentage points to 4.5% in November 2015. The unemployment rate

still has to fall about 0.4 percentage points before it reaches its pre-recession lows. The report also states that East Bay housing continues to be a seller's market because of tight housing supply, rising prices, and relative affordability. Job opportunities are on the rise in the East Bay, and the region's housing is attractive to commuters inside and outside the East Bay. The result is a hot housing market with steady momentum heading into 2016.

Retail sales can also be a good indicator of economic conditions. Sales tax is also the third largest General Fund revenue source for the City. The sectors represented in Albany's retail sales are relatively diverse. Through the end of September 2015 retail sales transactions that had a Point-of-Sale originating from the City were essentially unchanged. In addition to the improving local economy, this total sales tax source is increased as a result of the collection of a new local sales tax. The Local Sales Tax was approved by the voters in November 2012 and collection of the new tax began April 1, 2013. The January 2016 East Bay Economic Development Alliance report noted that taxable sales growth in the East Bay has surpassed growth in the South Bay and San Francisco. In the third quarter of 2015, taxable sales rose 6.1% year-over-year to \$11.6 billion in the East Bay, compared to 0.3% in San Francisco and 3.0% in the South Bay. East Bay spending growth has also been ahead of the state overall as California total taxable sales grew by 3.9% over the same time period.

The City in the coming years will need to allocate resources for basic City Services including public safety, as well as planning for major capital improvements. A near term operating impact involves developing programs to address the transfer of shoreline property known as "The Bulb" to the State of California. The land has been part of plans for a State Park for many years. In the coming year, with assistance from a grant, the City will be embarking on planning for the future operation and potential transfer of the property for enjoyment as a public park.

Many of the planned capital projects reflect major rehabilitation to aging infrastructure including area streets and sanitary sewers. The City has also purchased a site to serve as a City Maintenance Center. This will improve the long term general upkeep and performance of preventative maintenance, which is a cost effective means to protect the City assets. The City has selected a developer for the project construction is expected to begin in 2016. The City will also increase public facilities with the construction of Pierce Street Park, expected to begin in 2016. Achieving all of these goals will require careful attention to resources and continued focus on financial plans.

FINANCIAL PLANNING AND POLICIES

Approximately every two years, the City Council creates its vision for the City government as part of a Strategic Planning process. The City Council identifies goals and objectives, which are then integrated into a two-year budget document. This approach is helpful in allowing for a process that considers a longer time horizon than just a single year focus. The Budget document forecasts a two-year time horizon with appropriations made for one year at a time and the opportunity for mid cycle adjustments based upon actual performance. For Fiscal Year 2016 a new two year Budget was prepared. The financial budget plan incorporates the City Council Strategic Plan Update that was reviewed in the first quarter of 2015.

The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City has used a variety of revenue sources including grant funding and locally generated fees and taxes to address capital needs. Efforts are made to also prioritize the capital projects based upon links to the strategic plan and goals established by the City Council.

AWARDS

The City of Albany's CAFR for the year ended June 30, 2014 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 twentieth consecutive year that the City has received this award. In order to receive this recognition the preparation of the report and its content must go beyond the minimum requirements for producing financial statements. The awards program strives to encourage public agencies to produce an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

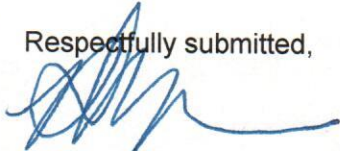
ACKNOWLEDGEMENTS

Although preparation of the Comprehensive Annual Financial Report is finalized by Finance and Administrative Services staff members, it could not be accomplished without contributions from Staff in each department.

A special thanks goes to Winter Tsang, Financial Analyst and Charles Entrolezo, Accountant. Staff appreciates the City's independent auditors, Badawi & Associates, Certified Public Accountants, under the direction of Ahmed Badawi, Principal and Mitesh Desai, Supervisor and the members of their team. Their efforts and suggestions were helpful in providing the report.

The Albany City Council should also be commended for their continued support of resources to ensure the public they serve are provided a thorough record of financial information.

Respectfully submitted,



Penelope Leach
City Manager



David Glasser
Finance & Administrative Services Director



Government Finance Officers Association

**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, 2014

Executive Director/CEO

CITY OF ALBANY
PRINCIPAL OFFICERS
JUNE 30, 2015

CITY COUNCIL AT 6/30/15

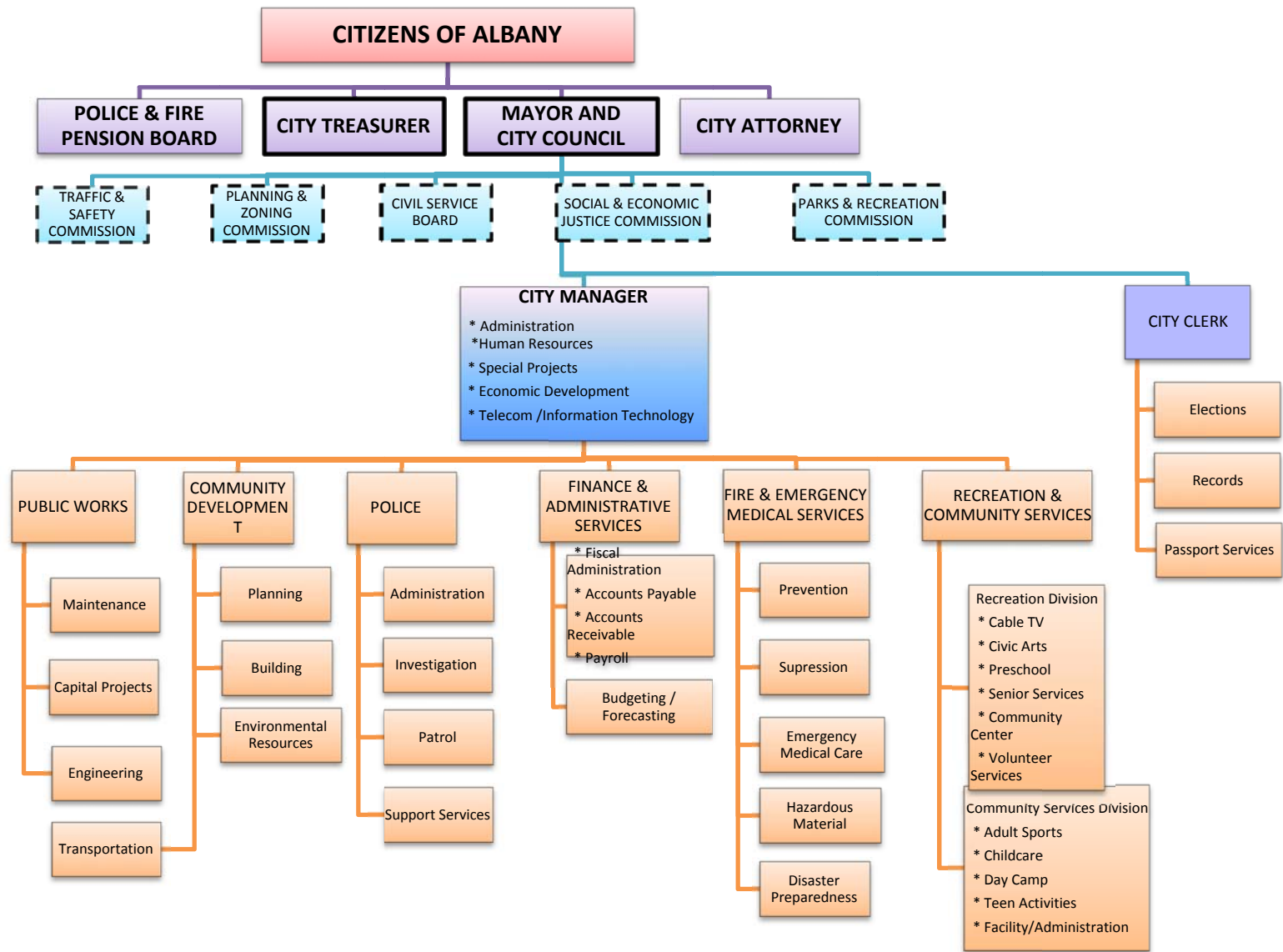
Mayor	Peter Maass
Vice Mayor	Michael Barnes
Councilmember	Nick Pilch
Councilmember	Peggy McQuaid
Councilmember	Rochelle Nason

OTHER ELECTED OFFICIAL

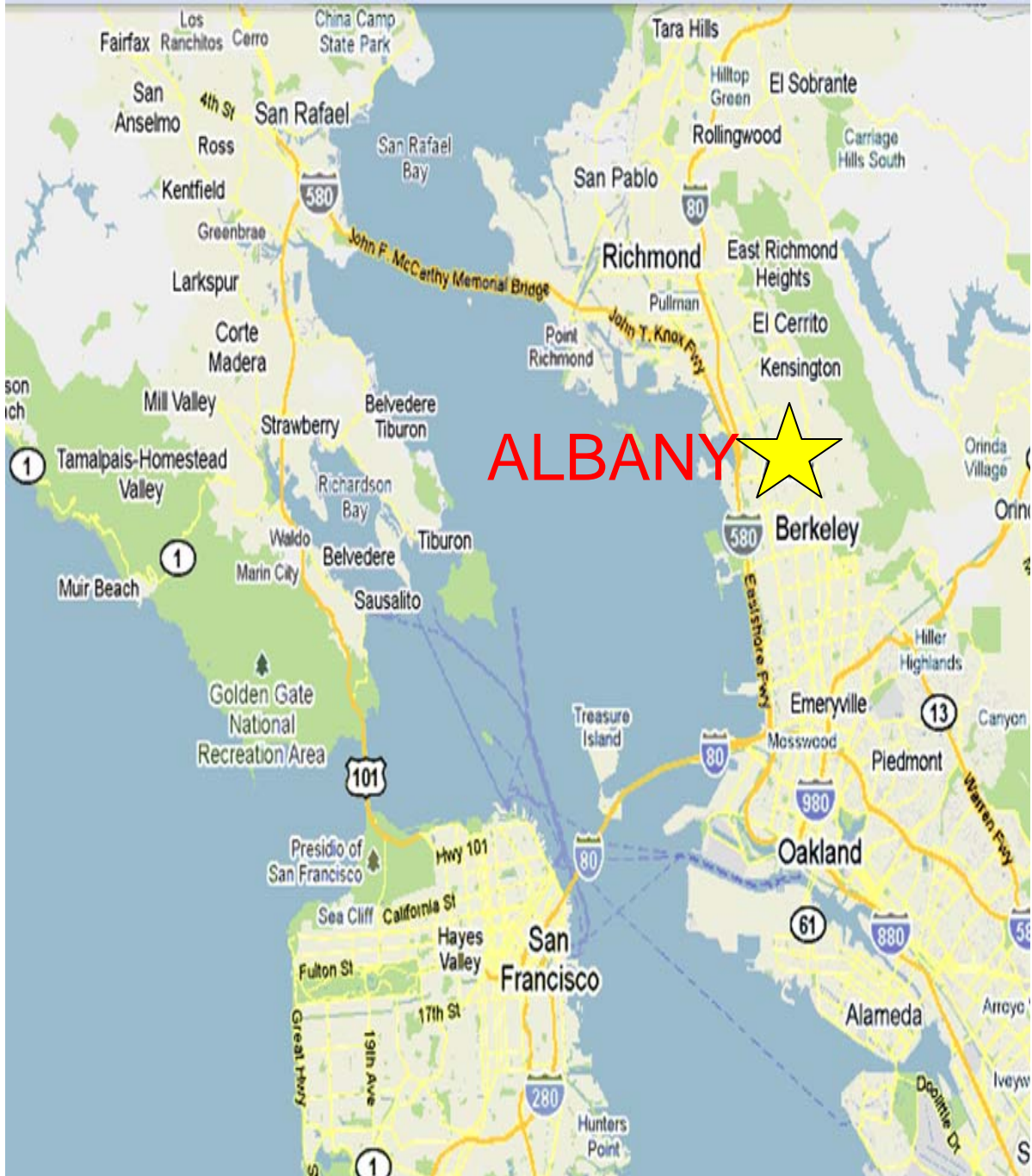
Treasurer	Kim Denton
-----------	------------

APPOINTED DEPARTMENT DIRECTORS

City Manager	Penelope Leach
Finance Director	David Glasser
City Attorney	Craig Labadie
City Clerk	Nicole Almaguer
Community Development Director	Jeff Bond
Recreation and Community Services Director	Chelle Putzer
Fire Chief	Lance Calkins
Chief of Police	Mike McQuiston
Public Works	Ray Chan



ALBANY, CALIFORNIA
94706





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany, California (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the general fund and major governmental special revenue funds, pension information and schedules of funding progress for other post-employment benefit plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget comparison information for other governmental funds on page 124-125, 128-149, 150-166, and 167-171, , and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and budget comparison information for other governmental funds on pages 124-125, 128-149, 150-166, and 167-171 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budget comparison information for other governmental funds on pages 124-125, 128-149, 150-166, and 167-171 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council
of the City of Albany

Page 3

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2016, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates
Certified Public Accountants
Oakland, California
March 15, 2016

This page intentionally left blank

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

The City's management offers readers of the financial statement this discussion and analysis of the City of Albany's financial activities and performance for the fiscal year ended June 30, 2015. Please read this discussion and analysis in conjunction with the transmittal letter, and the accompanying basic financial statements, which follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's Basic Financial Statements consist of the following three components:

- 1) Government-wide Financial Statements – These include the Statement of Net Position and Statement of Activities. These schedules present financial information about the activities of the City as a whole and the overall financial condition of the City, similar to the presentations used by private business.
- 2) Fund Financial Statements – These statements provide additional information about the City's major funds, including fund balances available for financing future projects.
- 3) Notes to Basic Financial Statements – The notes provide additional detail that is essential to a full understanding of the information contained in the Government-wide and Fund Financial Statements.

In addition to the financial statements and accompanying notes, the report also presents certain additional information concerning the budget and the City's progress in funding pension benefits. This information follows the notes and is labeled as Required Supplementary Information (RSI).

Government-wide Financial Statements - Description

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and Changes in Net Position. 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. It is important to understand that a complete assessment of the City's condition may also require looking at non-financial indicators such as the changes in revenues; condition of City infrastructure; etc.

The Statement of Activities and Changes in Net Position presents information showing how the City's net assets changed during the fiscal year. In the government-wide financial statements, the activities of the City are classified as governmental or business-type.

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 component units.

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.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Government-wide Financial Statements – Analysis

The net position serves as an overall indicator of the City's financial position. Table 1 provides a summary of year to year changes in the net position. Data is shown individually for Governmental Activities and Business-type Activities, as well as the combined total.

**TABLE 1: SUMMARY OF NET POSITION
June 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total		Total Change
	2015	2014	2015	2014	2015	2014	
Current and other assets	\$ 32,500,042	\$ 31,629,616	\$ 6,834,864	\$ 5,304,214	\$ 39,334,906	\$ 36,933,830	6.5%
Capital assets	49,181,662	49,973,453	15,223,220	15,647,306	64,404,882	65,620,759	-1.9%
Total assets	81,681,704	81,603,069	22,058,084	20,951,520	103,739,788	102,554,589	1.2%
Total deferred outflows of resources	1,715,226	-	-	-	1,715,226	-	100.0%
Current liabilities	3,727,768	3,622,887	534,685	635,393	4,262,453	4,258,280	0.1%
Noncurrent liabilities	39,126,788	20,292,838	4,644,675	5,066,305	43,771,463	25,359,143	72.6%
Total liabilities	42,854,556	23,915,725	5,179,360	5,701,698	48,033,916	29,617,423	62.2%
Total deferred inflows of resources	6,238,381	-	-	-	6,238,381	-	100.0%
Net position:							
Invested in capital assets, net of related debt	30,511,199	30,508,345	10,153,545	10,171,001	40,664,744	40,679,346	0.0%
Restricted	16,404,311	16,712,803	-	-	16,404,311	16,712,803	-1.8%
Unrestricted	(12,611,517)	10,466,196	6,725,179	5,078,821	(5,886,338)	15,545,017	-137.9%
Total net position	\$ 34,303,993	\$ 57,687,344	\$ 16,878,724	\$ 15,249,822	\$ 51,182,717	\$ 72,937,166	-29.8%

As shown above as of June 30, 2015 the total net position (formerly net assets) totaled \$51.2 million. The total decreased by approximately \$21.8 million which represented a decrease of approximately 29.8%. The amount of change is affected by a combination of factors. Some of the key contributing factors are discussed below:

- The statement shows the City's assets increased by approximately \$1.2 million or 1.2%. Of this increase was attributable to additional capital assets and increase of cash. The total liabilities increased by approximately \$18.4 million or 62.2%. This increase occurred as a result of increases in noncurrent liabilities. Increases in liabilities primarily represented by the net pension liability of \$19.3 million.
- As displayed in the schedule contained in Table 1, the net position is further segregated into three categories. The largest category (\$40.7 million) represents the net investment in capital assets (e.g., land, buildings, equipment and infrastructure). This category represents the cost of these assets less any outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future expenditures.
- The remainder of the net position is presented as Restricted and Unrestricted. Restricted net position of \$16.4 million represents resources that are subject to restrictions on how they may be used. Unrestricted net position of (\$5.9) million may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Table 2 provides a more detailed analysis of the changes that occurred between Fiscal Year 2014 and 2015. A comparison of the Statement of Activities is based on revenue, program expenses, and transfers. Similar to the previous Table data is provided for both the current and previous fiscal year and for Governmental Activities and Business-type Activities, as well as the combined total.

**TABLE 2: SUMMARY OF ACTIVITIES AND CHANGE IN NET POSITION
June 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total		Change
	2015	2014	2015	2014	2015	2014	
Revenues:							
Program revenues:							
Charges for services	\$ 3,380,940	\$ 2,933,194	\$ 3,437,063	\$ 3,268,327	\$ 6,818,003	\$ 6,201,521	10%
Operating grants and contributions	1,121,250	717,107			1,121,250	717,107	56%
Capital grants and contributions	1,121,383	1,570,008			1,121,383	1,570,008	-29%
General revenues:							
Property taxes	10,458,518	12,511,463			10,458,518	12,511,463	-16%
Sales taxes	3,508,838	3,405,587			3,508,838	3,405,587	3%
Franchise and other taxes	4,609,878	4,618,993			4,609,878	4,618,993	0%
Earnings on investment	16,829	58,725	4,492	19,815	21,321	78,540	-73%
Unrestricted revenues from other agencies	314,024	634,032			314,024	634,032	-50%
Other revenue	165,526	585,687			165,526	585,687	-72%
Total revenues	24,697,186	27,034,796	3,441,555	3,288,142	28,138,741	30,322,938	-7%
Expenses:							
General government	3,168,595	2,813,487			3,168,595	2,813,487	13%
Police	6,606,718	5,849,363			6,606,718	5,849,363	13%
Fire & emergency medical services	5,511,145	4,679,266			5,511,145	4,679,266	18%
Community development and environmental resources	5,238,268	6,113,781			5,238,268	6,113,781	-14%
Recreation & community services	3,715,985	3,876,048			3,715,985	3,876,048	-4%
Interest on long-term debt	826,952	833,474			826,952	833,474	-1%
Sewer			1,812,653	1,571,466	1,812,653	1,571,466	15%
Total expenses	25,067,663	24,165,419	1,812,653	1,571,466	26,880,316	25,736,885	4%
Increase/(decrease) in net position before transfers and other sources	(370,477)	2,869,377	1,628,902	1,716,676	1,258,425	4,586,053	-73%
Transfers					-	-	0%
Change in net position	(370,477)	2,869,377	1,628,902	1,716,676	1,258,425	4,586,053	-73%
Net position - beginning of year, as restated	34,674,470	54,817,967	15,249,822	13,533,146	49,924,292	68,351,113	-27%
Net position - end of year	\$ 34,303,993	\$ 57,687,344	\$ 16,878,724	\$ 15,249,822	\$ 51,182,717	\$ 72,937,166	-30%

Overall a majority of the change is attributable to Governmental Activities. The following highlights key areas of change and the contributing factors.

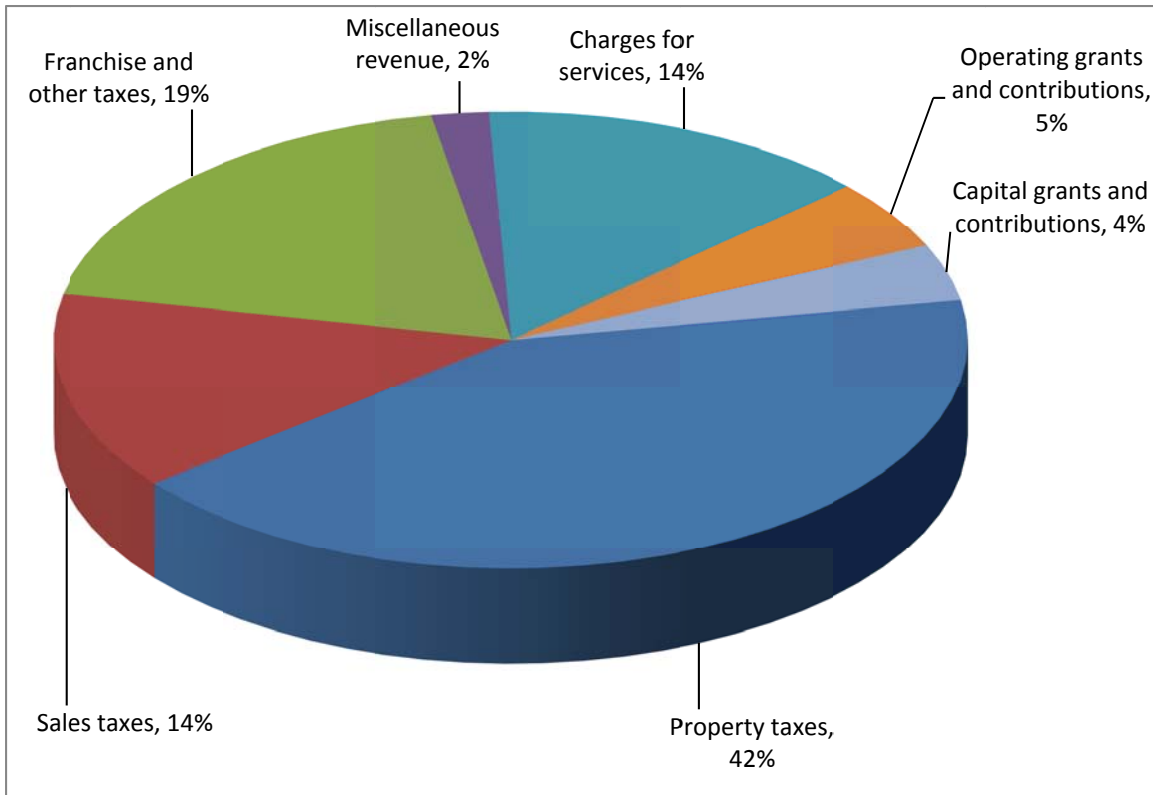
- Revenues from Governmental activities decreased by approximately \$2.3 million. There were also decreases in property tax revenue and the franchise and other tax category. These reflect slowing economic conditions and property sales. These decreases were partially offset by increases in program revenues on operating grants and services.
- Expenses in Governmental activities increased by \$1.1 million mainly due to community development and environmental resources costs pertaining to the Waterfront Transition Plan.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

- Business-type activities had a revenue increase of approximately \$153,413 which reflected periodic adjustments to charges for services.
- Expenses in Business-type activities increased by \$241,187 primarily due to Sewer Operations. Salaries and benefits were directly charged to the Sewer Fund in Fiscal Year 2015. In prior years, these were charged to General Fund.

The charts which follow display both Revenue and Expenses in a format which highlights the proportionate elements within the governmental funds.

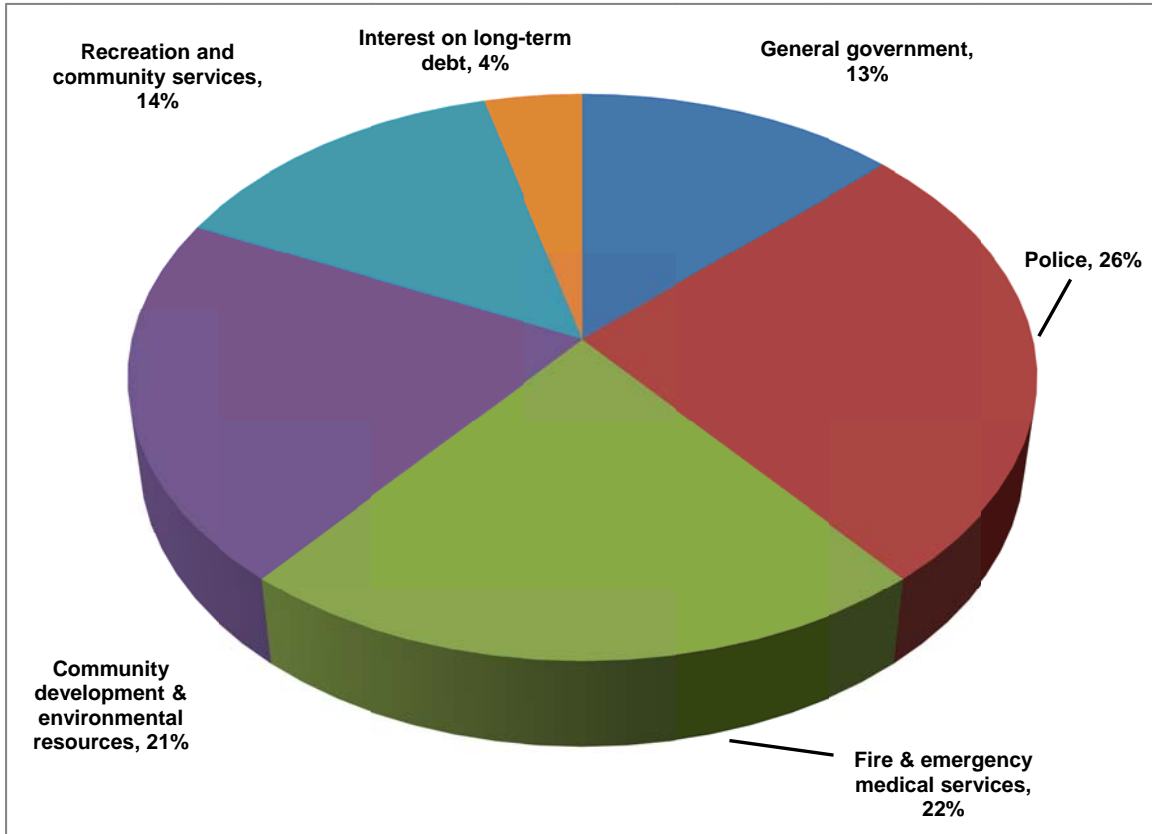
TOTAL GOVERNMENTAL FUND REVENUE BY TYPE \$24.6 MILLION



As displayed above Property Taxes; Franchise and Other Taxes; and Sales Tax combined represent approximately 75% of the total revenue.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

TOTAL GOVERNMENTAL FUND EXPENSES BY PROGRAM \$25.1 MILLION



As displayed above a significant percentage of the expenses are associated with the public safety functions of Police and Fire / Emergency Medical Services. When combined these account for 48% of the expenses in the governmental funds. The distribution of expenses remains relatively consistent with the results in the previous year.

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.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 City of Albany maintains numerous individual governmental funds that, for financial reporting, are grouped according to their type (general fund, special revenue, capital projects, and debt service). In accordance with accounting standards, Major Funds are determined based on their relative size when measured among Governmental Funds. The examination compares expenditures, assets, liabilities, and revenues. Management may also include as Major Funds, those funds that are deemed of importance to the users of the financial statements. All Major Funds are reported separately in the governmental funds statements. The criteria for defining a Major Fund can result in differences in the funds identified from one year to the next. All other funds are grouped together for reporting purposes.

Major funds for the City of Albany as of June 30, 2015 are: General Fund; Pension Property Tax; and Street & Storm Funds. 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.

FINANCIAL HIGHLIGHTS GOVERNMENTAL FUNDS

Governmental Funds Financial Statements

The following Table summarizes the activity in the Governmental Funds displaying at a high level of the revenues, expenditures and change in fund balances. Information is presented separately for each of the Major Funds and a consolidated number is presented for all other governmental funds. As part of the overall CAFR the City has also provided information on individual funds later in the report. The total net change in fund balance for all Governmental Funds was approximately \$544,000. An analysis of the factors contributing to the change is discussed following Table 3.

TABLE 3: SUMMARY GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Pension Property Tax Funds	Street & Storm Drain Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues	\$ 16,886,197	\$ 44,499	\$ 989,113	\$ 6,777,377	\$ 24,697,186
Current expenditures	15,733,345	49,592	211,012	5,186,029	21,179,978
Capital outlay	72,509	-	52,409	1,034,021	1,158,939
Debt service	47,438	-	175,941	1,590,423	1,813,802
Total expenditures	15,853,292	49,592	439,362	7,810,473	24,152,719
Net transfers	473,094	(1,100,000)	(412,384)	1,039,290	-
Net change in fund balances	1,505,999	(1,105,093)	137,367	6,194	544,467
Fund balances, beginning of year, as restated	6,027,895	4,561,612	4,094,664	11,947,707	26,631,878
Fund balances, end of year	\$ 7,533,894	\$ 3,456,519	\$ 4,232,031	\$ 11,953,901	\$ 27,176,345

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

General Fund

The General Fund is the principal operating fund and represents the most significant portion of Governmental Fund revenues and expenditures (67% for both revenue and expenditures). In prior years, transfers in came from other funds such as the Gas Tax fund, Emergency Medical Services fund, and Wastewater funds as the administrative and personnel costs for the aforementioned funds were all budgeted in General Fund. Starting in Fiscal Year 2015, the budget was revised and the related costs were allocated to their respective funds. Therefore, no transfer in was made to offset the administrative costs in General Fund. The Notes section of the CAFR provides additional information on the source of all inter-fund transfers (See Note 8). As of June 30, 2015 the fund balance was \$7.5 million and of this amount approximately \$4.2 million is unassigned. The unassigned fund balance serves to provide an operating reserve, and as such, it is important that it is maintained at an appropriate level in relationship to annual operating expenditures.

During Fiscal Year 2014–2015 the fund balance had increase of \$473,094. The primary reason for the change was a reduction in net transfers from other funds except for a scheduled transfer from in the Pension Tax Fund of \$864K to offset retirement costs of Police & Fire made in the current year. Also increased were contributions to equipment replacement reserves.

Pension Property Tax Fund

This fund is used to record the collection of a special property tax increment collected to support public safety pension expenses. The total revenue collected was approximately \$44K. The fund balance decrease of approximately \$1.1 million was attributable to inter fund transfer. This fund made transfers of \$1.1M to the Governmental Fund in Fiscal Year 2014-2015 to offset retirement costs of Police & Fire made in the current year. The entire fund balance of \$3.5 million as of June 30, 2015 is restricted due to legal limitations that require these funds to only be used for specified pension expenditures.

Street and Storm Drain Fund

This fund had revenues of approximately \$1 million which funded current year expenditures of \$439 K and transfers of \$412 K. The transfers are associated with debt service that is financed by this fund. Overall this produced an increase in the fund balance of approximately \$137 K. The ending fund balance as of June 30, 2015 was \$4.2 million, which is restricted for future capital improvement projects.

Non-Major Governmental Funds

As noted earlier this information aggregates financial results from several funds. As of June 30, 2015 the combined fund balance was approximately \$11.9 million. The net change in fund balance was an increase of \$6 K.

Proprietary (Business-Type) Funds Financial Statements

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.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Both types of accounts are used by the City of Albany. The City accounts for the construction and maintenance of City sewers in the Sewer Enterprise Fund. The City uses an internal service fund to accumulate assets to fund self-insurance and compensated absences accrued liabilities.

FINANCIAL HIGHLIGHTS PROPRIETARY FUNDS

Sewer Enterprise Fund

Although total assets within this fund are in excess of \$22.1 million, it is important to note that approximately \$15.2 million of assets are related to noncurrent capital assets. Total current assets total approximately \$6.8 million.

Revenues are obtained through user fees that are collected on the property tax bill. The assessment rate for fiscal year 2014-2015 was \$460 per residential unit. Total assessment revenue for the year was \$3,437,063; this was an increase of \$168,736 over the prior year. Revenues less expenses and transfers, including interest on bonds, resulted in an increase in the net position from \$15,249,822 as of June 30, 2014 to \$16,878,724 as of June 30, 2015 (increase of \$1,628,902). The major reason for the change was that there were not significant capital expenditures. Moreover, the assessment rate was increased by approximately 8% per residential unit in Fiscal Year 2015. The user fee revenue is used to rehabilitate and bring the entire sewer system up to current standards. Planning has begun for major improvements that will require the use of operating cash within this fund.

Internal Service Funds

Total assets in the internal service funds at June 30, 2015 were approximately \$3.5 million, a increase of approximately \$234,299 from the June 30, 2014 balance. Because these reserves predominantly benefit governmental activities, they have been included within the governmental activities in the government-wide financial statements. The City adjusts its liabilities for claims based on actuarial projections, including an allowance for claims which may be incurred, but have not been reported. The net changes combined for workers compensation liabilities and general liabilities remained relatively unchanged during the year ended June 30, 2015. The overall liability for compensated absences was reduced as of June 30, 2015 as a result primarily of employee turnover, including retirements and changes to the MOUs.

Fiduciary Funds Financial Statements

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 has two funds that fit this definition (Police and Fire Relief or Pension Trust Fund and Successor Agency Trust Fund).
- 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 Position.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

FINANCIAL HIGHLIGHTS FIDUCIARY FUNDS

Trust Funds

The major fiduciary fund maintained by the City is the Police and Fire Relief or Pension Fund. The net position of this fund totaled \$8,298,142 at June 30, 2015, a decrease of \$1,279,219 from the prior year. The decrease is the result of payments to beneficiaries, which was significantly offset by contributions and investment earnings. The Successor Agency fund has a negative net position due to advances made in prior years.

Agency Funds

As described above, these assets are fully offset by a liability and no further analysis is presented.

ADDITIONAL COMPONENTS INCLUDED IN THE COMPREHENSIVE FINANCIAL REPORT

Notes to the Financial Statements

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

Required Supplementary Information

This section consists of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual. In addition schedules related to the funding status of pension and other post employment benefits are presented.

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.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fiscal Year 2014-2015 budget was presented at a public hearing in June 2013 and adopted by the City Council in July. This budget represented the second year of a two-year budget. The budget was amended during the year. The table below summarizes the variances between budget and actual results for the year ended June 30, 2015.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

**TABLE 4: SUMMARY GENERAL FUND BUDGETARY COMPARISON
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget</u>
Resources:				
Revenues	15,225,341	15,994,685	16,886,197	891,512
Transfers in	914,631	914,631	914,631	-
Total Resources	<u>16,139,972</u>	<u>16,909,316</u>	<u>17,800,828</u>	<u>891,512</u>
Appropriations:				
Expenditures	18,402,237	16,186,009	15,853,292	(332,717)
Transfers out	116,100	116,100	441,537	325,437
Total Appropriations	<u>18,518,337</u>	<u>16,302,109</u>	<u>16,294,829</u>	<u>(7,280)</u>
Resources over appropriations	<u>(2,378,365)</u>	<u>607,207</u>	<u>1,505,999</u>	<u>898,792</u>
Fund balance beginning of year			<u>6,027,895</u>	
Fund balance end of year			<u>\$ 7,533,894</u>	

Total revenues exceeded the budget by approximately \$0.9 million. Primary factors that contributed to this were positive variances in property taxes, sales taxes and the franchise and other tax category. The sales taxes revenue exceeded budget by approximately \$196,468 and this reflects increasing sales activity. This also contributed to the "Other Taxes" category which had a positive variance of approximately \$103,955. This category includes property transfer taxes, business license taxes, and franchise taxes all of which tend to increase when the general economy is strong. Additional positive variances were experienced with the revenue recorded as Revenues from other agencies. This category includes State funds distributed from sales tax for public safety. The Other Revenue category also had a positive variance of approximately \$135,622, which was impacted primarily by one-time reimbursements.

Transfers in to the General Fund decreased by approximately \$914,631 due to costs being allocated directly to their respective funds starting in Fiscal Year 2015. As a result, transfers in were unnecessary to offset the administrative costs in General Fund. An example of this type of transfer was the special assessment revenue for EMS (Emergency Medical Services) that is used to pay wages of firefighters/paramedics.

As noted, in Table 4 overall expenditures in the General fund decreased by \$333K and were mainly attributable to the aforementioned paragraph. Expenditures were less than budgeted for Fire and Emergency Medical Services as the administrative costs were allocated to the related fund in Fiscal Year 2015. Transfers out of the General Fund are typically made to fund operating shortfalls, to set-aside reserves or to provide for capital expenditures that have been recorded in capital project funds. Transfers out increased by approximately \$325K and was mainly due to a \$1.2 million fund transfer to General Liability Insurance Reserves for potential return of funds regarding Successor Agency litigation. The overall, impact on the General Fund fund balance was an increase of \$898,792.

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Detailed information regarding composition and activity in capital assets is provided in Note 4 to the financial statements. The City's capital assets for governmental and business-type activities as of June 30, 2015 amounted to \$64,404,882 (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. A comparison is presented in Table 5 below:

**TABLE 5: CAPITAL ASSETS NET OF ACCUMULATED DEPRECIATION
JUNE 30, 2015 AND 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and construction in progress	\$ 10,262,631	\$ 10,036,982	\$ -	\$ -	\$ 10,262,631	\$ 10,036,982
Facilities, infrastructure, and equipment, net	38,919,031	39,936,471	15,223,220	15,647,306	54,142,251	55,583,777
Total	\$ 49,181,662	\$ 49,973,453	\$ 15,223,220	\$ 15,647,306	\$ 64,404,882	\$ 65,620,759

The combined total net change was approximately \$1.2 million which was a combination of a decrease in Governmental Activities capital assets, primarily Street Infrastructure as well as Sewer improvements within the Business-type Activities.

Long-term Debt

As of June 30, 2015 the total balance outstanding was approximately \$24 million. Approximately 21 percent of this balance is attributable to the Sewer Enterprise Fund. The combined balance outstanding decreased by \$1.2 million from the prior year (a 5% decrease). Significant details related to outstanding debt can also be found in Notes 5-7 of the financial statements. At June 30, 2015, the City had total long-term debts and obligations as summarized in Table 6 below.

**TABLE 6: OUTSTANDING LONG-TERM OBLIGATIONS
JUNE 30, 2015 AND 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
1997 Refunding COPS		\$ -		\$ -	\$ -	\$ -
2003 General obligation bonds	6,080,000	6,285,000		-	6,080,000	6,285,000
Civic Center Improvement general obligation bonds	4,360,000	4,470,000		-	4,360,000	4,470,000
General obligation bonds II	5,670,000	5,810,000		-	5,670,000	5,810,000
2009 Street & Storm Drain parcel tax note	2,177,500	2,458,971		-	2,177,500	2,458,971
Lease purchase agreement	170,103	208,133		-	170,103	208,133
2011 Calif. Energy Commission	212,860	233,003		-	212,860	233,003
Sewer revenue bonds		-	5,069,675	5,476,305	5,069,675	5,476,305
Total	\$ 18,670,463	\$ 19,465,107	\$ 5,069,675	\$ 5,476,305	\$ 23,740,138	\$ 24,941,412

**CITY OF ALBANY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Albany is a full-service city, responsible for providing most of the essential services required by its citizens. The City's ability to provide high level of services to its citizens is dependent upon a balancing expenditure growth with what is occurring to City revenue. While the City's economic health is tied to the State and the Nation's economy, the economic fluctuations for the City have been moderate, and we expect them to continue to be moderate.

The City's major revenues include property taxes, sales taxes, and property transfer taxes. The growth of these tax revenues depends on the well being of the overall economy. Although it is noted in many financial forecasts that the general economy is expected to have positive growth, it is not expected to change drastically. Projections are for a slower moderate incremental changes.

Although a balanced budget was presented for Fiscal Year 2015, it was based on projections that the General Fund expenditures would grow at a faster rate than revenues. This will need to be closely monitored to avoid establishing on-going operating costs that cannot be sustained in the long term. Also, as more resources are used for day-to-day operating costs this places a strain on the City's ability to finance capital infrastructure and capital asset replacements.

The City is also expected to experience increased costs in future years from CalPERS, the state administered retirement system. They have alerted members to be prepared for additional increases as a result of an in-depth review of actuarial assumptions being undertaken in Fiscal Year 2015. The changes are expected to result in increased employer costs. The City will also need to make decisions related to funding of Retiree Medical Benefits, which are currently funded on a pay-as-you-go basis. Labor agreements expire on 12/31/16 for Fire/Paramedics and 03/31/18 for SEIU. Modifications that impact expenditures will need to take into consideration all of these economic factors. A copy of the two year adopted budget for 2014 and 2015 is available on line at www.albanyca.org.

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. This report is available on the City's website at: <http://www.albanyca.org>, click Departments, Finance, Financial Reports. Questions about this report may be addressed to:

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

**BASIC
FINANCIAL STATEMENTS**

This page intentionally left blank

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank

City of Albany
Statement of Net Position
June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Operating cash and investments	28,580,679	\$ 6,760,534	\$ 35,341,213
Debt service reserves held with trustee	346,516	-	346,516
Receivables:			
Taxes	1,189,059	-	1,189,059
Accounts	785,271	74,330	859,601
Interest	15,863	-	15,863
Deposits and prepayments	46,451	-	46,451
Total current assets	30,963,839	6,834,864	37,798,703
Noncurrent assets:			
Notes receivable Successor Agency	1,536,203	-	1,536,203
Capital assets:			
Non-depreciable	10,262,631	-	10,262,631
Depreciable, net	38,919,031	15,223,220	54,142,251
Total capital asset	49,181,662	15,223,220	64,404,882
Total noncurrent assets	50,717,865	15,223,220	65,941,085
Total assets	81,681,704	22,058,084	103,739,788
DEFERRED OUTFLOWS OF RESOURCES			
Deferred employer pension contributions	1,231,831	-	1,231,831
Deferred outflows of resources - pension	483,395	-	483,395
Total deferred outflows of resources	1,715,226	-	1,715,226
LIABILITIES			
Current liabilities:			
Accounts payable	1,164,133	99,666	1,263,799
Accrued salaries & benefits	357,973	10,019	367,992
Interest payable	345,352	-	345,352
Unearned revenue	258,114	-	258,114
Compensated absences, due within one year	288,964	-	288,964
Claims liabilities, due within one year	478,576	-	478,576
Long term debt, due within one year	834,656	425,000	1,259,656
Total current liabilities	3,727,768	534,685	4,262,453
Noncurrent liabilities:			
OPEB liabilities	352,629	-	352,629
Net pension liability	19,315,323	-	19,315,323
Compensated absences, due in more than one year	831,555	-	831,555
Claims payable, due in more than one year	791,474	-	791,474
Long term debt, due in more than one year	17,835,807	4,644,675	22,480,482
Total noncurrent liabilities	39,126,788	4,644,675	43,771,463
Total liabilities	42,854,556	5,179,360	48,033,916
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	6,238,381	-	6,238,381
Total deferred outflows of resources	6,238,381	-	6,238,381
NET POSITION			
Net investment in capital assets	30,511,199	10,153,545	40,664,744
Restricted for:			
Debt Service	1,958,968	-	1,958,968
Capital Projects	7,811,702	-	7,811,702
Public safety	109,302	-	109,302
Highway and streets	1,220,316	-	1,220,316
Special assessments	1,623,304	-	1,623,304
Safety retirement funding	3,456,530	-	3,456,530
Other	223,731	-	223,731
Total restricted	16,403,853	-	16,403,853
Unrestricted	(12,611,059)	6,725,179	(5,885,880)
Total net position	\$ 34,303,993	\$ 16,878,724	\$ 51,182,717

See accompanying Notes to Basic Financial Statements.

City of Albany
Statement of Activities
For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 3,168,595	\$ 101,559	\$ 81,436	\$ -	\$ 182,995
Police	6,606,718	423,283	303,854	-	727,137
Fire and emergency medical services	5,511,145	1,067,076	338,853	-	1,405,929
Community development and environmental resources	5,238,268	575,139	175,084	1,121,383	1,871,606
Recreation and community services	3,715,985	1,213,513	222,023	-	1,435,536
Interest on long-term debt	826,952	-	-	-	-
Total governmental activities	25,067,663	3,380,570	1,121,250	1,121,383	5,623,203
Business-type activities:					
Sewer	1,812,653	3,437,063	-	-	3,437,063
Total business-type activities	1,812,653	3,437,063	-	-	3,437,063
Total primary government	\$ 26,880,316	\$ 6,817,633	\$ 1,121,250	\$ 1,121,383	\$ 9,060,266

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise and other taxes

Total taxes

Investment earnings

Unrestricted revenues from other agencies

Other revenue

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,985,600)	\$ -	\$ (2,985,600)
(5,879,581)	-	(5,879,581)
(4,105,216)	-	(4,105,216)
(3,366,662)	-	(3,366,662)
(2,280,449)	-	(2,280,449)
(826,952)	-	(826,952)
(19,444,460)	-	(19,444,460)
-	1,624,410	1,624,410
-	1,624,410	1,624,410
(19,444,460)	1,624,410	(17,820,050)
10,458,518	-	10,458,518
3,508,838	-	3,508,838
4,609,878	-	4,609,878
18,577,234	-	18,577,234
16,829	4,492	21,321
314,024	-	314,024
165,896	-	165,896
19,073,983	4,492	19,078,475
(370,477)	1,628,902	1,258,425
34,674,470	15,249,822	49,924,292
\$ 34,303,993	\$ 16,878,724	\$ 51,182,717

This page intentionally left blank

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

This page intentionally left blank

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund accounts for the resources traditionally associated with governmental funds which are not required legally or by sound financial management to be accounted for in another fund.

Pension Tax Fund accounts for the balances and expenditures of revenues provided by the special property tax levied to fund the obligations of the City of Albany Police and Fire Relief or Pension Fund (Trust) as well as a portion of the current police and fire retirement benefits.

Street & Storm Fund accounts for property tax revenues, debt proceeds, and expenditures for various street and storm drain projects.

Non-Major Governmental Fund is the aggregate of all the non-major governmental funds.

City of Albany
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds		
	General Fund	Pension Property Tax Fund	Street & Storm Funds
ASSETS			
Operating cash and investments	\$ 5,265,738	\$ 3,456,519	\$ 4,233,901
Debt service reserves held with trustee	-	-	-
Receivables:			
Taxes	939,096	-	5,919
Accounts	89,112	-	-
Interest	15,863	-	-
Prepaid Items	46,451	-	-
Due from other funds	701,666	-	-
Notes receivable Successor Agency	1,536,203	-	-
Total assets	\$ 8,594,129	\$ 3,456,519	\$ 4,239,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 533,252	\$ -	\$ 450
Accrued salaries & benefits	297,741	-	7,339
Due to other funds	-	-	-
Unearned revenue	228,784	-	-
Total liabilities	1,059,777	-	7,789
Fund Balances: (Note 9)			
Nonspendable	1,582,654	-	-
Restricted	-	3,456,519	4,232,031
Assigned	245,072	-	-
Unassigned	5,706,626	-	-
Total fund balances	7,534,352	3,456,519	4,232,031
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,594,129	\$ 3,456,519	\$ 4,239,820

See accompanying Notes to Basic Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 12,087,687	\$ 25,043,845
346,516	346,516
244,044	1,189,059
689,516	778,628
-	15,863
-	46,451
-	701,666
-	1,536,203
<u>\$ 13,367,763</u>	<u>\$ 29,658,231</u>

\$ 630,431	\$ 1,164,133
52,893	357,973
701,666	701,666
29,330	258,114
<u>1,414,320</u>	<u>2,481,886</u>

-	1,582,654
8,864,432	16,552,982
3,255,260	3,500,332
(166,249)	5,540,377
<u>11,953,443</u>	<u>27,176,345</u>
<u>\$ 13,367,763</u>	<u>\$ 29,658,231</u>

This page intentionally left blank

City of Albany
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2015

Total Fund Balances - Total Governmental Funds \$ 27,176,345

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Total
Non-depreciable	\$ 10,262,631
Depreciable, net	38,919,031
	49,181,662

In the Government-Wide Financial Statements, certain differences between actuarial amounts and actual results for pension are deferred and amortized over a period of time, however these differences do not impact the Governmental Funds Balance Sheet:

Deferred outflows of resources - pension	483,395
Deferred inflows of resources - pension	(6,238,381)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 1,231,831

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet. (345,352)

Internal service funds were used by management to charge the costs of certain activities such as insurance and compensated absences to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 1,152,908

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (288,964)	\$ 288,964	\$ -
Claims payable - due within one year	(478,576)	478,576	-
Long term debt - due within one year	(834,656)	-	(834,656)
Net OPEB Obligation	(352,629)	-	(352,629)
Net pension liability	(19,315,323)	-	(19,315,323)
Compensated absences - due in more than one year	(831,555)	831,555	-
Claims payable - due in more than one year	(791,474)	791,474	-
Long term debt - due in more than one year	(17,835,807)	-	(17,835,807)
	\$ (40,728,984)	\$ 2,390,569	(38,338,415)

Net Position of Governmental Activities \$ 34,303,993

See accompanying Notes to Basic Financial Statements.

City of Albany
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2015

	Major Funds		
	General Fund	Pension Property Tax Fund	Street & Storm Funds
REVENUES:			
Property taxes	\$ 5,863,623	\$ 40,532	\$ 972,596
Sales taxes	3,508,838	-	-
Franchise and other taxes	3,947,372	-	-
Licenses and permits	868,027	-	-
Fines and forfeitures	414,413	-	-
Earnings on investments	4,888	3,967	3,767
Revenues from other agencies	218,875	-	-
Current service charges	1,702,276	-	-
Other revenue	358,343	-	12,750
Total revenues	16,886,655	44,499	989,113
EXPENDITURES:			
Current:			
General government	3,142,088	49,592	8,379
Police	5,804,565	-	-
Fire and emergency medical services	2,401,570	-	-
Community development and environmental resources	1,849,340	-	254,782
Recreation and community services	2,535,782	-	260
Capital outlay	72,509	-	175,941
Debt service:			
Principal	38,031	-	-
Interest	9,407	-	-
Total expenditures	15,853,292	49,592	439,362
REVENUES OVER (UNDER) EXPENDITURES	1,033,363	(5,093)	549,751
OTHER FINANCING SOURCES (USES):			
Transfers in	914,631	-	-
Transfers out	(441,537)	(1,100,000)	(412,384)
Total other financing sources (uses)	473,094	(1,100,000)	(412,384)
Net change in fund balances	1,506,457	(1,105,093)	137,367
FUND BALANCES:			
Beginning of year	6,027,895	4,561,612	4,094,664
End of year	<u>\$ 7,534,352</u>	<u>\$ 3,456,519</u>	<u>\$ 4,232,031</u>

See accompanying Notes to Basic Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,581,767	\$ 10,458,518
-	3,508,838
90,827	4,038,199
14,571	882,598
-	414,413
4,207	16,829
2,089,793	2,308,668
905,217	2,607,493
90,537	461,630
<u>6,776,919</u>	<u>24,697,186</u>
44,702	3,244,761
176,942	5,981,507
2,415,806	4,817,376
1,551,994	3,656,116
996,585	3,532,627
1,034,021	1,282,471
756,614	794,645
833,809	843,216
<u>7,810,473</u>	<u>24,152,719</u>
<u>(1,033,554)</u>	<u>544,467</u>
1,432,095	2,346,726
<u>(392,805)</u>	<u>(2,346,726)</u>
1,039,290	-
5,736	544,467
<u>11,947,707</u>	<u>26,631,878</u>
<u>\$ 11,953,443</u>	<u>\$ 27,176,345</u>

City of Albany

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

For the year ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 544,467
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	1,411,608
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(2,203,399)
Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.	1,231,831
Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	794,645
Other post-employment benefit costs reported in the Statement of Activities 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.	(105,475)
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.	(2,057,435)
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the changes in accrued interest from the prior year.	16,266
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported in the Statement of Activities but not in the Statement of Revenues, Expenditures, and Changes in Fund Balances.	(2,985)
Change in Net Position of Governmental Activities	<u>\$ (370,477)</u>

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Sewer Fund accounts for wastewater and sewage collection provided to the City residents and businesses.

City of Albany
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental- Activities Internal Service Fund
ASSETS		
Current assets:		
Operating cash and investments	\$ 6,760,534	\$ 3,536,834
Accounts receivable	74,330	6,643
Total current assets	6,834,864	3,543,477
Noncurrent assets:		
Capital assets, net	15,223,220	-
Total noncurrent assets	15,223,220	-
Total assets	\$ 22,058,084	\$ 3,543,477
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 99,666	\$ -
Accrued salaries & benefits	10,019	-
Compensated absences	-	288,964
Claims liabilities	-	478,576
Current portion of long term debt	425,000	-
Total current liabilities	534,685	767,540
Noncurrent liabilities:		
Compensated absences	-	831,555
Claims liabilities	-	791,474
Long-term debt	4,644,675	-
Total noncurrent liabilities	4,644,675	1,623,029
Total liabilities	5,179,360	2,390,569
NET POSITION		
Net investment in capital assets	10,153,545	-
Unrestricted	6,725,179	1,152,908
Total net position	\$ 16,878,724	\$ 1,152,908

See accompanying Notes to Basic Financial Statements.

City of Albany
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2015

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental- Activities Internal Service Fund
OPERATING REVENUES:		
Services charges	\$ 3,437,063	\$ 118,203
Total operating revenues	3,437,063	118,203
OPERATING EXPENSES:		
Insurance premiums	-	121,188
Personnel services	462,687	-
Materials, supplies and other	195,973	-
Major repairs	508,724	-
Depreciation	424,086	-
Total operating expenses	1,591,470	121,188
OPERATING INCOME	1,845,593	(2,985)
NONOPERATING REVENUES (EXPENSES):		
Interest income	4,492	-
Interest expense	(221,183)	-
Total nonoperating revenues (expenses)	(216,691)	-
Income (loss) before transfers	1,628,902	(2,985)
Change in net position	1,628,902	(2,985)
NET POSITION		
Beginning of year	15,249,822	1,155,893
End of year	\$ 16,878,724	\$ 1,152,908

See accompanying Notes to Basic Financial Statements.

City of Albany
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2015

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental- Activities Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 3,411,596	\$ 111,560	\$ 3,523,156
Cash paid to employees	(460,167)	275,808	(184,359)
Cash paid to suppliers	(822,925)	(159,712)	(982,637)
Net cash provided by operating activities	2,128,504	227,656	2,356,160
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments - bonds	(410,000)	-	(410,000)
Interest paid	(217,813)	-	(217,813)
Net cash (used in) capital and related financing activities	(627,813)	-	(627,813)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	4,492	-	4,492
Net cash provided by investing activities	4,492	-	4,492
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,505,183	227,656	1,732,839
CASH AND CASH EQUIVALENTS - Beginning of year	5,255,351	3,309,178	8,564,529
CASH AND CASH EQUIVALENTS - End of year	\$ 6,760,534	\$ 3,536,834	\$ 10,297,368
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,845,593	\$ (2,985)	\$ 1,842,608
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	424,086	-	424,086
Changes in assets and liabilities			
Increase in accounts receivable	(25,467)	(6,643)	(32,110)
Decrease in accounts payable and accrued liabilities	(118,228)	(10,524)	(128,752)
Increase in accrued salaries and benefits	2,520	-	2,520
Increase in compensated absences	-	275,808	275,808
Decrease in claims payable	-	(28,000)	(28,000)
Total adjustments	282,911	230,641	513,552
Net cash provided by operating activities	\$ 2,128,504	\$ 227,656	\$ 2,356,160

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

Police and Fire Pension Trust Fund accounts for the City's Police and Fire Relief or Pension Trust Fund.

Successor Agency Trust to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. As discussed in Note 14, all Californian redevelopment agencies were dissolved as of January 31, 2012 and replaced with Successor Agencies responsible for winding down the affairs of the redevelopment agencies including disposing of their assets. This fund continues payments on the Enforceable Obligation Schedule and disposes of assets and property of the former Redevelopment Agency for the benefit of taxing agencies. The financial activities of the fund are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

Agency Funds

Agency Fund accounts for the amounts held by the City acting as an agent for a third party.

City of Albany
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust Fund (Police and Fire Pension)	Successor Agency Trust Fund	Agency Funds
ASSETS			
Current assets			
Operating cash and investments	\$ 24,886	\$ 181,726	\$ 542,624
Debt service reserves held with trustee	-	-	479,824
Receivables:			
Interest	273	-	-
Investments, at fair value			
Local Agency Investment Fund	216,204	-	-
Cash and Money Market Fund	144,912	-	-
Mutual funds	7,911,867	-	-
Total investments, at fair value	<u>8,272,983</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 8,298,142</u></u>	<u><u>\$ 181,726</u></u>	<u><u>\$ 1,022,448</u></u>
LIABILITIES			
Liabilities:			
Accounts payable	-	62,107	51,342
Due to bondholders	-	-	871,474
Member deposits	-	-	76,219
Refundable deposits	-	-	23,413
Payable to City of Albany	-	1,536,203	-
Total liabilities	<u>-</u>	<u>1,598,310</u>	<u>\$ 1,022,448</u>
NET POSITION			
Total net position of Trust Funds	<u><u>\$ 8,298,142</u></u>	<u><u>\$ (1,416,584)</u></u>	

See accompanying Notes to Basic Financial Statements.

City of Albany
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2015

	Pension Trust Fund (Police and Fire Pension)	Successor Agency Trust Fund
ADDITIONS:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ (113,427)	\$ -
Interest	805	181
Dividends	294,260	-
Total investment income	<u>181,638</u>	<u>181</u>
Total additions to assets	<u>181,638</u>	<u>181</u>
DEDUCTIONS:		
Pension benefits paid	1,411,164	-
Administrative expenses	49,693	47,350
Total deductions from assets	<u>1,460,857</u>	<u>47,350</u>
Changes in net position	(1,279,219)	(47,169)
NET POSITION:		
Beginning of year	<u>9,577,361</u>	<u>(1,369,415)</u>
End of year	<u>\$ 8,298,142</u>	<u>\$ (1,416,584)</u>

See accompanying Notes to Basic Financial Statements.

This page intentionally left blank

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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 January 2015 estimated by the State of California, Department of Finance to be 18,565.

The City operates under the Council-City Manager form of government, with a full-time City Manager. The governing body is a five-member council, with one council member serving as mayor. The members are elected at large to serve a four year term. The City Treasurer is also an elected official.

In addition to finance and administrative functions, the City Manager oversees 84 fulltime-equivalent employees in the functions of:

- *Police services* - the Police Department is composed of a Chief of Police, two Lieutenants, five Sergeants, an Administrative Supervisor, fourteen patrol officers, three Detectives, six Public Safety Dispatchers, and various support services personnel for the equivalent of thirty-seven full-time employees. 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 eighteen 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 and a Senior Center Annex
 - Child Care Centers
 - Albany Teen Center
- *Community Development and Environmental Resources* - 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 two divisions:
 - Planning and Building
 - Environmental Resources
- *Public Works* – responsibilities include the design, construction and maintenance of all City-owned facilities including streets, sewers, storm drains, parks, buildings, and grounds.
- *Finance and Administrative Services* – performs financial accounting, budgeting, insurance administration, investment management, capital projects accounting, and other finance and administrative tasks, as required.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies

The following is a summary of the accounting policies of the City, which conform with generally accepted accounting principles 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 or “blended” with those of the City, in the accompanying financial statements. The one exception is the *City of Albany Police and Fire or Pension Fund*, which does issue separate financial statements.

- *The City of Albany Police and Fire Relief or Pension Fund (Trust)* is a separate legal trust whose purpose is to provide pension benefits for certain eligible City employees. The Trust's governing board is composed of a City Council person, City Treasurer, City Clerk, and two members of the Trust. All accounting and administrative functions are performed by the City, at the direction of the Trust Board of Commissioners. The activities of the Trust have been included in the Police and Fire Relief Pension Trust Fund. Separate financial statements for the 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. Separate financial statements are not issued for this entity.
- *Albany Municipal Services Joint Powers Authority (Authority)* was originally established by the City of Albany and the Albany Community Reinvestment Agency (CRA). The CRA role has subsequently been assumed by the Successor Agency. The purpose of the Authority is to employ certain 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. In Fiscal Year ending June 30, 2015 reimbursements totaled \$2,280,664. Because the Authority's financial activities are related solely to those of the City, they are included in the City's financial statements. Separate financial statements are not issued for this entity.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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 Position and a Statement of Activities. 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 Position. The Statement of Activities presents revenues, expenditure and fund transfers that produce changes in the net position. 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 inter-fund 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 Position 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, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus (Continued)

Net position should be reported as restricted when constraints placed on the net position 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 position 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. Non-major 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 position as presented in these statements to the net position 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, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus (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 accounted for in another fund.
- *Pension Tax Special Revenue Fund* – This fund reports the balances and expenditures of revenues provided by the special property tax levied to fund the obligations of *City of Albany Police and Fire Relief or Pension Fund (Trust)* as well as a portion of the current police and fire retirement benefits.
-
- *Street & Storm Capital Project Fund* – This fund is used to record property tax revenues, debt proceeds and expenditures for various street and storm drain projects.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, 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 wastewater and sewage collection provided to City residents and businesses. The cost of this service, including depreciation, is recovered through user charges.

The City's internal service funds at June 30, 2015 are the Workers' Compensation Fund, General Liability Fund, and the Compensated Absences Fund. The Workers' 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.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus (Continued)

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 position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. 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 position and a statement of changes in net position. The City's fiduciary funds represent a Pension trust fund, Private-purpose trust fund, and agency funds. Pension Trust Funds are used to report resources that are required to be held in trust by the City for the members and beneficiaries of defined benefit pension plans and defined contribution pension plans, Private-purpose trust funds are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments, and 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 Police and Fire Relief or Pension Fund Trust. The Successor Agency Fund is reported as a Private-purpose trust fund.

Agency funds are used by the City to report activity relating to amounts collected and distributed by the City, which include 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 175.

C. Revenue Recognition for the Sewer Enterprise Fund

Sewer service charges are billed and collected by the Alameda County Tax Collector as part of the property tax bill. Semi-annual payments are due November 1 and February 1 of the fiscal year in which the service is provided. Any charges, of a material amount, billed but not received, as of the end of the fiscal year, are accrued.

D. Compensated Absences

City employees under state laws are entitled to payment of accrued and unused vacation leave hours. In addition the City bargaining agreements and personnel rules allow for those who retire with unused sick leave to receive payment of twenty-five percent of accrued and unused sick leave, at the time of retirement. The City has obligations for accrued vacation and sick leave in the amount of \$1,120,519, which is recorded in the Compensated Absences Internal Service Fund. The current portion of the liability is \$288,964, and the noncurrent portion is \$831,555.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

E. Property Tax

Alameda County officials assess property, calculate and collect taxes due. The County distributes taxes, plus related interest and penalties, allocated to the City.

Secured property tax is due in two installments, on November 1 and February 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. 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.

F. 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. For the purpose of the statement of cash flows of the proprietary funds types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

G. Prepaid Items

Prepaid items represent amounts paid in advance for a benefit not yet received. This type of expenditure normally includes costs paid in one fiscal year (or period) that benefits a future year (or period). The City uses the consumption method of accounting for prepaid items under which purchases are debited to a prepaid asset account and are recorded as expenditures or expenses when used.

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.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

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 Capital 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.

Buildings	20-50 years
Improvements other than buildings	20 years
Furniture and fixtures	5-10 years
Machinery and equipment	2-10 years
Vehicles	5 years
Sewer transmission lines	50 years
Infrastructure	20-70 years

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. In accordance with GASB Statement No. 32, the funds have been placed in a trust administered by ICMA-Retirement Corporation and are not available to the City's general creditors. Accordingly, the City does not report the assets in the financial statements.

J. Net Position and Fund Balances

In the government-wide financial statements, net positions are classified in the following categories:

Net Investment in Capital Assets: This category groups all capital assets into one component of net position. Accumulated depreciation on these assets and the outstanding principal of related debt reduce this category.

Restricted Net Position: This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This category represents the net position of the City that are not externally restricted for any project or other purpose.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

J. Net Position and Fund Balances (Continued)

In the fund financial statements, governmental funds are classified in the following categories in accordance with a policy adopted by the City Council:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes established by the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution).

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. The City Council adopted Resolution No. 2012-2 that delegated this authority to the City Manager. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance – the residual classification for the General Fund and includes all not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

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. Pensions

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

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government reports a deferred charge on refunding debt, deferred employer pension contributions, and other pension plan related deferrals in this category in the government-wide and enterprise statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Employer pension contributions made during period between the measurement date and the report date are deferred and reflected as a reduction in the net pension liability in the subsequent fiscal year. Pension related deferrals are described in Note 12.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The government reports two items in this category, unavailable revenue and amounts related to changes in the City's net pension liability that are deferred and amortized over a stated period. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: grant revenues. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the City's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. Pension related deferrals are described in Note 12.

N. New Pronouncements

In fiscal year 2015, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* – The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments and accountability and inter-period equity, and creating additional transparency.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (Continued)

N. New Pronouncements (Continued)

The statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures* as they relate to pensions that are provided through pension plans administered as trusts of equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The City restated its beginning net position as part of implementation of this accounting standard.

- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. There was no impact on beginning net position as part of the implementation of this accounting standard.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* – The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City restated its beginning net position as part of implementation of this accounting standard.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – Operating 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 operating cash and investments 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 Police and Fire Relief Pension Fund investments can be found in Note 12.

The following is a summary of pooled cash and investments, including debt service reserves with trustees at June 30, 2015:

	Government-Wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Operating cash and investments	\$ 28,580,679	\$ 6,760,534	\$ 9,022,219	\$ 44,363,432
Debt service reserves held with trustee	346,516	-	479,824	826,340
Total	\$ 28,927,195	\$ 6,760,534	\$ 9,502,043	\$ 45,189,772

At June 30, 2015 the City's pooled cash and investments, including debt service reserves with trustees consisted of the following:

City Treasury:	
Deposits:	
Cash on hand	\$ 2,650
Deposits with financial institutions	8,504,446
Total Deposits	<u>8,507,096</u>
Investments:	
State investment pool	25,489,384
Mutual funds	7,911,867
CalTrust investment pool	2,310,173
Cash and money market funds	144,912
Total investments	<u>35,856,336</u>
Total City Treasury	<u>44,363,432</u>
Debt service reserves held with trustee	<u>826,340</u>
Total City and trustee cash and investments	<u><u>\$ 45,189,772</u></u>

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – Operating Cash and Investments (Continued)

A. 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
Investment Trust of California (CalTrust)	N/A	25%	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.

B. 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, 2015**

NOTE 3 – Operating Cash and Investments (Continued)

B. Risk Disclosures (Continued)

At June 30, 2015 all of the City’s investments had remaining maturities of twelve months or less.

Investment Type	Fair Value	Maturity: 12 Months Or Less
State investment pool	\$ 25,489,384	\$ 25,489,384
Mutual funds	7,911,867	7,911,867
CalTrust investment pool	2,310,173	2,310,173
Cash and money market funds	144,912	144,912
Total	\$ 35,856,336	\$ 35,856,336

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. The City’s investment facilities listed above were not assigned ratings by a nationally recognized credit rating organization.

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, 2015 there are no investments in any one issuer that represent 5% or more of total City investments.

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

As of June 30, 2015, bank balances were \$9,063,107 at one institution. The City has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City’s name.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – Operating Cash and Investments (Continued)

C. 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 \$25,489,384 whose pro-rata share of fair value was estimated by the state Treasurer to be \$25,498,967. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

The City's investments with LAIF at June 30, 2015 included a portion of the pooled funds invested in structured notes and asset-backed securities. Structured notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. Asset-backed securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMS) or credit card receivables. As of June 30 2015, the State Treasurer had invested 2.08% of the pool's funds in structured notes and asset-backed securities.

D. Fair Value of Investments

Accounting pronouncement, GASB Statement No. 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 for 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."

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 – Operating Cash and Investments (Continued)

E. Albany Police and Fire Relief Pension Fund Operating Cash and Investments

Operating Cash

At June 30, 2015, the Fund's operating cash balance was \$24,427. The Fund's bank balance of \$50,398 (inclusive of outstanding checks) was held at one institution, which was fully covered by depository insurance.

Method Used to Value Investments

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

Investment Management

Fund investments are managed by an investment manager (Atlantic Trust) under an agreement which authorizes the Manager to purchase and sell securities, within the guidelines of the Fund's governing board, which meets with the investment manager quarterly.

At June 30, 2015, the Fund's assets were invested in the Schwab Money Market Fund (SWMXX); Dodge & Cox Income Fund (DODIX); PIMCO Investment Grade (PIGIX); Ridgeworth Seix Float (SAMBX); Aston Montag & Caldwell (MCGIX); Dodge & Cox Stock Fund (DODGX); IVA Intl Fund CL I (IVIQX); Mainstay Epoch Global (EPSYX); and Neuberger Berman Equity (NBHIX).

The Fund's Investment Policy allows the Fund to invest in domestic equity, international equity, and debt 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.

Authorized Investment Type	Target Allocation	Minimum Percentage of Portfolio	Maximum Percentage of Portfolio
Large Cap Equity	40%	25%	55%
International Equity	10%	5%	15%
Fixed Income	50%	40%	60%
Cash	5%	N/A	10%

As of June 30, 2015, the Fund's allocations reflected the general guidelines set by the Fund's policy as described above.

Investments at June 30, 2015 are as follows:

Investment Type	Fair Value
Money market funds	\$ 216,204
State investment pool (LAIF)	144,912
Mutual funds:	
Bond Funds	3,398,719
Equity Funds	4,513,148
Total	<u>\$ 8,272,983</u>

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – Operating Cash and Investments (Continued)

E. Albany Police and Fire Relief Pension Fund Operating Cash and Investments (Continued)

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of fund investments. Unrealized gains and losses on investments that had been held for more than one year were included in net appreciation (depreciation) reported in prior years.

The net decrease in fair value of investments for the year ended June 30, 2015 was \$113,427.

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 Fund 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 Fund monitors the interest rate risk inherent in its portfolio by measuring the maturity of its portfolio.

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. The Fund'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, 2015, there are no investments in any one issuer that represent 5% or more of total Fund investments.

Investment in State Investment Pool

The Fund 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 Fund is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The Fund relied upon information provided by the State Treasurer in estimating the Fund's fair value position of its holding in LAIF. The Fund had a contractual withdrawal value of \$144,912. The fair value change of assets invested in the LAIF was not material for presentation in the financial statements for the year ended June 30, 2015.

The Fund's investments with LAIF at June 30, 2015 included a portion of the pooled funds invested in structured notes and asset-backed securities. Structured notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. Asset-backed securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMS) or credit card receivables. As of June 30 2015, the State Treasurer had invested 2.08% of the pool's funds in structured notes and asset-backed securities.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – Capital Assets

The following is a summary of capital assets as of June 30, 2015:

	Governmental Activities	Business- Type Activities	Total
Nondepreciable assets:			
Land	\$ 9,443,729	\$ -	\$ 9,443,729
Construction in progress	818,902	-	818,902
Total nondepreciable assets	10,262,631	-	10,262,631
Depreciable assets:			
Buildings	21,230,005	-	21,230,005
Improvements other than buildings	8,657,334	-	8,657,334
Furniture and fixtures	629,461	-	629,461
Machinery and equipment	2,289,017	56,928	2,345,945
Vehicles	3,334,959	-	3,334,959
Sewer lines	-	21,204,274	21,204,274
Infrastructure	21,812,098	-	21,812,098
Total depreciable assets	57,952,874	21,261,202	79,214,076
Less accumulated depreciation:	(19,033,843)	(6,037,982)	(25,071,825)
Depreciable capital assets, net	38,919,031	15,223,220	54,142,251
Total capital assets, net	\$ 49,181,662	\$ 15,223,220	\$ 64,404,882

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – Capital Assets (Continued)

Transactions and balances of capital assets were as follows:

	Balance June 30, 2014	Additions	Transfers/ Retirements	Balance June 30, 2015
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 9,443,728	\$ -	\$ -	\$ 9,443,728
Construction in progress	593,254	984,916	(759,267)	818,903
Total nondepreciable assets	<u>10,036,982</u>	<u>984,916</u>	<u>(759,267)</u>	<u>10,262,631</u>
Depreciable assets:				
Buildings	21,230,005	-	-	21,230,005
Improvements other than buildings	8,657,334	-	-	8,657,334
Furniture and fixtures	629,461	-	-	629,461
Machinery and equipment	1,983,787	305,230	-	2,289,017
Vehicles	3,320,356	121,462	(106,859)	3,334,959
Infrastructure	21,052,831	-	759,267	21,812,098
Total depreciable assets	<u>56,873,774</u>	<u>426,692</u>	<u>652,408</u>	<u>57,952,874</u>
Less accumulated depreciation for:				
Buildings	5,024,600	410,256	-	5,434,856
Improvements other than buildings	3,045,381	410,437	-	3,455,818
Furniture and fixtures	378,134	56,593	-	434,727
Machinery and equipment	1,308,602	229,369	-	1,537,971
Vehicles	2,848,267	135,479	(106,859)	2,876,887
Infrastructure	4,332,319	961,265	-	5,293,584
Total accumulated depreciation	<u>16,937,303</u>	<u>2,203,399</u>	<u>(106,859)</u>	<u>19,033,843</u>
Total depreciable assets, net	<u>39,936,471</u>	<u>(1,776,707)</u>	<u>759,267</u>	<u>38,919,031</u>
Total governmental activities capital assets:	<u>\$ 49,973,453</u>	<u>\$ (791,791)</u>	<u>\$ -</u>	<u>\$ 49,181,662</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:

General government	\$ 59,374
Police	91,001
Fire and emergency medical services	268,837
Community development and environmental resources	1,592,703
Recreation and community services	191,484
Total governmental activities depreciation expense	<u>\$2,203,399</u>

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – Capital Assets (Continued)

	Balance June 30, 2014	Additions	Transfers/ Retirements	Balance June 30, 2015
Business-Type Activities:				
Depreciable assets:				
Sewer lines	21,204,274	-	-	21,204,274
Machinery and equipment	56,928	-	-	56,928
Total depreciable assets	<u>21,261,202</u>	<u>-</u>	<u>-</u>	<u>21,261,202</u>
Less accumulated depreciation for:				
Sewer lines	5,556,968	424,086	-	5,981,054
Machinery and equipment	56,928	-	-	56,928
Total accumulated depreciation	<u>5,613,896</u>	<u>424,086</u>	<u>-</u>	<u>6,037,982</u>
Total depreciable assets, net	<u>15,647,306</u>	<u>(424,086)</u>	<u>-</u>	<u>15,223,220</u>
Total business-type activities capital assets	<u>\$ 15,647,306</u>	<u>\$ (424,086)</u>	<u>\$ -</u>	<u>\$ 15,223,220</u>

NOTE 5 – 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.

Governmental Activities	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
2003 GO Bonds 3.00-4.00%, 8/1/33	\$ 6,285,000	-	\$ 205,000	\$ 6,080,000	\$ 215,000
Civic Center Improvement GO Bonds, 4.00-8.00%, 8/1/37	4,470,000	-	110,000	4,360,000	115,000
GO Bonds II 4.00-7.00%, 8/1/37	5,810,000	-	140,000	5,670,000	150,000
2009 Street & Storm Drain Parcel tax note, 4.60%, 8/1/21	2,458,972	-	281,472	2,177,500	294,568
Lease purchase agreement 4.52%, 9/3/18	208,133	-	38,030	170,103	39,749
2011 California Energy Commission 1.0%, 6/2025	233,003	-	20,143	212,860	20,339
Total long-term debt	<u>\$ 19,465,108</u>	<u>\$ -</u>	<u>\$ 794,645</u>	<u>\$ 18,670,463</u>	<u>\$ 834,656</u>

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – Governmental Activities Debt (Continued)

A. 2003 General Obligation Bonds I

In November 2002, voters passed a ballot measure authorizing the issuance of general obligation bonds in the amount of \$14,500,000. The proceeds were to be used for various capital improvement projects. In June 2003, the City issued the first \$8,000,000 of the total 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.

B. Civic Center Improvement General Obligation Bonds

In November 2006, voters passed a ballot measure authorizing the issuance of general obligation bonds in the amount of \$5,000,000, the proceeds to be used for the structural improvements of the Fire Department, Police Department and City Hall buildings. The bonds were issued In August 2007. 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, 2037.

C. 2007 General Obligation Bonds II

This is the second installment of bonds approved by the voters in November 2002. The total authorization limit was \$14,500,000. The first issuance of \$8,000,000 was made in June 2003. The remaining \$6,500,000 was issued in August 2007, along with the \$5,000,000 Civic Center Improvement bonds. The proceeds to be used for various capital improvements including the civic center retrofit project. 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, 2037.

D. 2009 Street & Storm Drain Parcel Tax Note

In June 2006, voters passed a ballot measure (Measure F) authorizing a street paving and storm drain parcel tax to finance citywide street paving and storm drain facility repairs and improvements. In April 2009, the City entered into a parcel tax note agreement with Capital One Public Financing, LLC in the amount of \$3,465,156. The financing provided funding to advance storm drain improvements. Interest payments are due August 1st and February 1st and beginning in 2010 principal payments are due August 1st and February 1st of each year, with the final payment due August 2, 2021.

E. Lease Purchase Agreement

On September 3, 2008, the City entered into a lease purchase agreement with Sun Trust Equipment Finance & Leasing Corp in the amount of \$374,990 to finance the purchase of a fire engine. Ownership of the fire engine passes to the City at the end of the lease. The cost of the fire engine has been included in the City's financial statements.

F. California Energy Commission Note

In March 2010 the City entered into an agreement with the California Energy Commission to replace existing high pressure sodium vapor street lights with energy efficient light-emitting diode lights. As part of this agreement, the City issued a note of \$290,805 with an interest rate of 1% and a term of 14 years.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 – Governmental Activities Debt (Continued)

G. Arbitrage

As of June 30, 2015, it is not anticipated that any bond funds will incur arbitrage liabilities within the next year. Management does not anticipate that any potential arbitrage liability would have material effect on the bond funds to which they were assessed.

H. Future Governmental Activities Debt Service

Debt service schedules for the COP's, general obligation bonds, and lease purchases are as follows at June 30, 2015:

Year Ending June 30:	Total Principal	Total Interest
2016	\$ 834,656	843,217
2017	870,367	810,952
2018	901,795	776,884
2019	933,977	741,370
2020	929,508	704,382
2021-2025	3,830,160	2,957,271
2026-2030	3,935,000	2,168,277
2031-2035	4,445,000	1,213,478
2036-2038	1,990,000	267,000
Total	\$ 18,670,463	\$ 10,482,831

PRINCIPAL

Year Ending June 30	2003 GO Bonds	Civic Center Improvement GO Bonds	GO Bonds II	2009 Street & Storm Drain Parcel Tax Note	Lease Purchase Agreement	California Energy Commission	Total
2016	\$ 215,000	\$ 115,000	\$ 150,000	\$ 294,568	\$ 39,749	\$ 20,339	\$ 834,656
2017	225,000	120,000	155,000	308,274	41,545	20,548	870,367
2018	230,000	125,000	160,000	322,618	43,423	20,754	901,795
2019	240,000	125,000	165,000	337,629	45,386	20,962	933,977
2020	250,000	130,000	175,000	353,339	-	21,169	929,508
2021-2025	1,420,000	755,000	985,000	561,071	-	109,088	3,830,159
2026-2030	1,775,000	935,000	1,225,000	-	-	-	3,935,000
2031-2035	1,725,000	1,185,000	1,535,000	-	-	-	4,445,000
2036-2038	-	870,000	1,120,000	-	-	-	1,990,000
Totals	\$ 6,080,000	\$ 4,360,000	\$ 5,670,000	\$ 2,177,499	\$ 170,103	\$ 212,860	\$ 18,670,462

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 – Governmental Activities Debt (Continued)

H. Future Governmental Activities Debt Service (Continued)

INTEREST								
Year Ending June 30	2003 GO Bonds	Civic Center Improvement GO Bonds	GO Bonds II	2009 Street & Storm Drain Parcel Tax Note	Lease Purchase Agreement	California Energy Commission		Total
2016	\$ 241,326	\$ 203,198	\$ 259,840	\$ 96,816	\$ 7,689	\$ 2,084		\$ 810,953
2017	234,064	198,204	253,740	83,110	5,892	1,874		776,884
2018	226,328	193,154	247,440	68,766	4,014	1,668		741,370
2019	218,100	188,076	240,940	53,755	2,051	1,460		704,382
2020	209,278	182,735	233,965	38,046	-	1,253		665,277
2021-2025	891,239	820,684	1,049,284	26,005	-	3,024		2,790,236
2026-2030	562,636	630,788	803,808	-	-	-		1,997,232
2031-2035	150,556	371,375	478,850	-	-	-		1,000,781
2036-2038	-	85,750	85,750	-	-	-		171,500
Totals	\$ 2,733,527	\$ 2,873,964	\$ 3,653,617	\$ 366,498	\$ 19,646	\$ 11,363		\$ 9,658,615

The City is required to maintain amounts of restricted 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 total \$346,516 at June 30, 2015. 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 6 – 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, 2015 is \$2,080,000.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – 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 1st, and semi-annual interest payments are due each September 1st and March 1st.

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 City has pledged future sewer service charges, net of specified operating expenses, to repay the debt. Annual principal and interest payments on the debt are payable solely from net revenues through 2024. The total principal and interest remaining to be paid on the bonds is \$6,255,156. Principal and interest paid for the current year was \$627,813 and sewer revenue net of operating expenses (excluding depreciation expense) was \$2,269,679.

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

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Sewer revenue bonds	\$ 5,510,000	\$ -	\$ 410,000	\$ 5,100,000	\$ 425,000
Original issue discount	(33,695)	-	(3,370)	(30,325)	-
Total long-term debt	\$ 5,476,305	\$ -	\$ 406,630	\$ 5,069,675	\$ 425,000

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – 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, 2015 are:

Year Ending June 30	Debt Service Payments			Amortized Amount	
	Principal	Interest	Total	Issuance Discount	Total
2016	\$ 425,000	\$ 202,570	\$ 627,570	\$ 3,370	\$ 3,370
2017	440,000	186,348	626,348	3,370	3,370
2018	455,000	169,115	624,115	3,370	3,370
2019	475,000	150,742	625,742	3,370	3,370
2020	495,000	131,095	626,095	3,370	3,370
2021-2025	2,810,000	315,286	3,125,286	13,475	13,475
Total	\$ 5,100,000	\$ 1,155,156	\$ 6,255,156	\$ 30,325	\$ 30,325

Internal Service Fund Debt

The liability related to compensated absences at June 30, 2015 is summarized below:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Estimated Payments in One Year
Compensated Absences	\$ 844,711	\$ 275,808	\$ -	\$ 1,120,519	\$ 288,964

All liabilities for compensated absences are liquidated by charges to the General Fund.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – Interfund Transactions

Due To / From

During the normal course of business the General Fund may make a temporary inter-fund transfer to cover deficit cash balances caused by expenditures for reimbursement type grants and other reimbursements or timing differences between when revenue is received.

	<u>Due to other funds</u>	
<u>Due from other funds</u>	NON MAJOR GOVERNMENTAL FUNDS	Total Due to other funds
MAJOR GOVERNMENTAL FUNDS		
General Fund	\$ 701,666	\$ 701,666
Total Due from other funds	<u>\$ 701,666</u>	<u>\$ 701,666</u>

Receivables From Successor Agency Trust Fund

Advances of \$1,536,203 represent monies owed to the City of Albany General Fund from the Successor Agency to the Albany Community Reinvestment Agency. The advances were made to the Albany Community Reinvestment Agency and the liability was transferred to the Successor Agency upon termination of the Reinvestment Agency on January 31, 2012. Under the provision of California legislation, repayment of these advances is to begin following approval by the State Department of Finance of a repayment plan. The maximum annual payment shall be one-half of the increase in tax increment revenue distributable to taxing entities in the former Redevelopment Area, in that fiscal year, over the amount distributed to taxing entities in the base fiscal year of 2013-14.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – Interfund Transactions (Continued)

Interfund Transfers (Transfers In / Out)

The principal purpose of Interfund Transfers is to match revenue, recorded in funds with a designated special purpose with the expenditures funded by the revenues. The major transfers include: \$863,631 from the Pension Property Tax Fund to the General Fund to offset a portion of public safety PERS cost, \$236,369 from the Pension Property Tax Fund to the EMS Special Revenue Fund for its share of tax collected, and \$391,384 from the Street and Storm Drain Capital Project Fund to the Street Paving & Storm Drain Debt Service Fund for annual debt service requirements. A summary of all Interfund Transfers for the year ended June 30, 2015 were as follows:

		FUND MAKING TRANSFER							
		Major Funds			Other Non-Major Funds				
		General Fund	Pension Property Tax	Street & Storm Drain	R & CS Reserve	Community Development Equipment Reserve	Fire Operations Equipment	Equipment Replacement Reserve	TOTAL
F U N D S R E C O R D S A N N U A L F U N D S	Major Funds								
	General Fund	\$ -	\$ 863,631	\$ 21,000	\$ 30,000	\$ -	\$ -	\$ -	\$ 914,631
	Sub-Total Major Funds	-	863,631	21,000	30,000	-	-	-	914,631
	Special Revenue Funds								
	EMS Fund	323,437	236,369	-	-	-	-	-	559,806
	Law Enforcement Grants	2,000	-	-	-	-	-	-	2,000
	Sub-Total Special Revenue (Non-Major) Funds	325,437	236,369	-	-	-	-	-	561,806
	Capital Project Funds								
	Information System Reserve	-	-	-	-	256,403	-	51,281	307,684
	Police Equipment Reserve	45,600	-	-	-	-	-	-	45,600
	Fire Equipment Reserve	48,000	-	-	-	-	55,121	-	103,121
	EMS Equipment	22,500	-	-	-	-	-	-	22,500
	Sub-Total Capital (Non-Major) Funds	116,100	-	-	-	256,403	55,121	51,281	478,905
	Debt Service Funds								
	Street Paving & Storm Drain	-	-	391,384	-	-	-	-	391,384
	Sub-Total Debt Service Funds	-	-	391,384	-	-	-	-	391,384
	TOTAL ALL FUNDS	\$ 441,537	\$ 1,100,000	\$ 412,384	\$ 30,000	\$ 256,403	\$ 55,121	\$ 51,281	\$ 2,346,726

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 – Excess Expenditures Over Budgeted Appropriations

This note discusses budget variances for budgeted major funds, excluding Capital Project Funds.

General Fund

When viewed in total General Fund Expenditures were less than the budgeted amount by approximately \$363,267.

Pension Tax Fund

Budgeted expenditures in the Pension Tax Fund were within the approved appropriations.

NOTE 10 – Net Position and Fund Balances

The format of the Government Wide Financial Statements use the term “Net position” to describe what had been previously referred to as “net assets” in previous Comprehensive Annual Financial Reports (CAFR’s). The Net Position is further categorized as Restricted or Unrestricted. Restricted portions of net position include external restrictions as well as restrictions based on policies established by the City Council. Unrestricted portions of the net position reflect categories that are not restricted or net investment in capital assets.

The Governmental Accounting Standards Board (GASB) established fund balance classifications for governmental funds, which are also incorporated in an adopted City policy. The City Council has adopted a Resolution setting forth its policy using the GASB designations. In the Fund Financial Statements, in accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Non-spendable

Fund balance amounts that cannot be spent because they are either (a) not expected to be converted to cash or (b) legally or contractually required to be maintained intact.

Restricted

Fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed

Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the City Council. The adopted policy the City Council must take action to allow for removal or change to the constraint.

Assigned

Fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. In accordance with the adopted City Policy (Resolution No. 2012-2) the City Council has authorized the City Manager to assign balances.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – Fund Balances and Net Position (Continued)

Unassigned

Positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Fund balances are classified in the above categories as follows:

	<u>Major Governmental Funds</u>				Total Government
	General	Pension Property Tax Fund	Street and Storm Fund	Non Major Government Funds	
Fund Balances					
Nonspendable fund balance:					
Prepaid items	\$ 46,451	\$ -	\$ -	\$ -	\$ 46,451
Notes receivable from Successor Agency	1,536,203	-	-	-	1,536,203
	<u>1,582,654</u>	-	-	-	<u>1,582,654</u>
Restricted fund balance for:					
Debt Service	-	-	-	1,958,986	1,958,986
Construction Projects	-	-	4,232,031	3,728,793	7,960,824
Public Safety	-	-	-	109,302	109,302
Highway and Streets	-	-	-	1,219,858	1,219,858
Special Assessments	-	-	-	1,623,304	1,623,304
Police Retirement Funding	-	3,456,519	-	-	3,456,519
Other	-	-	-	224,189	224,189
	-	<u>3,456,519</u>	<u>4,232,031</u>	<u>8,864,432</u>	<u>16,552,982</u>
Assigned fund balance for:					
Capital Projects	-	-	-	1,887,514	1,887,514
Meals on Wheels Program	13,465	-	-	-	13,465
Cable TV Reserve	85,256	-	-	-	85,256
Affordable Housing Program	134,313	-	-	-	134,313
Equipment Replacement	12,038	-	-	1,367,746	1,379,784
	<u>245,072</u>	-	-	<u>3,255,260</u>	<u>3,500,332</u>
Unassigned fund balance	5,706,626	-	-	(166,249)	5,540,377
Total Fund Balances	<u>\$ 7,534,352</u>	<u>\$ 3,456,519</u>	<u>\$ 4,232,031</u>	<u>\$ 11,953,443</u>	<u>\$ 27,176,345</u>

NOTE 11 – Deficit Fund Balances

As of June 30, 2015 the following funds had a deficit balance:

Fund	Deficit
Community Development Block Grant	\$ 27,214
Congestion Mitigation & Air Quality (CMAQ)	\$ 132,402

These deficits were the result of expenditures incurred in advance of receiving the receipt of revenue and the revenue was not available after 60 days. All deficits are expected to be eliminated upon receipt of the revenue.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – Employee Retirement Plans

A. Summary of Pension Plan Balances

Pension related balances presented on the Statement of Net Position as of June 30, 2015 by individual plan are described in the following table:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension Expense
<u>Single Employer Plans</u>					
Police and Fire Relief Fund	-	-	2,915,974	549,499	981,628
<u>CalPERS Cost Sharing Plans</u>					
City Miscellaneous	203,326	67,509	2,816,409	1,002,054	168,948
City Miscellaneous - 2nd Tier	13,247	6,490	3,314	10,946	12,487
JPA Miscellaneous	202,000	7,377	2,018,637	605,614	203,553
JPA Miscellaneous - 2nd Tier	-	19,091	5,976	15,862	21,281
JPA Miscellaneous - PEPRA	25,923	2,930	96	3,077	4,101
City Safety - Police	392,962	167,420	6,012,885	2,117,508	336,946
City Safety - Fire	320,642	157,802	5,536,839	1,921,864	316,632
City Safety - Fire 2nd Tier	42,384	40,130	4,851	1,465	(3,794)
City Safety - Fire PEPRA	31,347	14,646	342	10,492	15,653
Subtotal Cost Sharing Plans	1,231,831	483,395	16,399,349	5,688,882	1,075,807
Total	1,231,831	483,395	19,315,323	6,238,381	2,057,435

B. Single Employer Plan – Police and Fire Relief Fund

I. General Information about the Pension Plan

Plan Description – The Police and Fire Relief or Pension Fund (Pension Fund) is governed by Section 9.01 of the Charter of the City of Albany (the City) and is a sole employer defined benefit pension plan for the City's police and fire department employees hired before July 1, 1971. The Pension Fund is closed to new participants. Benefit provisions and other requirements are established by the City Charter.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

B. Single Employer Plan – Police and Fire Relief Fund (Continued)

I. General Information about the Pension Plan (Continued)

Benefits Provided - A summary of the plan benefits are presented below:

Service Retirement

Eligibility: Age 50 with 25 years of service, or 30 years of service regardless of age.

Amount: A percentage (based on years of service) applied to average yearly salary:

Years of Service	Percentage of Average Yearly Salary
25	50.00%
26	53.33%
27	56.67%
28	60.00%
29	63.33%
30	66.67%

Average yearly salary means the average yearly salary for the rank in the three years prior to retirement.

Death Benefit

Eligibility: Death after retirement.

Amount: A percentage (based on marital status at retirement) of the member's retirement benefit to surviving spouse until death or remarriage.

Years Married At Retirement	Percentage of Average Yearly Salary
Less than five	16.67%
At least five	50.00%

Benefits are payable to eligible children if there is no spouse eligible for death benefits.

Cost of Living

A member's pension for service retirement or duty-related disability increases during the member's lifetime in conjunction with increases in salary for the rank used in the benefit determination.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

B. Single Employer Plan – Police and Fire Relief Fund (Continued)

I. General Information about the Pension Plan (Continued)

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	22

Contributions – The City Charter requires an annual contribution to the Pension Fund equal to 18 percent of the gross wages of active members; however, there are no active members and the Pension Fund is closed to new participants.

The funding policy of the Board of Trustees is to make a minimum contribution upon completion of the actuarial valuation, as required to amortize any unfunded liability over the expected life of the Pension Fund. The unfunded Actuarial Liability is funded as a level dollar amount over a 15 year period from July 1, 2015.

II. Net Pension Liability

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2014. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	5.66%
Inflation	2.50%
Investment Rate of Return	6.75%
Death after Retirement	RP-2000 mortality table for annuitants with a 7-year projection, applied on a static basis using Scale AA, from valuation date.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – Employee Retirement Plans (Continued)

B. Single Employer Plan – Police and Fire Relief Fund (Continued)

II. Net Pension Liability, Continued

Discount Rate – The discount rate used to measure the total pension liability was 5.66%.

The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the Pension Fund's fiduciary net position was projected to be available to make projected future benefit payments of current members through 2027.

The discount rate was determined by blending the expected return on assets (6.75%) with the weighted average yield of S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2014 (3.66%).

Best estimates of arithmetic long-term expected rates of return for each major asset class included in the Pension Fund's target asset allocation are summarized in the following table (note that the rates shown below include the inflation component):

<u>Asset Class</u>	<u>Long-Term Expected Return</u>
Equity	12.00%
Fixed Income	5.70%
Short Term and Receivables	1.50%

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

B. Single Employer Plan – Police and Fire Relief Fund (Continued)

III. *Changes in the Net Pension Liability*

The changes in the Net Pension Liability for the Plan follow:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 12,158,089	\$ 9,591,843	\$ 2,566,246
Changes in the year:			
Service cost	-	-	-
Interest on the total pension liability	774,708	-	774,708
Differences between actual and expected experience	945,018	-	945,018
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	82,401	(82,401)
Contribution - employee	-	-	-
Investment income	-	1,287,597	(1,287,597)
Administrative expenses	-	-	-
Benefit payments , including refunds of employee contributions	(1,384,481)	(1,384,481)	-
Net changes	335,245	(14,483)	349,728
Balance at June 30, 2015	\$ 12,493,334	\$ 9,577,360	\$ 2,915,974

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

B. Single Employer Plan – Police and Fire Relief Fund (Continued)

III. Changes in the Net Pension Liability, Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		4.66%		
Net Pension Liability	\$		3,916,340	
Current Discount Rate		5.66%		
Net Pension Liability	\$		2,915,974	
1% Increase		6.66%		
Net Pension Liability	\$		2,043,908	

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$981,628. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ -	\$ 549,499
Total	\$ -	\$ 549,499

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

B. Single Employer Plan – Police and Fire Relief Fund (Continued)

IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Fiscal Year Ending June 30:		
2016	\$	(137,375)
2017		(137,375)
2018		(137,375)
2019		(137,374)

V. Payable to Pension Plan

As of June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

C. Cost Sharing Plans – CalPERS

I. Plan Description

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in nine separate Employee Plans. Benefit provisions under all Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for all Plans are determined on an actuarial basis as of June 30 of each year. The City must contribute the amounts determined by CALPERS.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

II. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee’s Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2015 are summarized as follows:

	City Miscellaneous	City Miscellaneous - 2nd Tier	JPA Miscellaneous - 1st Tier
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	55
Monthly benefits, as a % of annual salary	2.50%	2.00%	2.50%
Required employee contribution rates	8.000%	7.000%	8.000%
Required employer contribution rates	16.420%	16.420%	16.318%
	JPA Miscellaneous - 2nd Tier	JPA Miscellaneous - PEPRA	City Safety - Police
Hire Date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	60	62	55
Monthly benefits, as a % of annual salary	2.00%	2.00%	3.00%
Required employee contribution rates	7.000%	6.250%	9.000%
Required employer contribution rates	8.005%	6.250%	22.250%
	City Safety - Fire	City Safety - Fire 2nd Tier	City Safety - Fire PEPRA
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	55	57
Monthly benefits, as a % of annual salary	3.00%	3.00%	2.70%
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	22.250%	21.367%	11.500%

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

II. Benefits Provided, Continued

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized against net pension liability for the Plans were as follows:

	Contributions - employer
City Miscellaneous	\$ 187,467
City Miscellaneous - 2nd Tier	9,246
JPA Miscellaneous	246,166
JPA Miscellaneous - 2nd Tier	26,700
JPA Miscellaneous - PEPR	3,989
City Safety - Police	336,028
City Safety - Fire	347,422
City Safety - Fire 2nd Tier	36,443
City Safety - Fire PEPR	19,919

III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
City Miscellaneous	\$ 2,816,409
City Miscellaneous - 2nd Tier	3,314
JPA Miscellaneous	2,018,637
JPA Miscellaneous - 2nd Tier	5,976
JPA Miscellaneous - PEPR	96
City Safety - Police	6,012,885
City Safety - Fire	5,536,839
City Safety - Fire 2nd Tier	4,851
City Safety - Fire PEPR	342
Total Net Pension Liability	\$ 16,399,349

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The City's net pension liabilities for the Plans are measured as the proportionate share of the total net pension liability of each Plan. The net pension liability of the Plans are measured as of June 30, 2014, and the total pension liability for the Plans used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportionate of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 were as follows:

	Proportion June 30 2013	Proportion June 30 2014	Change - Increase (Decrease)
City Miscellaneous	0.115040%	0.113956%	-0.001084%
City Miscellaneous - 2nd Tier	0.000138%	0.000134%	-0.000004%
JPA Miscellaneous	0.081164%	0.081677%	0.000513%
JPA Miscellaneous - 2nd Tier	0.000249%	0.000242%	-0.000007%
JPA Miscellaneous - PEPRA	0.000004%	0.000004%	0.000000%
City Safety - Police	0.166420%	0.160302%	-0.006118%
City Safety - Fire	0.153244%	0.147611%	-0.005634%
City Safety - Fire 2nd Tier	0.000134%	0.000129%	-0.000005%
City Safety - Fire PEPRA	0.000009%	0.000009%	0.000000%

For the year ended June 30, 2015, the City recognized pension expense of \$1,075,807. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,231,831	\$ -
Changes in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	483,395	(713,249)
Net differences between projected and actual earnings on plan investments	-	(4,975,633)
Total	\$ 1,715,226	\$ (5,688,882)

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

\$1,231,831 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:		
2016	\$	(1,326,000)
2017		(1,326,000)
2018		(1,309,581)
2019		(1,243,906)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return ⁽¹⁾	7.50%
Mortality	Derived by CalPERS membership data for all funds

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees

Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Net Pension Liability		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City Miscellaneous	\$ 4,896,998	\$ 2,816,409	\$ 1,089,718
City Miscellaneous - 2nd Tier	5,905	3,314	1,164
JPA Miscellaneous	3,444,982	2,018,637	834,907
JPA Miscellaneous - 2nd Tier	10,647	5,976	2,099
JPA Miscellaneous - PEPRA	171	96	33
City Safety - Police	10,347,397	6,012,885	2,441,435
City Safety - Fire	9,528,183	5,536,839	2,248,144
City Safety - Fire 2nd Tier	8,347	4,851	1,970
City Safety - Fire PEPRA	589	342	139
Total	\$ 28,243,219	\$ 16,399,349	\$ 6,619,609

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – Employee Retirement Plans (Continued)

C. Cost Sharing Plans – CalPERS

III. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2015 the City reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE 13 – Post-Retirement Benefits

The City obtains Medical Insurance under the CalPERS Health Benefits Program governed by Public Employees’ Medical and Hospital Care Act (PEMCHA). Contracting agencies must offer eligible retirees minimum benefits. The Albany Municipal Services Joint Powers Authority also obtains health insurance benefits under this program.

The Retiree Health Plans annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the Employer, an amount to be determined in accordance with GASB Statement 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover costs. Prior to this report the City did not present a calculation of the liability.

A. City of Albany Health Plan

Plan Description: The City of Albany Retiree Health Plan is a single-employer defined benefit healthcare plan administered by the California Public Employees’ Retirement System (CalPERS). The Plan provides medical insurance benefits to eligible retirees and their eligible dependents. In accordance with Public Employees’ Retirement Law (Article 2), the CalPERS Board of Administration has the responsibility to approve health benefit plans and may contract with carriers offering health benefit plans. The Board of Administration is responsible for adopting all rules and regulations, including the scope and content of basic health plans. The California Government Code also defines certain rules for contract agencies to purchase health insurance benefits.

Funding Policy: The City obtains health insurance benefits from the PEMHCA, which is administered by CalPERS. The program as established by CalPERS requires the offering of retiree medical benefits at a minimum level. The City plan is under the “Unequal Provision” offered by CalPERS for the “Minimum Employer Contribution” (MEC). The 2015 MEC is \$122 per month which adjusts annually based on the Medical Costs of the Consumer Price Index. Under the “Unequal Provision” the current City Contribution is less than the minimum MEC, however it will also adjust annually until the two are equal.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 – Post-Retirement Benefits (Continued)

A. City of Albany Health Plan (Continued)

Under the unequal provisions, an employer may initially contribute a lesser amount toward health coverage for retirees than for active employees. Annual increases to the retirees' health coverage, will be administered until contributions for retirees are equal. The unequal provision is authorized by Government Code Section 22892 (c).

Employees who retire directly from the City under CalPERS service are eligible for retiree health benefits. The retiree may include coverage for a spouse, registered domestic partner and/or dependents. The level of coverage is selected by the retiree and eligibility is governed by CalPERS. In 2015, the City contributes the required \$122 per month for retirees as the MEC (based on the "Unequal Provision"). The retiree is responsible for payment of the balance of the premium. All coverage options require the retiree to contribute to the cost.

For Fiscal year 2014-2015 the City contributed \$37,718 to the plan, all of which was for current contributions. No other contributions were made.

Annual OPEB Cost and Net OPEB Obligation: The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan and changes in the net OPEB.

Actuarial required contribution	\$111,274
Interest on Net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB expense (income)	\$111,274
Contributions made	(37,718)
Increase (decrease) in net OPEB obligation	\$73,556
Net OPEB obligation (asset) - beginning of year	179,685
Net OPEB obligation (asset) - end of year	\$253,241

The City Retiree Health annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation data available for 2015 and previous years were as follows:

Year Ended	Annual OPEB Cost	Percentage Annual OPEB Contributed	OPEB Obligation
6/30/2013	\$ 111,274	17%	\$ 92,245
6/30/2014	\$ 111,274	21%	\$ 179,685
6/30/2015	\$ 111,274	34%	\$ 253,241

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 – Post-Retirement Benefits (Continued)

A. City of Albany Health Plan (Continued)

Funded Status and Funding Progress: As of June 30, 2013, the most recent actuarial valuation date, the plan was not funded. Therefore, both the actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) equaled \$1,183,500. The covered payroll (annual payroll of active employees covered by the plan) was \$6,325,223 and the ratio of UAAL to covered payroll was 19 percent.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A sole or agent employer that meets any of the eligibility criteria in paragraph 11 of GASB 45 is permitted to apply the alternative measurement method set forth in paragraphs 33 through 35 of GASB 45, which allows for certain simplifying modifications to the selection of assumptions for purposes of measuring the ARC (Annual Required Contribution) and the plan's actuarial accrued liabilities and funded status. In the June 30, 2013 actuarial valuation prepared by Vavrinek, Trine, Day & Co., LLP the actuarial used was Alternative Measurement Method with the Entry Age cost method.

The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), calculated based on the funded level of the plan at the valuation date. The expected rate of increase in the minimum employer contribution is the average rate of increase in the PEMCHA, minimum contribution over the last four fiscal years. The increases are as follows:

Economic Assumptions	For Fiscal Year Ending	Rate
Minimum Employer Contribution	2015	3.29%
	2016	3.29%
	2017	3.29%
	2018	3.29%
	2019	3.29%
	2020	3.29%
	2021 & later	3.29%

The Actuarial Accrued Liability (AAL) is the cumulative value, on the valuation date, of prior Normal Costs. For retirees, the AAL is the present value of all projected benefits. GASB45 allows an amortization period not to exceed 30 years. The unfunded AAL is amortized over 30 years as a level of dollar amount.

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 – Post-Retirement Benefits (Continued)

A. Albany Municipal Services Joint Powers Authority (JPA) Health Plan

Plan Description: The JPA’s Retiree Health Plan is a single-employer defined benefit healthcare plan administered by the California Public Employees’ Retirement System (CalPERS). The Plan provides medical insurance benefits to eligible retirees and their eligible dependents. In accordance with Public Employee Retirement Law (Article 2), the CalPERS Board of Administration has the responsibility to approve health benefit plans and may contract with carriers offering health benefit plans. The Board of Administration is responsible for adopting all rules and regulations, including the scope and content of basic health plans. The California Government Code also defines certain rules for contract agencies to purchase health insurance benefits.

Funding Policy: The JPA obtains health insurance benefits from the PEMHCA, which is administered by CalPERS. The program as established by CalPERS requires the offering of retiree medical benefits at a minimum level. The Albany JPA plan is under the “Unequal Provision” offered by CalPERS for the “Minimum Employer Contribution” (MEC). The 2015 MEC is \$97.60 per month which adjusts annually based on the Medical Costs of the Consumer Price Index. Under the “Unequal Provision” the current JPA Contribution is less than the minimum MEC, however it will also adjust annually until the two are equal.

Under the unequal provisions, an employer may initially contribute a lesser amount toward health coverage for retirees than for active employees. Annual increases to the retirees’ health coverage, will be administered until contributions for retirees are equal. The unequal provision is authorized by Government Code Section 22892 (c).

Employees who retire directly from the JPA under CalPERS service are eligible for retiree health benefits. The retiree may include coverage for a spouse, registered domestic partner and/or dependents. The level of coverage is selected by the retiree and eligibility is governed by CalPERS. In 2015, the JPA contributes the required \$97.60 monthly for retirees as the MEC (based on the “Unequal Provision”). The retiree is responsible for payment of the balance of the premium. All coverage options require the retiree to contribute to the cost.

For Fiscal year 2014-2015 the JPA contributed \$ 8,410 to the plan, all of which was for current contributions. No other contributions were made.

Annual OPEB Cost and Net OPEB Obligation: The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan and changes in the net OPEB.

Actuarial required contribution	\$40,329
Interest on Net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB expense (income)	\$40,329
Contributions made	(8,410)
Increase (decrease) in net OPEB obligation	\$31,919
Net OPEB obligation (asset) - beginning of year	67,469
Net OPEB obligation (asset) - end of year	\$99,388

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – Post-Retirement Benefits (Continued)

B. Albany Municipal Services Joint Powers Authority (JPA) Health Plan (Continued)

The JPA Retiree Health annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation data available for 2015 and previous years were as follows:

Year Ended	Annual OPEB Cost	Percentage Annual OPEB Contributed	OPEB Obligation
6/30/2013	\$ 40,329	13%	\$ 35,072
6/30/2014	\$ 40,329	20%	\$ 67,469
6/30/2015	\$ 40,329	21%	\$ 99,388

Funded Status and Funding Progress: As of June 30, 2013, the most recent actuarial valuation date, the plan was not funded. Therefore, both the actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) equaled \$243,964. The covered payroll (annual payroll of active employees covered by the plan) was \$1,868,591 and the ratio of UAAL to covered payroll was 13 percent.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A sole or agent employer that meets any of the eligibility criteria in paragraph 11 of GASB 45 is permitted to apply the alternative measurement method set forth in paragraphs 33 through 35 of GASB 45, which allows for certain simplifying modifications to the selection of assumptions for purposes of measuring the ARC (Annual Required Contribution) and the plan's actuarial accrued liabilities and funded status. In the June 30, 2013 actuarial valuation prepared by Vavrinek, Trine, Day & Co., LLP the actuarial used was Alternative Measurement Method with the Entry Age cost method.

The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), calculated based on the funded level of the plan at the valuation date. The expected rate of increase in the minimum employer contribution is the average rate of increase in the PEMCHA, minimum contribution over the last four fiscal years. The increases are as follows:

Economic Assumptions	For Fiscal Year Ending	Rate
Minimum Employer Contribution	2015	3.29%
	2016	3.29%
	2017	3.29%
	2018	3.29%
	2019	3.29%
	2020	3.29%
	2021 & later	3.29%

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – Post-Retirement Benefits (Continued)

B. Albany Municipal Services Joint Powers Authority (JPA) Health Plan (Continued)

The Actuarial Accrued Liability (AAL) is the cumulative value, on the valuation date, of prior Normal Costs. For retirees, the AAL is the present value of all projected benefits. GASB45 allows an amortization period not to exceed 30 years. The unfunded AAL is amortized over 30 years as a level of dollar amount.

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.

A. Risk Pools

The City participates in the Bay Cities Joint Powers Insurance Authority (BCJPIA) general liability risk pool, which in turn participates in the California Affiliated Risk Management Authorities (CARMA) risk pool. BCJPIA 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 \$28,000,000. The City contributed \$396,280 for coverage during the fiscal year ended June 30, 2015.

Condensed audited financial information of BCJPIA at and for the fiscal year ended June 30, 2015 is as follows:

Assets	\$ 30,839,366
Reserves for Claims	19,384,942
Liabilities (1)	3,546,576
Net Position Unrestricted	7,907,848
Member Contributions	11,452,248
Other Income	243,006
Provisions for Claims and Claim Adjustment Expenses	6,962,884
Operating Expenses (2)	7,216,607
Change in Net Position	(2,484,237)

(1) - Excluding claims liabilities

(2) - Excluding provisions for claims

CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – Risk Management (Continued)

A. Risk Pools (Continued)

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 LAWCX 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 the statutory limit are covered by LAWCX.

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, 2015, the City incurred costs of \$121,188 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 LAWCX may be obtained from Bickmore Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

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 (IBNR), which is based on claims experience and estimates provided by BCJPIA. Changes in the balance of claim liabilities are as follows:

	Workers' Compensation	General Liability	Total
Balance July 1, 2013	\$ 1,497,000	\$ 185,192	\$ 1,682,192
Incurred claims and changes in estimates	(406,262)	121,246	(285,016)
Claim paid	(7,738)	(91,388)	(99,126)
Balance June 30, 2014	1,083,000	215,050	1,298,050
Incurred claims and changes in estimates	117,732	(23,945)	93,787
Claim paid	(117,732)	(4,055)	(121,787)
Balance June 30, 2015	<u>\$ 1,083,000</u>	<u>\$ 187,050</u>	<u>\$ 1,270,050</u>

**CITY OF ALBANY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 – Commitments and Contingent Liabilities

On May 14, 2013 the California Department of Finance (DOF) issued a letter report of their findings regarding the Other Funds and Accounts Due Diligence Review of the City of Albany Successor Agency’s report of cash available for distribution to affected taxing agencies. The principal finding of the DOF was the disallowance of transfers totaling \$1,050,000 from the Albany Community Reinvestment Agency to the City, a demand that this cash be remitted to the County Auditor Controller. This cash was expended in the purchase of real property from the State of California, and is not available for remittance to the County Auditor-Controller.

The City has proceeded with litigation, in an effort to obtain a reversal of the DOF findings. Both the City and the Successor Agency are plaintiffs in the legal filing. Should the City ultimately be held liable for payment of disallowed cash transfers, and required to make a payment, no source of current funds has been identified to satisfy this contingent liability.

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.

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 16 – Prior Period Adjustment

The City recorded prior period adjustments to record the beginning balance of the net pension liability, and to record employer contributions made for pension in fiscal year 2014 for CalPERS’ plans as a deferred outflow of resources.

	Net Position, as Previously Reported	Prior Period Adjustments		Net Position, as Restated
		Deferred Employer Pension Contributions	Net Pension Liability	
Government-Wide Statements				
Governmental Activities	\$ 57,687,344	\$ 1,295,781	\$ (24,308,655)	\$ 34,674,470

NOTE 17 – Subsequent Events

Bond Refunding - On January 1, 2016, the City issued 2016 Wastewater Revenue Refunding Bonds with a par value of \$4,810,000 to refund the outstanding City of Albany 2004 Sewer Revenue Bonds in the principal amount of \$4,675,000. The Bonds are secured by a first pledge of a lien on all of net revenues of the Sewer Fund.

Successor Agency Settlement - On September 21, 2015, the Albany Oversight Board approved a settlement agreement related to a dispute between the City and the Department of Finance with regard to waive all claims for repayment of loans totaling \$1,536,203 representing amounts previously advanced by the City to the former Community Reinvestment Agency. The settlement agreement was also approved by the County of Alameda.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

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 Manager submits to the City Council an operating budget and capital improvement budget for the two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings and work sessions are conducted to obtain comments from interested individuals and organizations.
3. The budget is formalized and legally enacted through City Council adoption.
4. All intrafund transfers above \$5,000 require the approval of the City Manager (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 Manager 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 budget, is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.
6. Budgets for General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles 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 the City Council for approval. Budgeted amounts appearing in these statements are as amended by the City Council though June 30, 2015.

City of Albany

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 5,705,071	\$ 5,732,050	\$ 5,863,623	\$ 131,573
Sales taxes	2,881,905	3,312,500	3,508,838	196,338
Franchise and other taxes	3,633,255	3,828,080	3,947,372	119,292
Licenses and permits	803,500	759,000	868,027	109,027
Fines and forfeitures	195,000	230,000	414,413	184,413
Earnings on investments	15,000	15,000	4,888	(10,112)
Revenues from other agencies	162,440	205,440	218,875	13,435
Current service charges	1,696,650	1,724,600	1,702,276	(22,324)
Other revenue	132,520	222,715	358,343	135,628
Total revenues	15,225,341	16,029,385	16,886,655	857,270
EXPENDITURES:				
Current:				
General government	2,409,172	2,787,799	3,142,088	(354,289)
Police	6,108,401	6,187,256	5,804,565	382,691
Fire and emergency medical services	4,563,066	2,506,401	2,401,570	104,831
Community development and environmental resources	2,683,429	1,928,039	1,849,340	78,699
Recreation and community services	2,486,129	2,650,791	2,535,782	115,009
Capital outlay	104,600	108,833	72,509	36,324
Debt service:				
Principal	38,030	38,030	38,031	(1)
Interest, and fiscal charges	9,410	9,410	9,407	3
Total expenditures	18,402,237	16,216,559	15,853,292	363,267
REVENUES OVER (UNDER) EXPENDITURES	(3,176,896)	(187,174)	1,033,363	1,220,537
OTHER FINANCING SOURCES (USES):				
Transfers in	914,631	914,631	914,631	-
Transfers out	(116,100)	(116,100)	(441,537)	(325,437)
Total other financing sources (uses)	798,531	798,531	473,094	(325,437)
Net change in fund balance	\$ (3,176,896)	\$ (187,174)	1,506,457	\$ 895,100
FUND BALANCE:				
Beginning of year			6,027,895	
End of year			<u>\$ 7,534,352</u>	

City of Albany

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Pension Property Tax Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ 40,532	\$ 40,532
Earnings on investments	-	-	3,967	3,967
Revenues from other agencies	-	-	-	-
Total revenues	-	-	44,499	44,499
EXPENDITURES:				
Current:				
General government	-	-	49,592	(49,592)
Total expenditures	-	-	49,592	(49,592)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,093)	(5,093)
OTHER FINANCING SOURCES (USES):				
Transfer out	(1,100,000)	(1,100,000)	(1,100,000)	-
Total other financing sources (uses)	(1,100,000)	(1,100,000)	(1,100,000)	-
Net change in fund balance	\$ -	\$ -	(1,105,093)	\$ (5,093)
FUND BALANCE:				
Beginning of year			4,561,612	
End of year			<u>\$ 3,456,519</u>	

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED PENSION PLAN – SINGLE EMPLOYER PLAN

Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period

Measurement Period ⁽¹⁾	2013-14
TOTAL PENSION LIABILITY	
Service Cost	\$ -
Interest	774,708
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	945,018
Benefit Payments, Including Refunds of Employee Contributions	(1,384,481)
Net Change in Total Pension Liability	335,245
Total Pension Liability - Beginning	12,158,089
Total Pension Liability - Ending (a)	\$ 12,493,334
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 82,401
Contributions - Employee	-
Net Investment Income ⁽²⁾	1,287,597
Benefit Payments, Including Refunds of Employee Contributions	(1,384,481)
Other Changes in Fiduciary Net Position	-
Net Change in Fiduciary Net Position	(14,483)
Plan Fiduciary Net Position - Beginning	9,591,844
Plan Fiduciary Net Position - Ending (b)	\$ 9,577,361
Plan Net Position Liability/(Asset) - Ending (a) - (b)	\$ 2,915,973
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.66%

(1) – Prior information unavailable.

(2) – Net of administrative expenses.

Notes to Schedules

Benefit Changes: None (other than cost of living adjustments under the terms of the Plan)

Changes of Assumptions: None other than change in discount rate from 6.75% to 5.66%.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED PENSION PLAN – SINGLE EMPLOYER PLAN (Continued)

Schedule of Plan Contributions

	Fiscal Year 2014-15
Actuarially determined contribution	\$ 82,401
Contribution in relation to the actuarially determined contributions	-
Contribution deficiency (excess)	\$ 82,401

Note to Schedule

Valuation date: 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar basis, rolling 15 year period
Remaining amortization period	15 years
Asset valuation method	Expected value of assets plus 20 percent of difference between the expected and the actual earnings.
Inflation	2.50%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Healthy Annuitant Mortality Table

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN - COST SHARING PLANS

Miscellaneous (Classic) Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015

Last of 10 Years*

	<u>6/30/2014</u>
Proportion of the net pension liability	0.04526%
Proportionate share of the net pension liability	\$ 2,816,409
Covered - employee payroll	\$ 1,315,189
Proportionate Share of the net pension liability as percentage of covered-employee payroll	214.14%
Plan's fiduciary net position	\$ 12,866,887
Plan fiduciary net position as a percentage of the total pension liability	82.04%

Notes to Schedule:

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Miscellaneous (Classic) Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 203,326
Contribution in relation to the actuarially determined contributions	(203,326)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,238,283
Contributions as a percentage of covered-employee payroll	16.42%
Note to Schedule	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age
Amortization method	Level Percent of Payroll
Average Remaining Period	19 years
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20%, depending on Age, Service, and employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	55 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Miscellaneous (Second Tier) Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015

Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.00005%
Proportionate share of the net pension liability	\$ 3,314
Covered - employee payroll	\$ 152,505
Proportionate Share of the net pension liability as percentage of covered-employee payroll	2.17%
Plan's fiduciary net position	\$ 16,215
Plan fiduciary net position as a percentage of the total pension liability	83.03%

Notes to Schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Miscellaneous (Second Tier) Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

	2015
Contractually required contribution (actuarially determined)	\$ 13,247
Contribution in relation to the actuarially determined contributions	(13,247)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 80,676
Contributions as a percentage of covered-employee payroll	16.42%
Note to Schedule	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll, closed
Average Remaining Period	7 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on Age, Service, and type of Employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	60 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Albany Municipal Services Joint Power Authority Miscellaneous Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015

Last of 10 Years*

	<u>6/30/2014</u>
Proportion of the net pension liability	0.03244%
Proportionate share of the net pension liability	\$ 2,018,637
Covered - employee payroll	\$ 1,483,509
Proportionate Share of the net pension liability as percentage of covered-employee payroll	136.07%
Plan's fiduciary net position	\$ 8,733,024
Plan fiduciary net position as a percentage of the total pension liability	81.22%

Notes to Schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Albany Municipal Services Joint Powers Authority Miscellaneous Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015
Last 10 Years*

		<u>2015</u>
Contractually required contribution (actuarially determined)	\$	202,000
Contribution in relation to the actuarially determined contributions		<u>(202,000)</u>
Contribution deficiency (excess)	\$	<u>-</u>
 Covered-employee payroll	 \$	 1,237,897
 Contributions as a percentage of covered-employee payroll		 16.32%
Note to Schedule		
Valuation date:		6/30/2012
Methods and assumptions used to determine contribution rates:		
Actuarial cost method		Entry age normal cost method
Amortization method		Level Percentage of Payroll
Average remaining period		19 years
Asset valuation method		15 year smoothed market
Inflation		2.75%
Salary increases		3.30% to 14.20%, depending on Age, Service, and employment
Investment rate of return		7.50% (net of administrative expenses)
Retirement age		55 yrs.
Mortality		RP-2000 Healthy Annuitant Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Albany Municipal Services Joint Powers Authority Miscellaneous (Second Tier) Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015

Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.00010%
Proportionate share of the net pension liability	\$ 5,976
Covered - employee payroll	\$ 299,795
Proportionate Share of the net pension liability as percentage of covered-employee payroll	1.99%
Plan's fiduciary net position	\$ 29,238
Plan fiduciary net position as a percentage of the total pension liability	83.03%

Notes to Schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Albany Municipal Services Joint Powers Authority Miscellaneous (Second Tier) Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

		<u>2015</u>	
Contractually required contribution (actuarially determined)	\$	25,923	
Contribution in relation to the actuarially determined contributions		(25,923)	
Contribution deficiency (excess)	\$	-	
Covered-employee payroll	\$	323,835	
Contributions as a percentage of covered-employee payroll		8.01%	
Note to Schedule			
Valuation date:		6/30/2012	
Methods and assumptions used to determine contribution rates:			
Actuarial cost method		Entry age normal cost method	
Amortization method		Level percentage of payroll, closed	
Average Remaining Period		7 years as of the valuation date	
Asset valuation method		15 year smoothed market	
Inflation		2.75%	
Salary increases		3.3% to 14.2% depending on Age, Service, and type of Employment	
Investment rate of return		7.50% (net of administrative expenses)	
Retirement age		60 years	
Mortality		RP-2000 Healthy Annuitant Mortality Table	

**CITY OF ALBANY
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Albany Municipal Services Joint Powers Authority Miscellaneous (PEPRA) Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015

Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.00000%
Proportionate share of the net pension liability	\$ 96
Covered - employee payroll	\$ 61,074
Proportionate Share of the net pension liability as percentage of covered-employee payroll	0.16%
Plan's fiduciary net position	\$ 471
Plan fiduciary net position as a percentage of the total pension liability	83.07%

Notes to Schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

***Albany Municipal Services Joint Powers Authority Miscellaneous (PEPRA) Plan,
Continued***

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

		<u>2015</u>	
Contractually required contribution (actuarially determined)	\$	-	
Contribution in relation to the actuarially determined contributions		-	
Contribution deficiency (excess)	\$	-	
Covered-employee payroll	\$	-	
Contributions as a percentage of covered-employee payroll		0.00%	
Note to Schedule			
Valuation date:		6/30/2012	
Methods and assumptions used to determine contribution rates:			
Actuarial cost method			Entry age normal cost method
Amortization method			Level percentage of payroll, closed
Average remaining period			Not Available
Asset Valuation Method			15 years smoothed market
Inflation			2.75%
Salary increases			Not Available
Investment rate of return			7.50% (net of administrative expenses)
Retirement age			62 years
Mortality			RP-2000 Healthy Annuitant Mortality Table

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Police Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015

Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.09663%
Proportionate share of the net pension liability	\$ 6,012,885
Covered - employee payroll	\$ 2,797,968
Proportionate Share of the net pension liability as percentage of covered-employee payroll	214.90%
Plan's fiduciary net position	\$ 26,346,888
Plan fiduciary net position as a percentage of the total pension liability	81.42%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Police Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015
Last 10 Years*

	2015
Contractually required contribution (actuarially determined)	\$ 392,962
Contribution in relation to the actuarially determined contributions	(392,962)
Contribution deficiency (excess)	\$ -
 Covered-employee payroll	 \$ 1,766,121
Contributions as a percentage of covered-employee payroll	22.25%
Note to Schedule	
Valuation date:	6/30/2012
 Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Average Remaining Period	17 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20%, depending on Age, Service, and employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	55 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Fire Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015
Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.08898%
Proportionate share of the net pension liability	\$ 5,536,839
Covered - employee payroll	\$ 2,203,718
Proportionate Share of the net pension liability as percentage of covered-employee payroll	251.25%
Plan's fiduciary net position	\$ 24,260,979
Plan fiduciary net position as a percentage of the total pension liability	81.42%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Fire Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

	2015
Contractually required contribution (actuarially determined)	\$ 320,642
Contribution in relation to the actuarially determined contributions	(320,642)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 1,441,088
Contributions as a percentage of covered-employee payroll	22.25%
Note to Schedule	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll
Average Remaining Period	17 years as of the Valuation
Asset valuation method	15 years smoothed market
Inflation	2.75%
Salary increases	3.3%, to 14.2% depending on Age, Service, and type of employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	55 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Fire (Second Tier) Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015
Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.00008%
Proportionate share of the net pension liability	\$ 4,851
Covered - employee payroll	\$ 96,767
Proportionate Share of the net pension liability as percentage of covered-employee payroll	5.01%
Plan's fiduciary net position	\$ 21,253
Plan fiduciary net position as a percentage of the total pension liability	81.42%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Fire (Second Tier) Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

	2015
Contractually required contribution (actuarially determined)	\$ 42,384
Contribution in relation to the actuarially determined contributions	(42,384)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 198,362
Contributions as a percentage of covered-employee payroll	21.37%
Note to Schedule	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market value
Inflation	Not available
Salary increases	Not available
Investment rate of return	Not available
Retirement age	Not available
Mortality	RP-2000 Healthy Annuitant Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Fire (PEPRA) Plan

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

As of June 30, 2015
Last of 10 Years*

	6/30/2014
Proportion of the net pension liability	0.00001%
Proportionate share of the net pension liability	\$ 342
Covered - employee payroll	\$ 143,405
Proportionate Share of the net pension liability as percentage of covered-employee payroll	0.24%
Plan's fiduciary net position	\$ 1,501
Plan fiduciary net position as a percentage of the total pension liability	81.44%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

DEFINED BENEFIT PENSION PLAN – COST SHARING PLANS, Continued

Safety Fire (PEPRA) Plan, Continued

SCHEDULE OF CONTRIBUTIONS

As of June 30, 2015

Last 10 Years*

	2015
Contractually required contribution (actuarially determined)	\$ 31,347
Contribution in relation to the actuarially determined contributions	(31,347)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 272,583
Contributions as a percentage of covered-employee payroll	11.50%

Note to Schedule

Valuation date: 6/30/2012

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Average remaining period	Not available
Asset valuation method	Not available
Inflation	Not available
Salary increases	Not available
Investment rate of return	Not available
Retirement age	Not available
Mortality	RP-2000 Healthy Annuitant Mortality Table

**CITY OF ALBANY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Albany Employees Retiree Health Plan:

Actuarial Valuation Date *	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded / (Overfunded) Actuarial Accrued Liability	Funded Ratio AVA	Covered Payroll	Unfunded / (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/13	-	1,183,500	1,183,500	0.0%	6,325,223	18.7%

* Latest information available

Albany Municipal Services JPA Retiree Health Plan:

Actuarial Valuation Date *	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded / (Overfunded) Actuarial Accrued Liability	Funded Ratio AVA	Covered Payroll	Unfunded / (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/13	-	243,964	243,964	0.0%	1,868,591	13.1%

* Latest information available

SUPPLEMENTARY INFORMATION

This page intentionally left blank

City of Albany

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street and Storm Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ 948,000	\$ 972,596	\$ 24,596
Earnings on investments	-	6,250	3,767	(2,483)
Other revenue	-	-	12,750	12,750
Total revenues	-	954,250	989,113	34,863
EXPENDITURES:				
Current:				
Community development and environmental resources	-	296,024	254,782	41,242
Recreation and community services	-	-	260	(260)
Capital outlay	-	-	175,941	(175,941)
Total expenditures	-	296,024	439,362	(143,338)
REVENUES OVER (UNDER) EXPENDITURES	-	658,226	549,751	(108,475)
OTHER FINANCING SOURCES (USES):				
Transfers out	(21,000)	(21,000)	(412,384)	(391,384)
Total other financing sources (uses)	(21,000)	(21,000)	(412,384)	(391,384)
Net change in fund balance	\$ -	\$ 658,226	137,367	\$ (499,859)
FUND BALANCE:				
Beginning of year			4,094,664	
End of year			<u>\$ 4,232,031</u>	

This page intentionally left blank

CITY OF ALBANY

Nonmajor Governmental Funds

Other Special Revenue Funds - account for revenues derived from specific revenue sources. These funds are required by statute, ordinance, or grantor restrictions to finance specified functions or activities of government.

Other Capital Projects Funds - 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.

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

City of Albany
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Operating cash and investments	\$ 3,551,884	\$ 6,939,319	\$ 1,596,484	\$ 12,087,687
Debt Service reserves held with trustee	-	-	346,516	346,516
Receivables:				
Interest	-	-	-	-
Taxes	228,076	-	15,968	244,044
Accounts	689,516	-	-	689,516
Total assets	\$ 4,469,476	\$ 6,939,319	\$ 1,958,968	\$ 13,367,763
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 532,676	\$ 97,755	\$ -	\$ 630,431
Accrued salaries and benefits	52,893	-	-	52,893
Accrued liabilities	-	-	-	-
Due to other funds	569,264	132,402	-	701,666
Unearned revenue	29,330	-	-	29,330
Total liabilities	1,184,163	230,157	-	1,414,320
Fund Balances:				
Restricted	3,319,160	3,586,304	1,958,968	8,864,432
Assigned	-	3,255,260	-	3,255,260
Unassigned	(33,847)	(132,402)	-	(166,249)
Total fund balances	3,285,313	6,709,162	1,958,968	11,953,443
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,469,476	\$ 6,939,319	\$ 1,958,968	\$ 13,367,763

City of Albany
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES:				
Property taxes	\$ 2,327,028	\$ -	\$ 1,254,739	\$ 3,581,767
Franchise and other taxes	90,827	-	-	90,827
Licenses and permits	973	13,598	-	14,571
Earnings on investments	2,562	709	936	4,207
Revenues from other agencies	1,959,759	123,519	6,515	2,089,793
Current Service charges	817,287	87,930	-	905,217
Other revenue	90,537	-	-	90,537
Total revenues	5,288,973	225,756	1,262,190	6,776,919
EXPENDITURES:				
General government	44,702	-	-	44,702
Police	172,808	4,134	-	176,942
Fire and emergency medical services	2,415,806	-	-	2,415,806
Community development and environmental resources	1,212,776	334,240	4,978	1,551,994
Recreation and community services	990,794	5,791	-	996,585
Capital outlay	459,727	574,294	-	1,034,021
Debt service:				
Principal	20,142	-	736,472	756,614
Interest	2,280	-	831,529	833,809
Total expenditures	5,319,035	918,459	1,572,979	7,810,473
REVENUES OVER (UNDER) EXPENDITURES	(30,062)	(692,703)	(310,789)	(1,033,554)
OTHER FINANCING SOURCES (USES):				
Transfers in	561,806	478,905	391,384	1,432,095
Transfers out	-	(392,805)	-	(392,805)
Total other financing sources (uses)	561,806	86,100	391,384	1,039,290
Net change in fund balances	531,744	(606,603)	80,595	5,736
FUND BALANCES:				
Beginning of the year	2,753,569	7,315,765	1,878,373	11,947,707
End of year	<u>\$ 3,285,313</u>	<u>\$ 6,709,162</u>	<u>\$ 1,958,968</u>	<u>\$ 11,953,443</u>

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:

Gas Tax Fund (#230) - 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.

Community Development Block Grant Fund (#270) - 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 (#720) - accounts for capital street improvements. Monies are transferred from other funds to pay for expenditures.

Library Operations Fund (#470) - accounts for voter approved parcel taxes in support of library operations.

Storm Drain Fund (#620) - accounts for revenues and expenditures for programs and activities used to prevent non-point source pollution.

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

Waste Management Fund (#410/#441) - 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.

Operating Grants (#443) - accounts for grant revenues and expenditures for general purposes.

Paratransit Fund (#490) - accounts for paratransit transportation services provided to qualified Albany senior residents and to people with disabilities 18 years and over.

Lighting and Landscape Assessment District Fund 1998-1 (#730) - 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

City of Albany

Other Special Revenue Funds

Emergency Medical services Fund (#265) - 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.

L&LAD 1996-1 Open Space Fund (#480) - 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.

L&LAD 1996-1 Recreational Playfields Fund (#481) - 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.

L&LAD 1996-1Creek Restoration Fund (#482) - accounts for restoration of creeks through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

Water Front Fund (#440) - accounts for a state grant to prepare a transition improvement plan for the Albany Neck and Bulb area.

EBRPD Measure WW Fund (#495) - accounts for monies received from the East Bay Regional Parks District Measure WW Bond. These funds are used for rehabilitation and restoration of parks and recreation facilities.

Law Enforcement Grants (#108 / #130) - accounts for revenues received under Legislation (AB3229) to fund various front line law enforcement activities.

Poet Laureate (#896) - accounts for revenues, donations and expenses associated with the sponsoring of a local poet to write poetry, to express and celebrate the spirit of the community.

Asset forfeiture (#261) - 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.

Alameda County Vehicle Registration Fee (#234) - accounts for revenue the city receives from the county that is an allocation of vehicle registration fees collected by the State. Expenditures are restricted to transportation purposes.

Fire Grant (#140) - accounts for expenditures incurred for the Regional Collision Response and Extrication Improvement Program.

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

City of Albany
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015

	Special Revenue Funds				
	Gas Tax	Community Development Block Grant	Street	Library Operations	Storm Drain
ASSETS					
Operating cash and investments	\$ 929,304	\$ -	\$ 165,971	\$ 565,163	\$ 623,479
Receivables:					
Taxes	-	-	-	7,152	1,886
Accounts	-	67,035	-	2,502	-
Total assets	\$ 929,304	\$ 67,035	\$ 165,971	\$ 574,817	\$ 625,365
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 34,931	\$ 19,691	\$ -	\$ 347,642	\$ 22,715
Accrued salaries and benefits	-	403	-	-	1,315
Due to other funds	-	74,155	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	34,931	94,249	-	347,642	24,030
Fund Balances:					
Restricted	894,373	-	165,971	227,175	601,335
Unassigned	-	(27,214)	-	-	-
Total fund balances	894,373	(27,214)	165,971	227,175	601,335
Total liabilities, deferred inflows of resources, and fund balances	\$ 929,304	\$ 67,035	\$ 165,971	\$ 574,817	\$ 625,365

Special Revenue Funds

Alameda County Measure B Streets and Roads	Alameda County Measure B Bike and Pedestrian	Waste Management	Operating Grants	Paratransit	L&L Assessment District 1998-1	Emergency Medical Services
\$ 223,364	\$ 51,048	\$ 96,796	\$ -	\$ -	\$ 248,464	\$ -
95,770	13,690	-	-	8,535	3,283	5,421
-	-	12,828	44,906	-	-	105,839
<u>\$ 319,134</u>	<u>\$ 64,738</u>	<u>\$ 109,624</u>	<u>\$ 44,906</u>	<u>\$ 8,535</u>	<u>\$ 251,747</u>	<u>\$ 111,260</u>
\$ -	\$ 8,979	\$ -	\$ -	\$ 1,483	\$ 61,042	\$ 13,961
-	-	-	515	493	4,736	45,431
-	-	-	22,400	2,811	-	41,774
-	-	-	-	-	-	-
-	8,979	-	22,915	4,787	65,778	101,166
319,134	55,759	109,624	21,991	3,748	185,969	10,094
-	-	-	-	-	-	-
<u>319,134</u>	<u>55,759</u>	<u>109,624</u>	<u>21,991</u>	<u>3,748</u>	<u>185,969</u>	<u>10,094</u>
<u>\$ 319,134</u>	<u>\$ 64,738</u>	<u>\$ 109,624</u>	<u>\$ 44,906</u>	<u>\$ 8,535</u>	<u>\$ 251,747</u>	<u>\$ 111,260</u>

City of Albany
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015

	Special Revenue Funds				
	L&L Assessment District 1996-1				
	Open Space	Recreational Playgrounds	Creek Restoration	Water Front	EBRPD Measure WW
ASSETS					
Operating cash and investments	\$ 193,002	\$ 33,140	\$ 223,512	\$ -	\$ 60
Receivables:					
Taxes	2,015	1,008	1,008	-	-
Accounts	-	-	-	82,655	-
Total assets	\$ 195,017	\$ 34,148	\$ 224,520	\$ 82,655	\$ 60
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 10,831	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-
Due to other funds	-	-	-	89,288	-
Unavailable revenue	-	-	-	-	-
Total liabilities	10,831	-	-	89,288	-
Fund Balances:					
Restricted	184,186	34,148	224,520	-	60
Unassigned	-	-	-	(6,633)	-
Total fund balances	184,186	34,148	224,520	(6,633)	60
Total liabilities, deferred inflows of resources, and fund balances	\$ 195,017	\$ 34,148	\$ 224,520	\$ 82,655	\$ 60

Special Revenue Funds

Law Enforcement Grants	Asset Forfeiture	Alameda County VRF	Fire Grant	Alameda County Measure BB Streets and Roads	Alameda County Measure BB Bike and Pedestrian	Alameda County Measure BB Paratransit
\$ 46,601	\$ 72,629	\$ 79,351	\$ -	\$ -	\$ -	\$ -
-	-	-	-	72,192	8,953	7,163
20,477	-	14,421	338,853	-	-	-
<u>\$ 67,078</u>	<u>\$ 72,629</u>	<u>\$ 93,772</u>	<u>\$ 338,853</u>	<u>\$ 72,192</u>	<u>\$ 8,953</u>	<u>\$ 7,163</u>
\$ 151	\$ 924	\$ 10,320	\$ 6	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	338,836	-	-	-
-	29,330	-	-	-	-	-
151	30,254	10,320	338,842	-	-	-
66,927	42,375	83,452	11	72,192	8,953	7,163
-	-	-	-	-	-	-
66,927	42,375	83,452	11	72,192	8,953	7,163
<u>\$ 67,078</u>	<u>\$ 72,629</u>	<u>\$ 93,772</u>	<u>\$ 338,853</u>	<u>\$ 72,192</u>	<u>\$ 8,953</u>	<u>\$ 7,163</u>

City of Albany
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015

	Total Other Special Revenue Funds
ASSETS	
Operating cash and investments	\$ 3,551,884
Receivables:	
Taxes	228,076
Accounts	689,516
Total assets	\$ 4,469,476
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 532,676
Accrued salaries and benefits	52,893
Due to other funds	569,264
Unavailable revenue	29,330
Total liabilities	1,184,163
Fund Balances:	
Restricted	3,319,160
Unassigned	(33,847)
Total fund balances	3,285,313
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,469,476

This page intentionally left blank

City of Albany
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Special Revenue Funds
For the year ended June 30, 2015

	Special Revenue Funds				
	Gas Tax	Community Development Block Grant	Street	Library Operations	Storm Drain
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 750,239	\$ 297,561
Franchise and other taxes	-	-	-	-	90,827
Licenses and permits	-	-	-	-	973
Earnings on investments	746	-	149	291	477
Revenues from other agencies	476,369	126,637	-	-	-
Current Service charges	-	-	-	-	-
Other revenue	-	-	-	29,932	-
Total revenues	477,115	126,637	149	780,462	389,838
EXPENDITURES:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	281,914	-	-	-	285,195
Recreation and community services	-	152,739	-	736,595	-
Capital outlay	9,680	1,112	2,000	-	68,550
Debt service:					
Principal	20,142	-	-	-	-
Interest	2,280	-	-	-	-
Total expenditures	314,016	153,851	2,000	736,595	353,745
REVENUES OVER (UNDER) EXPENDITURES	163,099	(27,214)	(1,851)	43,867	36,093
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	163,099	(27,214)	(1,851)	43,867	36,093
FUND BALANCES:					
Beginning of the year	731,274	-	167,822	183,308	565,242
End of year	\$ 894,373	\$ (27,214)	\$ 165,971	\$ 227,175	\$ 601,335

Special Revenue Funds

Alameda County Measure B Streets and Roads	Alameda County Measure B Bike and Pedestrian	Waste Management	Operating Grants	Paratransit	L&L Assessment District 1998-1	Emergency Medical Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,593	\$ 748,635
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12	130	72	-	2	137	-
385,280	55,070	50,460	68,394	34,336	-	-
-	-	-	-	-	-	817,287
-	-	-	-	-	5,055	2,278
<u>385,292</u>	<u>55,200</u>	<u>50,532</u>	<u>68,394</u>	<u>34,338</u>	<u>535,785</u>	<u>1,568,200</u>
1,250	1,063	-	-	1,250	8,821	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,111,010
6,855	7,067	37,439	-	-	464,641	-
-	-	-	61,379	40,081	-	-
110,018	57,783	-	3,434	-	73,584	6,902
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>118,123</u>	<u>65,913</u>	<u>37,439</u>	<u>64,813</u>	<u>41,331</u>	<u>547,046</u>	<u>2,117,912</u>
<u>267,169</u>	<u>(10,713)</u>	<u>13,093</u>	<u>3,581</u>	<u>(6,993)</u>	<u>(11,261)</u>	<u>(549,712)</u>
-	-	-	-	-	-	559,806
-	-	-	-	-	-	559,806
267,169	(10,713)	13,093	3,581	(6,993)	(11,261)	10,094
51,965	66,472	96,531	18,410	10,741	197,230	-
<u>\$ 319,134</u>	<u>\$ 55,759</u>	<u>\$ 109,624</u>	<u>\$ 21,991</u>	<u>\$ 3,748</u>	<u>\$ 185,969</u>	<u>\$ 10,094</u>

City of Albany
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Special Revenue Funds
For the year ended June 30, 2015

	Special Revenue Funds				
	L&L Assessment District 1996-1				EBRPD Measure WW
	Open Space	Recreational Playgrounds	Creek Restoration	Water Front	
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	156	36	190	-	-
Revenues from other agencies	-	-	-	82,655	-
Current Service charges	-	-	-	-	-
Other revenue	26,636	13,318	13,318	-	-
Total revenues	26,792	13,354	13,508	82,655	-
EXPENDITURES:					
General government	15,534	7,767	7,767	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	10,830	23,155	-	89,288	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	26,364	30,922	7,767	89,288	-
REVENUES OVER (UNDER) EXPENDITURES	428	(17,568)	5,741	(6,633)	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	428	(17,568)	5,741	(6,633)	-
FUND BALANCES:					
Beginning of the year	183,758	51,716	218,779	-	60
End of year	\$ 184,186	\$ 34,148	\$ 224,520	\$ (6,633)	\$ 60

Special Revenue Funds

Law Enforcement Grants	Asset Forfeiture	Alameda County VRF	Fire Grant	Alameda County Measure BB Streets and Roads	Alameda County Measure BB Bike and Pedestrian	Alameda County Measure BB Paratransit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
118	-	46	-	-	-	-
171,961	-	81,436	338,853	72,192	8,953	7,163
-	-	-	-	-	-	-
-	-	-	-	-	-	-
172,079	-	81,482	338,853	72,192	8,953	7,163
-	-	1,250	-	-	-	-
170,939	1,869	-	-	-	-	-
-	-	-	304,796	-	-	-
-	-	6,392	-	-	-	-
-	-	-	-	-	-	-
80,299	-	10,319	36,046	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
251,238	1,869	17,961	340,842	-	-	-
(79,159)	(1,869)	63,521	(1,989)	72,192	8,953	7,163
-	-	-	2,000	-	-	-
-	-	-	2,000	-	-	-
(79,159)	(1,869)	63,521	11	72,192	8,953	7,163
146,086	44,244	19,931	-	-	-	-
\$ 66,927	\$ 42,375	\$ 83,452	\$ 11	\$ 72,192	\$ 8,953	\$ 7,163

City of Albany
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Special Revenue Funds
For the year ended June 30, 2015

	Total Other Special Revenue Funds
	<u> </u>
REVENUES:	
Property taxes	\$ 2,327,028
Franchise and other taxes	90,827
License and permits	973
Earnings on investments	2,562
Revenues from other agencies	1,959,759
Current Service charges	817,287
Other revenue	<u>90,537</u>
Total revenues	<u>5,288,973</u>
EXPENDITURES:	
General government	44,702
Police	172,808
Fire and emergency medical services	2,415,806
Community development and environmental resources	1,212,776
Recreation and community services	990,794
Capital outlay	459,727
Debt service:	
Principal	20,142
Interest	<u>2,280</u>
Total expenditures	<u>5,319,035</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(30,062)</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	<u>561,806</u>
Total other financing sources (uses)	<u>561,806</u>
Net change in fund balances	531,744
FUND BALANCES:	
Beginning of the year	<u>2,753,569</u>
End of year	<u><u>\$ 3,285,313</u></u>

This page intentionally left blank

City of Albany
Budgetary Comparison Schedule
Other Special Revenue Funds
For the year ended June 30, 2015

	Gas Tax			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	746	746	-	-	-
Revenues from other agencies	459,000	476,369	17,369	56,640	126,637	69,997
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	459,000	477,115	18,115	56,640	126,637	69,997
EXPENDITURES:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	108,249	281,914	(173,665)	-	-	-
Recreation and community services	-	-	-	9,500	152,739	(143,239)
Capital outlay	-	9,680	(9,680)	-	1,112	(1,112)
Debt service:						
Principal	-	20,142	(20,142)	-	-	-
Interest	-	2,280	(2,280)	-	-	-
Total expenditures	108,249	314,016	(205,767)	9,500	153,851	(144,351)
REVENUES OVER (UNDER) EXPENDITURES	350,751	163,099	(187,652)	47,140	(27,214)	(74,354)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ 350,751	163,099	\$ (187,652)	\$ 47,140	(27,214)	\$ (74,354)
FUND BALANCES:						
Beginning of the year		731,274			-	
End of year		<u>\$ 894,373</u>			<u>\$ (27,214)</u>	

Street			Library Operations			Storm Drain		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 751,000	\$ 750,239	\$ (761)	\$ 298,500	\$ 297,561	\$ (939)
-	-	-	-	-	-	89,000	90,827	1,827
-	-	-	-	-	-	-	973	973
-	149	149	500	291	(209)	-	477	477
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	30,500	29,932	(568)	-	-	-
-	149	149	782,000	780,462	(1,538)	387,500	389,838	2,338
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	321,903	285,195	36,708
-	-	-	745,640	736,595	9,045	-	-	-
-	2,000	(2,000)	-	-	-	80,000	68,550	11,450
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	2,000	(2,000)	745,640	736,595	9,045	401,903	353,745	48,158
-	(1,851)	(1,851)	36,360	43,867	7,507	(14,403)	36,093	50,496
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	(1,851)	\$ (1,851)	\$ 36,360	43,867	\$ 7,507	\$ (14,403)	36,093	\$ 50,496
	167,822			183,308			565,242	
	\$ 165,971			\$ 227,175			\$ 601,335	

City of Albany
Budgetary Comparison Schedule
Other Special Revenue Funds
For the year ended June 30, 2015

	Alameda County Measure B Streets and Roads			Alameda County Measure B Bike and Pedestrian		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	12	12	-	130	130
Revenues from other agencies	360,000	385,280	25,280	50,000	55,070	5,070
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	360,000	385,292	25,292	50,000	55,200	5,200
EXPENDITURES:						
General government	-	1,250	(1,250)	2,125	1,063	1,062
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	6,855	(6,855)	10,000	7,067	2,933
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	110,018	(110,018)	-	57,783	(57,783)
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	118,123	(118,123)	12,125	65,913	(53,788)
REVENUES OVER (UNDER) EXPENDITURES	360,000	267,169	(92,831)	37,875	(10,713)	(48,588)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ 360,000	267,169	\$ (92,831)	\$ 37,875	(10,713)	\$ (48,588)
FUND BALANCES:						
Beginning of the year		51,965			66,472	
End of year		<u>\$ 319,134</u>			<u>\$ 55,759</u>	

Waste Management			Operating Grants			Paratransit		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	72	72	-	-	-	-	2	2
50,000	50,460	460	15,000	68,394	53,394	31,500	34,336	2,836
-	-	-	-	-	-	200	-	(200)
-	-	-	-	-	-	-	-	-
50,000	50,532	532	15,000	68,394	53,394	31,700	34,338	2,638
-	-	-	-	-	-	-	1,250	(1,250)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
47,000	37,439	9,561	52,192	-	52,192	-	-	-
-	-	-	150	61,379	(61,229)	35,900	40,081	(4,181)
-	-	-	-	3,434	(3,434)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
47,000	37,439	9,561	52,342	64,813	(12,471)	35,900	41,331	(5,431)
3,000	13,093	10,093	(37,342)	3,581	40,923	(4,200)	(6,993)	(2,793)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 3,000</u>	13,093	<u>\$ 10,093</u>	<u>\$ (37,342)</u>	3,581	<u>\$ 40,923</u>	<u>\$ (4,200)</u>	(6,993)	<u>\$ (2,793)</u>
	96,531			18,410			10,741	
	<u>\$ 109,624</u>			<u>\$ 21,991</u>			<u>\$ 3,748</u>	

City of Albany
Budgetary Comparison Schedule
Other Special Revenue Funds
For the year ended June 30, 2015

	L&L Assessment District 1998-1			Emergency Medical Services		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes	\$ 523,000	\$ 530,593	\$ 7,593	\$ 751,000	\$ 748,635	\$ (2,365)
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	137	137	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	700,000	817,287	117,287
Other revenue	-	5,055	5,055	-	2,278	2,278
Total revenues	523,000	535,785	12,785	1,451,000	1,568,200	117,200
EXPENDITURES:						
General government	-	8,821	(8,821)	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	2,180,615	2,111,010	69,605
Community development and environmental resources	468,634	464,641	3,993	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	80,000	73,584	6,416	7,500	6,902	598
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	548,634	547,046	1,588	2,188,115	2,117,912	70,203
REVENUES OVER (UNDER) EXPENDITURES	(25,634)	(11,261)	14,373	(737,115)	(549,712)	187,403
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	236,369	559,806	323,437
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	236,369	559,806	323,437
Net change in fund balances	\$ (25,634)	(11,261)	\$ 14,373	\$ (500,746)	10,094	\$ 510,840
FUND BALANCES:						
Beginning of the year		197,230			-	
End of year		<u>\$ 185,969</u>			<u>\$ 10,094</u>	

Open Space			Recreational Playgrounds			Creek Restoration		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	156	156	-	36	36	-	190	190
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	26,636	26,636	-	13,318	13,318	-	13,318	13,318
-	26,792	26,792	-	13,354	13,354	-	13,508	13,508
-	15,534	(15,534)	-	7,767	(7,767)	-	7,767	(7,767)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,650	10,830	(4,180)	3,325	23,155	(19,830)	4,536	-	4,536
-	-	-	-	-	-	-	-	-
96,275	-	96,275	51,800	-	51,800	153,900	-	153,900
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
102,925	26,364	76,561	55,125	30,922	24,203	158,436	7,767	150,669
(102,925)	428	103,353	(55,125)	(17,568)	37,557	(158,436)	5,741	164,177
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (102,925)</u>	428	<u>\$ 103,353</u>	<u>\$ (55,125)</u>	(17,568)	<u>\$ 37,557</u>	<u>\$ (158,436)</u>	5,741	<u>\$ 164,177</u>
	183,758			51,716			218,779	
	<u>\$ 184,186</u>			<u>\$ 34,148</u>			<u>\$ 224,520</u>	

City of Albany
Budgetary Comparison Schedule
Other Special Revenue Funds
For the year ended June 30, 2015

	Water Front			EBRPD Measure WW		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	82,655	82,655	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	82,655	82,655	-	-	-
EXPENDITURES:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	89,288	(89,288)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	89,288	(89,288)	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	(6,633)	(6,633)	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ -	(6,633)	\$ (6,633)	\$ -	-	\$ -
FUND BALANCES:						
Beginning of the year		-			60	
End of year		<u>\$ (6,633)</u>			<u>\$ 60</u>	

Law Enforcement Grants			Poet Laureate			Asset Forfeiture		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	118	118	-	-	-	-	-	-
115,000	171,961	56,961	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
115,000	172,079	57,079	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
110,000	170,939	(60,939)	-	-	-	5,000	1,869	3,131
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
70,460	80,299	(9,839)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
180,460	251,238	(70,778)	-	-	-	5,000	1,869	3,131
(65,460)	(79,159)	(13,699)	-	-	-	(5,000)	(1,869)	3,131
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (65,460)</u>	<u>(79,159)</u>	<u>\$ (13,699)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>(1,869)</u>	<u>\$ 3,131</u>
	146,086			-			44,244	
	<u>\$ 66,927</u>			<u>\$ -</u>			<u>\$ 42,375</u>	

City of Albany
Budgetary Comparison Schedule
Other Special Revenue Funds
For the year ended June 30, 2015

	Alameda County VRF			Fire Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	46	46	-	-	-
Revenues from other agencies	76,500	81,436	4,936	-	338,853	338,853
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	76,500	81,482	4,982	-	338,853	338,853
EXPENDITURES:						
General government	2,125	1,250	875	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	304,796	(304,796)
Community development and environmental resources	-	6,392	(6,392)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	10,319	(10,319)	-	36,046	(36,046)
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	2,125	17,961	(15,836)	-	340,842	(340,842)
REVENUES OVER (UNDER) EXPENDITURES	74,375	63,521	(10,854)	-	(1,989)	(1,989)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	2,000	2,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,000	2,000
Net change in fund balances	\$ 74,375	63,521	\$ (10,854)	\$ -	11	\$ 11
FUND BALANCES:						
Beginning of the year		19,931			-	
End of year		<u>\$ 83,452</u>			<u>\$ 11</u>	

Alameda County Measure BB Streets and Roads			Alameda County Measure BB Bike and Pedestrian			Alameda County Measure BB Paratransit		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	72,192	72,192	-	8,953	8,953	-	7,163	7,163
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>72,192</u>	<u>72,192</u>	<u>-</u>	<u>8,953</u>	<u>8,953</u>	<u>-</u>	<u>7,163</u>	<u>7,163</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>72,192</u>	<u>\$ 72,192</u>	<u>\$ -</u>	<u>8,953</u>	<u>\$ 8,953</u>	<u>\$ -</u>	<u>7,163</u>	<u>\$ 7,163</u>
	<u>-</u>			<u>-</u>			<u>-</u>	
	<u>\$ 72,192</u>			<u>\$ 8,953</u>			<u>\$ 7,163</u>	

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 (#830) - is used to accumulate resources for replacement of fire engines and equipment.

Police Equipment Reserve Fund (#805) - is used to accumulate resources for replacement of police vehicles and equipment.

Emergency Medical Service Equipment Reserve Fund (#834) - is used to accumulate resources for replacement of emergency medical service equipment.

Fire Operations Equipment Reserve Fund (#836) - is used to accumulate resources for replacement of fire operations equipment.

Capital Facilities Developer Fee (#750 / #751) - 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 (#841) - is used to accumulate resources for future construction of the maintenance center and other facilities as determined by the City Council.

Community Development Equipment Reserve Fund (#805) - is used to accumulate resources to be used for replacement of public works and park equipment.

Major Planning Reserve (#790) - is used to account for activities related to broad based economic development and land use.

Equipment Replacement Reserve Fund (#849) - is used to accumulate resources for replacement of equipment not provided in other capital projects funds.

R & CS Reserve Fund (Recreation & Community Services #801 / #802) - is used to accumulate resources for the replacement of equipment and furniture, and for maintenance and repair of the Community Center building.

Capital Projects Fund (#700 / #701 / #702 / #842) - is used to account for major capital projects not provided for in one of the other capital projects funds.

City of Albany

Other Capital Projects Funds

Public Arts Fund (#460) - is used to account for a fee of 1.75% of construction cost assessed on certain building permits, as an in-lieu fee in place of the inclusion of a public art feature in new public construction. The use of fees collected is restricted to the promotion of public art.

General Obligation Bond I & II (#770 / #775) - is used to account for the General Obligation Bond proceeds issued in two separate series. In 2002 the voters approved issuance of bonds in the amount of \$14,500,000. Series 2003 was issued for \$8,000,000 and Series 2007 was issued for \$6,500,000. The proceeds were used 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.

Congestion Mitigation Air Quality Fund(#235) - is used to account for the CMAQ Federal Transportation Grant Program. The CMAQ program was implemented to support surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief. It is administered by FHWA and the Federal Transit Administration.

1996-1 Assessment District Bond Fund (#780-#782) - is used to account for 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.

Information System Reserve (#850) - is used to account for activities related to information systems.

City of Albany
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2015

	Fire Equipment Reserve	Police Equipment Reserve	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
ASSETS					
Operating cash and investments	\$ 276,501	\$ 323,076	\$ 76,971	\$ -	\$ 24,628
Receivables:					
Interest	-	-	-	-	-
Accounts	-	-	-	-	-
Total assets	\$ 276,501	\$ 323,076	\$ 76,971	\$ -	\$ 24,628
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 8,740	\$ -	\$ -	\$ -
Total liabilities	-	8,740	-	-	-
Fund Balances:					
Restricted	-	-	-	-	24,628
Assigned	276,501	314,336	76,971	-	-
Unassigned	-	-	-	-	-
Total fund balances	276,501	314,336	76,971	-	24,628
Total liabilities, deferred inflows of resources, and fund balances	\$ 276,501	\$ 323,076	\$ 76,971	\$ -	\$ 24,628

Capital Facilities Reserve	Community Development Reserve	Major Planning Reserve	Equipment Replacement Reserve	R & CS Reserve	Capital Projects Fund	Public Art Fee
\$ 1,721	\$ 12,316	\$ 318,453	\$ 456,478	\$ 297,403	\$ 1,329,984	\$ 82,506
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,721</u>	<u>\$ 12,316</u>	<u>\$ 318,453</u>	<u>\$ 456,478</u>	<u>\$ 297,403</u>	<u>\$ 1,329,984</u>	<u>\$ 82,506</u>
\$ -	\$ -	\$ 37,483	\$ -	\$ 4,514	\$ 30,366	\$ -
-	-	37,483	-	4,514	30,366	-
-	-	-	-	-	-	82,506
1,721	12,316	280,970	456,478	292,889	1,299,618	-
-	-	-	-	-	-	-
<u>1,721</u>	<u>12,316</u>	<u>280,970</u>	<u>456,478</u>	<u>292,889</u>	<u>1,299,618</u>	<u>82,506</u>
<u>\$ 1,721</u>	<u>\$ 12,316</u>	<u>\$ 318,453</u>	<u>\$ 456,478</u>	<u>\$ 297,403</u>	<u>\$ 1,329,984</u>	<u>\$ 82,506</u>

City of Albany
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2015

	General Obligation Bond I & II	Congestion Mitigation & Air Quality (CMAQ)	1996-1 Assessment Bond Fund	Information System Reserve	Total Capital Project Funds
ASSETS					
Operating cash and investments	\$ 762,082	\$ -	\$ 2,717,088	\$ 260,112	\$ 6,939,319
Receivables:					
Accrued interest		-	-	-	-
Accounts	-	-	-	-	-
Total assets	\$ 762,082	\$ -	\$ 2,717,088	\$ 260,112	\$ 6,939,319
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 16,652	\$ 97,755
Total liabilities	-	132,402	-	16,652	230,157
Fund Balances:					
Restricted	762,082	-	2,717,088	-	3,586,304
Assigned	-	-	-	243,460	3,255,260
Unassigned	-	(132,402)	-	-	(132,402)
Total fund balances	762,082	(132,402)	2,717,088	243,460	6,709,162
Total liabilities, deferred inflows of resources, and fund balances	\$ 762,082	\$ -	\$ 2,717,088	\$ 260,112	\$ 6,939,319

This page intentionally left blank

City of Albany
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Capital Projects Funds
For the year ended June 30, 2015

	Fire Equipment Reserve	Police Equipment Reserve	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
REVENUES:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	14
Revenues from other agencies	-	-	-	-	-
Current Service charges	-	-	-	-	18,859
Other revenue	-	-	-	-	-
Total revenues	-	-	-	-	18,873
EXPENDITURES:					
Police	-	4,134	-	-	-
Community development and environmental resource	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	155,726	-	-	-
Total expenditures	-	159,860	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	(159,860)	-	-	18,873
OTHER FINANCING SOURCES (USES):					
Transfers in	103,121	45,600	22,500	-	-
Transfers out	-	-	-	(55,121)	-
Total other financing sources (uses)	103,121	45,600	22,500	(55,121)	-
Net change in fund balances	103,121	(114,260)	22,500	(55,121)	18,873
FUND BALANCES:					
Beginning of the year	173,380	428,596	54,471	55,121	5,755
End of year	<u>\$ 276,501</u>	<u>\$ 314,336</u>	<u>\$ 76,971</u>	<u>\$ -</u>	<u>\$ 24,628</u>

Capital Facilities Reserve	Community Development Reserve	Major Planning Reserve	Equipment Replacement Reserve	R & CS Reserve	Capital Projects Fund	Public Art Fee
\$ -	\$ 13,598	\$ -	\$ -	\$ -	\$ -	\$ -
2	-	-	-	-	19	-
-	-	-	-	-	10,042	-
-	-	-	-	69,071	-	-
-	-	-	-	-	-	-
2	13,598	-	-	69,071	10,061	-
-	-	-	-	-	-	-
-	-	131,304	-	33,141	118,590	-
-	-	-	-	5,474	-	-
-	-	-	113,607	9,260	74,292	-
-	-	131,304	113,607	47,875	192,882	-
2	13,598	(131,304)	(113,607)	21,196	(182,821)	-
-	-	-	-	-	-	-
-	(256,403)	-	(51,281)	(30,000)	-	-
-	(256,403)	-	(51,281)	(30,000)	-	-
2	(242,805)	(131,304)	(164,888)	(8,804)	(182,821)	-
1,719	255,121	412,274	621,366	301,693	1,482,439	82,506
\$ 1,721	\$ 12,316	\$ 280,970	\$ 456,478	\$ 292,889	\$ 1,299,618	\$ 82,506

City of Albany

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Other Capital Projects Funds

For the year ended June 30, 2015

	General Obligation Bond I & II	Congestion Mitigation & Air Quality (CMAQ)	1996-1 Assessment Bond Fund	Information System Reserve	Total Capital Project Funds
REVENUES:					
License and permits	\$ -	\$ -	\$ -	\$ -	\$ 13,598
Earnings on investments	674	-	-	-	709
Revenues from other agencies	-	113,477	-	-	123,519
Current Service charges	-	-	-	-	87,930
Other revenue	-	-	-	-	-
Total revenues	674	113,477	-	-	225,756
EXPENDITURES:					
Police	-	-	-	-	4,134
Community development and environmental resources	2,598	-	48,607	-	334,240
Recreation and community services	-	-	-	317	5,791
Capital outlay	26,634	-	25,868	168,907	574,294
Total expenditures	29,232	-	74,475	169,224	918,459
REVENUES OVER (UNDER) EXPENDITURES	(28,558)	113,477	(74,475)	(169,224)	(692,703)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	307,684	478,905
Transfers out	-	-	-	-	(392,805)
Total other financing sources (uses)	-	-	-	307,684	86,100
Net change in fund balances	(28,558)	113,477	(74,475)	138,460	(606,603)
FUND BALANCES:					
Beginning of the year	790,640	(245,879)	2,791,563	105,000	7,315,765
End of year	\$ 762,082	\$ (132,402)	\$ 2,717,088	\$ 243,460	\$ 6,709,162

This page intentionally left blank

City of Albany
Budgetary Comparison Schedule
Other Capital Projects Funds
For the year ended June 30, 2015

	Fire Equipment Reserve			Police Equipment Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES:						
Police	-	-	-	11,000	4,134	6,866
Community development and environmental resource	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	120,000	155,726	(35,726)
Total expenditures	-	-	-	131,000	159,860	(28,860)
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(131,000)	(159,860)	(28,860)
OTHER FINANCING SOURCES (USES):						
Transfers in	48,000	103,121	55,121	45,600	45,600	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	48,000	103,121	55,121	45,600	45,600	-
Net change in fund balances	\$ 48,000	103,121	\$ 55,121	\$ (85,400)	(114,260)	\$ (28,860)
FUND BALANCES:						
Beginning of the year		173,380			428,596	
End of year		<u>\$ 276,501</u>			<u>\$ 314,336</u>	

Emergency Medical Service Equipment			Fire Operations Equipment			Capital Facilities Developer Fee		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	14	14
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,859	18,859
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,873	18,873
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,873	18,873
22,500	22,500	-	-	-	-	-	-	-
-	-	-	-	(55,121)	(55,121)	-	-	-
22,500	22,500	-	-	(55,121)	(55,121)	-	-	-
<u>\$ 22,500</u>	22,500	<u>\$ -</u>	<u>\$ -</u>	(55,121)	<u>\$ (55,121)</u>	<u>\$ -</u>	18,873	<u>\$ 18,873</u>
	54,471			55,121			5,755	
	<u>\$ 76,971</u>			<u>\$ -</u>			<u>\$ 24,628</u>	

City of Albany
Budgetary Comparison Schedule
Other Capital Projects Funds
For the year ended June 30, 2015

	Capital Facilities Reserve			Community Development Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ 13,598	\$ 13,598	\$ -
Earnings on investments	-	2	2	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	2	2	13,598	13,598	-
EXPENDITURES:						
Police	-	-	-	-	-	-
Community development and environmental resource	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	100,000	-	100,000
Total expenditures	-	-	-	100,000	-	100,000
REVENUES OVER (UNDER) EXPENDITURES	-	2	2	(86,402)	13,598	100,000
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(256,403)	(256,403)
Total other financing sources (uses)	-	-	-	-	(256,403)	(256,403)
Net change in fund balances	\$ -	2	\$ 2	\$ (86,402)	(242,805)	\$ (156,403)
FUND BALANCES:						
Beginning of the year		1,719			255,121	
End of year		<u>\$ 1,721</u>			<u>\$ 12,316</u>	

Major Planning Reserve			Equipment Replacement Reserve			R & CS Reserve		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	62,000	69,071	7,071
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	62,000	69,071	7,071
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
312,500	131,304	181,196	-	-	-	-	33,141	(33,141)
-	-	-	-	-	-	-	5,474	(5,474)
-	-	-	115,347	113,607	1,740	20,000	9,260	10,740
312,500	131,304	181,196	115,347	113,607	1,740	20,000	47,875	(27,875)
(312,500)	(131,304)	181,196	(115,347)	(113,607)	1,740	42,000	21,196	(20,804)
-	-	-	-	-	-	-	-	-
-	-	-	-	(51,281)	(51,281)	(30,000)	(30,000)	-
-	-	-	-	(51,281)	(51,281)	(30,000)	(30,000)	-
<u>\$ (312,500)</u>	<u>(131,304)</u>	<u>\$ 181,196</u>	<u>\$ (115,347)</u>	<u>(164,888)</u>	<u>\$ (49,541)</u>	<u>\$ 12,000</u>	<u>(8,804)</u>	<u>\$ (20,804)</u>
	<u>412,274</u>			<u>621,366</u>			<u>301,693</u>	
	<u>\$ 280,970</u>			<u>\$ 456,478</u>			<u>\$ 292,889</u>	

City of Albany
Budgetary Comparison Schedule
Other Capital Projects Funds
For the year ended June 30, 2015

	Capital Projects Fund			Public Art Fee		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	19	19	-	-	-
Revenues from other agencies	-	10,042	10,042	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	10,061	10,061	-	-	-
EXPENDITURES:						
Police	-	-	-	-	-	-
Community development and environmental resource	-	118,590	(118,590)	-	-	-
Recreation and community services	-	-	-	8,000	-	8,000
Capital outlay	-	74,292	(74,292)	-	-	-
Total expenditures	-	192,882	(192,882)	8,000	-	8,000
REVENUES OVER (UNDER) EXPENDITURES	-	(182,821)	(182,821)	(8,000)	-	8,000
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ -	(182,821)	\$ (182,821)	\$ (8,000)	-	\$ 8,000
FUND BALANCES:						
Beginning of the year		1,482,439			82,506	
End of year		\$ 1,299,618			\$ 82,506	

General Obligation Bond I & II			Congestion Mitigation Air Quality Fund			1996-1 Assessment District Bond Fund		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	674	674	-	-	-	-	-	-
-	-	-	-	113,477	113,477	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	674	674	-	113,477	113,477	-	-	-
-	-	-	-	-	-	-	-	-
-	2,598	(2,598)	-	-	-	-	48,607	(48,607)
-	-	-	-	-	-	-	-	-
-	26,634	(26,634)	-	-	-	-	25,868	(25,868)
-	29,232	(29,232)	-	-	-	-	74,475	(74,475)
-	(28,558)	(28,558)	-	113,477	113,477	-	(74,475)	(74,475)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	(28,558)	\$ (28,558)	\$ -	113,477	\$ 113,477	\$ -	(74,475)	\$ (74,475)
	790,640			(245,879)			2,791,563	
	<u>\$ 762,082</u>			<u>\$ (132,402)</u>			<u>\$ 2,717,088</u>	

City of Albany
Budgetary Comparison Schedule
Other Capital Projects Funds
For the year ended June 30, 2015

	Information System Reserve		
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Earnings on investments	-	-	-
Revenues from other agencies	-	-	-
Current Service charges	-	-	-
Other revenue	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Police	-	-	-
Community development and environmental resource	-	-	-
Recreation and community services	-	317	(317)
Capital outlay	-	168,907	(168,907)
Total expenditures	<u>-</u>	<u>169,224</u>	<u>(169,224)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(169,224)</u>	<u>(169,224)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	307,684	307,684
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>307,684</u>	<u>307,684</u>
Net change in fund balances	<u>\$ -</u>	<u>138,460</u>	<u>\$ 138,460</u>
FUND BALANCES:			
Beginning of the year		<u>105,000</u>	
End of year		<u>\$ 243,460</u>	

City of Albany

Other Debt Service Funds

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

G.O. Bond I Debt Service (#771) - accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2002 Election Bonds, Series 2003.

G.O. Bond II Debt Service (#772) - accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2002 Election Bonds, Series 2007.

Civic Center Improvement Bond Debt Service (#774) - accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2006 Election Bonds, Series 2007.

2009 Street & Storm Drain Parcel Tax Debt Service (#823) - accounts for accumulation of resources for the payments of parcel tax note payable principal and interest of the 2006 Election parcel tax, Series 2009.

City of Albany
Combining Balance Sheet
Other Debt Service Funds
June 30, 2015

	2003 G.O. Bond I Debt Service	2007 G.O. Bond II Debt Service	Civic Center Debt Service	2009 St. Paving & Storm Drain Debt Service	Total Debt Service Funds
ASSETS					
Operating cash and investments	\$ 716,046	\$ 478,060	\$ 402,378	\$ -	\$ 1,596,484
Debt Service reserve held with trustee	-	-	-	346,516	346,516
Receivables:					
Taxes	6,165	5,524	4,279	-	15,968
Total assets	\$ 722,211	\$ 483,584	\$ 406,657	\$ 346,516	\$ 1,958,968
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund Balances:					
Restricted	722,211	483,584	406,657	346,516	1,958,968
Total fund balances	722,211	483,584	406,657	346,516	1,958,968
Total liabilities, deferred inflows of resources, and fund balances	\$ 722,211	\$ 483,584	\$ 406,657	\$ 346,516	\$ 1,958,968

City of Albany
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Debt Service Funds
For the year ended June 30, 2015

	2003 G.O. Bond I Debt Service	2007 G.O. Bond II Debt Service	Civic Center Debt Service	2009 St. Paving & Storm Drain Debt Service	Total Debt Service Funds
REVENUES:					
Property taxes	\$ 484,300	\$ 434,119	\$ 336,320	\$ -	\$ 1,254,739
Earnings on investments	443	262	231	-	936
Revenues from other agencies	2,515	2,254	1,746	-	6,515
Total revenues	487,258	436,635	338,297	-	1,262,190
EXPENDITURES:					
Community development and environmental resources	1,803	1,694	1,481	-	4,978
Debt service:					
Principal	205,000	140,000	110,000	281,472	736,472
Interest	247,998	265,640	207,979	109,912	831,529
Total expenditures	454,801	407,334	319,460	391,384	1,572,979
REVENUES OVER (UNDER) EXPENDITURES	32,457	29,301	18,837	(391,384)	(310,789)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	391,384	391,384
Total other financing sources (uses)	-	-	-	391,384	391,384
Net change in fund balances	32,457	29,301	18,837	-	80,595
FUND BALANCES:					
Beginning of the year	689,754	454,283	387,820	346,516	1,878,373
End of year	\$ 722,211	\$ 483,584	\$ 406,657	\$ 346,516	\$ 1,958,968

City of Albany
Budgetary Comparison Schedule
Other Debt Service Funds
For the year ended June 30, 2015

	2003 G.O. Bond I Debt Service			2007 G.O. Bond II Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes	\$ -	\$ 484,300	\$ 484,300	\$ -	\$ 434,119	\$ 434,119
Earnings on investments	-	443	443	-	262	262
Revenues from other agencies	-	2,515	2,515	-	2,254	2,254
Total revenues	-	487,258	487,258	-	436,635	436,635
EXPENDITURES:						
Community development and environmental resources	-	1,803	(1,803)	-	1,694	(1,694)
Debt service:						
Principal	-	205,000	(205,000)	-	140,000	(140,000)
Interest	-	247,998	(247,998)	-	265,640	(265,640)
Total expenditures	-	454,801	(454,801)	-	407,334	(407,334)
REVENUES OVER (UNDER) EXPENDITURES	-	32,457	32,457	-	29,301	29,301
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ -	32,457	\$ 32,457	\$ -	29,301	\$ 29,301
FUND BALANCES:						
Beginning of the year		689,754			454,283	
End of year		<u>\$ 722,211</u>			<u>\$ 483,584</u>	



Civic Center Debt Service			2009 St. Paving & Storm Drain Debt Service		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ 336,320	\$ 336,320	\$ -	\$ -	\$ -
-	231	231	-	-	-
-	1,746	1,746	-	-	-
-	338,297	338,297	-	-	-
-	1,481	(1,481)	-	-	-
-	110,000	(110,000)	-	281,472	(281,472)
-	207,979	(207,979)	-	109,912	(109,912)
-	319,460	(319,460)	-	391,384	(391,384)
-	18,837	18,837	-	(391,384)	(391,384)
-	-	-	-	391,384	-
-	-	-	-	391,384	-
\$ -	18,837	\$ 18,837	\$ -	-	\$ (391,384)

387,820	346,516
<u>\$ 406,657</u>	<u>\$ 346,516</u>

This page intentionally left blank

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 specific actions of trust agreements, ordinances, bylaws, and other governing regulations.

The City's Agency Funds are:

Codornices Trail (#450) - accounts for funds held for third parties, to be used to provide maintenance for Codornices Creek.

Bond and Trust Fund (#110) - accounts for security or performance bond deposits on projects that encroach upon the City facilities right of ways.

School Facility Fee Fund (#445) - accounts for development impact fees levied by and due to the Albany Unified School District.

1996-1 Assessment District Bond (#483) - is used to pay for acquisition, development and maintenance of open space on Albany Hill; the acquisition, development and maintenance of recreational playfield; 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 Assets and Liabilities
For the year ended June 30, 2015

	Codornices Trail	Bond & Trust	School Facility Fees	1996-1 Assessment District Bond Funds	Total
Assets:					
Operating cash and investments	\$ 79,354	\$ 25,925	\$ 45,695	\$ 391,650	\$ 542,624
Debt service reserves held with trustee	-	-	-	479,824	479,824
Total assets	\$ 79,354	\$ 25,925	\$ 45,695	\$ 871,474	\$ 1,022,448
Liabilities:					
Accounts payable	\$ 3,135	\$ 2,512	\$ 45,695	\$ -	\$ 51,342
Due to bondholders	-	-	-	871,474	871,474
Member deposits	76,219	-	-	-	76,219
Refundable deposits	-	23,413	-	-	23,413
Total liabilities	\$ 79,354	\$ 25,925	\$ 45,695	\$ 871,474	\$ 1,022,448

City of Albany
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Codornices Creek Trail (Fund #450)				
Assets:				
Operating cash and investments	\$ 103,732	\$ 3,135	\$ 27,513	\$ 79,354
Total assets	\$ 103,732	\$ 3,135	\$ 27,513	\$ 79,354
Liabilities:				
Accounts payable	\$ 4,665	\$ 3,135	\$ 4,665	\$ 3,135
Member deposits	99,067	-	22,848	76,219
Total liabilities	\$ 103,732	\$ 3,135	\$ 27,513	\$ 79,354
Bond and Trust (Fund #110)				
Assets:				
Operating cash and investments	\$ 37,062	\$ 9,259	\$ 20,396	\$ 25,925
Total assets	\$ 37,062	\$ 9,259	\$ 20,396	\$ 25,925
Liabilities:				
Accounts payable	\$ 9,259	\$ 2,512	\$ 9,259	\$ 2,512
Refundable deposits	27,803	-	4,390	23,413
Total liabilities	\$ 37,062	\$ 2,512	\$ 13,649	\$ 25,925
School Facility Fees (Fund #445)				
Assets:				
Operating cash and investments	\$ 31,763	\$ 36,862	\$ 22,930	\$ 45,695
Total assets	\$ 31,763	\$ 36,862	\$ 22,930	\$ 45,695
Liabilities:				
Accounts payable	\$ 31,763	\$ 36,862	\$ 22,930	\$ 45,695
Total liabilities	\$ 31,763	\$ 36,862	\$ 22,930	\$ 45,695
1996-1 Assessment District Bond (Fund #483)				
Assets:				
Operating cash and investments	\$ 391,154	\$ 488,784	\$ 488,288	\$ 391,650
Debt service reserves held with trustee	479,824	-	-	479,824
Total assets	\$ 870,978	\$ 488,784	\$ 488,288	\$ 871,474
Liabilities:				
Due to bondholders	\$ 870,978	\$ 488,784	\$ 488,288	\$ 871,474
Total liabilities	\$ 870,978	\$ 488,784	\$ 488,288	\$ 871,474
Total Agency Funds				
Assets:				
Operating cash and investments	\$ 563,711	\$ 538,040	\$ 559,127	\$ 542,624
Debt service reserves held with trustee	479,824	-	-	479,824
Total assets	\$ 1,043,535	\$ 538,040	\$ 559,127	\$ 1,022,448
Liabilities:				
Accounts payable	\$ 45,687	\$ 42,509	\$ 36,854	\$ 51,342
Due to bondholders	870,978	488,784	488,288	871,474
Member deposits	99,067	-	22,848	76,219
Refundable deposits	27,803	-	4,390	23,413
Total liabilities	\$ 1,043,535	\$ 531,293	\$ 552,380	\$ 1,022,448

**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.	178-184
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	185-188
Debt Capacity	189-192
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.	193-194
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.	196-195

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.

CITY OF ALBANY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invested in capital assets, net of related debt	\$ 18,532	\$ 19,778	\$ 21,476	\$ 15,045	\$ 20,264	\$ 23,913	\$ 26,536	\$ 28,659	\$ 30,508	\$ 30,511
Restricted	10,500	12,087	14,448	23,246	20,049	20,630	11,932	15,462	16,713	16,713
Unrestricted	3,681	4,697	4,970	5,253	5,227	3,840	12,802	11,061	10,466	10,466
Total governmental activities net position	<u>\$ 32,713</u>	<u>\$ 36,562</u>	<u>\$ 40,894</u>	<u>\$ 43,544</u>	<u>\$ 45,540</u>	<u>\$ 48,383</u>	<u>\$ 51,270</u>	<u>\$ 55,182</u>	<u>\$ 57,687</u>	<u>\$ 57,690</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 7,155	\$ 7,191	\$ 7,263	\$ 5,735	\$ 7,299	\$ 7,550	\$ 7,595	\$ 8,758	\$ 10,171	\$ 10,154
Restricted	-	3,041	2,164	1,132	1,107	-	1,311	1,500	-	-
Unrestricted	3,596	1,117	2,606	5,681	4,802	5,642	1,311	3,387	5,079	6,725
Total business-type activities net position	<u>\$ 10,751</u>	<u>\$ 11,349</u>	<u>\$ 12,033</u>	<u>\$ 12,548</u>	<u>\$ 13,208</u>	<u>\$ 13,192</u>	<u>\$ 10,217</u>	<u>\$ 13,645</u>	<u>\$ 15,250</u>	<u>\$ 16,879</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 25,687	\$ 26,969	\$ 28,738	\$ 20,780	\$ 27,563	\$ 31,463	\$ 34,131	\$ 37,417	\$ 40,679	\$ 40,665
Restricted	10,500	15,127	16,613	24,378	21,156	20,630	13,243	16,962	16,713	16,713
Unrestricted	7,277	5,814	7,576	10,934	10,029	9,482	16,569	14,448	15,545	17,191
Total primary government net position	<u>\$ 43,464</u>	<u>\$ 47,910</u>	<u>\$ 52,927</u>	<u>\$ 56,092</u>	<u>\$ 58,748</u>	<u>\$ 61,575</u>	<u>\$ 63,943</u>	<u>\$ 68,827</u>	<u>\$ 72,937</u>	<u>\$ 74,569</u>

Source: CAFR, Statement of Net Position.

CITY OF ALBANY
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 2,184	\$ 2,511	\$ 3,330	\$ 3,047	\$ 3,081	\$ 3,867	\$ 3,571	\$ 3,282	\$ 2,814	\$ 3,169
Police	5,551	5,226	5,319	6,260	5,318	5,735	5,608	5,679	5,849	6,607
Fire and emergency medical services	4,477	4,046	4,220	5,191	4,642	4,686	4,748	4,797	4,679	5,511
Community development and environmental resources	3,647	5,105	4,122	5,896	5,006	4,602	4,286	4,400	6,114	5,238
Recreation and community services	2,080	2,268	2,528	2,823	2,817	2,902	3,296	3,579	3,876	3,716
Interest on long-term debt	423	398	856	910	1,017	1,006	949	900	833	827
Total governmental activities expenses	18,362	19,554	20,375	24,127	21,881	22,798	22,458	22,637	24,165	25,068
Business-type activities:										
Sewer	638	701	686	754	663	1,583	2,248	1,212	1,571	1,813
Total business-type activities expenses	638	701	686	754	663	1,583	2,248	1,212	1,571	1,813
Program Revenues										
Governmental activities:										
Charges for services:										
General government	104	106	100	105	29	30	31	34	8	102
Police	187	248	326	330	360	243	248	231	214	423
Fire and emergency medical services	500	605	654	808	823	876	1,035	838	1,118	1,067
Community development and environmental resources	469	378	568	386	492	457	464	414	617	575
Recreation and community services	715	821	858	969	967	1,158	1,162	1,100	976	1,214
Operating grants and contributions	1,155	1,017	1,085	1,675	1,386	2,998	2,008	1,429	717	1,121
Capital grants and contributions	259	1,181	773	3,248	609	248	364	2,093	1,570	1,121
Total governmental activities program revenues	3,389	4,356	4,364	7,521	4,666	6,010	5,312	6,139	5,220	5,623
Business-type activities:										
Charges for services:										
Sewer	1,821	1,838	1,987	2,060	2,188	2,434	2,565	2,996	3,268	3,437
Total business-type activities program revenues	1,821	1,838	1,987	2,060	2,188	2,434	2,565	2,996	3,268	3,437
Total primary government program revenues	5,210	6,194	6,351	9,581	6,854	8,444	7,877	9,135	8,488	9,060
Net revenues (expenses):										
Governmental activities	(14,973)	(15,198)	(16,011)	(16,606)	(17,215)	(16,788)	(17,146)	(16,498)	(18,945)	(19,445)
Business-type activities	1,183	1,137	1,301	1,306	1,525	851	317	1,784	1,697	1,624
Total primary government net expense	\$ (13,790)	\$ (14,061)	\$ (14,710)	\$ (15,300)	\$ (15,690)	\$ (15,937)	\$ (16,829)	\$ (14,714)	\$ (17,248)	\$ (17,821)

CITY OF ALBANY
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 8,422	\$ 9,762	\$ 11,166	\$ 11,202	\$ 11,583	\$ 11,900	\$ 11,495	\$ 11,811	\$ 12,511	\$ 10,459
Sales taxes	2,043	2,242	2,183	2,223	2,119	2,166	2,193	2,267	3,406	3,509
Franchise and other taxes	4,442	4,317	4,135	3,946	3,927	3,783	3,923	4,359	4,619	4,610
Earnings on investments	924	1,237	1,468	719	222	155	78	59	59	17
Unrestricted revenues from other agencies	226	281	183	148	163	389	54	153	634	314
Other revenue	364	342	332	119	662	340	235	927	585	166
Transfers	852	864	879	898	913	898	865	836	-	-
Extraordinary items (Note 9)	-	-	-	-	-	-	1,189	-	-	-
Total governmental activities	17,273	19,045	20,346	19,255	19,589	19,631	20,032	20,412	21,814	19,075
Business-type activities:										
Earnings on investments	236	325	262	107	48	25	30	23	20	4
Other revenue	-	-	-	-	-	-	-	-	-	-
Transfers	(852)	(864)	(879)	(898)	(913)	(892)	(865)	(836)	-	-
Total business-type activities	(616)	(539)	(617)	(791)	(865)	(867)	(835)	(813)	20	4
Total primary government	\$ 16,657	\$ 18,506	\$ 19,729	\$ 18,464	\$ 18,724	\$ 18,764	\$ 19,197	\$ 19,599	\$ 21,834	\$ 19,079
Changes in Net Position										
Governmental activities	2,300	3,847	4,335	2,649	2,374	2,843	2,887	3,912	2,869	(370)
Business-type activities	567	598	684	515	660	(16)	(519)	971	1,717	1,628
Total primary government	\$ 2,867	\$ 4,445	\$ 5,019	\$ 3,164	\$ 3,034	\$ 2,827	\$ 2,368	\$ 4,883	\$ 4,586	\$ 1,258

Source: CAFR, Statement of Activities.

CITY OF ALBANY
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 1,250	\$ 1,147	\$ 1,169	\$ 1,062	\$ 1,022	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,938	3,455	3,610	3,963	4,044	-	-	-	-	-
Nonspendable fund balance	-	-	-	-	-	45	-	-	1,564	1,583
Assigned fund balance	-	-	-	-	-	1,734	1,715	1,814	245	245
Unassigned fund balance	-	-	-	-	-	3,165	4,533	4,031	4,219	5,706
Total general fund	<u>\$ 4,188</u>	<u>\$ 4,602</u>	<u>\$ 4,779</u>	<u>\$ 5,025</u>	<u>\$ 5,066</u>	<u>\$ 4,944</u>	<u>\$ 6,248</u>	<u>\$ 5,845</u>	<u>\$ 6,028</u>	<u>\$ 7,534</u>
All other governmental funds:										
Reserved	\$ 14,889	\$ 14,521	\$ 25,038	\$ 20,018	\$ 20,049	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2161	2621	3730	3483	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	(372)	(95)	-	-	-	-	-	-	-	-
Restricted fund balance	-	-	-	-	-	10,004	11,932	15,174	16,959	16,553
Committed fund balance	-	-	-	-	-	10,626	-	-	-	-
Assigned fund balance	-	-	-	-	-	-	6,567	4,513	3,891	3,255
Unassigned fund balance	-	-	-	-	-	(1,104)	-	(83)	(245)	(166)
Total all other governmental funds	<u>\$ 16,678</u>	<u>\$ 17,047</u>	<u>\$ 28,768</u>	<u>\$ 23,501</u>	<u>\$ 20,049</u>	<u>\$ 19,526</u>	<u>\$ 18,499</u>	<u>\$ 19,604</u>	<u>\$ 20,605</u>	<u>\$ 19,642</u>

Source: CAFR, Governmental Funds Balance Sheet.

This page left blank intentionally.

CITY OF ALBANY
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes:										
Property taxes	\$ 8,422	\$ 9,762	\$ 11,166	\$ 11,202	\$ 11,583	\$ 11,900	\$ 11,495	\$ 11,530	\$ 12,511	\$ 10,459
Sales taxes	2,043	2,242	2,183	2,223	2,119	2,166	2,193	2,267	3,406	3,509
Franchise and other taxes	4,442	4,317	4,135	3,946	3,927	3,783	3,923	4,359	4,006	4,038
Licenses and permits	198	154	177	173	183	193	213	174	812	883
Fines and forfeitures	154	189	269	267	271	189	213	196	209	414
Earnings on investments	955	1,370	1,498	749	246	159	78	59	59	17
Revenues from other agencies	1,536	2,468	1,939	4,557	1,924	3,373	2,095	2,733	3,386	2,298
Current services charges	1,623	1,816	2,059	2,196	2,146	2,273	2,431	2,307	2,718	2,608
Other revenue	471	355	433	577	966	708	649	848	1,169	471
Total revenues	19,844	22,673	23,859	25,890	23,365	24,744	23,290	24,473	28,276	24,697
Expenditures:										
Current:										
General government	2,439	2,013	2,522	2,629	3,217	3,557	3,015	2,967	2,756	3,245
Police	5,407	5,106	5,208	6,147	5,173	5,574	5,546	5,476	5,643	5,982
Fire and emergency medical services	4,403	4,013	4,189	5,106	4,269	4,325	4,439	4,383	4,419	4,817
Community development and environmental resources	3,353	3,733	4,055	5,586	4,176	3,054	3,482	3,289	3,779	3,656
Recreation and community services	2,003	2,130	2,419	2,644	2,617	2,685	2,661	2,893	3,689	3,533
Capital outlay	1,414	3,053	4,332	11,862	6,389	5,194	4,028	3,682	4,016	1,282
Debt service:										
Principal	535	551	540	730	805	887	952	1,002	765	795
Interest	461	447	671	922	1,041	1,010	944	916	875	843
Total expenditures	20,015	21,046	23,936	35,626	27,687	26,286	25,067	24,608	25,942	24,153
Excess (deficiency) of revenues over (under) expenditures	(171)	1,627	(77)	(9,736)	(4,322)	(1,542)	(1,777)	(135)	2,334	544

CITY OF ALBANY
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses):										
Issuance of debt	-	-	11,500	3,840	-	-	-	-	-	-
Bond premium	-	-	311	-	-	-	-	-	-	-
Transfers in	4,596	4,868	4,610	4,540	4,623	5,950	7,735	3,043	2,552	2,347
Transfers out	(7,364)	(4,741)	(4,447)	(3,919)	(3,710)	(5,052)	(6,870)	(2,207)	(3,702)	(2,347)
Expenditures recovery and fund balance adjustment	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,767)	127	11,974	4,461	913	898	865	836	(1,150)	-
Extraordinary Items:										
Redevelopment dissolution							729			
Non-recurring credits							460			
Net change in fund balances	\$ (2,938)	\$ 1,754	\$ 11,897	\$ (5,275)	\$ (3,409)	\$ (644)	\$ 277	\$ 701	\$ 1,184	\$ 544
Debt service as a percentage of noncapital expenditures	5.4%	5.5%	6.2%	7.0%	8.7%	9.0%	9.0%	9.2%	7.5%	7.2%

Source: CAFR, Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.

See Management's Discussion and Analysis for comments regarding the net decrease in fund balance.

CITY OF ALBANY
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (in thousands of dollars)

Fiscal Year	City				Redevelopment Agency				Total Direct Tax Rate ¹
	Real Property	Personal Property	Less Exemptions	Taxable Assessed Value	Real Property	Personal Property	Less Exemptions	Taxable Assessed Value	
2006	1,510,814	19,714	46,074	1,484,455	46,447	2,588	-	49,035	0.1311%
2007	1,643,887	19,567	46,968	1,616,486	49,567	1,861	-	51,428	0.1281%
2008	1,749,300	25,347	48,341	1,726,307	50,318	2,212	-	52,530	0.1668%
2009	1,835,524	21,620	51,037	1,806,107	51,030	2,263	-	53,292	0.1653%
2010	1,875,291	23,472	50,743	1,848,019	51,662	2,304	-	53,966	0.1645%
2011	1,899,389	24,236	56,681	1,866,944	51,796	2,037	-	53,833	0.1638%
2012	1,926,916	22,965	55,609	1,894,272	52,010	2,344	-	54,354	0.1628%
2013	1,961,404	24,860	27,132	1,959,132	-	-	-	-	0.1620%
2014	2,060,381	26,914	25,841	2,061,454	-	-	-	-	0.1577%
2015	2,142,889	25,834	23,144	2,191,867	-	-	-	-	0.0563%

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

¹ Total Direct Tax Rate includes Alameda County 1% ad valorem and City of Albany direct tax rate. Rates are per \$1,000 of assessed value.

CITY OF ALBANY
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Rates per \$100 of assessed value)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Basic Levy*	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Albany Unified School District	0.1316	0.1653	0.1284	0.1451	0.1709	0.1725	0.1645	0.1598	0.1591	0.1586
Peralta Community College	0.0238	0.0272	0.0223	0.0362	0.0430	0.0430	0.0436	0.0434	0.0419	0.0412
Bay Area Rapid Transit	0.0048	0.0050	0.0076	0.0090	0.0057	0.0031	0.0041	0.0043	0.0075	0.0045
East Bay Regional Park	0.0057	0.0085	0.0080	0.0100	0.0108	0.0084	0.0071	0.0051	0.0078	0.0085
East Bay Mud Special District 1	0.0072	0.0068	0.0065	0.0064	0.0065	0.0067	0.0067	0.0068	0.0066	0.0047
City of Albany	0.1311	0.1281	0.1668	0.1653	0.1645	0.1638	0.1628	0.1620	0.1577	0.0563
Total Direct and Overlapping Tax Rate	<u>1.3042</u>	<u>1.3409</u>	<u>1.3396</u>	<u>1.3720</u>	<u>1.4014</u>	<u>1.3975</u>	<u>1.3888</u>	<u>1.3814</u>	<u>1.3806</u>	<u>1.2738</u>
 Total Direct Rate	 0.1311	 0.1281	 0.1668	 0.1653	 0.1645	 0.1638	 0.1628	 0.162	 0.1577	 0.0563

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
 (amounts expressed in thousands)

Assessed Name	2015			2006		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value (1)
Golden Gate Land Holdings, Inc.	\$ 50,635	1	2.36%			
Target Corporation	31,713	2	1.48%	\$ 28,344	2	1.91%
Eichner, Erik & Rose	7,848	3	0.37%	6,779	4	0.46%
Esmht LLC	7,590	4	0.35%			
Albany View Properties	6,659	5	0.31%			
Thms LLC	5,253	6	0.25%			
401 Park Plaza LLC	4,900	7	0.23%			
Farrokhtala Katy & Amiry Ferri	4,463	8	0.21%			
La Cha Farrel LLC	2,038	9	0.10%			
Hillside Partners	1,844	10				
Ladbroke Land Holdings Inc.				43,659	1	2.94%
Biggs, Edward & Charlotte				7,176	3	0.48%
Safeway Inc.				4,069	5	0.27%
Biggs, Edward & Charlotte				2,747	9	0.19%
Hillside Partners				1,634	10	0.11%
Matt Nassiri and Katy Farrokhtala Trust				3,862	7	0.26%
Meier Charles L & Friedman Sharon G Trs Etal				3,823	8	0.26%
Albany Bowl Properties				3,961	6	0.27%
Totals	<u>\$ 122,943</u>		<u>5.65%</u>	<u>\$ 106,054</u>		<u>7.15%</u>

Source: Alameda County Auditor-Controller Office.

(1) The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

(2) St. Mary's College High School is not included due to tax exemption.

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount ¹	Amount	Percent of Levy
2006	3,264,081	3,183,701	97.5%	-	3,183,701	97.5%
2007	3,671,315	3,603,724	98.2%	-	3,603,724	98.2%
2008	3,858,156	3,756,485	97.4%	-	3,756,485	97.4%
2009	3,900,176	3,672,789	94.2%	172,314	3,845,103	98.6%
2010	3,952,353	3,832,720	97.0%	117,675	3,950,395	100.0%
2011	3,967,180	3,938,833	99.3%	109,621	4,048,454	102.0%
2012	4,010,791	3,952,135	98.5%	92,977	4,045,112	100.9%
2013	3,712,964	3,728,352	100.4%	19,923	3,728,352	100.4%
2014	3,934,253	3,982,513	101.2%	N/A	3,982,513	101.2%
2015	4,175,074	4,048,711	97.0%	N/A	4,048,711	97.0%

Source: Alameda County Auditor-Controller Office.

Notes:

¹ Data not available for fiscal years prior to 2010.

CITY OF ALBANY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Certificates of Participation	Other	Sewer Revenue Bonds			
2006	7,715	2,325	-	8,355	18,395	2.41%	1,103
2007	7,550	1,965	-	8,030	17,545	2.10%	1,049
2008	18,885	1,590	-	7,700	28,175	3.36%	1,669
2009	18,550	1,195	3,840	7,360	30,945	3.81%	1,831
2010	18,190	780	3,810	7,010	29,790	3.34%	1,607
2011	17,815	535	3,834	6,655	28,839	3.12%	1,549
2012	17,420	275	3,537	6,285	27,517	2.72%	1,488
2013	17,005	-	3,225	5,905	26,135	2.56%	1,417
2014	16,565	-	2,900	5,510	24,975	2.40%	1,352
2015	16,110	-	2,560	5,100	23,770	Unavailable	1,280

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

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.
- (4) "Other" type of debt includes notes payable and lease purchases.

CITY OF ALBANY
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Percentage of Assessed Estimated Taxable Value of Property	Per Capita
2006	7,715	0.52%	463
2007	7,550	0.47%	452
2008	18,885	1.09%	1,119
2009	18,550	1.03%	1,098
2010	18,190	0.98%	981
2011	17,815	0.95%	957
2012	17,420	0.92%	942
2013	17,005	0.87%	922
2014	16,565	0.80%	897
2015	16,110	0.73%	868

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

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 years 2002-03 and 2007-08 for \$8,000,000 and \$11,500,000, respectively .

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
PROPERTY TAX RATES
June 30, 2015

2014-15 Assessed Valuation: Actual
\$2,168,724,063

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2015	% Applicable(1)	City's Share of Debt 6/30/15	
Bay Area Rapid Transit District	\$630,795,000	0.387%	\$2,441,177	
Peralta Community College District	381,035,000	2.770	10,554,670	
Albany Unified School District	34,645,000	100	34,645,000	
East Bay Municipal Utility District, Special District No. 1	10,910,000	2.583	281,805	
East Bay Regional Park District	176,790,000	0.594	1,050,133	
City of Albany Assessment District No. 1996-1	2,080,000	100	<u>2,080,000</u>	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				\$51,052,785
 <u>DIRECT DEBT</u>				
City of Albany	\$16,110,000	100	<u>\$16,110,000</u>	
TOTAL DIRECT DEBT				16,110,000
 TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT				 67,162,785
 <u>OVERLAPPING GENERAL FUND DEBT:</u>				
Alameda County General Fund Obligations	\$869,204,500	0.984%	\$8,552,972 (2)	
Alameda County Pension Obligations	67,164,225	0.984	660,896	
Peralta Community College District Pension Obligations	164,554,090	2.77	4,558,148	
Alameda-Contra Costa Transit District Certificates of Participation	24,790,000	1.166	<u>289,051</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT				14,061,068
 TOTAL DIRECT DEBT				\$16,110,000
TOTAL OVERLAPPING DEBT				65,113,853
 COMBINED TOTAL DIRECT AND OVERLAPPING DEBT				 <u>\$ 81,223,853</u> (3)

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$16,110,000)	0.74%
Total Direct and Overlapping Tax and Assessment Debt.....	3.10%
Combined Total Direct and Overlapping Debt.....	3.75%

AB:(\$475)

Source: California Municipal Statistics, Inc.

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (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.

CITY OF ALBANY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation	\$ 1,484,455	\$ 1,616,486	\$ 1,726,307	\$ 1,806,107	\$ 1,848,019	\$ 1,866,944	\$ 1,894,272	\$ 1,959,132	\$ 2,061,454	2,168,724
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 371,114	\$ 404,121	\$ 431,577	\$ 451,527	\$ 462,005	\$ 466,736	\$ 473,568	\$ 489,783	\$ 515,364	542,181
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	55,667	60,618	64,737	67,729	69,301	70,010	71,035	73,467	77,305	81,327
Total net debt applicable to limit: General obligation bonds	<u>7,715</u>	<u>7,550</u>	<u>18,885</u>	<u>18,550</u>	<u>18,190</u>	<u>17,815</u>	<u>17,420</u>	<u>17,005</u>	<u>16,565</u>	<u>16,110</u>
Legal debt margin	<u>\$ 47,952</u>	<u>\$ 53,068</u>	<u>\$ 45,852</u>	<u>\$ 49,179</u>	<u>\$ 51,111</u>	<u>\$ 52,195</u>	<u>\$ 53,615</u>	<u>\$ 56,462</u>	<u>\$ 60,740</u>	<u>\$ 65,217</u>
2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total debt applicable to the limit as a percentage of debt limit	13.86%	12.46%	29.17%	27.39%	26.25%	25.45%	24.52%	23.15%	21.43%	19.81%

Sources: 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 TEN CALENDAR YEARS

Calendar Year	City Population (1)	County Personal Income (amounts expressed in thousands) (2)	County Per Capita Personal Income (2)	City Unemployment Rate (3)
2006	16,680	66,325	45,689	1.9%
2007	16,722	72,328	49,915	2.0%
2008	16,877	73,160	49,757	2.6%
2009	16,898	70,217	48,004	4.8%
2010	18,539	72,757	48,087	4.9%
2011	18,622	75,908	49,617	4.7%
2012	18,488	85,017	54,683	4.0%
2013	18,446	87,373	55,338	2.8%
2014	18,472	90,631	56,261	2.1%
2015	18,565	Unavailable	Unavailable	2.8%

Sources: (1) 2002-2009 and 2011 per California Department of Finance; 2010 per U.S. Census
 (2) U.S. Department of Commerce, Bureau of Economic Analysis
 (3) State of California Employment Development Department

Note: Data shown for personal income, per capita personal income is for Alameda County.

CITY OF ALBANY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Company	Product /Service	2015			2006		
		Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Albany Unified School District	Education	364	1	3.91%	525	1	5.83%
Target Store	Department Store	238	3	2.56%	-	-	-
United States Department of Agriculture and Research	Department Store Agriculture Research	273	2	2.94%	475	2	5.28%
Golden Gate Fields	Race Track	181	4	1.95%	211	3	2.34%
City of Albany	Government	84	5	0.90%	116	4	1.29%
St. Mary's College High School	School	70	6	0.75%	-	-	-
Albany Ford Subaru	Automotive Dealer	43	9	0.46%	65	6	0.72%
California Orientation Center for the Blind	Skills Assessment	-	-	-	-	-	-
Albany Bowl	Bowling	50	8	0.54%	35	8	0.39%
United States Department of Forest Services	Forest Research	-	-	-	75	5	0.83%
Andronico's Markets Inc.	Retail Grocery	-	-	-	36	7	0.40%
The Adhesive Product	Department Store	25	10	0.27%	33	9	0.37%
Safeway Store	Department Store	52	7	0.56%	32	10	0.36%
Total		<u>1,380</u>		<u>14.84%</u>	<u>1,603</u>		<u>17.81%</u>

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

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

Full-time Equivalent Employees as of June 30						
Fiscal Year	General Government	Public Safety	Public Works	Community Development	Recreation	Total
2006	12	61	10	12	9	104
2007	12	61	10	12	11	106
2008	12	61	10	12	11	106
2009	12	62	10	11	10	105
2010	11	59	9	8	10	97
2011	10	55	9	8	9	91
2012	10	51	8	9	9	87
2013	10	48	11	6	9	84
2014	11	49	11	6	9	86
2015	11	55	13	7	10	95

CITY OF ALBANY
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Arrests	663	850	814	884	798	704	485	451	646	665
Parking citations issued	4,717	7,057	8,193	8,109	7,851	6,376	5,933	7,148	2,741	11,583
Fire:										
Number of emergency calls	1,515	1,525	1,620	1,600	1,515	1,495	1,662	1,849	1,823	1,785
Inspections	750	750	750	800	812	1,121	1,129	893	1,014	1,014
Parks and Recreation:										
Number of recreation classes	821	780	798	612	595	1,399	1,208	1,199	1,766	1,903
Number of facility rentals	755	458	597	682	681	661	1,145	2,230	2,069	2,482
Number of class registrations	Unavailable	Unavailable	10,133	13,466	13,995	15,125	8,594	8,181	9,193	8,567

Source: City of Albany departmental records.

CITY OF ALBANY
CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Street (miles)	29	29	29	29	29	29	29	29.4	29.4	29.4
Streetlights	870	870	870	870	870	870	949	949	949	949
Traffic signals	15	15	15	16	16	16	16	16	16	16
Parks and Recreation:										
Parks	8	8	8	8	8	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Wastewater:										
Sanitary sewers (miles)	35	35	35	35	35	35	46.2	44.3	44.3	44.3
Storm sewers (miles)	7	7	7	7	7	7	12	12	12	12

Source: City of Albany departmental records.

Notes:

The street light count in 2012 increased as a result of the replacement by PG&E of luminary lights with LED lamps, and the addition of lights in coordination with the installation of two new traffic signals.

The sewer miles reported in 2012 increased because of the inclusion of lower lateral lines maintained by the City, and the use of a new survey performed in conjunction with the City's GIS mapping.