

# City of Albany

Albany, California

## *Comprehensive Annual Financial Report*

*For the year ended June 30, 2016*

Prepared by:  
Finance Department  
David Glasser  
Finance Director



# City of Albany Comprehensive Annual Financial Report

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# ALBANY CALIFORNIA



**CITY OF ALBANY**  
1000 SAN PABLO AVENUE  
ALBANY, CA 94706  
[www.AlbanyCA.org](http://www.AlbanyCA.org)

May 30, 2017

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, 2016. 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, 2016, 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 33% 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 2017, 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 although increasing at a slower pace than in recent years. Total nonfarm employment in the East Bay rose 1.4% year over year to almost 1.3 million—its highest level ever—while the region's unemployment rate fell .4 percentage points to 4.1% in December

2016. The unemployment rate still has reached its pre-recession lows. At the industry level, job growth remains broad-based, with the majority of East Bay sectors expanding their payrolls over the last year. This has resulted in employment opportunities being created across the wage and skill spectrum over the last year, with high-skill sectors like Professional, Scientific, and Technical services boosting payrolls along with low-skill sectors like Leisure and Hospitality also increasing payrolls over the period.

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 at 19.9% of General Fund Revenues. The sectors represented in Albany's retail sales are relatively diverse. Through the end of September 2016 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 2016, taxable sales rose 3.5% year-over-year. According to taxable receipts from HdL Companies, most spending categories in the East Bay increased during 2016. The category posting the largest gains so far in 2016 was Autos and Transportation, with taxable receipts expanding by 7.8%.

The City in the coming years will need to allocate resources for basic City Services including public safety, rising pension costs, and 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 commenced construction and the project is expected to be completed by June 2017. The City will also increase public facilities with the construction of Pierce Street Park, expected to begin in 2017. 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, 2015 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 Susan Segovia Senior Accountant and Winter Tsang, Financial Analyst . 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, 2015**

Executive Director/CEO

CITY OF ALBANY  
PRINCIPAL OFFICERS  
JUNE 30, 2016

CITY COUNCIL AT 6/30/16

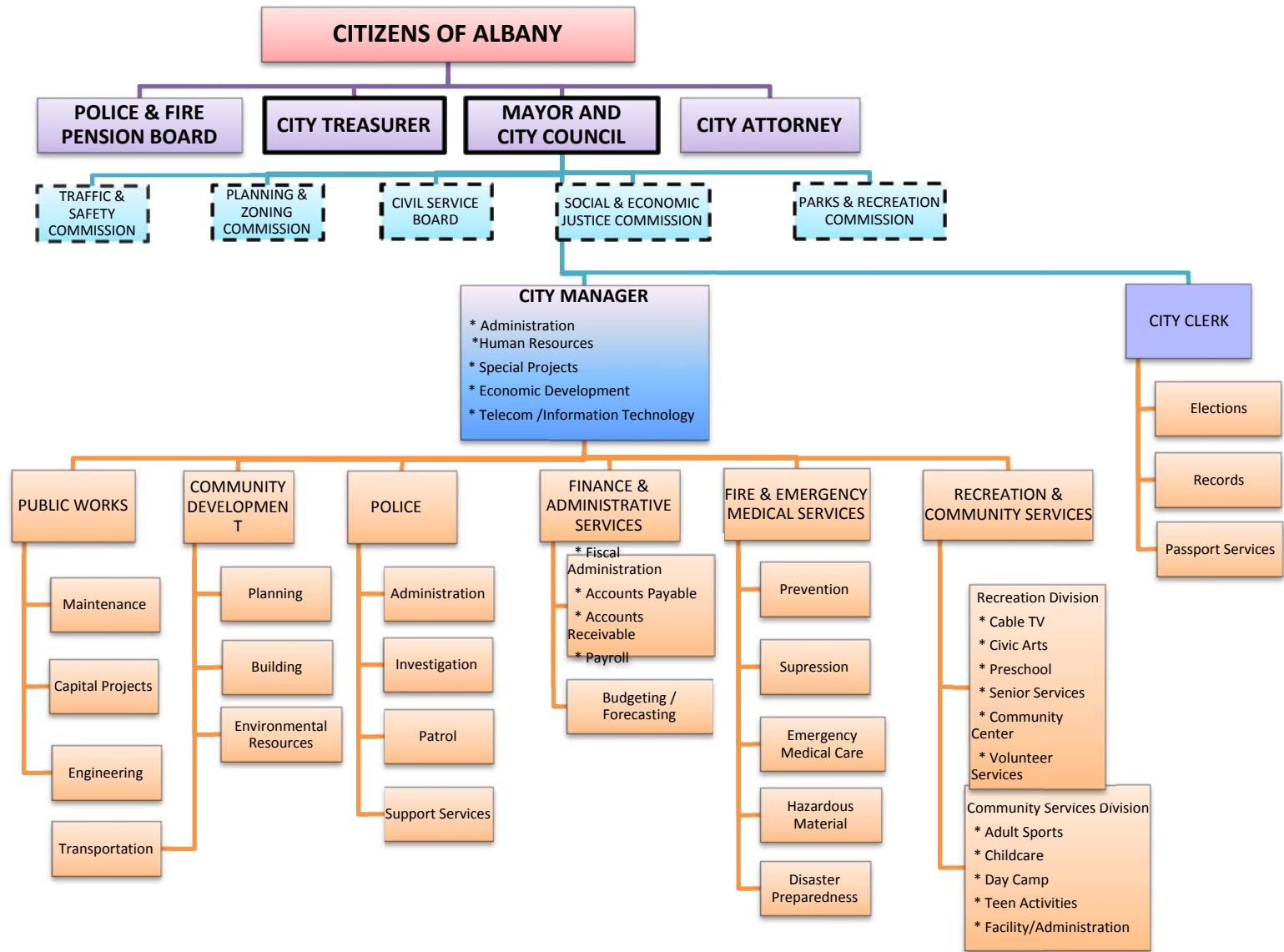
Mayor	Peggy McQuaid
Vice Mayor	Nick Pilch
Councilmember	Michael Barnes
Councilmember	Peter Maass
Councilmember	Rochelle Nason

OTHER ELECTED OFFICIAL

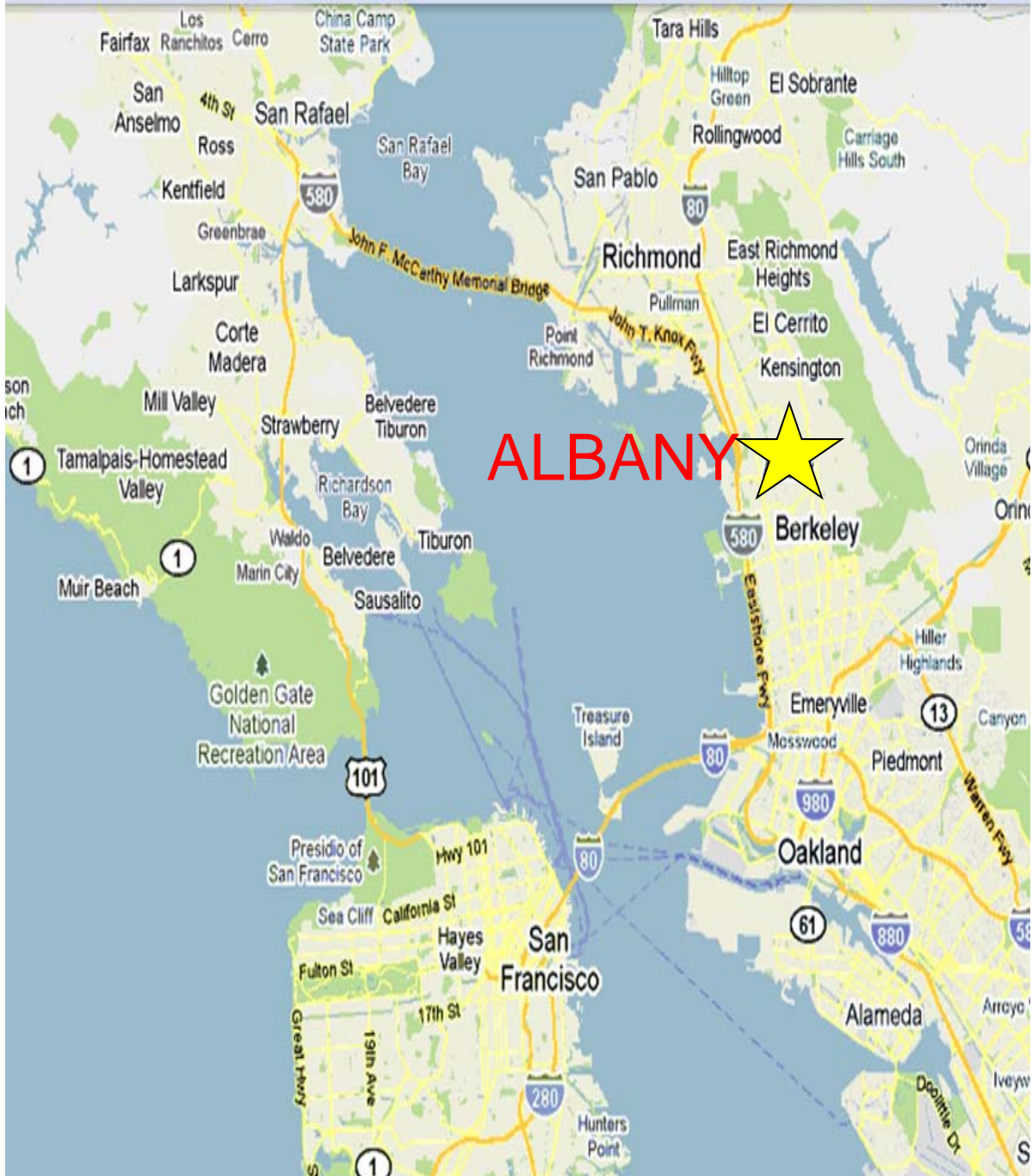
Treasurer	Kim Denton
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APPOINTED DEPARTMENT DIRECTORS

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 Director	Patrick O'Keefe (Contract Consultant)



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, 2016, 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, 2016, 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 pages 103, 122-132, 144-150, and 154-155, 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 103, 122-132, 144-150, and 154-155 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 103, 122-132, 144-150, and 154-155 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

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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 May 30, 2017, 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  
May 30, 2017

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**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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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, 2016. 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, 2016**

**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 2016**

	Governmental Activities		Business-type Activities		Total		Total Change
	2016	2015	2016	2015	2016	2015	
Current and other assets	\$ 33,061,889	\$32,500,042	\$ 7,168,419	\$ 6,834,864	\$40,230,308	\$39,334,906	2.3%
Capital assets	47,211,238	49,181,662	16,469,815	15,223,220	63,681,053	64,404,882	-1.1%
<b>Total assets</b>	<b>80,273,127</b>	<b>81,681,704</b>	<b>23,638,234</b>	<b>22,058,084</b>	<b>103,911,361</b>	<b>103,739,788</b>	<b>0.2%</b>
<b>Total deferred outflows of resources</b>	<b>1,732,174</b>	<b>1,715,226</b>	<b>68,985</b>	<b>-</b>	<b>1,801,159</b>	<b>1,715,226</b>	<b>100.0%</b>
Current liabilities	4,065,171	3,727,768	714,754	534,685	4,779,925	4,262,453	12.1%
Noncurrent liabilities	42,287,978	39,126,788	4,110,000	4,644,675	46,397,978	43,771,463	6.0%
<b>Total liabilities</b>	<b>46,353,149</b>	<b>42,854,556</b>	<b>4,824,754</b>	<b>5,179,360</b>	<b>51,177,903</b>	<b>48,033,916</b>	<b>6.5%</b>
<b>Total deferred inflows of resources</b>	<b>4,167,003</b>	<b>6,238,381</b>	<b>-</b>	<b>-</b>	<b>4,167,003</b>	<b>6,238,381</b>	<b>100.0%</b>
Net position:							
Invested in capital assets, net of related debt	29,375,431	30,511,199	11,728,800	10,153,545	41,104,231	40,664,744	1.1%
Restricted	16,085,263	16,404,311	-	-	16,085,263	16,404,311	-1.9%
Unrestricted	(13,975,545)	(12,611,517)	7,153,665	6,725,179	(6,821,880)	(5,886,338)	15.9%
<b>Total net position</b>	<b>\$ 31,485,149</b>	<b>\$34,303,993</b>	<b>\$18,882,465</b>	<b>\$16,878,724</b>	<b>\$50,367,614</b>	<b>\$51,182,717</b>	<b>-1.6%</b>

As shown above as of June 30, 2016 the total net position totaled \$51.2 million. The total decreased by approximately \$0.8 million which represented a decrease of approximately 1.6%. The amount of change is affected by a combination of factors. Some of the key contributing factors are discussed below:

- Increase in Noncurrent liabilities due to rising pension costs
- Decrease in capital assets due to depreciation

Table 2 provides a more detailed analysis of the changes that occurred between Fiscal Year 2015 and 2016. 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.

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**TABLE 2: SUMMARY OF ACTIVITIES AND CHANGE IN NET POSITION  
June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total		Change
	2016	2015	2016	2015	2016	2015	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 3,955,314	\$ 3,380,940	\$ 3,620,437	\$ 3,437,063	\$ 7,575,751	\$ 6,818,003	11%
Operating grants and contributions	893,792	1,121,250			893,792	1,121,250	-20%
Capital grants and contributions	986,743	1,121,383			986,743	1,121,383	-12%
General revenues:							
Property taxes	9,229,328	10,458,518			9,229,328	10,458,518	-12%
Sales taxes	3,808,107	3,508,838			3,808,107	3,508,838	9%
Franchise and other taxes	7,301,956	4,609,878			7,301,956	4,609,878	58%
Earnings on investment	126,046	16,829	6,454	4,492	132,500	21,321	521%
Unrestricted revenues from other agencies	276,300	314,024			276,300	314,024	-12%
Other revenue	269,193	165,526			269,193	165,526	63%
<b>Total revenues</b>	<b>26,846,779</b>	<b>24,697,186</b>	<b>3,626,891</b>	<b>3,441,555</b>	<b>30,473,670</b>	<b>28,138,741</b>	<b>8%</b>
<b>Expenses:</b>							
General government	4,700,635	3,168,595			4,700,635	3,168,595	48%
Police	6,968,107	6,606,718			6,968,107	6,606,718	5%
Fire & emergency medical services	5,473,921	5,511,145			5,473,921	5,511,145	-1%
Community development and environmental resources	7,045,078	5,238,268			7,045,078	5,238,268	34%
Recreation & community services	3,141,919	3,715,985			3,141,919	3,715,985	-15%
Interest on long-term debt	799,760	826,952			799,760	826,952	-3%
Sewer			1,623,150	1,812,653	1,623,150	1,812,653	-10%
<b>Total expenses</b>	<b>28,129,420</b>	<b>25,067,663</b>	<b>1,623,150</b>	<b>1,812,653</b>	<b>29,752,570</b>	<b>26,880,316</b>	<b>11%</b>
<b>Increase/(decrease) in net position before transfers and other sources</b>	<b>(1,282,641)</b>	<b>(370,477)</b>	<b>2,003,741</b>	<b>1,628,902</b>	<b>721,100</b>	<b>1,258,425</b>	<b>-43%</b>
<b>Extraordinary Item</b>	<b>(1,536,203)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,536,203)</b>	<b>-</b>	<b>100%</b>
<b>Change in net position</b>	<b>(2,818,844)</b>	<b>(370,477)</b>	<b>2,003,741</b>	<b>1,628,902</b>	<b>(815,103)</b>	<b>1,258,425</b>	<b>-165%</b>
Net position - beginning of year	34,303,993	34,674,470	16,878,724	15,249,822	51,182,717	49,924,292	3%
Net position - end of year	\$ 31,485,149	\$ 34,303,993	\$ 18,882,465	\$ 16,878,724	\$ 50,367,614	\$ 51,182,717	-2%

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

- Extraordinary item of \$1.5 million representing the amount of an advance from the General Fund to the Successor Agency. This advance was forgiven as part of an agreement between the City and the State of California Department of Finance (DOF). Under this same agreement, the City will not repay \$1.05 million in contested moneys to DOF. In anticipation of a possible payment to DOF, the General Liability fund has been holding \$1.05 million in cash, which will be transferred to the General Fund.

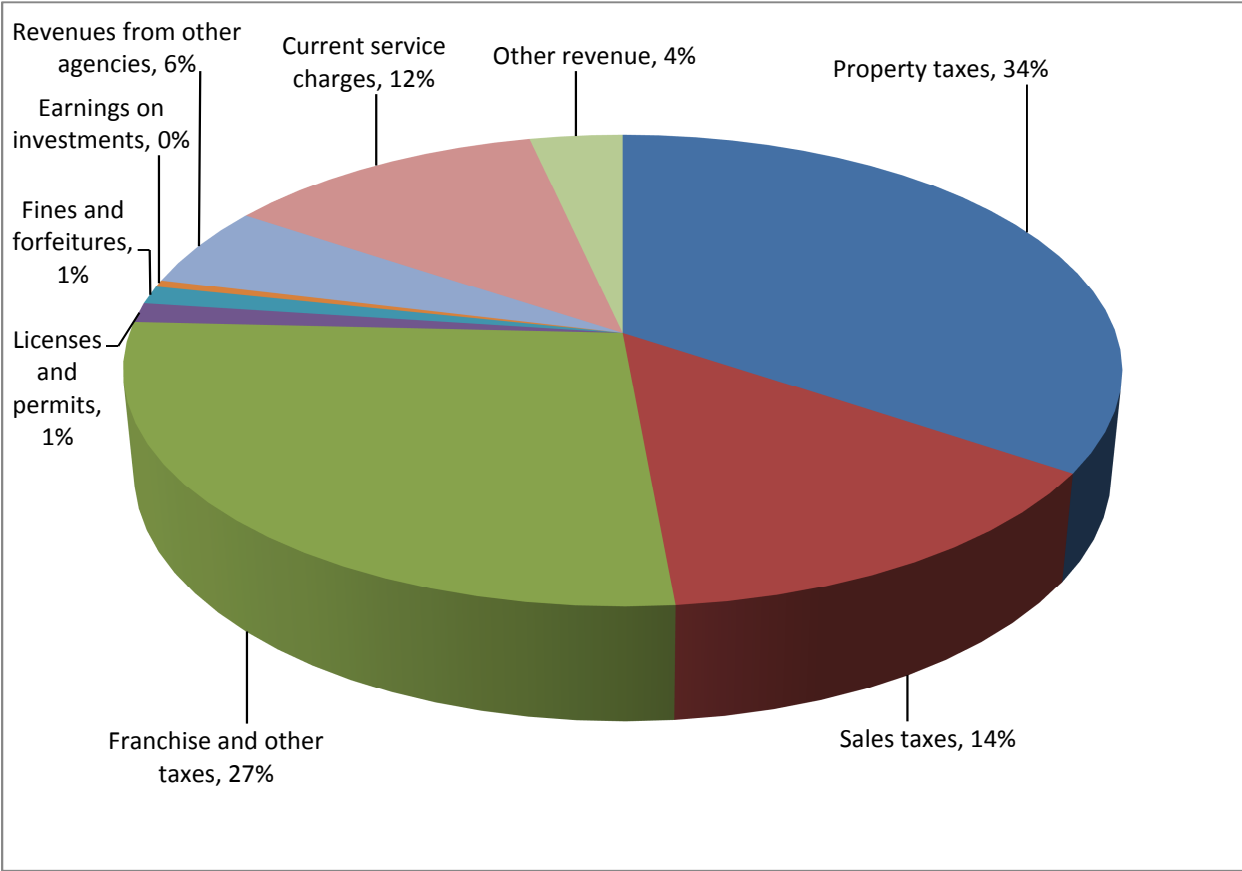
The charts which follow display both Revenue and Expenses in a format which highlights the proportionate elements within the governmental funds.

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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**TOTAL GOVERNMENTAL FUND REVENUE BY TYPE \$26.8 MILLION**



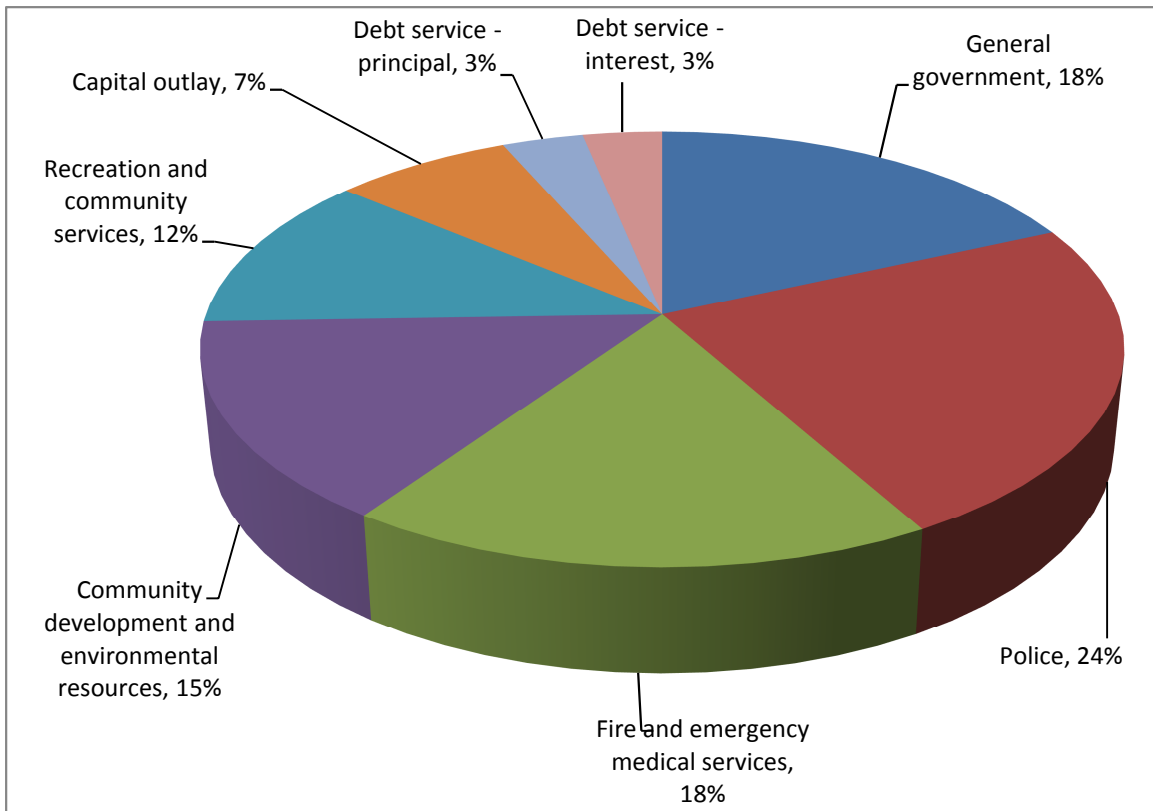
As displayed above Property Taxes; Franchise and Other Taxes; and Sales Tax combined represent approximately 75% of the total revenue.

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
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**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 42% 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.

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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, 2016 are: General Fund; Streets and Roads Measure B; 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 \$1,707,000. 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, 2016**

	General Fund	Street and Road Measure B Fund	Street & Storm Drain Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues	\$ 19,138,569	\$ 399,689	\$ 1,058,141	\$ 6,250,367	\$ 26,846,766
Current expenditures	16,997,127	7,527	290,597	4,359,213	21,654,464
Capital outlay	36,793	540,590	285,059	973,476	1,835,918
Debt service	47,437	-	-	1,601,571	1,649,008
Total expenditures	17,081,357	548,117	575,656	6,934,260	25,139,390
Net transfers	263,539	-	(21,000)	(242,539)	-
Extraordinary item	(1,536,203)	-	-	-	(1,536,203)
Net change in fund balances	784,548	(148,428)	461,485	(926,432)	171,173
Fund balances, beginning of year	7,534,352	319,134	4,232,031	15,090,828	27,176,345
<b>Fund balances, end of year</b>	<b>\$ 8,318,900</b>	<b>\$ 170,706</b>	<b>\$ 4,693,516</b>	<b>\$ 14,164,396</b>	<b>\$ 27,347,518</b>

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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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, 2016 the fund balance was \$8.3 million and of this amount approximately \$8.0 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 2015–2016 the fund balance had increase of \$784,548. The primary reason for the change was an increase in franchise and other taxes, and current service charges, as well as an increase in general government expenditures.

Street and Road Measure B Fund

The Street and Road Measure B Fund is used to account for the City's share of a one-half cent sales tax, which is restricted for transportation purposes. During FY2016, the net change in fund balance is a result of capital outlay for street paving projects.

Street and Storm Drain Fund

This fund had revenues of approximately \$1 million which funded current year expenditures of \$576 K and transfers of \$21 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 \$461 K. The ending fund balance as of June 30, 2016 was \$4.7 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, 2016 the combined fund balance was approximately \$14.2 million. The net change in fund balance was a decrease of \$926 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.

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.

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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**FINANCIAL HIGHLIGHTS PROPRIETARY FUNDS**

Sewer Enterprise Fund

Although total assets within this fund are in excess of \$23.6 million, it is important to note that approximately \$16.5 million of assets are related to noncurrent capital assets. Total current assets total approximately \$7.2 million.

Revenues are obtained through user fees that are collected on the property tax bill. The assessment rate for fiscal year 2015-2016 was \$460 per residential unit. Total assessment revenue for the year was \$3,620,437; this was an increase of \$183,374 over the prior year. Revenues less expenses and transfers, including interest on bonds, resulted in an increase in the net position from \$16,878,724 as of June 30, 2015 to \$18,882,465 as of June 30, 2016 (increase of \$1,628,902). The major reason for the change was that there were not significant capital expenditures. 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 future use of operating cash within this fund.

Internal Service Funds

Total assets in the internal service funds at June 30, 2016 were approximately \$3.7 million, a increase of approximately \$242,348 from the June 30, 2015 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 were adjusted by \$222,352 in fiscal year 2016. The overall liability for compensated absences stayed relatively the same as of June 30, 2016.

**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, 2016**

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**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 \$6,830,341 at June 30, 2016, a decrease of \$1,467,801 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 2015-2016 budget was presented at a public hearing in June 2015 and adopted by the City Council in July. This budget represented the second year of a two-year budget. The table below summarizes the variances between budget and actual results for the year ended June 30, 2016.

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**TABLE 4: SUMMARY GENERAL FUND BUDGETARY COMPARISON  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget</u>
Resources:				
Revenues	16,887,443	17,494,735	19,138,569	1,643,834
Transfers in	884,500	884,500	1,060,599	176,099
<b>Total Resources</b>	<b><u>17,771,943</u></b>	<b><u>18,379,235</u></b>	<b><u>20,199,168</u></b>	<b><u>1,819,933</u></b>
Appropriations:				
Expenditures	16,913,984	17,005,203	17,081,357	76,154
Transfers out	623,822	623,822	797,060	173,238
<b>Total Appropriations</b>	<b><u>17,537,806</u></b>	<b><u>17,629,025</u></b>	<b><u>17,878,417</u></b>	<b><u>249,392</u></b>
<b>Extraordinary item</b>	<u>-</u>	<u>-</u>	<u>(1,536,203)</u>	<u>(1,536,203)</u>
<b>Resources over appropriations</b>	<u>234,137</u>	<u>750,210</u>	<u>784,548</u>	<u>34,338</u>
<b>Fund balance beginning of year</b>			<u>7,534,352</u>	
<b>Fund balance end of year</b>			<u><b>\$ 8,318,900</b></u>	

Total revenues exceeded the budget by approximately \$1.6 million. Primary factors that contributed to this were positive variances in property taxes, the franchise and other tax category, as well as current service charges. The property tax revenue exceeded budget by approximately \$118,303; representing increases in assessed valuations. This also contributed to the franchises and other tax categories, which had a positive variance of approximately \$718,756. This category includes property transfer taxes, business license taxes, and franchise taxes, all of which tend to increase when the general economy is strong.

Transfers in to the General Fund exceeded the budget by \$176,099. The majority of this was due to a \$167,692 advance from the General Fund to the Successor Agency, which was forgiven as part of an agreement between the City and State of California Department of Finance.

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**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, 2016 amounted to \$63,681,053 (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, 2016 AND 2015**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and construction in progress	\$ 10,262,631	\$ 10,262,631	\$ 1,670,682	\$ -	\$ 11,933,313	\$ 10,262,631
Facilities, infrastructure, and equipment, net	36,948,607	38,919,031	14,799,133	15,223,220	51,747,740	54,142,251
<b>Total</b>	<b>\$ 47,211,238</b>	<b>\$ 49,181,662</b>	<b>\$ 16,469,815</b>	<b>\$ 15,223,220</b>	<b>\$ 63,681,053</b>	<b>\$ 64,404,882</b>

The combined total net change was approximately \$1.3 million which was a combination of a decrease in Governmental Activities capital assets, primarily Street Infrastructure net of an increase in construction in progress within the Business-type Activities.

Long-term Debt

As of June 30, 2016 the total balance outstanding was approximately \$22.6 million. Approximately 21 percent of this balance is attributable to the Sewer Enterprise Fund. The combined balance outstanding decreased by \$1.1 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, 2016, the City had total long-term debts and obligations as summarized in Table 6 below.

**TABLE 6: OUTSTANDING LONG-TERM OBLIGATIONS  
JUNE 30, 2016 AND 2015**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
2003 General obligation bonds	\$ 5,865,000	\$ 6,080,000	\$ -	\$ -	\$ 5,865,000	\$ 6,080,000
Civic Center Improvement general obligation bonds	4,245,000	4,360,000	-	-	4,245,000	4,360,000
General obligation bonds II	5,520,000	5,670,000	-	-	5,520,000	5,670,000
2009 Street & Storm Drain parcel tax note	1,882,932	2,177,500	-	-	1,882,932	2,177,500
Lease purchase agreement	130,354	170,103	-	-	130,354	170,103
2011 Calif. Energy Commission	192,521	212,860	-	-	192,521	212,860
Sewer revenue bonds			4,810,000	5,069,675	4,810,000	5,069,675
<b>Total</b>	<b>\$ 17,835,807</b>	<b>\$ 18,670,463</b>	<b>\$ 4,810,000</b>	<b>\$ 5,069,675</b>	<b>\$ 22,645,807</b>	<b>\$ 23,740,138</b>

**CITY OF ALBANY  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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**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 2016, 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 resulting from changes of actuarial assumptions being implemented in Fiscal Year 2018. 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 2016 and 2017 is available on line at [www.albanyca.org](http://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

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**BASIC  
FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Albany**  
**Statement of Net Position**  
**June 30, 2016**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current assets:			
Operating cash and investments	\$ 30,950,373	\$ 7,132,159	\$ 38,082,532
Debt service reserves held with trustee	346,516	-	346,516
Receivables:			
Taxes	1,453,370	-	1,453,370
Accounts	257,092	36,260	293,352
Deposits and prepayments	54,538	-	54,538
Total current assets	<u>33,061,889</u>	<u>7,168,419</u>	<u>40,230,308</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	10,262,631	1,670,682	11,933,313
Depreciable, net	36,948,607	14,799,133	51,747,740
Total capital asset	<u>47,211,238</u>	<u>16,469,815</u>	<u>63,681,053</u>
Total noncurrent assets	<u>47,211,238</u>	<u>16,469,815</u>	<u>63,681,053</u>
<b>Total assets</b>	<u>80,273,127</u>	<u>23,638,234</u>	<u>103,911,361</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	-	68,985	68,985
Deferred employer pension contributions	1,498,446	-	1,498,446
Deferred outflows of resources - pension	233,728	-	233,728
<b>Total deferred outflows of resources</b>	<u>1,732,174</u>	<u>68,985</u>	<u>1,801,159</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,663,249	9,499	1,672,748
Accrued salaries & benefits	347,794	5,255	353,049
Interest payable	330,760	-	330,760
Deposits payables	17,376	-	17,376
Unearned revenue	68,085	-	68,085
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	870,367	700,000	1,570,367
Total current liabilities	<u>4,065,171</u>	<u>714,754</u>	<u>4,779,925</u>
Noncurrent liabilities:			
Net OPEB liabilities	517,789	-	517,789
Net pension liability	23,349,678	-	23,349,678
Compensated absences, due in more than one year	885,949	-	885,949
Claims payable, due in more than one year	569,122	-	569,122
Long term debt, due in more than one year	16,965,440	4,110,000	21,075,440
Total noncurrent liabilities	<u>42,287,978</u>	<u>4,110,000</u>	<u>46,397,978</u>
<b>Total liabilities</b>	<u>46,353,149</u>	<u>4,824,754</u>	<u>51,177,903</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	4,167,003	-	4,167,003
<b>Total deferred inflows of resources</b>	<u>4,167,003</u>	<u>-</u>	<u>4,167,003</u>
<b>NET POSITION</b>			
Net investment in capital assets	<u>29,375,431</u>	<u>11,728,800</u>	<u>41,104,231</u>
Restricted for:			
Debt Service	2,059,994	-	2,059,994
Capital Projects	7,919,696	-	7,919,696
Public safety	223,670	-	223,670
Highway and streets	1,320,553	-	1,320,553
Special assessments	1,698,457	-	1,698,457
Safety retirement funding	2,372,302	-	2,372,302
Other	490,591	-	490,591
Total restricted	<u>16,085,263</u>	<u>-</u>	<u>16,085,263</u>
Unrestricted	<u>(13,975,545)</u>	<u>7,153,665</u>	<u>(6,821,880)</u>
<b>Total net position</b>	<u>\$ 31,485,149</u>	<u>\$ 18,882,465</u>	<u>\$ 50,367,614</u>

See accompanying Notes to Basic Financial Statements.

**City of Albany**  
**Statement of Activities**  
**For the year ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 4,700,635	\$ 74,782	\$ -	\$ -	\$ 74,782
Police	6,968,107	339,832	244,251	-	584,083
Fire and emergency medical services	5,473,921	936,642	285,817	-	1,222,459
Community development and environmental resources	7,045,078	1,299,749	342,608	986,743	2,629,100
Recreation and community services	3,141,919	1,304,309	21,116	-	1,325,425
Interest on long-term debt	799,760	-	-	-	-
<b>Total governmental activities</b>	<b>28,129,420</b>	<b>3,955,314</b>	<b>893,792</b>	<b>986,743</b>	<b>5,835,849</b>
<b>Business-type activities:</b>					
Sewer	1,623,150	3,620,437	-	-	3,620,437
<b>Total business-type activities</b>	<b>1,623,150</b>	<b>3,620,437</b>	<b>-</b>	<b>-</b>	<b>3,620,437</b>
<b>Total primary government</b>	<b>\$ 29,752,570</b>	<b>\$ 7,575,751</b>	<b>\$ 893,792</b>	<b>\$ 986,743</b>	<b>\$ 9,456,286</b>

**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**

**Extraordinary items:**

Extraordinary loss on settlement of loan to Successor Agency

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,625,853)	\$ -	\$ (4,625,853)
(6,384,024)	-	(6,384,024)
(4,251,462)	-	(4,251,462)
(4,415,978)	-	(4,415,978)
(1,816,494)	-	(1,816,494)
(799,760)	-	(799,760)
<u>(22,293,571)</u>	<u>-</u>	<u>(22,293,571)</u>
-	1,997,287	1,997,287
-	1,997,287	1,997,287
<u>(22,293,571)</u>	<u>1,997,287</u>	<u>(20,296,284)</u>
9,229,328	-	9,229,328
3,808,107	-	3,808,107
<u>7,301,956</u>	<u>-</u>	<u>7,301,956</u>
20,339,391	-	20,339,391
126,046	6,454	132,500
276,300	-	276,300
269,193	-	269,193
<u>21,010,930</u>	<u>6,454</u>	<u>21,017,384</u>
<u>(1,536,203)</u>	<u>-</u>	<u>(1,536,203)</u>
(2,818,844)	2,003,741	(815,103)
<u>34,303,993</u>	<u>16,878,724</u>	<u>51,182,717</u>
<u>\$ 31,485,149</u>	<u>\$ 18,882,465</u>	<u>\$ 50,367,614</u>

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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## 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, 2016**

	Major Funds		
	General Fund	Street and Roads Measure B	Street & Storm Funds
<b>ASSETS</b>			
Operating cash and investments	\$ 7,608,302	\$ 648,781	\$ 4,422,932
Debt service reserves held with trustee	-	-	-
Receivables:			
Taxes	1,296,628	62,515	7,593
Accounts	126,717	-	-
Prepaid Items	54,538	-	-
Due from other funds	95,683	-	-
<b>Total assets</b>	<b>\$ 9,181,868</b>	<b>\$ 711,296</b>	<b>\$ 4,430,525</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 479,162	\$ 540,590	\$ 125,299
Accrued salaries & benefits	308,134	-	3,094
Due to other funds	-	-	-
Deposit payable	7,587	-	-
Unearned revenue	68,085	-	-
<b>Total liabilities</b>	<b>862,968</b>	<b>540,590</b>	<b>128,393</b>
<b>Fund Balances: (Note 9)</b>			
Nonspendable	54,538	-	-
Restricted	-	170,706	4,302,132
Assigned	301,501	-	-
Unassigned	7,962,861	-	-
<b>Total fund balances</b>	<b>8,318,900</b>	<b>170,706</b>	<b>4,302,132</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,181,868</b>	<b>\$ 711,296</b>	<b>\$ 4,430,525</b>

See accompanying Notes to Basic Financial Statements.



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Non-Major Governmental Funds	Total Governmental Funds
\$ 14,642,805	\$ 27,322,820
346,516	346,516
86,634	1,453,370
92,882	219,599
-	54,538
-	95,683
\$ 15,168,837	\$ 29,492,526

\$ 471,019	\$ 1,616,070
36,566	347,794
95,683	95,683
9,789	17,376
-	68,085
613,057	2,145,008

-	54,538
11,800,225	16,273,063
2,856,309	3,157,810
(100,754)	7,862,107
14,555,780	27,347,518
\$ 15,168,837	\$ 29,492,526

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**City of Albany**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2016**

**Total Fund Balances - Total Governmental Funds** \$ 27,347,518

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	36,948,607
	47,211,238

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	233,728
Deferred inflows of resources - pension	(4,167,003)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 1,498,446

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. (330,760)

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. 1,395,256

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	(870,367)	-	(870,367)
Net OPEB Obligation	(517,789)	-	(517,789)
Net pension liability	(23,349,678)	-	(23,349,678)
Compensated absences - due in more than one year	(885,949)	885,949	-
Claims payable - due in more than one year	(569,122)	569,122	-
Long term debt - due in more than one year	(16,965,440)	-	(16,965,440)
	\$ (43,925,885)	\$ 2,222,611	(41,703,274)

**Net Position of Governmental Activities** \$ 31,485,149

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, 2016**

	Major Funds		
	General Fund	Street and Road Measure B	Street & Storm Funds
<b>REVENUES:</b>			
Property taxes	\$ 6,247,523	\$ -	\$ 1,037,784
Sales taxes	3,808,107	-	-
Franchise and other taxes	4,559,736	-	-
Licenses and permits	990,990	-	-
Fines and forfeitures	335,975	-	-
Earnings on investments	59,562	2,109	20,357
Revenues from other agencies	120,903	397,580	-
Current service charges	2,311,809	-	-
Other revenue	703,964	-	-
<b>Total revenues</b>	<b>19,138,569</b>	<b>399,689</b>	<b>1,058,141</b>
<b>EXPENDITURES:</b>			
Current:			
General government	4,542,865	3,063	10,814
Police	5,865,935	-	-
Fire and emergency medical services	2,369,972	-	-
Community development and environmental resources	2,168,722	4,464	279,783
Recreation and community services	2,049,633	-	-
Capital outlay	36,793	540,590	285,059
Debt service:			
Principal	39,749	-	-
Interest	7,688	-	-
<b>Total expenditures</b>	<b>17,081,357</b>	<b>548,117</b>	<b>575,656</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,057,212</b>	<b>(148,428)</b>	<b>482,485</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,060,599	-	-
Transfers out	(797,060)	-	(412,384)
<b>Total other financing sources (uses)</b>	<b>263,539</b>	<b>-</b>	<b>(412,384)</b>
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary loss on settlement of loan	(1,536,203)	-	-
<b>Net change in fund balances</b>	<b>784,548</b>	<b>(148,428)</b>	<b>70,101</b>
<b>FUND BALANCES:</b>			
Beginning of year	7,534,352	319,134	4,232,031
End of year	<u>\$ 8,318,900</u>	<u>\$ 170,706</u>	<u>\$ 4,302,132</u>

See accompanying Notes to Basic Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,630,662	\$ 10,915,969
-	3,808,107
15,394	4,575,130
-	990,990
-	335,975
44,011	126,039
1,376,544	1,895,027
946,385	3,258,194
237,371	941,335
<u>6,250,367</u>	<u>26,846,766</u>
30,308	4,587,050
65,207	5,931,142
2,096,058	4,466,030
1,286,667	3,739,636
880,973	2,930,606
973,476	1,835,918
794,907	834,656
806,664	814,352
<u>6,934,260</u>	<u>25,139,390</u>
<u>(683,893)</u>	<u>1,707,376</u>
1,416,537	2,477,136
<u>(1,267,692)</u>	<u>(2,477,136)</u>
<u>148,845</u>	<u>-</u>
<u>-</u>	<u>(1,536,203)</u>
(535,048)	171,173
<u>15,090,828</u>	<u>27,176,345</u>
<u>\$ 14,555,780</u>	<u>\$ 27,347,518</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, 2016

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 171,173
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.	263,260
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.	(2,141,817)
In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds proceeds from sales increases financial resources. The difference between proceeds and the loss on disposal of capital assets.	(91,867)
Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.	1,498,446
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.	834,656
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.	(165,160)
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.	(3,444,475)
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.	14,592
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.	<u>242,348</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ (2,818,844)</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, 2016**

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental- Activities Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Operating cash and investments	\$ 7,132,159	\$ 3,627,553
Accounts receivable	36,260	37,493
Total current assets	<u>7,168,419</u>	<u>3,665,046</u>
Noncurrent assets:		
Deferred charges, net	1,670,682	-
Capital assets, net	14,799,133	-
Total noncurrent assets	<u>16,469,815</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 23,638,234</u>	<u>\$ 3,665,046</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding	68,985	-
<b>Total deferred outflows of resources</b>	<u>68,985</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 9,499	\$ 47,179
Accrued salaries & benefits	5,255	-
Compensated absences	-	288,964
Claims liabilities	-	478,576
Current portion of long term debt	700,000	-
Total current liabilities	<u>714,754</u>	<u>814,719</u>
Noncurrent liabilities:		
Compensated absences	-	885,949
Claims liabilities	-	569,122
Long-term debt	4,110,000	-
Total noncurrent liabilities	<u>4,110,000</u>	<u>1,455,071</u>
<b>Total liabilities</b>	<u>4,824,754</u>	<u>2,269,790</u>
<b>NET POSITION</b>		
Net investment in capital assets	11,728,800	-
Unrestricted	7,153,665	1,395,256
<b>Total net position</b>	<u>\$ 18,882,465</u>	<u>\$ 1,395,256</u>

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, 2016**

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental- Activities Internal Service Fund
<b>OPERATING REVENUES:</b>		
Services charges	\$ 3,620,437	\$ 161,955
<b>Total operating revenues</b>	<b>3,620,437</b>	<b>161,955</b>
<b>OPERATING EXPENSES:</b>		
Insurance premiums	-	87,565
Personnel services	420,937	54,394
Materials, supplies and other	538,289	-
Major repairs	34,603	-
Depreciation	424,086	-
<b>Total operating expenses</b>	<b>1,417,915</b>	<b>141,959</b>
<b>OPERATING INCOME</b>	<b>2,202,522</b>	<b>19,996</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest income	6,454	-
Adjustment for claims payable	-	222,352
Interest expense	(205,235)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(198,781)</b>	<b>222,352</b>
<b>Change in net position</b>	<b>2,003,741</b>	<b>242,348</b>
<b>NET POSITION</b>		
Beginning of year	16,878,724	1,152,908
End of year	<b>\$ 18,882,465</b>	<b>\$ 1,395,256</b>

See accompanying Notes to Basic Financial Statements.

**City of Albany**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2016**

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental- Activities Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 3,658,506	\$ 131,105
Cash paid to employees	(425,699)	-
Cash paid to suppliers	(663,059)	(40,386)
<b>Net cash provided by operating activities</b>	<b>2,569,748</b>	<b>90,719</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(1,670,681)	-
Proceeds from debt issuance	4,810,000	-
Principal payments - bonds	(5,100,000)	-
Interest paid	(243,895)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(2,204,576)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	6,454	-
<b>Net cash provided by investing activities</b>	<b>6,454</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>371,626</b>	<b>90,719</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>6,760,533</b>	<b>3,536,834</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 7,132,159</b>	<b>\$ 3,627,553</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>		
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 2,202,522	\$ 19,996
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	424,086	-
Changes in assets and liabilities		
Increase (decrease) in accounts receivable	38,069	(30,850)
Increase (decrease) in accounts payable and accrued liabilities	(90,167)	47,179
Increase (decrease) in accrued salaries and benefits	(4,762)	-
Increase (decrease) in compensated absences	-	54,394
<b>Total adjustments</b>	<b>367,226</b>	<b>70,723</b>
<b>Net cash provided by operating activities</b>	<b>\$ 2,569,748</b>	<b>\$ 90,719</b>

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, 2016**

	Pension Trust Fund (Police and Fire Pension)	Successor Agency Trust Fund	Agency Funds
<b>ASSETS</b>			
Current assets			
Operating cash and investments	\$ -	\$ 166,629	\$ 1,241,885
Debt service reserves held with trustee	-	-	479,824
Investments, at fair value			
Local Agency Investment Fund	402,280	-	-
Cash and Money Market Fund	403,123	-	-
Mutual funds	6,087,477	-	-
Total investments, at fair value	<u>6,892,880</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 6,892,880</u>	<u>\$ 166,629</u>	<u>\$ 1,721,709</u>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Accounts payable	-	58,918	-
Overdrawn cash	62,539	-	-
Due to bondholders	-	-	856,364
Member deposits	-	-	72,919
Refundable deposits	-	-	792,426
<b>Total liabilities</b>	<u>62,539</u>	<u>58,918</u>	<u>\$ 1,721,709</u>
<b>NET POSITION</b>			
Net Position restricted for pensions	6,830,341	-	
Net position restricted for dissolution of RDA	-	107,711	
<b>Total net position of Trust Funds</b>	<u>\$ 6,830,341</u>	<u>\$ 107,711</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, 2016**

	Pension Trust Fund (Police and Fire Pension)	Successor Agency Trust Fund
<b>ADDITIONS:</b>		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ (475,624)	\$ -
Interest	1,350	1,495
Dividends	399,445	-
Total investment income	<u>(74,829)</u>	<u>1,495</u>
Total additions to assets	<u>(74,829)</u>	<u>1,495</u>
<b>DEDUCTIONS:</b>		
Pension benefits paid	1,351,708	-
Administrative expenses	41,264	13,403
Total deductions from assets	<u>1,392,972</u>	<u>13,403</u>
<b>EXTRAORDINARY ITEMS</b>		
Extraordinary gain on settlement of payable to City of Albany	<u>-</u>	<u>1,536,203</u>
<b>Changes in net position</b>	<b>(1,467,801)</b>	<b>1,524,295</b>
<b>NET POSITION:</b>		
Beginning of year	<u>8,298,142</u>	<u>(1,416,584)</u>
End of year	<u><u>\$ 6,830,341</u></u>	<u><u>\$ 107,711</u></u>

See accompanying Notes to Basic Financial Statements.

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**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**NOTE 1 – Background**

The City of Albany is a largely residential community located on San Francisco Bay in Alameda County, California. The City was incorporated in 1908. The population as of January 2016 estimated by the State of California, Department of Finance to be 18,893.

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, 2016**

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

The following is a summary of the accounting policies of the City, which conform with 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. 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, 2016**

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

**B. Basis of Accounting/Measurement Focus**

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

***Government-wide Financial Statements***

The City Government-wide Financial Statements include a Statement of Net 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, 2016**

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**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, 2016**

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**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.
- *Street and Road Measure B Special Revenue Fund* – This fund accounts for the City's share of a one-half cent sales tax which is restricted for street and road purposes.
- *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, 2016 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, 2016**

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**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 41.

**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 \$1,174,913, which is recorded in the Compensated Absences Internal Service Fund. The current portion of the liability is \$288,964, and the noncurrent portion is \$885,949.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**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 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, 2016**

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**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, 2016**

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**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.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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.

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 one item in this category, amounts related to changes in the City's net pension liability that are deferred and amortized over a stated period. 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.



**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

N. New Pronouncements

In fiscal year 2016, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 72, *Fair Value Measurement and Application*– This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. There was no impact on beginning net position as part of implementation of this accounting standard.
  
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*- The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. There was no impact on beginning net position as part of implementation of this accounting standard.
  
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*– The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. There was no impact on beginning net position as part of implementation of this accounting standard.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

N. New Pronouncements (Continued)

- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* - This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. There was no impact on beginning net position as part of implementation of this accounting standard.
  
- GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73* - This Statement addresses certain issues that had been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City updated covered employee payroll information in the required supplementary information as part of implementation of this accounting standard.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016:

	Government-Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Operating cash and investments	\$ 30,950,373	\$ 7,132,159	\$ 8,301,394	\$ 46,383,926
Overdrawn cash	-	-	(62,539)	(62,539)
Debt service reserves held with trustee	346,516	-	479,824	826,340
<b>Total</b>	<b>\$ 31,296,889</b>	<b>\$ 7,132,159</b>	<b>\$ 8,718,679</b>	<b>\$ 47,147,727</b>

At June 30, 2016 the City's pooled cash and investments, including debt service reserves with trustees consisted of the following:

<b>City Treasury:</b>	
Deposits:	
Cash on hand	\$ 2,646
Deposits with financial institutions	9,198,517
Total Deposits	9,201,163
Investments:	
State investment pool	28,303,739
Mutual funds	6,087,478
CalTrust investment pool	2,325,884
Cash and money market funds	403,123
Total investments	37,120,224
<b>Total City Treasury</b>	<b>46,321,387</b>
<b>Debt service reserves held with trustee</b>	<b>826,340</b>
<b>Total City and trustee cash and investments</b>	<b>\$ 47,147,727</b>

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016**

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

**B. Risk Disclosures (Continued)**

At June 30, 2016 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	\$ 28,303,739	\$ 28,303,739
Mutual funds	6,087,478	6,087,478
CalTrust investment pool	2,325,884	2,325,884
Cash and money market funds	403,123	403,123
Total	\$ 37,120,224	\$ 37,120,224

*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, 2016 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 fair 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, 2016, bank balances were \$9,663,644 at one institution. The Federal Deposit Insurance Corporation fully insures up to \$250,000. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name. The City's pension account had a negative book balance of negative \$62,539 due to outstanding checks exceeding the bank balance as of June 30, 2016.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**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 \$28,286,167 whose pro-rata share of fair value was estimated by the state Treasurer to be \$28,303,739. 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, 2016 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 2016, the State Treasurer had invested 2.81% of the pool's funds in structured notes and asset-backed securities.

D. Fair Value of Investments

Investments (except for money market accounts included in investments classified as restricted cash and investments) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2016 are described on the following page.

Investments included in restricted cash and investments included money market accounts and guaranteed investment contracts are not subject to fair value measurement.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

D. Fair Value of Investments (Continued)

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at June 30, 2016 are described below:

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Mutual Funds-Bond Funds				
DODGE& COX INCOME FUND	\$ 2,248,989	\$ 2,248,989	\$ -	\$ -
PIMCO INVESTMENT GRADE	717,980	717,980	-	-
Mutual Funds-Equity Funds				
DODGE & COX STOCK FUND	2,316,173	2,316,173	-	-
IVA INTL FD CL I	305,454	305,454	-	-
MAINSTAY EPOCH GLOBAL	397,806	397,806	-	-
NEUBERGER BERMAN EQTY	101,076	101,076	-	-
Subtotal Mutual Funds	6,087,478	6,087,478	-	-
Local Agency Investment Fund	28,303,739	-	28,303,739	-
CalTrust investment pool	2,325,884	-	2,325,884	-
Total investments subject to fair value	\$ 36,717,101	\$ 6,087,478	\$ 30,629,623	\$ -

The City's investments in bond and equity mutual funds are based on direct quotes from active markets for similar investments.

The City's fair value for its investment in the State of California Local Agency Investment Fund (LAIF) is based on the fair value factors provided by LAIF that is calculated based on the total fair value of the pool. LAIF includes investments categorized as Level 1 such as United States Treasury securities, Federal Agency securities, and supranational debentures that are valued based on prices quoted in active markets and investments categorized as Level 2 such as negotiable certificates of deposit and bank notes that are based on market corroborated pricing utilizing inputs such as yield curves and indices that are derived principally from or corroborated by observable market data by correlation to other means.

The City's investment in CalTrust investment pools consist of a variety of investments including U.S agency securities, corporate bonds, asset-backed securities, U.S. treasury obligations, and other. Majority of investments in the CalTrust pools are categorized as Level 2 based on other significant observable inputs (including quoted prices for similar securities and identical securities in inactive markets, interest rates, credit risk, etc.). The City categorized its investment in CalTrust based on the lowest significant input used by CalTrust to determine its average price per share.

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**E. Albany Police and Fire Relief Pension Fund**

The following information pertains to the Albany Police and Fire Relief Pension Fund only.

*Operating Cash*

At June 30, 2016, the Fund's operating cash balance was a negative \$62,539. The Fund's bank balance of \$24,077 (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 fair 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, 2016, 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, 2016, the Fund's allocations reflected the general guidelines set by the Fund's policy as described above.

Investments at June 30, 2016 are as follows:

Investment Type	Fair Value
Money market funds	\$ 403,123
State investment pool (LAIF)	402,280
Mutual funds:	
Bond Funds	2,966,969
Equity Funds	3,120,508
Total	<u>\$ 6,892,880</u>



**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

E. Albany Police and Fire Relief Pension Fund (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, 2016 was \$475,624.

*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, 2016, 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 \$402,030. 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, 2016.

The Fund's investments with LAIF at June 30, 2016 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 2016, the State Treasurer had invested 2.81% of the pool's funds in structured notes and asset-backed securities.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 4 – Capital Assets**

The following is a summary of capital assets as of June 30, 2016:

	Governmental Activities	Business-Type Activities	Total
Nondepreciable assets:			
Land	\$ 9,443,728	\$ -	\$ 9,443,728
Construction in progress	818,903	1,670,682	2,489,585
Total nondepreciable assets	10,262,631	1,670,682	11,933,313
Depreciable assets:			
Buildings	21,230,005	-	21,230,005
Improvements other than buildings	8,657,334	-	8,657,334
Furniture and fixtures	641,513	-	641,513
Machinery and equipment	2,297,361	-	2,297,361
Vehicles	3,396,135	-	3,396,135
Sewer lines	-	21,204,274	21,204,274
Infrastructure	21,878,771	56,928	21,935,699
Total depreciable assets	58,101,119	21,261,202	79,362,321
Less accumulated depreciation:	(21,152,512)	(6,462,069)	(27,614,581)
Depreciable capital assets, net	36,948,607	14,799,133	51,747,740
Total capital assets, net	\$ 47,211,238	\$ 16,469,815	\$ 63,681,053

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 4 – Capital Assets (Continued)**

Transactions and balances of capital assets were as follows:

	Balance June 30, 2015	Additions	Transfers/ Retirements	Balance June 30, 2016
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land	\$ 9,443,728	\$ -	\$ -	\$ 9,443,728
Construction in progress	818,903	-	-	818,903
Total nondepreciable assets	<u>10,262,631</u>	<u>-</u>	<u>-</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	12,052	-	641,513
Machinery and equipment	2,289,017	92,799	(84,455)	2,297,361
Vehicles	3,334,959	91,736	(30,560)	3,396,135
Infrastructure	21,812,098	66,673	-	21,878,771
Total depreciable assets	<u>57,952,874</u>	<u>263,260</u>	<u>(115,015)</u>	<u>58,101,119</u>
Less accumulated depreciation for:				
Buildings	5,434,856	407,706	-	5,842,562
Improvements other than buildings	3,455,818	411,796	-	3,867,614
Furniture and fixtures	434,727	56,512	-	491,239
Machinery and equipment	1,537,971	206,778	(21,630)	1,723,119
Vehicles	2,876,887	137,065	(1,518)	3,012,434
Infrastructure	5,293,584	921,960	-	6,215,544
Total accumulated depreciation	<u>19,033,843</u>	<u>2,141,817</u>	<u>(23,148)</u>	<u>21,152,512</u>
Total depreciable assets, net	<u>38,919,031</u>	<u>(1,878,557)</u>	<u>(91,867)</u>	<u>36,948,607</u>
Total governmental activities capital assets:	<u>\$ 49,181,662</u>	<u>\$ (1,878,557)</u>	<u>\$ (91,867)</u>	<u>\$ 47,211,238</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 22,479
Police	101,848
Fire and emergency medical services	72,329
Community development and environmental resources	1,733,546
Recreation and community services	211,615
Total governmental activities depreciation expense	<u>\$ 2,141,817</u>

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 4 – Capital Assets (Continued)**

	Balance June 30, 2015	Additions	Transfers/ Retirements	Balance June 30, 2016
<b>Business-Type Activities:</b>				
Non-Depreciable assets:				
Construction in progress	\$ -	\$ 1,670,682	\$ -	\$ 1,670,682
Total non-depreciable assets	-	1,670,682	-	1,670,682
Depreciable assets:				
Sewer lines	21,204,274	-	-	21,204,274
Machinery and equipment	56,928	-	-	56,928
Total depreciable assets	21,261,202	-	-	21,261,202
Less accumulated depreciation for:				
Sewer lines	5,981,054	424,087	-	6,405,141
Machinery and equipment	56,928	-	-	56,928
Total accumulated depreciation	6,037,982	424,087	-	6,462,069
Total depreciable assets, net	15,223,220	(424,087)	-	14,799,133
Total business-type activities capital assets	\$ 15,223,220	\$ 1,246,595	\$ -	\$ 16,469,815

**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, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
2003 GO Bonds 3.00-4.00%, 8/1/33	\$ 6,080,000	\$ -	\$ 215,000	\$ 5,865,000	\$ 225,000
Civic Center Improvement GO Bonds, 4.00-8.00%, 8/1/37	4,360,000	-	115,000	4,245,000	120,000
GO Bonds II 4.00-7.00%, 8/1/37	5,670,000	-	150,000	5,520,000	155,000
2009 Street & Storm Drain Parcel tax note, 4.60%, 8/1/21	2,177,500	-	294,568	1,882,932	308,274
Lease purchase agreement 4.52%, 9/3/18	170,103	-	39,749	130,354	41,545
2011 California Energy Commission 1.0%, 6/2025	212,860	-	20,339	192,521	20,548
Total long-term debt	\$ 18,670,463	\$ -	\$ 834,656	\$ 17,835,807	\$ 870,367

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**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 1<sup>st</sup> and August 1<sup>st</sup> and principal payments are due August 1<sup>st</sup> of each year, with the final payment due August 1, 2033.

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 1<sup>st</sup> and August 1<sup>st</sup> and principal payments are due August 1<sup>st</sup> of each year, with the final payment due August 1, 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 1<sup>st</sup> and August 1<sup>st</sup> and principal payments are due August 1<sup>st</sup> of each year, with the final payment due August 1, 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, 2016**

**NOTE 5 – Governmental Activities Debt (Continued)**

**G. Arbitrage**

As of June 30, 2016, 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, 2016:

Year Ending June 30:	Total Principal	Total Interest
2017	\$ 870,367	776,884
2018	901,795	741,370
2019	933,977	704,382
2020	929,508	665,277
2021	971,164	625,947
2022-2026	3,578,996	2,632,016
2027-2031	4,115,000	1,816,811
2032-2036	4,175,000	797,225
2037-2038	1,360,000	68,750
<b>Total</b>	<b>\$ 17,835,807</b>	<b>\$ 8,828,662</b>

**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
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	260,000	140,000	180,000	369,779	-	21,385	971,164
2022-2026	1,485,000	785,000	1,030,000	191,293	-	87,703	3,578,996
2027-2031	1,855,000	980,000	1,280,000	-	-	-	4,115,000
2032-2036	1,320,000	1,245,000	1,610,000	-	-	-	4,175,000
2037-2038	-	595,000	765,000	-	-	-	1,360,000
<b>Totals</b>	<b>\$ 5,865,000</b>	<b>\$ 4,245,000</b>	<b>\$ 5,520,000</b>	<b>\$ 1,882,932</b>	<b>\$ 130,354</b>	<b>\$ 192,521</b>	<b>\$ 17,835,807</b>

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 5 – Governmental Activities Debt (Continued)**

**H. Future Governmental Activities Debt Service (Continued)**

<b>INTEREST</b>								
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	
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	199,841	176,998	226,465	21,605	-	1,038	625,947	
2022-2026	833,531	786,686	1,005,413	4,400	-	1,986	2,632,016	
2027-2031	485,209	585,163	746,439	-	-	-	1,816,811	
2032-2036	85,850	310,625	400,750	-	-	-	797,225	
2037-2038	-	30,125	38,625	-	-	-	68,750	
<b>Totals</b>	<b>\$ 2,492,201</b>	<b>\$ 2,651,766</b>	<b>\$ 3,393,777</b>	<b>\$ 269,682</b>	<b>\$ 11,957</b>	<b>\$ 9,279</b>	<b>\$ 8,828,662</b>	

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, 2016. 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, 2016 is \$1,700,000.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 – Business-Type Activities Debt**

During fiscal year 2016, the City issued \$4,810,000 in Sewer Revenue Bonds, that were used to refund the City’s 2004 Sewer Revenue Bonds in the amount of \$5,100,000 as of the issue date. The reacquisition price exceeded the net carrying amount of the old debt by \$68,985. The bonds mature serially, each September 1st, and semi-annual interest payments are due each August 1st and February 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 interest rate on the bonds is 2.17%.

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 \$5,276,064. Principal and interest paid for the current year was \$0 and sewer revenue net of operating expenses (excluding depreciation expense) was \$2,626,608.

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

	Balance			Balance	
	June 30, 2015	Additions	Retirements	June 30, 2016	Due Within One Year
2004 Sewer revenue bonds	\$ 5,100,000	\$ -	\$ 5,100,000	\$ -	\$ -
Original issue discount	(30,325)	-	(30,325)	-	-
2016 Sewer revenue bonds	-	4,810,000	-	4,810,000	700,000
<b>Total long-term debt</b>	<b>\$ 5,069,675</b>	<b>\$ 4,810,000</b>	<b>\$ 5,069,675</b>	<b>\$ 4,810,000</b>	<b>\$ 700,000</b>



**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016 are:

Year Ending June 30	Debt Service Payments		
	Principal	Interest	Total
2017	\$ 700,000	\$ 100,039	\$ 800,039
2018	505,000	86,149	591,149
2019	515,000	75,136	590,136
2020	530,000	63,852	593,852
2021	540,000	52,297	592,297
2022-2026	2,020,000	88,590	2,108,590
Total	\$ 4,810,000	\$ 466,063	\$ 5,276,063

**Internal Service Fund Debt**

The liability related to compensated absences at June 30, 2016 is summarized below:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Estimated Payments in One Year
Compensated Absences	\$ 1,120,519	\$ 54,394	\$ -	\$ 1,174,913	\$ 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, 2016**

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**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.

	<i>Due to other funds</i>	
	<b>NON MAJOR GOVERNMENTAL FUNDS</b>	<b>Total Due to other funds</b>
<i>Due from other funds</i>		
<b>MAJOR GOVERNMENTAL FUNDS</b>		
General Fund	\$ 95,683	\$ 95,683
<b>Total Due from other funds</b>	\$ 95,683	\$ 95,683

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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: \$363,185 from the Pension Property Tax Fund to the General Fund to offset a portion of public safety PERS cost, \$736,815 from the Pension Property Tax Fund to the EMS Special Revenue Fund for its share of tax collected. In addition, the City recorded transfers of funds to the General Fund due to closing of previously reported funds. A summary of all Interfund Transfers for the year ended June 30, 2016 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>General</u>	<u>Street &amp; Storm Drain</u>	<u>Non-Major Govt Funds</u>	
Major Funds				
General Fund	\$ -	\$ 21,000	\$ 1,039,599	\$ 1,060,599
Non-major Govtl Funds	797,060	391,384	228,093	1,416,537
Total	<u>\$ 797,060</u>	<u>\$ 412,384</u>	<u>\$ 1,267,692</u>	<u>\$ 2,477,136</u>

**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 more than the budgeted amount by approximately \$76,154.

Street and Roads – Measure B Fund

When viewed in total Street and Roads – Measure B Fund Expenditures were more than the budgeted amount by approximately \$541,867.

Street and Storm Fund

When viewed in total Street and Storm Fund Expenditures were more than the budgeted amount by approximately \$226,248.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**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, 2016**

**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>			Non Major Government Funds	<b>Total Government</b>
	General	Streets and Roads Measure B	Street and Storm Fund		
Fund Balances					
<b>Nonspendable fund balance:</b>					
Prepaid items	\$ 54,538	\$ -	\$ -	\$ -	\$ 54,538
	54,538	-	-	-	54,538
<b>Restricted fund balance for:</b>					
Debt Service	-	-	-	2,059,994	2,059,994
Construction Projects	-	-	-	3,698,688	3,698,688
Public Safety	-	-	-	325,681	325,681
Highway and Streets	-	170,706	4,302,132	1,514,391	5,987,229
Special Assessments	-	-	-	1,698,457	1,698,457
Police Retirement					
Funding	-	-	-	2,372,291	2,372,291
Other	-	-	-	130,723	130,723
	-	170,706	4,302,132	11,800,225	16,273,063
<b>Assigned fund balance for:</b>					
Capital Projects	-	-	-	2,856,309	2,856,309
Cable TV Reserve	106,106	-	-	-	106,106
Affordable Housing Program	195,395	-	-	-	195,395
	301,501	-	-	2,856,309	3,157,810
<b>Unassigned fund balance</b>	7,962,861	-	-	(100,754)	7,862,107
<b>Total Fund Balances</b>	<b>\$ 8,318,900</b>	<b>\$ 170,706</b>	<b>\$ 4,302,132</b>	<b>\$ 14,555,780</b>	<b>\$ 27,347,518</b>

**NOTE 11 – Deficit Fund Balances**

As of June 30, 2016 the following funds had a deficit balance:

<u>Fund Name</u>	<u>Deficit</u>
Community Development Block Grant	\$ (6,341)
Operating Grants	(1,448)
Water Front	(81,124)
Safe Routes to School	(538)
TDA Transportation Development Act	(2,690)
Information System Reserve	(8,613)

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, 2016**

**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, 2016 by individual plan are described in the following table:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension Expense
Single Employer Plan - Police and Fire Relief Fund	-	-	5,299,514	38,605	1,872,646
CalPERS Cost Sharing Plan	1,498,446	233,728	18,050,164	4,128,398	1,571,829
<b>Total</b>	<u>1,498,446</u>	<u>233,728</u>	<u>23,349,678</u>	<u>4,167,003</u>	<u>3,444,475</u>

**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.

**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.

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

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

***I. General Information about the Pension Plan (Continued)***

*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.

**Employees Covered** – At June 30, 2016, 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, 2016.

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

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

***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, 2015, using an annual actuarial valuation as of June 30, 2015. 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	5.33%
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.

***Discount Rate*** – The discount rate used to measure the total pension liability was 5.33%.

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):

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



**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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)
<b>Balance at June 30, 2015</b>	\$ 12,493,334	\$ 9,577,360	\$ 2,915,974
<b>Changes in the year:</b>			
Service cost	-	-	-
Interest on the total pension liability	667,736	-	667,736
Differences between actual and expected experience	1,348,531	-	1,348,531
Changes in assumptions	499,219	-	499,219
Changes in benefit terms	-	-	-
Contribution - employer	-	-	-
Contribution - employee	-	-	-
Investment income	-	131,946	(131,946)
Administrative expenses	-	-	-
Benefit payments , including refunds of employee contributions	(1,411,164)	(1,411,164)	-
<b>Net changes</b>	<b>1,104,322</b>	<b>(1,279,218)</b>	<b>2,383,540</b>
<b>Balance at June 30, 2016</b>	<b>\$ 13,597,656</b>	<b>\$ 8,298,142</b>	<b>\$ 5,299,514</b>

**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		4.33%
Net Pension Liability	\$	6,373,479
Current Discount Rate		5.33%
Net Pension Liability	\$	5,299,514
1% Increase		6.33%
Net Pension Liability	\$	4,362,408

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

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

**III. Changes in the Net Pension Liability, Continued**

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports available from the City of Albany.

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

For the year ended June 30, 2016, the City recognized pension expense of \$1,872,646. At June 30, 2016, 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	\$ -	\$ 38,605
Total	\$ -	\$ 38,605

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:	
2017	(43,995)
2018	(43,995)
2019	(43,994)
2020	93,379

**V. Payable to Pension Plan**

As of June 30, 2016, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**NOTE 12 – Employee Retirement Plans (Continued)**

C. Cost Sharing Plan – CalPERS

***I. Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors eleven rate plans (six miscellaneous and five safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

***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 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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 rate plan provisions and benefits in effect at June 30, 2016 are summarized on the following page.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

**C. Cost Sharing Plan – CalPERS**

**II. *Benefits Provided***

	<u>City Miscellaneous</u>	<u>City Miscellaneous - 2nd Tier</u>
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	55	60
Monthly benefits, as a % of annual salary	2.50%	2.00%
Required employee contribution rates	8.000%	7.000%
Required employer contribution rates	9.067%	6.709%
Required UAL Payment	\$ 192,313	\$ -
	<u>City Miscellaneous-PEPRA</u>	<u>JPA Miscellaneous - 1st Tier</u>
Hire Date	On or after January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	57	55
Monthly benefits, as a % of annual salary	2.70%	2.50%
Required employee contribution rates	6.250%	8.000%
Required employer contribution rates	6.250%	9.067%
Required UAL Payment	\$ -	\$ 139,349
	<u>JPA Miscellaneous - 2nd Tier</u>	<u>JPA Miscellaneous - PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	6.709%	6.237%
Required UAL Payment	\$ -	\$ -
	<u>City Safety - Police</u>	<u>City Safety - Police PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	57
Monthly benefits, as a % of annual salary	3.00%	2.70%
Required employee contribution rates	9.000%	11.500%
Required employer contribution rates	16.523%	11.500%
Required UAL Payment	\$ 247,527	\$ -
	<u>City Safety - Fire 2nd Tier</u>	<u>City Safety - Fire PEPRA</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	57
Monthly benefits, as a % of annual salary	3.00%	2.70%
Required employee contribution rates	9.000%	11.500%
Required employer contribution rates	15.627%	11.153%
Required UAL Payment	\$ -	\$ -
	<u>City Safety - Fire</u>	
Hire Date	Prior to January 1, 2013	
Benefit vesting schedule	5 years service	
Benefit payments	Monthly for life	
Retirement age	55	
Monthly benefits, as a % of annual salary	3.00%	
Required employee contribution rates	9.000%	
Required employer contribution rates	16.523%	
Required UAL Payment	\$ 235,918	

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**NOTE 12 – Employee Retirement Plans (Continued)**

C. Cost Sharing Plan – 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 are to 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City’s contributions to the Plan for the year ended June 30, 2015 were \$1,231,831.

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

As of June 30, 2016, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$18,050,164.

The City’s net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2014 rolled forward to June 30, 2015 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, 2014 and 2015 were as follows:

Proportion - June 30, 2014	0.23892%
Proportion - June 30, 2015	<u>0.29008%</u>
Change - Increase (Decrease)	<u>0.05116%</u>

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

C. Cost Sharing Plan – CalPERS

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

For the year ended June 30, 2016, the City recognized pension expense of \$1,571,829. At June 30, 2016, 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	\$ 1,498,446	\$ -
Changes of assumptions	-	758,190
Differences between expected and actual experience	-	73,830
Changes in employer's proportion	233,728	1,579,533
Differences between the employer's contribution and the employer's proportionate share of contributions	-	1,334,137
Net differences between projected and actual earnings on plan investments	-	382,708
Total	\$ 1,732,174	\$ 4,128,398

\$1,498,446 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, 2017.

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:
2017	\$ (1,570,144)
2018	(1,553,726)
2019	(1,247,754)
2020	476,954

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

C. Cost Sharing Plan – CalPERS

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

**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, 2015
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 <sup>(1)</sup>	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, 2014 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.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.65% 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 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.

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.

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 12 – Employee Retirement Plans (Continued)**

C. Cost Sharing Plan – CalPERS

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

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.

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	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	<u>100%</u>		

(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:

1% Decrease	6.65%
Net Pension Liability	\$ 30,626,103
Current Discount Rate	7.65%
Net Pension Liability	\$ 18,050,164
1% Increase	8.65%
Net Pension Liability	\$ 7,717,029



**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**NOTE 12 – Employee Retirement Plans (Continued)**

C. Cost Sharing Plan – 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, 2016 the City reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**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, 2016**

**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 2016, the City contributes the required \$125 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 2015-2016 the City contributed \$37,200 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	\$150,930
Interest on Net OPEB obligation	10,130
Adjustment to annual required contribution	(9,677)
Annual OPEB expense (income)	\$151,383
Contributions made	(37,200)
Increase (decrease) in net OPEB obligation	\$114,183
Net OPEB obligation (asset) - beginning of year	253,241
Net OPEB obligation (asset) - end of year	\$367,424

The City Retiree Health annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation data available for 2016 and previous years were as follows:

Year Ended	Annual OPEB Cost	Percentage Annual OPEB Contributed	OPEB Obligation
6/30/2013	\$ 111,274	21%	\$ 179,685
6/30/2014	111,274	34%	253,241
6/30/2016	151,383	25%	367,424

**CITY OF ALBANY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 13 – Post-Retirement Benefits (Continued)**

A. City of Albany Health Plan (Continued)

*Funded Status and Funding Progress:* As of June 30, 2016, 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 \$1,585,094. The covered payroll (annual payroll of active employees covered by the plan) was \$9,115,750 and the ratio of UAAL to covered payroll was 17 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, 2016 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 4.0% 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	2017	2.87%
	2018	2.87%
	2019	2.87%
	2010	2.87%
	2021	2.87%
	2022	2.87%
	2023 & later	2.87%

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, 2016**

**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 2016 MEC is \$106.25 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 2016, the JPA contributes the required \$106.25 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 2015-2016 the JPA contributed \$10,200 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	\$60,999
Interest on Net OPEB obligation	3,976
Adjustment to annual required contribution	(3,798)
Annual OPEB expense (income)	\$61,177
Contributions made	(10,200)
Increase (decrease) in net OPEB obligation	\$50,977
Net OPEB obligation (asset) - beginning of year	99,388
Net OPEB obligation (asset) - end of year	\$150,365

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 2016 and previous years were as follows:

Year Ended	Annual OPEB Cost	Percentage Annual OPEB Contributed	OPEB Obligation
6/30/2014	\$ 40,329	13%	\$ 67,469
6/30/2015	40,329	20%	99,388
6/30/2016	61,177	17%	150,365

*Funded Status and Funding Progress:* As of June 30, 2016, 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 \$321,889. The covered payroll (annual payroll of active employees covered by the plan) was \$2,513,752 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, 2016 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 4.0% 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	2017	2.87%
	2018	2.87%
	2019	2.87%
	2020	2.87%
	2021	2.87%
	2022	2.87%
	2023 & later	2.87%

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**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 \$518,103 for coverage during the fiscal year ended June 30, 2016.

Condensed audited financial information of BCJPIA at and for the fiscal year ended June 30, 2016 is as follows:

Assets	\$	33,545,914
Reserves for Claims		19,224,927
Liabilities (1)		3,553,419
Net Position Unrestricted		10,767,568
Member Contributions		12,334,380
Other Income		556,289
Provisions for Claims and Claim Adjustment Expenses		3,806,788
Operating Expenses (2)		6,224,159
Change in Net Position		2,859,722

(1) - Excluding claims liabilities

(2) - Excluding provisions for claims

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016, the City incurred costs of \$87,565 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, 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	1,083,000	187,050	1,270,050
Incurred claims and changes in estimates	97,906	36,516	134,422
Claim paid	(274,906)	(81,868)	(356,774)
Balance June 30, 2016	<u>\$ 906,000</u>	<u>\$ 141,698</u>	<u>\$ 1,047,698</u>

**CITY OF ALBANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**NOTE 15 – Commitments and Contingent Liabilities**

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

The City is currently in the process of resolving findings provided by CalPERS regarding treatment of earnings and calculations of required contributions. The resolutions of these findings may require additional amounts to be paid to CalPERS to resolve past funding requirements.

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.



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# REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF ALBANY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

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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, 2016.

# City of Albany

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

### General Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 6,129,220	\$ 6,129,220	\$ 6,247,523	\$ 118,303
Sales taxes	3,660,000	3,886,492	3,808,107	(78,385)
Franchise and other taxes	3,840,980	3,840,980	4,559,736	718,756
Licenses and permits	852,000	909,000	990,990	81,990
Fines and forfeitures	367,800	367,800	335,975	(31,825)
Earnings on investments	14,785	14,785	59,562	44,777
Revenues from other agencies	187,708	187,708	120,903	(66,805)
Current service charges	1,598,050	1,921,850	2,311,809	389,959
Other revenue	236,900	236,900	703,964	467,064
<b>Total revenues</b>	<b>16,887,443</b>	<b>17,494,735</b>	<b>19,138,569</b>	<b>1,643,834</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,052,135	3,168,280	4,542,865	(1,374,585)
Police	6,417,743	6,349,858	5,865,935	483,923
Fire and emergency medical services	2,580,715	2,560,715	2,369,972	190,743
Community development and environmental resources	1,958,364	2,032,421	2,168,722	(136,301)
Recreation and community services	2,768,053	2,740,601	2,049,633	690,968
Capital outlay	89,500	105,854	36,793	69,061
Debt service:				
Principal	39,785	39,785	39,749	36
Interest, and fiscal charges	7,689	7,689	7,688	1
<b>Total expenditures</b>	<b>16,913,984</b>	<b>17,005,203</b>	<b>17,081,357</b>	<b>(76,154)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(26,541)</b>	<b>489,532</b>	<b>2,057,212</b>	<b>1,567,680</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	884,500	884,500	1,060,599	176,099
Transfers out	(623,822)	(623,822)	(797,060)	(173,238)
<b>Total other financing sources (uses)</b>	<b>260,678</b>	<b>260,678</b>	<b>263,539</b>	<b>2,861</b>
<b>EXTRAORDINARY ITEMS</b>				
Extraordinary loss on settlement of loan	-	-	(1,536,203)	(1,536,203)
<b>Net change in fund balance</b>	<b>\$ 234,137</b>	<b>\$ 750,210</b>	<b>784,548</b>	<b>\$ 34,338</b>
<b>FUND BALANCE:</b>				
Beginning of year			7,534,352	
End of year			<u>\$ 8,318,900</u>	

**City of Albany**

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

**Street and Roads-Measure B Fund**

**For the year ended June 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Earnings on investments	130	130	2,109	1,979
Revenues from other agencies	390,000	430,000	397,580	(32,420)
<b>Total revenues</b>	<b>390,130</b>	<b>430,130</b>	<b>399,689</b>	<b>(30,441)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,250	1,250	3,063	(1,813)
Community development and environmental resources	5,000	5,000	4,464	536
Capital outlay	-	-	540,590	(540,590)
<b>Total expenditures</b>	<b>6,250</b>	<b>6,250</b>	<b>548,117</b>	<b>(541,867)</b>
<b>Net change in fund balance</b>	<b>\$ 383,880</b>	<b>\$ 423,880</b>	<b>(148,428)</b>	<b>\$ (572,308)</b>
<b>FUND BALANCE:</b>				
Beginning of year			319,134	
End of year			<b>\$ 170,706</b>	

**CITY OF ALBANY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**DEFINED PENSION PLAN – SINGLE EMPLOYER PLAN**

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

Measurement Period <sup>(1)</sup>	2015-16	2014-2015
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ -	\$ -
Interest	667,736	774,708
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	1,348,531	-
Changes of Assumptions	499,219	945,018
Benefit Payments, Including Refunds of Employee Contributions	(1,411,164)	(1,384,481)
<b>Net Change in Total Pension Liability</b>	<b>1,104,322</b>	<b>335,245</b>
<b>Total Pension Liability - Beginning</b>	<b>12,493,334</b>	<b>12,158,089</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 13,597,656</b>	<b>\$ 12,493,334</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ -	\$ 82,401
Contributions - Employee	-	-
Net Investment Income <sup>(2)</sup>	131,946	1,287,597
Benefit Payments, Including Refunds of Employee Contributions	(1,411,164)	(1,384,481)
Other Changes in Fiduciary Net Position	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>(1,279,218)</b>	<b>(14,483)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>9,577,361</b>	<b>9,591,844</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 8,298,143</b>	<b>\$ 9,577,361</b>
<b>Plan Net Position Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 5,299,513</b>	<b>\$ 2,915,973</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>61.03%</b>	<b>76.66%</b>

(1) – Prior information unavailable.

(2) – Net of administrative expenses.

Notes to Schedules

The plan is closed to new members and currently has no active members, hence covered payroll for the plan for all years presented is \$0.

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 5.66% to 5.33%.

**CITY OF ALBANY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**DEFINED PENSION PLAN – SINGLE EMPLOYER PLAN (Continued)**

***Schedule of Plan Contributions***

	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2014-15</u>
Actuarially determined contribution	\$ 82,401	\$ 82,401
Contribution in relation to the actuarially determined contributions	-	-
Contribution deficiency (excess)	<u>\$ 82,401</u>	<u>\$ 82,401</u>

**DEFINED BENEFIT PENSION PLAN - COST SHARING PLAN**

**A. *Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years\****

Fiscal year:	<u>2016</u>	<u>2015</u>
Measurement date:	6/30/2015	6/30/2014
Proportion of the net pension liability	0.29008%	0.23892%
Proportionate share of the net pension liability	\$ 18,050,164	\$ 16,399,349
Covered payroll	\$ 8,831,933	\$ 8,553,930
Proportionate share of the net pension liability as a percentage of covered payroll	204.37%	191.72%
Plan's share of fiduciary net position as a percentage of total pension liability	78.40%	79.82%

\* Fiscal year 2015 was the 1st year of implementation.

**B. *Schedule of Contributions – Last 10 Years\****

	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually required contribution (actuarially determined)	\$ 1,498,446	\$ 1,231,831
Contribution in relation to the actuarially determined contributions	(1,498,446)	(1,231,831)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,368,339	\$ 8,831,933
Contributions as a percentage of covered payroll	15.99%	13.95%

\* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown

**CITY OF ALBANY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**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%
6/30/16	-	1,585,094	1,585,094	0.0%	9,115,750	17.4%

\* 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%
6/30/16	-	321,889	321,889	0.0%	2,513,752	12.8%

\* Latest information available



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# SUPPLEMENTARY INFORMATION

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# 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		
<b>REVENUES:</b>				
Property taxes	\$ 974,000	\$ 974,000	\$ 1,037,784	\$ 63,784
Earnings on investments	7,800	7,800	20,357	12,557
<b>Total revenues</b>	<b>981,800</b>	<b>981,800</b>	<b>1,058,141</b>	<b>76,341</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,362	11,362	10,814	548
Community development and environmental resources	324,883	324,883	279,783	45,100
Recreation and community services	13,163	13,163	-	13,163
Capital outlay	-	-	285,059	(285,059)
<b>Total expenditures</b>	<b>349,408</b>	<b>349,408</b>	<b>575,656</b>	<b>(226,248)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>632,392</b>	<b>632,392</b>	<b>482,485</b>	<b>(149,907)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(21,000)	(21,000)	(412,384)	(391,384)
<b>Total other financing sources (uses)</b>	<b>(21,000)</b>	<b>(21,000)</b>	<b>(412,384)</b>	<b>(391,384)</b>
<b>Net change in fund balance</b>	<b>\$ 632,392</b>	<b>\$ 632,392</b>	<b>70,101</b>	<b>\$ (541,291)</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,232,031	
End of year			<u>\$ 4,302,132</u>	

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## **CITY OF ALBANY**

### **Nonmajor Governmental Funds**

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**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, 2016**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Operating cash and investments	\$ 6,352,255	\$ 6,595,875	\$ 1,694,675	\$ 14,642,805
Debt Service reserves held with trustee	-	-	346,516	346,516
Receivables:				
Taxes	67,831	-	18,803	86,634
Accounts	92,882	-	-	92,882
<b>Total assets</b>	<b>\$ 6,512,968</b>	<b>\$ 6,595,875</b>	<b>\$ 2,059,994</b>	<b>\$ 15,168,837</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 421,528	\$ 49,491	\$ -	\$ 471,019
Accrued salaries and benefits	36,566	-	-	36,566
Accrued liabilities	-	-	-	-
Due to other funds	95,683	-	-	95,683
Deposits payable	9,789	-	-	9,789
<b>Total liabilities</b>	<b>563,566</b>	<b>49,491</b>	<b>-</b>	<b>613,057</b>
<b>Fund Balances:</b>				
Restricted	6,041,543	3,698,688	2,059,994	11,800,225
Assigned	-	2,856,309	-	2,856,309
Unassigned	(92,141)	(8,613)	-	(100,754)
<b>Total fund balances</b>	<b>5,949,402</b>	<b>6,546,384</b>	<b>2,059,994</b>	<b>14,555,780</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,512,968</b>	<b>\$ 6,595,875</b>	<b>\$ 2,059,994</b>	<b>\$ 15,168,837</b>

**City of Albany**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 2,346,951	\$ -	\$ 1,283,711	\$ 3,630,662
Franchise and other taxes	15,394	-	-	15,394
Earnings on investments	35,268	3,664	5,079	44,011
Revenues from other agencies	1,376,544	-	-	1,376,544
Current Service charges	789,474	156,911	-	946,385
Other revenue	110,824	126,547	-	237,371
<b>Total revenues</b>	<b>4,674,455</b>	<b>287,122</b>	<b>1,288,790</b>	<b>6,250,367</b>
<b>EXPENDITURES:</b>				
General government	30,308	-	-	30,308
Police	65,207	-	-	65,207
Fire and emergency medical services	2,096,058	-	-	2,096,058
Community development and environmental resources	1,054,547	232,120	-	1,286,667
Recreation and community services	867,147	13,826	-	880,973
Capital outlay	489,875	483,601	-	973,476
Debt service:				
Principal	20,339	-	774,568	794,907
Interest	2,084	-	804,580	806,664
<b>Total expenditures</b>	<b>4,625,565</b>	<b>729,547</b>	<b>1,579,148</b>	<b>6,934,260</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>48,890</b>	<b>(442,425)</b>	<b>(290,358)</b>	<b>(683,893)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	743,785	281,368	391,384	1,416,537
Transfers out	(1,265,971)	(1,721)	-	(1,267,692)
<b>Total other financing sources (uses)</b>	<b>(522,186)</b>	<b>279,647</b>	<b>391,384</b>	<b>148,845</b>
<b>Net change in fund balances</b>	<b>(473,296)</b>	<b>(162,778)</b>	<b>101,026</b>	<b>(535,048)</b>
<b>FUND BALANCES:</b>				
Beginning of the year	6,422,698	6,709,162	1,958,968	15,090,828
End of year	<u>\$ 5,949,402</u>	<u>\$ 6,546,384</u>	<u>\$ 2,059,994</u>	<u>\$ 14,555,780</u>

## City of Albany

### Other Special Revenue Funds

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

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

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

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

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

**Storm Drain Fund** - accounts for 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** - 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** - accounts for grant revenues and expenditures for general purposes.

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

**Emergency Medical services Fund** - accounts for revenue received from emergency medical services including ambulance fees and Paramedic Emergency Medical Service and Advanced Life Support assessments. These funds are expended for emergency medical services provided by the City.

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

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

**L&LAD 1996-1Creek Restoration Fund** - 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** - accounts for a state grant to prepare a transition improvement plan for the Albany Neck and Bulb area.



## City of Albany

### Other Special Revenue Funds

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**EBRPD Measure WW Fund** - 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** - accounts for revenues received under Legislation (AB3229) to fund various front line law enforcement activities.

**Poet Laureate** - 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** - 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** - 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** - 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.

**Safe Routes to School Fund** - accounts for the grant revenues restricted for the Safe Routes to School program.

**TDA Transportation Development Act Fund** - accounts for the City's projects funded by the Transportation Development Act.

**City of Albany**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Gas Tax	Community Development Block Grant	Street	Library Operations	Storm Drain
<b>ASSETS</b>					
Operating cash and investments	\$ 1,097,176	\$ -	\$ -	\$ 249,030	\$ 689,308
Receivables:					
Taxes	-	-	-	5,877	2,120
Accounts	-	5,757	-	-	3,417
<b>Total assets</b>	<b>\$ 1,097,176</b>	<b>\$ 5,757</b>	<b>\$ -</b>	<b>\$ 254,907</b>	<b>\$ 694,845</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 163,885	\$ 21	\$ -	\$ -	\$ 9,563
Accrued salaries and benefits	1,424	208	-	-	1,024
Due to other funds	-	11,869	-	-	-
Deposits payable	-	-	-	-	-
<b>Total liabilities</b>	<b>165,309</b>	<b>12,098</b>	<b>-</b>	<b>-</b>	<b>10,587</b>
<b>Fund Balances:</b>					
Restricted	931,867	-	-	254,907	684,258
Unassigned	-	(6,341)	-	-	-
<b>Total fund balances</b>	<b>931,867</b>	<b>(6,341)</b>	<b>-</b>	<b>254,907</b>	<b>684,258</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,097,176</b>	<b>\$ 5,757</b>	<b>\$ -</b>	<b>\$ 254,907</b>	<b>\$ 694,845</b>

Special Revenue Funds

Alameda							
Pension Property Tax	County Measure B Bike and Pedestrian	Waste Management	Operating Grants	Paratransit	L&L Assessment District 1998-1	Emergency Medical Services	
\$ 2,372,291	\$ 85,180	\$ 117,954	\$ 7,454	\$ 5,791	\$ 316,041	\$ 138,393	
-	8,798	-	-	2,174	4,205	6,574	
-	-	12,688	-	2,898	-	898	
<u>\$ 2,372,291</u>	<u>\$ 93,978</u>	<u>\$ 130,642</u>	<u>\$ 7,454</u>	<u>\$ 10,863</u>	<u>\$ 320,246</u>	<u>\$ 145,865</u>	
\$ -	\$ -	\$ -	\$ 8,901	\$ -	\$ 34,180	\$ 11,931	
-	-	-	1	426	1,549	31,934	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	8,902	426	35,729	43,865	
2,372,291	93,978	130,642	-	10,437	284,517	102,000	
-	-	-	(1,448)	-	-	-	
<u>2,372,291</u>	<u>93,978</u>	<u>130,642</u>	<u>(1,448)</u>	<u>10,437</u>	<u>284,517</u>	<u>102,000</u>	
<u>\$ 2,372,291</u>	<u>\$ 93,978</u>	<u>\$ 130,642</u>	<u>\$ 7,454</u>	<u>\$ 10,863</u>	<u>\$ 320,246</u>	<u>\$ 145,865</u>	

**City of Albany**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2016**

	Special Revenue Funds				
	L&L Assessment District 1996-1				
	Open Space	Recreational Playgrounds	Creek Restoration	Water Front	EBRPD Measure WW
<b>ASSETS</b>					
Operating cash and investments	\$ 215,585	\$ 29,863	\$ 240,827	\$ -	\$ 81
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
<b>Total assets</b>	<b>\$ 215,585</b>	<b>\$ 29,863</b>	<b>\$ 240,827</b>	<b>\$ -</b>	<b>\$ 81</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 11,500	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-
Due to other funds	-	-	-	81,124	-
Deposits payable	-	-	-	-	-
<b>Total liabilities</b>	<b>11,500</b>	<b>-</b>	<b>-</b>	<b>81,124</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	204,085	29,863	240,827	-	81
Unassigned	-	-	-	(81,124)	-
<b>Total fund balances</b>	<b>204,085</b>	<b>29,863</b>	<b>240,827</b>	<b>(81,124)</b>	<b>81</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 215,585</b>	<b>\$ 29,863</b>	<b>\$ 240,827</b>	<b>\$ -</b>	<b>\$ 81</b>

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
\$ 169,638	\$ 47,978	\$ 143,365	\$ 11	\$ 371,500	\$ 48,014	\$ 6,775
-	-	-	-	32,962	-	5,121
15,877	-	14,605	-	32,727	4,015	-
<u>\$ 185,515</u>	<u>\$ 47,978</u>	<u>\$ 157,970</u>	<u>\$ 11</u>	<u>\$ 437,189</u>	<u>\$ 52,029</u>	<u>\$ 11,896</u>
-	34	30,740	-	150,000	-	235
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,789	-	-	-	-	-
-	9,823	30,740	-	150,000	-	235
185,515	38,155	127,230	11	287,189	52,029	11,661
-	-	-	-	-	-	-
185,515	38,155	127,230	11	287,189	52,029	11,661
<u>\$ 185,515</u>	<u>\$ 47,978</u>	<u>\$ 157,970</u>	<u>\$ 11</u>	<u>\$ 437,189</u>	<u>\$ 52,029</u>	<u>\$ 11,896</u>

**City of Albany**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2016**

	Special Revenue Funds		Total Other Special Revenue Funds
	Safe Routes to School	TDA Transportation Development Act	
<b>ASSETS</b>			
Operating cash and investments	\$ -	\$ -	\$ 6,352,255
Receivables:			
Taxes	-	-	67,831
Accounts	-	-	92,882
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,512,968</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 538	\$ -	\$ 421,528
Accrued salaries and benefits	-	-	36,566
Due to other funds	-	2,690	95,683
Deposits payable	-	-	9,789
<b>Total liabilities</b>	<b>538</b>	<b>2,690</b>	<b>563,566</b>
<b>Fund Balances:</b>			
Restricted	-	-	6,041,543
Unassigned	(538)	(2,690)	(92,141)
<b>Total fund balances</b>	<b>(538)</b>	<b>(2,690)</b>	<b>5,949,402</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,512,968</b>

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**City of Albany**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds				
	Gas Tax	Community Development Block Grant	Street	Library Operations	Storm Drain
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 751,312	\$ 300,727
Franchise and other taxes	-	-	-	-	-
Earnings on investments	4,323	-	-	1,878	2,476
Revenues from other agencies	410,348	115,242	-	-	-
Current Service charges	-	-	-	-	80,141
Other revenue	-	-	-	30,030	17,927
<b>Total revenues</b>	<b>414,671</b>	<b>115,242</b>	<b>-</b>	<b>783,220</b>	<b>401,271</b>
<b>EXPENDITURES:</b>					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	208,743	-	-	-	272,421
Recreation and community services	-	48,744	-	755,488	-
Capital outlay	152,981	45,625	-	-	45,927
Debt service:					
Principal	20,339	-	-	-	-
Interest	2,084	-	-	-	-
<b>Total expenditures</b>	<b>384,147</b>	<b>94,369</b>	<b>-</b>	<b>755,488</b>	<b>318,348</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>30,524</b>	<b>20,873</b>	<b>-</b>	<b>27,732</b>	<b>82,923</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	6,970	-	-	-	-
Transfers out	-	-	(165,971)	-	-
<b>Total other financing sources (uses)</b>	<b>6,970</b>	<b>-</b>	<b>(165,971)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>37,494</b>	<b>20,873</b>	<b>(165,971)</b>	<b>27,732</b>	<b>82,923</b>
<b>FUND BALANCES:</b>					
Beginning of the year	894,373	(27,214)	165,971	227,175	601,335
End of year	\$ 931,867	\$ (6,341)	\$ -	\$ 254,907	\$ 684,258



Special Revenue Funds

Pension Property Tax	Alameda County Measure B Bike and Pedestrian	Waste Management	Operating Grants	Paratransit	L&L Assessment District 1998-1	Emergency Medical Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,097	\$ 761,815
-	-	-	-	-	-	-
15,772	304	472	52	-	6,821	-
-	55,813	48,728	-	32,254	-	-
-	-	-	-	-	-	709,333
-	-	-	842	50	-	-
<u>15,772</u>	<u>56,117</u>	<u>49,200</u>	<u>894</u>	<u>32,304</u>	<u>539,918</u>	<u>1,471,148</u>
-	1,910	-	-	-	8,863	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,096,058
-	4,478	28,182	15,755	-	430,786	-
-	-	-	8,578	25,615	-	-
-	11,510	-	-	-	1,721	19,999
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>17,898</u>	<u>28,182</u>	<u>24,333</u>	<u>25,615</u>	<u>441,370</u>	<u>2,116,057</u>
<u>15,772</u>	<u>38,219</u>	<u>21,018</u>	<u>(23,439)</u>	<u>6,689</u>	<u>98,548</u>	<u>(644,909)</u>
-	-	-	-	-	-	736,815
<u>(1,100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,815</u>
<u>(1,084,228)</u>	<u>38,219</u>	<u>21,018</u>	<u>(23,439)</u>	<u>6,689</u>	<u>98,548</u>	<u>91,906</u>
<u>3,456,519</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>\$ 2,372,291</u>	<u>\$ 93,978</u>	<u>\$ 130,642</u>	<u>\$ (1,448)</u>	<u>\$ 10,437</u>	<u>\$ 284,517</u>	<u>\$ 102,000</u>

**City of Albany**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds				
	L&L Assessment District 1996-1				
	Open Space	Recreational Playgrounds	Creek Restoration	Water Front	EBRPD Measure WW
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
Earnings on investments	839	126	1,027	-	21
Revenues from other agencies	-	-	-	-	-
Current Service charges	-	-	-	-	-
Other revenue	30,560	15,280	15,280	-	-
<b>Total revenues</b>	<b>31,399</b>	<b>15,406</b>	<b>16,307</b>	<b>-</b>	<b>21</b>
<b>EXPENDITURES:</b>					
General government	11,500	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	-	19,691	-	74,491	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>11,500</b>	<b>19,691</b>	<b>-</b>	<b>74,491</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19,899</b>	<b>(4,285)</b>	<b>16,307</b>	<b>(74,491)</b>	<b>21</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>19,899</b>	<b>(4,285)</b>	<b>16,307</b>	<b>(74,491)</b>	<b>21</b>
<b>FUND BALANCES:</b>					
Beginning of the year	184,186	34,148	224,520	(6,633)	60
End of year	\$ 204,085	\$ 29,863	\$ 240,827	\$ (81,124)	\$ 81

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
653	-	504	-	-	-	-
180,806	-	80,359	-	374,198	45,576	33,220
-	-	-	-	-	-	-
-	855	-	-	-	-	-
<u>181,459</u>	<u>855</u>	<u>80,863</u>	<u>-</u>	<u>374,198</u>	<u>45,576</u>	<u>33,220</u>
-	-	3,625	-	-	2,500	-
60,132	5,075	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,739	-	33,460	-	159,201	-	28,722
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>62,871</u>	<u>5,075</u>	<u>37,085</u>	<u>-</u>	<u>159,201</u>	<u>2,500</u>	<u>28,722</u>
<u>118,588</u>	<u>(4,220)</u>	<u>43,778</u>	<u>-</u>	<u>214,997</u>	<u>43,076</u>	<u>4,498</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>118,588</u>	<u>(4,220)</u>	<u>43,778</u>	<u>-</u>	<u>214,997</u>	<u>43,076</u>	<u>4,498</u>
66,927	42,375	83,452	11	72,192	8,953	7,163
<u>\$ 185,515</u>	<u>\$ 38,155</u>	<u>\$ 127,230</u>	<u>\$ 11</u>	<u>\$ 287,189</u>	<u>\$ 52,029</u>	<u>\$ 11,661</u>

**City of Albany**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds		Total Other Special Revenue Funds
	Safe Routes to School	TDA Transportation Development Act	
<b>REVENUES:</b>			
Property taxes	\$ -	\$ -	\$ 2,346,951
Franchise and other taxes	-	15,394	15,394
Earnings on investments	-	-	35,268
Revenues from other agencies	-	-	1,376,544
Current Service charges	-	-	789,474
Other revenue	-	-	110,824
<b>Total revenues</b>	<b>-</b>	<b>15,394</b>	<b>4,674,455</b>
<b>EXPENDITURES:</b>			
General government	-	1,910	30,308
Police	-	-	65,207
Fire and emergency medical services	-	-	2,096,058
Community development and environmental resources	-	-	1,054,547
Recreation and community services	-	-	867,147
Capital outlay	538	16,174	489,875
Debt service:			
Principal	-	-	20,339
Interest	-	-	2,084
<b>Total expenditures</b>	<b>538</b>	<b>18,084</b>	<b>4,625,565</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(538)</b>	<b>(2,690)</b>	<b>48,890</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	743,785
Transfers out	-	-	(1,265,971)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(522,186)</b>
<b>Net change in fund balances</b>	<b>(538)</b>	<b>(2,690)</b>	<b>(473,296)</b>
<b>FUND BALANCES:</b>			
Beginning of the year	-	-	6,422,698
End of year	\$ (538)	\$ (2,690)	\$ 5,949,402

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**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Gas Tax			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	1,800	4,323	2,523	-	-	-
Revenues from other agencies	399,000	410,348	11,348	42,000	115,242	73,242
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<b>400,800</b>	<b>414,671</b>	<b>13,871</b>	<b>42,000</b>	<b>115,242</b>	<b>73,242</b>
<b>EXPENDITURES:</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	183,783	208,743	(24,960)	-	-	-
Recreation and community services	-	-	-	49,100	48,744	356
Capital outlay	-	152,981	(152,981)	-	45,625	(45,625)
Debt service:						
Principal	20,340	20,339	1	-	-	-
Interest	2,085	2,084	1	-	-	-
<b>Total expenditures</b>	<b>206,208</b>	<b>384,147</b>	<b>(177,939)</b>	<b>49,100</b>	<b>94,369</b>	<b>(45,269)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>194,592</b>	<b>30,524</b>	<b>(164,068)</b>	<b>(7,100)</b>	<b>20,873</b>	<b>27,973</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	6,970	6,970	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>6,970</b>	<b>6,970</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 194,592</b>	<b>37,494</b>	<b>\$ (157,098)</b>	<b>\$ (7,100)</b>	<b>20,873</b>	<b>\$ 27,973</b>
<b>FUND BALANCES:</b>						
Beginning of the year		894,373			(27,214)	
End of year		\$ 931,867			\$ (6,341)	

Street			Library Operations			Storm Drain		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 750,500	\$ 751,312	\$ 812	\$ 297,550	\$ 300,727	\$ 3,177
-	-	-	-	-	-	95,880	-	(95,880)
-	-	-	-	-	-	800	-	(800)
-	-	-	400	1,878	1,478	1,350	2,476	1,126
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	80,141	80,141
-	-	-	30,500	30,030	(470)	17,500	17,927	427
-	-	-	781,400	783,220	1,820	413,080	401,271	(11,809)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	299,669	272,421	27,248
-	-	-	779,730	755,488	24,242	-	-	-
-	-	-	-	-	-	40,000	45,927	(5,927)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	779,730	755,488	24,242	339,669	318,348	21,321
-	-	-	1,670	27,732	26,062	73,411	82,923	9,512
-	-	-	-	-	-	-	-	-
-	(165,971)	(165,971)	-	-	-	-	-	-
-	(165,971)	(165,971)	-	-	-	-	-	-
\$ -	(165,971)	\$ (165,971)	\$ 1,670	27,732	\$ 26,062	\$ 73,411	82,923	\$ 9,512
	165,971			227,175			601,335	
	\$ -			\$ 254,907			\$ 684,258	

**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Pension Property Tax			Alameda County Measure B Bike and Pedestrian		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	11,400	15,772	4,372	160	304	144
Revenues from other agencies	-	-	-	55,000	55,813	813
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,400</b>	<b>15,772</b>	<b>4,372</b>	<b>55,160</b>	<b>56,117</b>	<b>957</b>
<b>EXPENDITURES:</b>						
General government	-	-	-	2,125	1,910	215
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	15,000	4,478	10,522
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	11,510	(11,510)
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,125</b>	<b>17,898</b>	<b>(773)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>11,400</b>	<b>15,772</b>	<b>4,372</b>	<b>38,035</b>	<b>38,219</b>	<b>184</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(1,100,000)	(1,100,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,100,000)</b>	<b>(1,100,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,088,600)</b>	<b>(1,084,228)</b>	<b>\$ 4,372</b>	<b>\$ 38,035</b>	<b>38,219</b>	<b>\$ 184</b>
<b>FUND BALANCES:</b>						
Beginning of the year		3,456,519			55,759	
End of year		<u>\$ 2,372,291</u>			<u>\$ 93,978</u>	



Waste Management			Operating Grants			Paratransit		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
200	472	272	40	52	12	-	-	-
50,000	48,728	(1,272)	-	-	-	31,716	32,254	538
-	-	-	-	-	-	-	-	-
-	-	-	-	842	842	-	50	50
<u>50,200</u>	<u>49,200</u>	<u>(1,000)</u>	<u>40</u>	<u>894</u>	<u>854</u>	<u>31,716</u>	<u>32,304</u>	<u>588</u>
-	-	-	-	-	-	1,250	-	1,250
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
29,700	28,182	1,518	-	15,755	(15,755)	-	-	-
-	-	-	4,300	8,578	(4,278)	27,235	25,615	1,620
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>29,700</u>	<u>28,182</u>	<u>1,518</u>	<u>4,300</u>	<u>24,333</u>	<u>(20,033)</u>	<u>28,485</u>	<u>25,615</u>	<u>2,870</u>
<u>20,500</u>	<u>21,018</u>	<u>518</u>	<u>(4,260)</u>	<u>(23,439)</u>	<u>(19,179)</u>	<u>3,231</u>	<u>6,689</u>	<u>3,458</u>
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 20,500</u>	<u>21,018</u>	<u>\$ 518</u>	<u>\$ (4,260)</u>	<u>(23,439)</u>	<u>\$ (19,179)</u>	<u>\$ 3,231</u>	<u>6,689</u>	<u>\$ 3,458</u>
	<u>109,624</u>			<u>21,991</u>			<u>3,748</u>	
	<u>\$ 130,642</u>			<u>\$ (1,448)</u>			<u>\$ 10,437</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)
<b>REVENUES:</b>						
Property taxes	\$ 530,500	\$ 533,097	\$ 2,597	\$ 769,500	\$ 761,815	\$ (7,685)
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	200	6,821	6,621	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	675,000	709,333	34,333
Other revenue	4,250	-	(4,250)	-	-	-
<b>Total revenues</b>	<b>534,950</b>	<b>539,918</b>	<b>4,968</b>	<b>1,444,500</b>	<b>1,471,148</b>	<b>26,648</b>
<b>EXPENDITURES:</b>						
General government	-	8,863	(8,863)	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	2,168,722	2,096,058	72,664
Community development and environmental resources	468,084	430,786	37,298	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	75,000	1,721	73,279	20,000	19,999	1
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>543,084</b>	<b>441,370</b>	<b>101,714</b>	<b>2,188,722</b>	<b>2,116,057</b>	<b>72,665</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(8,134)</b>	<b>98,548</b>	<b>106,682</b>	<b>(744,222)</b>	<b>(644,909)</b>	<b>99,313</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	744,222	736,815	(7,407)
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>744,222</b>	<b>736,815</b>	<b>(7,407)</b>
<b>Net change in fund balances</b>	<b>\$ (8,134)</b>	<b>98,548</b>	<b>\$ 106,682</b>	<b>\$ -</b>	<b>91,906</b>	<b>\$ 91,906</b>
<b>FUND BALANCES:</b>						
Beginning of the year		185,969			10,094	
End of year		<u>\$ 284,517</u>			<u>\$ 102,000</u>	

Open Space			Recreational Playgrounds			Creek Restoration		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	839	839	-	126	126	-	1,027	1,027
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	57,196	57,196	-	28,598	28,598	-	28,598	28,598
-	58,035	58,035	-	28,724	28,724	-	29,625	29,625
-	11,500	(11,500)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	19,691	(19,691)	60,000	-	60,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	11,500	(11,500)	-	19,691	(19,691)	60,000	-	60,000
-	46,535	46,535	-	9,033	9,033	(60,000)	29,625	89,625
-	(26,636)	(26,636)	-	(13,318)	(13,318)	-	(13,318)	(13,318)
-	-	-	-	-	-	-	-	-
-	(26,636)	(26,636)	-	(13,318)	(13,318)	-	(13,318)	(13,318)
\$ -	19,899	\$ 19,899	\$ -	(4,285)	\$ (4,285)	\$ (60,000)	16,307	\$ 76,307
	184,186			34,148			224,520	
	\$ 204,085			\$ 29,863			\$ 240,827	

**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Water Front			EBRPD Measure WW		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	-	21	21
Revenues from other agencies	102,580	-	(102,580)	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<b>102,580</b>	<b>-</b>	<b>(102,580)</b>	<b>-</b>	<b>21</b>	<b>21</b>
<b>EXPENDITURES:</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	81,900	74,491	7,409	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>81,900</b>	<b>74,491</b>	<b>7,409</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,680</b>	<b>(74,491)</b>	<b>(95,171)</b>	<b>-</b>	<b>21</b>	<b>21</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 20,680</b>	<b>(74,491)</b>	<b>\$ (95,171)</b>	<b>\$ -</b>	<b>21</b>	<b>\$ 21</b>
<b>FUND BALANCES:</b>						
Beginning of the year		(6,633)			60	
End of year		<u>\$ (81,124)</u>			<u>\$ 81</u>	

Law Enforcement Grants			Asset Forfeiture			Alameda County VRF		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
365	653	288	-	-	-	50	504	454
270,000	180,806	(89,194)	-	-	-	78,155	80,359	2,204
-	-	-	-	-	-	-	-	-
-	-	-	-	855	855	-	-	-
<u>270,365</u>	<u>181,459</u>	<u>(88,906)</u>	<u>-</u>	<u>855</u>	<u>855</u>	<u>78,205</u>	<u>80,863</u>	<u>2,658</u>
-	-	-	-	-	-	4,000	3,625	375
169,558	60,132	109,426	10,000	5,075	4,925	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	2,739	(2,739)	-	-	-	-	33,460	(33,460)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>169,558</u>	<u>62,871</u>	<u>106,687</u>	<u>10,000</u>	<u>5,075</u>	<u>4,925</u>	<u>4,000</u>	<u>37,085</u>	<u>(33,085)</u>
<u>100,807</u>	<u>118,588</u>	<u>17,781</u>	<u>(10,000)</u>	<u>(4,220)</u>	<u>5,780</u>	<u>74,205</u>	<u>43,778</u>	<u>(30,427)</u>
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 100,807</u>	<u>118,588</u>	<u>\$ 17,781</u>	<u>\$ (10,000)</u>	<u>(4,220)</u>	<u>\$ 5,780</u>	<u>\$ 74,205</u>	<u>43,778</u>	<u>\$ (30,427)</u>
	<u>66,927</u>			<u>42,375</u>			<u>83,452</u>	
	<u>\$ 185,515</u>			<u>\$ 38,155</u>			<u>\$ 127,230</u>	

**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	Fire Grant		Alameda County Measure BB Streets and Roads			
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	370,000	374,198	4,198
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370,000</b>	<b>374,198</b>	<b>4,198</b>
<b>EXPENDITURES:</b>						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	159,201	(159,201)
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,201</b>	<b>(159,201)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370,000</b>	<b>214,997</b>	<b>(155,003)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 370,000</b>	<b>214,997</b>	<b>\$ (155,003)</b>
<b>FUND BALANCES:</b>						
Beginning of the year		11			72,192	
End of year		<u>\$ 11</u>			<u>\$ 287,189</u>	

Alameda County Measure BB Bike and Pedestrian			Alameda County Measure BB Paratransit			Safe Routes to School		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
42,000	45,576	3,576	-	33,220	33,220	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	13,318	13,318
<u>42,000</u>	<u>45,576</u>	<u>3,576</u>	<u>-</u>	<u>33,220</u>	<u>33,220</u>	<u>-</u>	<u>13,318</u>	<u>13,318</u>
-	2,500	(2,500)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	28,722	(28,722)	-	-	-
-	-	-	-	-	-	-	538	(538)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>	<u>28,722</u>	<u>(28,722)</u>	<u>-</u>	<u>538</u>	<u>(538)</u>
42,000	43,076	1,076	-	4,498	4,498	-	12,780	12,780
-	-	-	-	-	-	-	(13,318)	(13,318)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(13,318)	(13,318)
<u>\$ 42,000</u>	<u>43,076</u>	<u>\$ 1,076</u>	<u>\$ -</u>	<u>4,498</u>	<u>\$ 4,498</u>	<u>\$ -</u>	<u>(538)</u>	<u>\$ (538)</u>
	8,953			7,163			-	
	<u>\$ 52,029</u>			<u>\$ 11,661</u>			<u>\$ (538)</u>	

**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the year ended June 30, 2016**

	TDA Transportation Development Act		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property taxes	\$ -	\$ -	\$ -
Franchise and other taxes	-	15,394	15,394
Licenses and permits	-	-	-
Earnings on investments	-	-	-
Revenues from other agencies	-	-	-
Current Service charges	-	-	-
Other revenue	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>15,394</b>	<b>15,394</b>
<b>EXPENDITURES:</b>			
General government	-	1,910	(1,910)
Police	-	-	-
Fire and emergency medical services	-	-	-
Community development and environmental resources	-	-	-
Recreation and community services	-	-	-
Capital outlay	-	16,174	(16,174)
Debt service:			-
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>18,084</b>	<b>(18,084)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(2,690)</b>	<b>(2,690)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>(2,690)</b>	<b>\$ (2,690)</b>
<b>FUND BALANCES:</b>			
Beginning of the year		-	
End of year		<u>\$ (2,690)</u>	



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## City of Albany

### Other Capital Projects Funds

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

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

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

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

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

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

**Capital Facilities Reserve Fund** - is used to accumulate resources for future construction of the maintenance center and other facilities as determined by the City Council.

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

**Major Planning Reserve** - is used to account for activities related to broad based economic development and land use.

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

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

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

## **City of Albany**

### **Other Capital Projects Funds**

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**Public Arts Fund** - 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** - 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** - 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** - 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** - is used to account for activities related to information systems.

**City of Albany**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2016**

	Fire Equipment Reserve	Police Equipment Reserve	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
<b>ASSETS</b>					
Operating cash and investments	\$ 312,463	\$ 310,867	\$ 99,471	\$ -	\$ 137,750
<b>Total assets</b>	<b>\$ 312,463</b>	<b>\$ 310,867</b>	<b>\$ 99,471</b>	<b>\$ -</b>	<b>\$ 137,750</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 133	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>-</b>	<b>133</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	-	-	-	-	137,750
Assigned	312,463	310,734	99,471	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>312,463</b>	<b>310,734</b>	<b>99,471</b>	<b>-</b>	<b>137,750</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 312,463</b>	<b>\$ 310,867</b>	<b>\$ 99,471</b>	<b>\$ -</b>	<b>\$ 137,750</b>

Capital Facilities Reserve	Community Development Reserve	Major Planning Reserve	Equipment Replacement Reserve	R & CS Reserve	Capital Projects Fund	Public Art Fee
\$ -	\$ 28,174	\$ 141,101	\$ 456,478	\$ 339,023	\$ 1,198,705	\$ 90,818
\$ -	\$ 28,174	\$ 141,101	\$ 456,478	\$ 339,023	\$ 1,198,705	\$ 90,818
\$ -	\$ -	\$ 3,093	\$ -	\$ 8,065	\$ 18,682	\$ -
-	-	3,093	-	8,065	18,682	-
-	-	-	-	-	-	90,818
-	28,174	138,008	456,478	330,958	1,180,023	-
-	-	-	-	-	-	-
-	28,174	138,008	456,478	330,958	1,180,023	90,818
\$ -	\$ 28,174	\$ 141,101	\$ 456,478	\$ 339,023	\$ 1,198,705	\$ 90,818

**City of Albany**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2016**

	General Obligation Bond I & II	Congestion Mitigation & Air Quality (CMAQ)	1996-1 Assessment Bond Fund	Information System Reserve	Total Capital Project Funds
<b>ASSETS</b>					
Operating cash and investments	\$ 765,547	\$ -	\$ 2,704,573	\$ 10,905	\$ 6,595,875
<b>Total assets</b>	<b>\$ 765,547</b>	<b>\$ -</b>	<b>\$ 2,704,573</b>	<b>\$ 10,905</b>	<b>\$ 6,595,875</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 19,518	\$ 49,491
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,518</b>	<b>49,491</b>
<b>Fund Balances:</b>					
Restricted	765,547	-	2,704,573	-	3,698,688
Assigned	-	-	-	-	2,856,309
Unassigned	-	-	-	(8,613)	(8,613)
<b>Total fund balances</b>	<b>765,547</b>	<b>-</b>	<b>2,704,573</b>	<b>(8,613)</b>	<b>6,546,384</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 765,547</b>	<b>\$ -</b>	<b>\$ 2,704,573</b>	<b>\$ 10,905</b>	<b>\$ 6,595,875</b>

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# City of Albany

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Other Capital Projects Funds

For the year ended June 30, 2016

	Fire Equipment Reserve	Police Equipment Reserve	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
<b>REVENUES:</b>					
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ 199
Current Service charges	-	-	-	-	-
Other revenue	-	-	-	-	118,235
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,434</b>
<b>EXPENDITURES:</b>					
Police	-	-	-	-	-
Community development and environmental resource	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Capital outlay	12,038	49,202	-	-	5,312
<b>Total expenditures</b>	<b>12,038</b>	<b>49,202</b>	<b>-</b>	<b>-</b>	<b>5,312</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,038)</b>	<b>(49,202)</b>	<b>-</b>	<b>-</b>	<b>113,122</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	48,000	45,600	22,500	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>48,000</b>	<b>45,600</b>	<b>22,500</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>35,962</b>	<b>(3,602)</b>	<b>22,500</b>	<b>-</b>	<b>113,122</b>
<b>FUND BALANCES:</b>					
Beginning of the year	276,501	314,336	76,971	-	24,628
End of year	<u>\$ 312,463</u>	<u>\$ 310,734</u>	<u>\$ 99,471</u>	<u>\$ -</u>	<u>\$ 137,750</u>



Capital Facilities Reserve	Community Development Reserve	Major Planning Reserve	Equipment Replacement Reserve	R & CS Reserve	Capital Projects Fund	Public Art Fee
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	15,858	12,415	-	128,638	-	-
-	-	-	-	-	-	8,312
-	15,858	12,415	-	128,638	-	8,312
-	-	-	-	-	-	-
-	-	155,377	-	76,743	-	-
-	-	-	-	13,826	-	-
-	-	-	-	-	152,461	-
-	-	155,377	-	90,569	152,461	-
-	15,858	(142,962)	-	38,069	(152,461)	8,312
-	-	-	-	-	32,866	-
(1,721)	-	-	-	-	-	-
(1,721)	-	-	-	-	32,866	-
(1,721)	15,858	(142,962)	-	38,069	(119,595)	8,312
1,721	12,316	280,970	456,478	292,889	1,299,618	82,506
\$ -	\$ 28,174	\$ 138,008	\$ 456,478	\$ 330,958	\$ 1,180,023	\$ 90,818

**City of Albany**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Capital Projects Funds**  
**For the year ended June 30, 2016**

	General Obligation Bond I & II	Congestion Mitigation & Air Quality (CMAQ)	1996-1 Assessment Bond Fund	Information System Reserve	Total Capital Project Funds
<b>REVENUES:</b>					
Earnings on investments	\$ 3,465	\$ -	\$ -	\$ -	\$ 3,664
Current Service charges	-	-	-	-	156,911
Other revenue	-	-	-	-	126,547
<b>Total revenues</b>	<b>3,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>287,122</b>
<b>EXPENDITURES:</b>					
Police	-	-	-	-	-
Community development and environmental resources	-	-	-	-	232,120
Recreation and community services	-	-	-	-	13,826
Capital outlay	-	-	12,515	252,073	483,601
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>12,515</b>	<b>252,073</b>	<b>729,547</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,465</b>	<b>-</b>	<b>(12,515)</b>	<b>(252,073)</b>	<b>(442,425)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	132,402	-	-	281,368
Transfers out	-	-	-	-	(1,721)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>132,402</b>	<b>-</b>	<b>-</b>	<b>279,647</b>
<b>Net change in fund balances</b>	<b>3,465</b>	<b>132,402</b>	<b>(12,515)</b>	<b>(252,073)</b>	<b>(162,778)</b>
<b>FUND BALANCES:</b>					
Beginning of the year	762,082	(132,402)	2,717,088	243,460	6,709,162
End of year	\$ 765,547	\$ -	\$ 2,704,573	\$ (8,613)	\$ 6,546,384

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**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Capital Projects Funds**  
**For the year ended June 30, 2016**

	Fire Equipment Reserve			Police Equipment Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Police	-	-	-	-	-	-
Community development and environmental resource	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	12,038	(12,038)	63,000	49,202	13,798
<b>Total expenditures</b>	<b>-</b>	<b>12,038</b>	<b>(12,038)</b>	<b>63,000</b>	<b>49,202</b>	<b>13,798</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(12,038)</b>	<b>(12,038)</b>	<b>(63,000)</b>	<b>(49,202)</b>	<b>13,798</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	24,000	48,000	24,000	45,600	45,600	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>24,000</b>	<b>48,000</b>	<b>24,000</b>	<b>45,600</b>	<b>45,600</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 24,000</b>	<b>35,962</b>	<b>\$ 11,962</b>	<b>\$ (17,400)</b>	<b>(3,602)</b>	<b>\$ 13,798</b>
<b>FUND BALANCES:</b>						
Beginning of the year		276,501			314,336	
End of year		<u>\$ 312,463</u>			<u>\$ 310,734</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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	199	199
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	118,263	118,263
-	-	-	-	-	-	-	118,462	118,462
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,312	(5,312)
-	-	-	-	-	-	-	5,312	(5,312)
-	-	-	-	-	-	-	113,150	113,150
22,500	22,500	-	24,000	-	(24,000)	-	-	-
-	-	-	-	-	-	-	-	-
22,500	22,500	-	24,000	-	(24,000)	-	-	-
<u>\$ 22,500</u>	22,500	<u>\$ -</u>	<u>\$ 24,000</u>	-	<u>\$ (24,000)</u>	<u>\$ -</u>	113,150	<u>\$ 113,150</u>
	76,971			-			24,628	
	<u>\$ 99,471</u>			<u>\$ -</u>			<u>\$ 137,778</u>	

**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Capital Projects Funds**  
**For the year ended June 30, 2016**

	Capital Facilities Reserve			Community Development Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	-	15,858	15,858
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,858</b>	<b>15,858</b>
<b>EXPENDITURES:</b>						
Police	-	-	-	-	-	-
Community development and environmental resource	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,858</b>	<b>15,858</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(1,721)	(1,721)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,721)</b>	<b>(1,721)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>(1,721)</b>	<b>\$ (1,721)</b>	<b>\$ -</b>	<b>15,858</b>	<b>\$ 15,858</b>
<b>FUND BALANCES:</b>						
Beginning of the year		1,721			12,316	
End of year		\$ -			\$ 28,174	

Major Planning Reserve			Equipment Replacement Reserve			R & CS Reserve		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	12,415	12,415	-	-	-	167,000	128,638	(38,362)
-	-	-	-	-	-	-	-	-
-	12,415	12,415	-	-	-	167,000	128,638	(38,362)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
162,300	155,377	6,923	-	-	-	-	76,743	(76,743)
-	-	-	-	-	-	5,000	13,826	(8,826)
-	-	-	-	-	-	10,000	-	10,000
162,300	155,377	6,923	-	-	-	15,000	90,569	(75,569)
(162,300)	(142,962)	19,338	-	-	-	152,000	38,069	(113,931)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (162,300)</u>	<u>(142,962)</u>	<u>\$ 19,338</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 152,000</u>	<u>38,069</u>	<u>\$ (113,931)</u>
	<u>280,970</u>			<u>456,478</u>			<u>292,889</u>	
	<u>\$ 138,008</u>			<u>\$ 456,478</u>			<u>\$ 330,958</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)
<b>REVENUES:</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current Service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	8,312	8,312
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,312</b>	<b>8,312</b>
<b>EXPENDITURES:</b>						
Police	-	-	-	-	-	-
Community development and environmental resource	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	152,452	(152,452)	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>152,452</b>	<b>(152,452)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(152,452)</b>	<b>(152,452)</b>	<b>-</b>	<b>8,312</b>	<b>8,312</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	32,866	32,866	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>32,866</b>	<b>32,866</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>(119,586)</b>	<b>\$ (119,586)</b>	<b>\$ -</b>	<b>8,312</b>	<b>\$ 8,312</b>
<b>FUND BALANCES:</b>						
Beginning of the year		1,299,618			82,506	
End of year		<u>\$ 1,180,032</u>			<u>\$ 90,818</u>	



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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,473	3,473	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3,473	3,473	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	12,514	(12,514)
-	-	-	-	-	-	-	12,514	(12,514)
-	3,473	3,473	-	-	-	-	(12,514)	(12,514)
-	-	-	-	132,402	132,402	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	132,402	132,402	-	-	-
\$ -	3,473	\$ 3,473	\$ -	132,402	\$ 132,402	\$ -	(12,514)	\$ (12,514)
	<u>762,082</u>			<u>(132,402)</u>			<u>2,717,088</u>	
	<u>\$ 765,555</u>			<u>\$ -</u>			<u>\$ 2,704,574</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)
<b>REVENUES:</b>			
Licenses and permits	\$ -	\$ -	\$ -
Earnings on investments	-	-	-
Revenues from other agencies	-	-	-
Current Service charges	-	-	-
Other revenue	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>			
Police	-	-	-
Community development and environmental resource	-	-	-
Recreation and community services	500	-	500
Capital outlay	-	252,073	(252,073)
<b>Total expenditures</b>	<b>500</b>	<b>252,073</b>	<b>(251,573)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(500)</b>	<b>(252,073)</b>	<b>(251,573)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (500)</b>	<b>(252,073)</b>	<b>\$ (251,573)</b>
<b>FUND BALANCES:</b>			
Beginning of the year		243,460	
End of year		<u>\$ (8,613)</u>	

## **City of Albany**

### **Other Debt Service Funds**

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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** - 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** - 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** - 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** - 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, 2016**

	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
<b>ASSETS</b>					
Operating cash and investments	\$ 753,931	\$ 511,996	\$ 428,748	\$ -	\$ 1,694,675
Debt Service reserve held with trustee	-	-	-	346,516	346,516
Receivables:					
Taxes	7,246	6,505	5,052	-	18,803
<b>Total assets</b>	<b>\$ 761,177</b>	<b>\$ 518,501</b>	<b>\$ 433,800</b>	<b>\$ 346,516</b>	<b>\$ 2,059,994</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	761,177	518,501	433,800	346,516	2,059,994
<b>Total fund balances</b>	<b>761,177</b>	<b>518,501</b>	<b>433,800</b>	<b>346,516</b>	<b>2,059,994</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 761,177</b>	<b>\$ 518,501</b>	<b>\$ 433,800</b>	<b>\$ 346,516</b>	<b>\$ 2,059,994</b>

**City of Albany**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Debt Service Funds**  
**For the year ended June 30, 2016**

	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
<b>REVENUES:</b>					
Property taxes	\$ 494,610	\$ 444,169	\$ 344,932	\$ -	\$ 1,283,711
Earnings on investments	2,382	1,438	1,259	-	5,079
<b>Total revenues</b>	<b>496,992</b>	<b>445,607</b>	<b>346,191</b>	<b>-</b>	<b>1,288,790</b>
<b>EXPENDITURES:</b>					
Debt service:					
Principal	215,000	150,000	115,000	294,568	774,568
Interest	243,026	260,690	204,048	96,816	804,580
<b>Total expenditures</b>	<b>458,026</b>	<b>410,690</b>	<b>319,048</b>	<b>391,384</b>	<b>1,579,148</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>38,966</b>	<b>34,917</b>	<b>27,143</b>	<b>(391,384)</b>	<b>(290,358)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	391,384	391,384
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391,384</b>	<b>391,384</b>
<b>Net change in fund balances</b>	<b>38,966</b>	<b>34,917</b>	<b>27,143</b>	<b>-</b>	<b>101,026</b>
<b>FUND BALANCES:</b>					
Beginning of the year	722,211	483,584	406,657	346,516	1,958,968
End of year	<u>\$ 761,177</u>	<u>\$ 518,501</u>	<u>\$ 433,800</u>	<u>\$ 346,516</u>	<u>\$ 2,059,994</u>

**City of Albany**  
**Budgetary Comparison Schedule**  
**Other Debt Service Funds**  
**For the year ended June 30, 2016**

	2003 G.O. Bond I Debt Service			2007 G.O. Bond II Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property taxes	\$ -	\$ 494,610	\$ 494,610	\$ -	\$ 444,169	\$ 444,169
Earnings on investments	-	2,382	2,382	-	1,438	1,438
<b>Total revenues</b>	<b>-</b>	<b>496,992</b>	<b>496,992</b>	<b>-</b>	<b>445,607</b>	<b>445,607</b>
<b>EXPENDITURES:</b>						
Debt service:						
Principal	-	215,000	(215,000)	-	150,000	(150,000)
Interest	-	243,026	(243,026)	-	260,690	(260,690)
<b>Total expenditures</b>	<b>-</b>	<b>458,026</b>	<b>(458,026)</b>	<b>-</b>	<b>410,690</b>	<b>(410,690)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>38,966</b>	<b>38,966</b>	<b>-</b>	<b>34,917</b>	<b>34,917</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>38,966</b>	<b>\$ 38,966</b>	<b>\$ -</b>	<b>34,917</b>	<b>\$ 34,917</b>
<b>FUND BALANCES:</b>						
Beginning of the year		722,211			483,584	
End of year		<u>\$ 761,177</u>			<u>\$ 518,501</u>	



Civic Center Debt Service			2009 St. Paving & Storm Drain Debt Service		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ 344,932	\$ 344,932	\$ -	\$ -	\$ -
-	1,259	1,259	-	-	-
-	346,191	346,191	-	-	-
-	115,000	(115,000)	-	294,568	(294,568)
-	204,048	(204,048)	-	96,816	(96,816)
-	319,048	(319,048)	-	391,384	(391,384)
-	27,143	27,143	-	(391,384)	(391,384)
-	-	-	-	391,384	391,384
-	-	-	-	391,384	391,384
\$ -	27,143	\$ 27,143	\$ -	-	\$ -
	<u>406,657</u>			<u>346,516</u>	
	<u>\$ 433,800</u>			<u>\$ 346,516</u>	

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## City of Albany

### Agency Funds

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

The City's Agency Funds are:

**Codornices Trail** - accounts for funds held for third parties, to be used to provide maintenance for Codornices Creek.

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

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

**1996-1 Assessment District Bond** - 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, 2016**

	Codornices Trail	Bond & Trust	1996-1 Assessment District Bond Funds	Total
<b>Assets:</b>				
Operating cash and investments	\$ 72,919	\$ 792,426	\$ 376,540	\$ 1,241,885
Debt service reserves held with trustee	-	-	479,824	479,824
<b>Total assets</b>	<b>\$ 72,919</b>	<b>\$ 792,426</b>	<b>\$ 856,364</b>	<b>\$ 1,721,709</b>
<b>Liabilities:</b>				
Due to bondholders	-	-	856,364	856,364
Member deposits	72,919	-	-	72,919
Refundable deposits	-	792,426	-	792,426
<b>Total liabilities</b>	<b>\$ 72,919</b>	<b>\$ 792,426</b>	<b>\$ 856,364</b>	<b>\$ 1,721,709</b>

**City of Albany**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the year ended June 30, 2016**

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<b>Codornices Creek Trail</b>				
<b>Assets:</b>				
Operating cash and investments	\$ 79,354	\$ -	\$ 6,435	\$ 72,919
<b>Total assets</b>	<b>\$ 79,354</b>	<b>\$ -</b>	<b>\$ 6,435</b>	<b>\$ 72,919</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,135	\$ -	\$ 3,135	\$ -
Member deposits	76,219	-	3,300	72,919
<b>Total liabilities</b>	<b>\$ 79,354</b>	<b>\$ -</b>	<b>\$ 6,435</b>	<b>\$ 72,919</b>
<b>Bond and Trust</b>				
<b>Assets:</b>				
Operating cash and investments	\$ 25,925	\$ 769,013	\$ 2,512	\$ 792,426
<b>Total assets</b>	<b>\$ 25,925</b>	<b>\$ 769,013</b>	<b>\$ 2,512</b>	<b>\$ 792,426</b>
<b>Liabilities:</b>				
Accounts payable	\$ 2,512	\$ -	\$ 2,512	\$ -
Refundable deposits	23,413	769,013	-	792,426
<b>Total liabilities</b>	<b>\$ 25,925</b>	<b>\$ 769,013</b>	<b>\$ 2,512</b>	<b>\$ 792,426</b>
<b>School Facility Fees</b>				
<b>Assets:</b>				
Operating cash and investments	\$ 45,695	\$ -	\$ 45,695	\$ -
<b>Total assets</b>	<b>\$ 45,695</b>	<b>\$ -</b>	<b>\$ 45,695</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Accounts payable	\$ 45,695	\$ -	\$ 45,695	\$ -
<b>Total liabilities</b>	<b>\$ 45,695</b>	<b>\$ -</b>	<b>\$ 45,695</b>	<b>\$ -</b>
<b>1996-1 Assessment District Bond</b>				
<b>Assets:</b>				
Operating cash and investments	\$ 391,650	\$ 532,981	\$ 548,091	\$ 376,540
Debt service reserves held with trustee	479,824	-	-	479,824
<b>Total assets</b>	<b>\$ 871,474</b>	<b>\$ 532,981</b>	<b>\$ 548,091</b>	<b>\$ 856,364</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 871,474	\$ 532,981	\$ 548,091	\$ 856,364
<b>Total liabilities</b>	<b>\$ 871,474</b>	<b>\$ 532,981</b>	<b>\$ 548,091</b>	<b>\$ 856,364</b>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Operating cash and investments	\$ 542,624	\$ 1,301,994	\$ 602,733	\$ 1,241,885
Debt service reserves held with trustee	479,824	-	-	479,824
<b>Total assets</b>	<b>\$ 1,022,448</b>	<b>\$ 1,301,994</b>	<b>\$ 602,733</b>	<b>\$ 1,721,709</b>
<b>Liabilities:</b>				
Accounts payable	\$ 51,342	\$ -	\$ 51,342	\$ -
Due to bondholders	871,474	532,981	548,091	856,364
Member deposits	76,219	-	3,300	72,919
Refundable deposits	23,413	769,013	-	792,426
<b>Total liabilities</b>	<b>\$ 1,022,448</b>	<b>\$ 1,301,994</b>	<b>\$ 602,733</b>	<b>\$ 1,721,709</b>

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**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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	163-169
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	170-173
<b>Debt Capacity</b>	174-177
<b>Demographic and Economic Information</b> 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.	178-179
<b>Operating Information</b> 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.	180-182

**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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 19,778	\$ 21,476	\$ 15,045	\$ 20,264	\$ 23,913	\$ 26,536	\$ 28,659	\$ 30,508	\$ 30,511	\$ 29,375
Restricted	12,087	14,448	23,246	20,049	20,630	11,932	15,462	16,713	16,404	16,085
Unrestricted	4,697	4,970	5,253	5,227	3,840	12,802	11,061	10,311	(12,612)	(13,975)
Total governmental activities net position	\$ 36,562	\$ 40,894	\$ 43,544	\$ 45,540	\$ 48,383	\$ 51,270	\$ 55,182	\$ 57,532	\$ 34,303	\$ 31,485
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 7,191	\$ 7,263	\$ 5,735	\$ 7,299	\$ 7,550	\$ 7,595	\$ 8,758	\$ 10,171	\$ 10,154	\$ 11,729
Restricted	3,041	2,164	1,132	1,107	-	1,311	1,500	-	-	-
Unrestricted	1,117	2,606	5,681	4,802	5,642	1,311	3,387	5,079	6,725	7,153
Total business-type activities net position	\$ 11,349	\$ 12,033	\$ 12,548	\$ 13,208	\$ 13,192	\$ 10,217	\$ 13,645	\$ 15,250	\$ 16,879	\$ 18,882
<b>Primary government:</b>										
Net investment in capital assets	\$ 26,969	\$ 28,738	\$ 20,780	\$ 27,563	\$ 31,463	\$ 34,131	\$ 37,417	\$ 40,679	\$ 40,665	\$ 41,104
Restricted	15,127	16,613	24,378	21,156	20,630	13,243	16,962	16,713	16,404	16,085
Unrestricted	5,814	7,576	10,934	10,029	9,482	16,569	14,448	15,390	(5,887)	(6,822)
Total primary government net position	\$ 47,910	\$ 52,927	\$ 56,092	\$ 58,748	\$ 61,575	\$ 63,943	\$ 68,827	\$ 72,782	\$ 51,182	\$ 50,367

**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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,511	\$ 3,330	\$ 3,047	\$ 3,081	\$ 3,867	\$ 3,571	\$ 3,282	\$ 2,814	\$ 3,169	\$ 4,701
Police	5,226	5,319	6,260	5,318	5,735	5,608	5,679	5,849	6,607	6,988
Fire and emergency medical services	4,046	4,220	5,191	4,642	4,686	4,748	4,797	4,679	5,511	5,474
Community development										
and environmental resources	5,105	4,122	5,896	5,006	4,602	4,286	4,400	6,114	5,238	7,045
Recreation and community services	2,268	2,528	2,823	2,817	2,902	3,296	3,579	3,876	3,716	3,142
Interest on long-term debt	398	856	910	1,017	1,006	949	900	833	827	800
Total governmental activities expenses	19,554	20,375	24,127	21,881	22,798	22,458	22,637	24,165	25,068	28,130
Business-type activities:										
Sewer	701	686	754	663	1,583	2,248	1,212	1,571	1,813	1,623
Total business-type activities expenses	701	686	754	663	1,583	2,248	1,212	1,571	1,813	1,623
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	106	100	105	29	30	31	34	8	102	75
Police	248	326	330	360	243	248	231	214	423	340
Fire and emergency medical services	605	654	808	823	876	1,035	838	1,118	1,067	937
Community development										
and environmental resources	378	568	386	492	457	464	414	617	575	1,300
Recreation and community services	821	858	969	967	1,158	1,162	1,100	976	1,214	1,304
Operating grants and contributions	1,017	1,085	1,675	1,386	2,998	2,008	1,429	717	1,121	894
Capital grants and contributions	1,181	773	3,248	609	248	364	2,093	1,570	1,121	987
Total governmental activities program revenues	4,356	4,364	7,521	4,666	6,010	5,312	6,139	5,220	5,623	5,837
Business-type activities:										
Charges for services:										
Sewer	1,838	1,987	2,060	2,188	2,434	2,565	2,996	3,268	3,437	3,620
Total business-type activities program revenues	1,838	1,987	2,060	2,188	2,434	2,565	2,996	3,268	3,437	3,620
Total primary government program revenues	<b>6,194</b>	<b>6,351</b>	<b>9,581</b>	<b>6,854</b>	<b>8,444</b>	<b>7,877</b>	<b>9,135</b>	<b>8,488</b>	<b>9,060</b>	<b>9,457</b>
Net revenues (expenses):	(15,198)	(16,011)	(16,606)	(17,215)	(16,788)	(17,146)	(16,498)	(18,945)	(19,445)	(22,293)
Business-type activities	1,137	1,301	1,306	1,525	851	317	1,784	1,697	1,624	1,997
Total primary government net expense	<b>\$ (14,061)</b>	<b>\$ (14,710)</b>	<b>\$ (15,300)</b>	<b>\$ (15,690)</b>	<b>\$ (15,937)</b>	<b>\$ (16,829)</b>	<b>\$ (14,714)</b>	<b>\$ (17,248)</b>	<b>\$ (17,821)</b>	<b>\$ (20,296)</b>



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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$	9,762	11,166	11,202	11,583	11,900	11,495	11,811	12,511	10,459	9,229
	2,242	2,183	2,223	2,119	2,166	2,193	2,267	3,406	3,509	3,808
	4,317	4,135	3,946	3,927	3,783	3,923	4,359	4,619	4,610	7,302
	1,237	1,468	719	222	155	78	59	59	17	126
	281	183	148	163	389	54	153	634	314	276
	342	332	119	662	340	235	927	585	166	269
	864	879	898	913	898	865	836	-	-	-
	-	-	-	-	-	1,189	-	-	-	(1,536)
	19,045	20,346	19,255	19,589	19,631	20,032	20,412	21,814	19,075	19,475
	325	262	107	48	25	30	23	20	4	6
	(864)	(879)	(898)	(913)	(892)	(865)	(836)	-	-	-
	(539)	(617)	(791)	(865)	(867)	(835)	(813)	20	4	6
	<b>\$ 18,506</b>	<b>\$ 19,729</b>	<b>\$ 18,464</b>	<b>\$ 18,724</b>	<b>\$ 18,764</b>	<b>\$ 19,197</b>	<b>\$ 19,599</b>	<b>\$ 21,834</b>	<b>\$ 19,079</b>	<b>\$ 19,481</b>
	3,847	4,335	2,649	2,374	2,843	2,887	3,912	2,869	(370)	(2,818)
	598	684	515	660	(16)	(519)	971	1,717	1,628	2,003
	<b>\$ 4,445</b>	<b>\$ 5,019</b>	<b>\$ 3,164</b>	<b>\$ 3,034</b>	<b>\$ 2,827</b>	<b>\$ 2,368</b>	<b>\$ 4,883</b>	<b>\$ 4,586</b>	<b>\$ 1,258</b>	<b>\$ (815)</b>

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes:

Property taxes

Sales taxes

Franchise and other taxes

Earnings on investments

Unrestricted revenues from other agencies

Other revenue

Transfers

Extraordinary items

Total governmental activities

Business-type activities:

Earnings on investments

Transfers

Total business-type activities

Total primary government

**Changes in Net Position**

Governmental activities

Business-type activities

Total primary government

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Reserved	\$ 1,147	\$ 1,169	\$ 1,062	\$ 1,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,455	3,610	3,963	4,044	-	-	-	-	-	-
Nonspendable fund balance	-	-	-	-	45	-	-	1,564	1,583	55
Assigned fund balance	-	-	-	-	1,734	1,715	1,814	245	245	302
Unassigned fund balance	-	-	-	-	3,165	4,533	4,031	4,219	5,706	7,962
Total general fund	\$ 4,602	\$ 4,779	\$ 5,025	\$ 5,066	\$ 4,944	\$ 6,248	\$ 5,845	\$ 6,028	\$ 7,534	\$ 8,319
All other governmental funds:										
Reserved	\$ 14,521	\$ 25,038	\$ 20,018	\$ 20,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2621	3730	3483	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	(95)	-	-	-	-	-	-	-	-	-
Restricted fund balance	-	-	-	-	10,004	11,932	15,174	16,959	16,553	16,273
Committed fund balance	-	-	-	-	10,626	-	-	-	-	-
Assigned fund balance	-	-	-	-	-	6,567	4,513	3,891	3,255	2,856
Unassigned fund balance	-	-	-	-	(1,104)	-	(83)	(245)	(166)	(101)
Total all other governmental funds	\$ 17,047	\$ 28,768	\$ 23,501	\$ 20,049	\$ 19,526	\$ 18,499	\$ 19,604	\$ 20,605	\$ 19,642	\$ 19,028

Source: CAFR, Governmental Funds Balance Sheet.

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CITY OF ALBANY  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
<b>Taxes:</b>										
Property taxes	\$ 9,762	\$ 11,166	\$ 11,202	\$ 11,583	\$ 11,900	\$ 11,495	\$ 11,530	\$ 12,511	\$ 10,459	\$ 10,916
Sales taxes	2,242	2,183	2,223	2,119	2,166	2,193	2,267	3,406	3,509	3,808
Franchise and other taxes	4,317	4,135	3,946	3,927	3,783	3,923	4,359	4,006	4,038	4,575
Licenses and permits	154	177	173	183	193	213	174	812	883	991
Fines and forfeitures	189	269	267	271	189	213	196	209	414	336
Earnings on investments	1,370	1,498	749	246	159	78	59	59	17	126
Revenues from other agencies	2,468	1,939	4,557	1,924	3,373	2,095	2,733	3,386	2,298	1,895
Current services charges	1,816	2,059	2,196	2,146	2,273	2,431	2,307	2,718	2,608	3,258
Other revenue	355	433	577	966	708	649	848	1,169	471	941
<b>Total revenues</b>	<b>22,673</b>	<b>23,859</b>	<b>25,890</b>	<b>23,365</b>	<b>24,744</b>	<b>23,290</b>	<b>24,473</b>	<b>28,276</b>	<b>24,697</b>	<b>26,846</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	2,013	2,522	2,629	3,217	3,557	3,015	2,967	2,756	3,245	4,587
Police	5,106	5,208	6,147	5,173	5,574	5,546	5,476	5,643	5,982	5,931
Fire and emergency medical services	4,013	4,189	5,106	4,269	4,325	4,439	4,383	4,419	4,817	4,466
Community development and environmental resources	3,733	4,055	5,586	4,176	3,054	3,482	3,289	3,779	3,656	3,740
Recreation and community services	2,130	2,419	2,644	2,617	2,685	2,661	2,893	3,689	3,533	2,931
Capital outlay	3,053	4,332	11,862	6,389	5,194	4,028	3,682	4,016	1,282	1,836
<b>Debt service:</b>										
Principal	551	540	730	805	887	952	1,002	765	795	835
Interest	447	671	922	1,041	1,010	944	916	875	843	814
<b>Total expenditures</b>	<b>21,046</b>	<b>23,936</b>	<b>35,626</b>	<b>27,687</b>	<b>26,286</b>	<b>25,067</b>	<b>24,608</b>	<b>25,942</b>	<b>24,153</b>	<b>25,140</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,627</b>	<b>(77)</b>	<b>(9,736)</b>	<b>(4,322)</b>	<b>(1,542)</b>	<b>(1,777)</b>	<b>(135)</b>	<b>2,334</b>	<b>544</b>	<b>1,706</b>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other financing sources (uses):</b>										
Issuance of debt	-	11,500	3,840	-	-	-	-	-	-	-
Bond premium	-	311	-	-	-	-	-	-	-	-
Transfers in	4,868	4,610	4,540	4,623	5,950	7,735	3,043	2,552	2,347	2,086
Transfers out	(4,741)	(4,447)	(3,919)	(3,710)	(5,052)	(6,870)	(2,207)	(3,702)	(2,347)	(2,086)
Total other financing sources (uses)	127	11,974	4,461	913	898	865	836	(1,150)	-	-
<b>Extraordinary items:</b>										
Redevelopment dissolution	-	-	-	-	-	729	-	-	-	-
Non-recurring credits	-	-	-	-	-	460	-	-	-	-
Loan settlement	-	-	-	-	-	-	-	-	-	(1,536)
Net change in fund balances	\$ 1,754	\$ 11,897	\$ (5,275)	\$ (3,409)	\$ (644)	\$ 277	\$ 701	\$ 1,184	\$ 544	\$ 170

Debt service as a percentage of noncapital expenditures      5.5%    6.2%    7.0%    8.7%    9.0%    9.0%    9.2%    7.5%    7.2%    7.1%

**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 <sup>1</sup>
	Real Property	Personal Property	Less Exemptions	Taxable Assessed Value	Real Property	Personal Property	Less Exemptions	Taxable Assessed Value	
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%
2016	2,327,484	23,237	32,891	2,317,830	-	-	-	-	0.0526%

**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

<sup>1</sup> 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	0.1653	0.1284	0.1451	0.1709	0.1725	0.1645	0.1598	0.1591	0.1586	0.1440
Peralta Community College	0.0272	0.0223	0.0362	0.0430	0.0430	0.0436	0.0434	0.0419	0.0412	0.0337
Bay Area Rapid Transit	0.0050	0.0076	0.0090	0.0057	0.0031	0.0041	0.0043	0.0075	0.0045	0.0026
East Bay Regional Park	0.0085	0.0080	0.0100	0.0108	0.0084	0.0071	0.0051	0.0078	0.0085	0.0067
East Bay Mud Special District 1	0.0068	0.0065	0.0064	0.0065	0.0067	0.0067	0.0068	0.0066	0.0047	0.0034
City of Albany	0.1281	0.1668	0.1653	0.1645	0.1638	0.1628	0.1620	0.1577	0.0563	0.0526
Total Direct and Overlapping Tax Rate	1.3409	1.3396	1.3720	1.4014	1.3975	1.3888	1.3814	1.3806	1.2738	1.2430

Total Direct Rate                    0.1281    0.1668    0.1653    0.1645    0.1638    0.1628    0.162    0.1577    0.0563    0.0526

**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	2016			2007		
	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	2.18%	\$ -		
Target Corporation	33,687	2	1.45%	\$ 28,911	2	1.76%
Eichner, Erik & Rose	8,849	3	0.38%	6,917	4	0.42%
Esmht LLC	7,590.17	4	0.33%	-		
Albany View Properties	6,659	5	0.29%	-		
Fire in the Hole LLC	5,480	6	0.24%	-		
Southwick 1025 Eastshre Highway LLC	5,447	7	0.23%	-		
Thms LLC	5,253	8	0.23%	-		
Safeway Inc	5,046	9	0.22%	4,085	8	0.25%
Mehar Enterprise LP	4,998	10	0.22%			
Ladbroke Land Holdings Inc.				44,533	1	2.72%
Biggs, Edward & Charlotte				7,878	3	0.48%
Pacific Racing Association				4,660	5	0.28%
Matt Nassiri and Katy Farrokhtala Trust				3,942	9	0.24%
Charles L Meier and Sharon G Freidman				3,900	10	0.24%
1001 Eastshore Partners				4,329	7	0.26%
Albany Bowl Properties				4,491	6	0.27%
Totals	<u>\$ 133,643</u>		<u>5.77%</u>	<u>\$ 113,646</u>		<u>6.93%</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 <sup>1</sup>	Amount	Percent of Levy
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%	48,594	4,031,107	102.5%
2015	4,175,074	4,048,711	97.0%	63,035	4,111,746	98.5%
2016	4,478,779	4,247,060	94.8%	N/A	4,247,060	94.8%

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

**Notes:**

<sup>1</sup> 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	Other	Other			
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	3,840	-	30,945	3.81%	1,831
2010	18,190	780	3,810	7,010	3,810	-	29,790	3.34%	1,607
2011	17,815	535	3,834	6,655	3,834	-	28,839	3.12%	1,549
2012	17,420	275	3,537	6,285	3,537	-	27,517	2.72%	1,488
2013	17,005	-	3,225	5,905	3,225	-	26,135	2.56%	1,417
2014	16,565	-	2,900	5,510	2,900	-	24,975	2.40%	1,352
2015	16,110	-	2,560	5,100	2,560	-	23,770	2.03%	1,258
2016	15,630	-	2,206	4,810	2,206	-	22,646	Unavailable	827

**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
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
2016	15,630	0.67%	827

**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, 2016

2015-16 Assessed Valuation: Actual  
2,284,939,000

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2016	% Applicable(1)	City's Share of Debt 6/30/16	
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>	
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>				<b>\$51,052,785</b>
 <u>DIRECT DEBT</u>				
<b>City of Albany</b>	<b>\$16,110,000</b>	<b>100</b>	<b><u>\$16,110,000</u></b>	
<b>TOTAL DIRECT DEBT</b>				<b>16,110,000</b>
 <b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>				 <b>67,162,785</b>
 <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>	
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>				<b>14,061,068</b>
 <b>TOTAL DIRECT DEBT</b>				 <b>\$16,110,000</b>
<b>TOTAL OVERLAPPING DEBT</b>				<b>65,113,853</b>
 <b>COMBINED TOTAL DIRECT AND OVERLAPPING DEBT</b>				 <b><u>\$ 81,223,853</u> (3)</b>

Ratios to 2015-16 Assessed Valuation:

<b>Direct Debt (\$16,110,000)</b> .....	<b>0.71%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	2.94%
Combined Total Direct and Overlapping Debt.....	3.55%

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed valuation	\$ 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	2,453,535
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	\$ 404,121	\$ 431,577	\$ 451,527	\$ 462,005	\$ 466,736	\$ 473,568	\$ 489,783	\$ 515,364	542,181	613,384
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	60,618	64,737	67,729	69,301	70,010	71,035	73,467	77,305	81,327	92,008
Total net debt applicable to limit:										
General obligation bonds	7,550	18,885	18,550	18,190	17,815	17,420	17,005	16,565	16,110	15,630
Legal debt margin	\$ 53,068	\$ 45,852	\$ 49,179	\$ 51,111	\$ 52,195	\$ 53,615	\$ 56,462	\$ 60,740	\$ 65,217	\$ 76,378
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total debt applicable to the limit	12.46%	29.17%	27.39%	26.25%	25.45%	24.52%	23.15%	21.43%	19.81%	16.99%

**Sources:**

**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)	Personal Income (amounts expressed in thousands) (2)	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	3.8%
2015	18,893	101,370	61,879	3.1%

**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	2016			2007		
		Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Albany Unified School District	Education	362	1	3.89%	Not Available		N/A
Target Store	Department Store	151	4	1.62%	Not Available		N/A
United States Department of Agriculture and Research	Department Store Agriculture Research	273	2	2.94%	Not Available		N/A
Golden Gate Fields	Race Track	181	3	1.95%	Not Available		N/A
City of Albany	Government	97	5	1.04%	Not Available		N/A
St. Mary's College High School	School	70	6	0.75%	Not Available		N/A
Albany Ford Subaru	Automotive Dealer	39	8	0.42%	Not Available		N/A
California Orientation Center for the Blind	Skills Assessment	-		-	Not Available		N/A
Albany Bowl	Bowling	22	9	0.24%	Not Available		N/A
United States Department of Forest Services	Forest Research	-		-	Not Available		N/A
Andronico's Markets Inc.	Retail Grocery	0.00%		-	Not Available		N/A
The Adhesive Product	Department Store	20	10	0.22%	Not Available		N/A
Safeway Store	Department Store	51	7	0.55%	Not Available		N/A
<b>Total</b>		<b>1,266</b>		<b>13.62%</b>	<b>0</b>		<b>0.00%</b>

**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
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
2016	11	56	13	7	10	97



CITY OF ALBANY  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police:</b>										
Arrests	850	814	884	798	704	485	451	646	665	682
Parking citations issued	7,057	8,193	8,109	7,851	6,376	5,933	7,148	2,741	11,583	8,717
<b>Fire:</b>										
Number of emergency calls	1,525	1,620	1,600	1,515	1,495	1,662	1,849	1,823	1,785	1,881
Inspections	750	750	800	812	1,121	1,129	893	1,014	1,014	1,107
<b>Parks and Recreation:</b>										
Number of recreation classes	780	798	612	595	1,399	1,208	1,199	1,766	1,903	2,139
Number of facility rentals	458	597	682	681	661	1,145	2,230	2,069	2,482	2,526
Number of class registrations	Unavailable	10,133	13,466	13,995	15,125	8,594	8,181	9,193	8,567	8,738

**Source:** City of Albany departmental records.

CITY OF ALBANY  
CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
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	29.4	29.4	29.4	29.4
Streetlights	870	870	870	870	870	949	949	949	949	949
Traffic signals	15	15	16	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	46.2	44.3	44.3	44.3	44.3
Storm sewers (miles)	7	7	7	7	7	12	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.