

City of Albany

California

Annual Comprehensive Financial Report



**For the Fiscal Year Ended
June 30, 2021**

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CITY OF ALBANY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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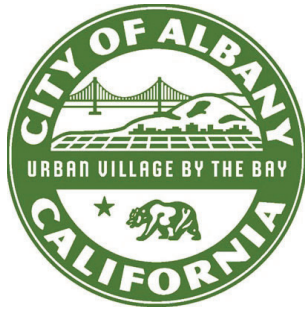
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INTRODUCTORY SECTION

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ALBANY CALIFORNIA



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

February 22, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Albany for the fiscal year ended June 30, 2021. 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 the information presented in this report.

Chavan & Associates, a firm of licensed certified public accountants has audited the accompanying City of Albany 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, 2021, 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, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is included in this Annual Comprehensive 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 are 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, 2021 at 17,055.

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. 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. The City Treasurer was an elected position through fiscal year 2019-20. In 2018, voters approved a charter amendment that transitions the position of Treasurer to an appointment, falling on the City's Finance Director, which began December 14, 2020.

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, and the City financially supplements the operations of the Library through two parcel taxes. The current full-time City Staffing is comprised of just over 105 positions.

Current City services include the following functions: City Manager and Administration; City Clerk; City Attorney (an appointed, contract position); Finance and Administrative Services; Police; Fire & Emergency Medical Services (EMS); Recreation; 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 were moderate prior to the Covid-19 pandemic which has brought uncertainty across the nation. Staff have been in constant communication with Council regarding Covid's effects on the City's expenses and revenues. The pandemic is an ongoing concern that staff continue to monitor and address with Council at regular intervals going forward.

In general, the City's major revenues include property taxes, sales taxes, and various other taxes. The growth of these tax revenues depends on the well being of the overall economy. The pandemic has affected each revenue source in different ways. The pandemic did not affect the City's revenues as significantly as anticipated, providing for a year end surplus.

Property tax has consistently been the City's largest revenue source representing 35% of General Fund Revenue and continues to be untouched by the pandemic. Given that most parcels in the City are residential uses, increased revenue is impacted by the sale prices, which have been increasing in recent years. Taxable property values have continued to increase from fiscal year 2020 to fiscal year 2021 and are projected to increase again in the next fiscal year.

Employers within the City include both industrial and nonindustrial, service industries and retail outlets. Among the largest employers are government agencies which include the Albany Unified School District; the United States Department of Agriculture; and the City itself. As seen across the country, overall employment in the region has decreased due to the Covid-19 pandemic and businesses have seen a loss in revenue, or shut down all together. These economic factors have the largest effect on the City's sales tax collections. Collections were down in the last quarter of 2020, however they have rebounded and not decreased, as seen in other areas around the Country.

In November 2020 voters' passed two tax measures increasing different existing taxes. First, the utility users' tax was increased on gas and electric (from 7% to 9.5%) and added to water service (at 7.5%). Second, the real property transfer tax was increased from \$11.50 per \$1,000 of valuation to \$15 per \$1,000 of valuation. This additional tax revenue will help maintain essential City services as costs continue to increase, however staff continue to research additional revenue measures to ensure continued sustainability.

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 mid cycle adjustments made when necessary, based upon actual performance. Fiscal Year 2021 was the second year in the biennial budget. A new biennial budget for fiscal years 2021-22 and 2022-23 was adopted by Council in June 2021.

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.

A third part of the City's financial planning strategy is looking at longer term obligations outside of the Capital Improvement Plan. This includes repair and replacement of assets such as vehicles and equipment, unfunded pension obligations, and outstanding debt service. In May 2020, Council adopted the Capital Reserve Fund Policy and established several reserve funds to help save for the repair and replacement of assets. Outstanding debt service has been steadily decreasing as the City has taken out no new debt since the issuance of General Obligation Bonds in 2007. Pensions continue to be a concern for cities across the Country. Albany has been working to make additional contributions, when able, to pay down this liability and staff continue to monitor outstanding pension obligations and keep Council up to date on any changes implemented by CalPERS.

ACKNOWLEDGEMENTS

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

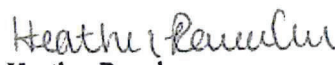
Staff appreciates the City's independent auditors, Chavan & Associates, Certified Public Accountants. Their efforts and suggestions were instrumental in providing the report.

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,



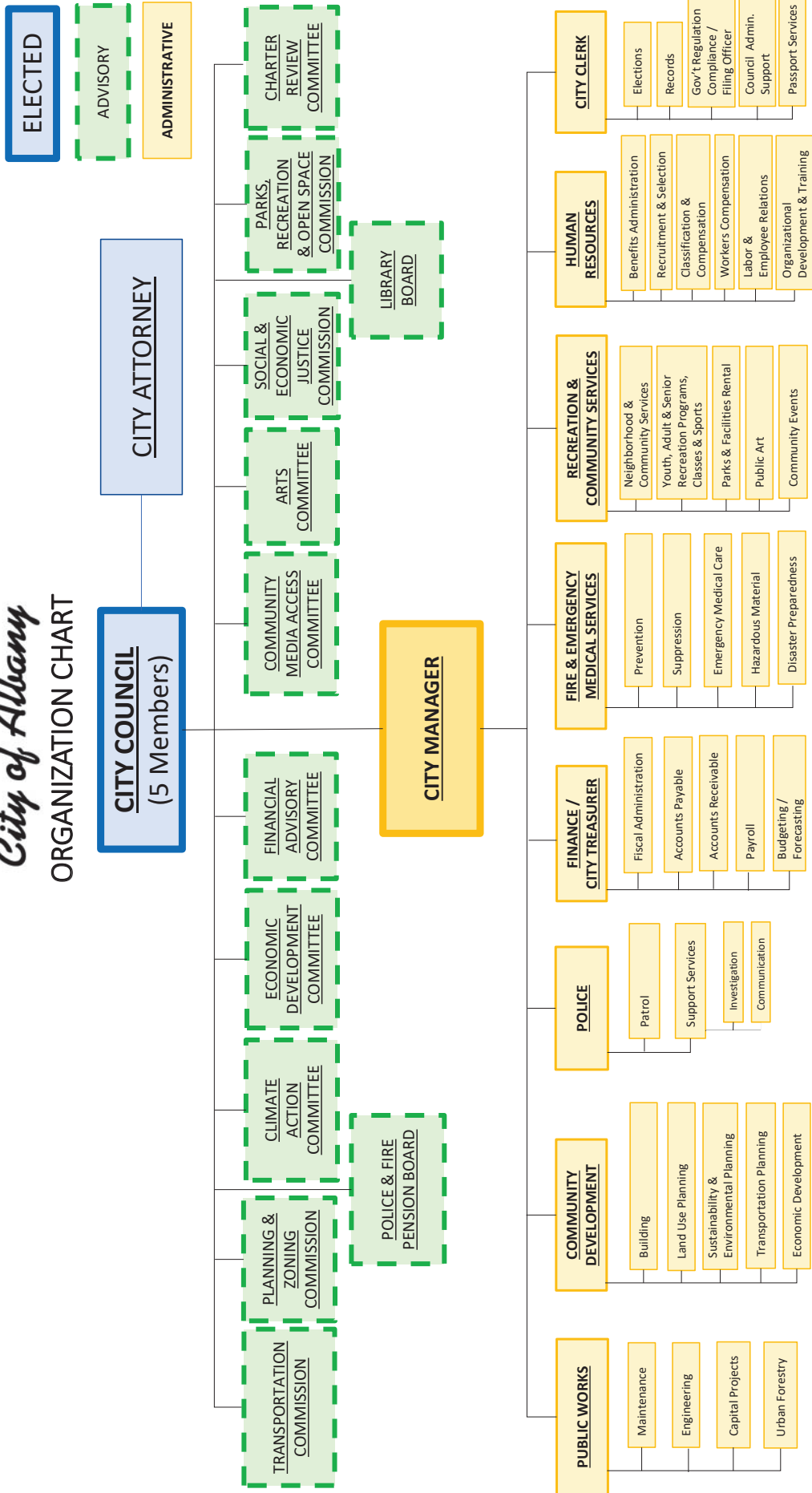
Nicole Almaguer
City Manager



Heather Rowden
Finance and Administrative Services Director

City of Albany

ORGANIZATION CHART



City of Albany Principal Officers June 30, 2021

City Council

Mayor	Ge'Nell Gary
Vice Mayor	Preston Jordan
Councilmember	Peggy McQuaid
Councilmember	Rochelle Nason
Councilmember	Aaron Tiedemann

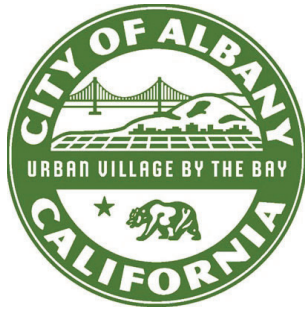
Appointed Department Directors

City Manager	Nicole Almaguer
Finance Director	Heather Rowden
City Attorney	Malathy Subramanian
Human Resources Director	Melissa Rojas
City Clerk	Anne Hsu
Community Development Director	Jeff Bond
Recreation Dir./Asst. City Manage	Isabelle Leduc
Fire Chief	Lance Calkins
Chief of Police	John Geissberger
Public Works Director	Mark Hurley

City of Albany



INDICATES COMMERCIAL AREA



FINANCIAL SECTION



INDEPENDENT AUDITOR'S 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Albany (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's 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.

Auditor's 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, 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 auditor's 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 City'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 City'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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Albany, as of June 30, 2021, 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, and other required supplementary information, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining individual non-major fund schedules, and statistical data, as listed in the supplementary information section of table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



Chavan and Associates, LLP

Certified Public Accountants

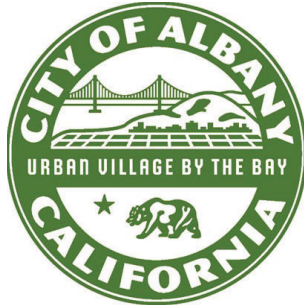
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022 on our consideration of the 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 the City's internal control over financial reporting and compliance.

C & A LLP

February 14, 2022
Morgan Hill, California



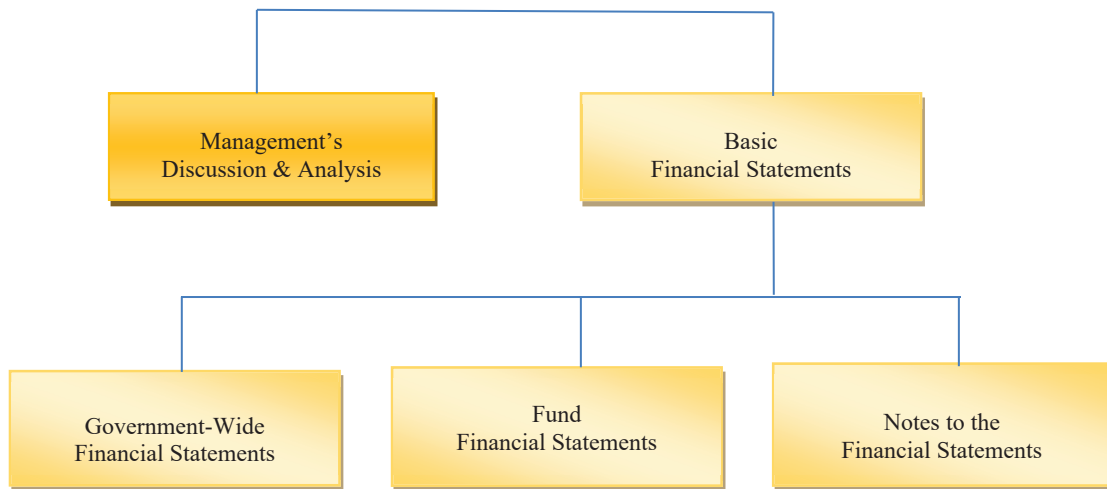
**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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INTRODUCTION

As management of the City of Albany, we offer readers of the City’s financial statements this narrative overview and analysis of financial activities of the City of Albany, for the fiscal year that ended on June 30, 2021. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal. This information can be found on pages 1-3 of this report. The required components of the report are listed below.

Required Components of the Annual Financial Report



FISCAL YEAR 2020/21 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The assets and deferred outflows of resources for the City of Albany exceeded the liabilities at the close of the most recent fiscal year by \$56 million (net position). Of the net position, \$63 million was classified as net investment in capital assets; \$18.6 million recorded as restricted funds; and \$25.6 million categorized as a deficit unrestricted net position (negative net position). The negative unrestricted net position is largely due to GASB 68 – Accounting and Financial Reporting for Pensions. This standard required local governments to record pension liabilities on the government-wide financial statements.
- The City’s net position increased by \$974,678. This included a \$1.6 million decrease in the net position of Governmental Activities and a \$2.6 million increase in the net position of Business-Type Activities.
- City revenues increased by \$3.9 million, or 11%, when compared to the prior year. This increase is primarily related to increased property taxes of \$2.4 million. Expenses increased by \$6 million, or 19%, with approximately \$5.4 million related to increases in police and fire costs.

- Deferred outflows of resources increased by \$2.3 million, while deferred inflows of resources decreased by \$516,221. This was primarily related to pension liability adjustments identified in the City's actuarial reports, which include differences between expected and actual earnings; expected and actual experiences; and changes in proportional allocations. The City's pension liability in accordance with GASB 68 as of June 30, 2021 was \$43.9 million, while the total OPEB liability for the fiscal year ending June 30, 2021 was \$5.1 million.
- The City's long-term debt decreased by \$1.7 million, or 7%, in Fiscal Year 20/21 primarily from debt service payments made during the year.
- The City's net capital assets increased by \$2.3 million, or 3%, primarily as a result of the construction of new sewer lines.

Fund Highlights

- At the close of Fiscal Year 20/21 the City of Albany's *Governmental Funds* reported a combined fund balance of \$30.4 million, which represents an increase of \$2.45 million in comparison with the prior year. Approximately 25%, or \$7.7 million, was classified as unassigned fund balance and is available for spending in coordination with the City's General Fund Reserve Policy.
- At the end of the current fiscal year, the *General Fund's* unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) was \$10 million, or 42% of total general fund expenditures, prior to transfers. The General Fund's unassigned fund balance was \$8.4 million or 35% of total general fund expenditures, prior to transfers. This percentage is above the City's policy level which targets a minimum unassigned fund balance at 25% of operating expenditures.
- The *General Fund* balance increased by approximately \$1.2 million at the close of the fiscal year. This included an excess of operating expenditures over revenues of \$2.2 million, before an additional \$3.3 million in net transfers and beginning fund balance adjustments of \$157,736.
- *General Fund* revenues and expenditures increased from the prior year by \$1.8 million and \$4 million, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Albany's financial statements. The City of Albany's basic financial statements are comprised of (1) Government-Wide Financial Statements (2) Fund Financial Statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City of Albany's finances, in a manner similar to a private-sector business. Government-Wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole. Government-Wide Financial Statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents financial information on all of the City of Albany's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Albany is improving or declining.

The *Statement of Activities* presents information showing how the City of Albany's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is consistent with a full accrual concept, which may result in the reporting of revenues and expenses in the current fiscal year, with cash flows occurring in future fiscal periods (e.g. uncollected revenues; and earned but not used vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the City of Albany that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This includes general government, police, fire and EMS, recreation, and community development. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and recreation program fees.

Business-Type Activities – The City's only enterprise activity is sewer operations. Unlike governmental activities, these services are fully supported by charges paid by users based on the amount of services they use.

The Government-Wide Financial Statements can be found on pages 30-31 of this report.

Fund 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds are presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the fiscal year, and may change from year to year as a result of changes in the pattern of the City's activities. The City's funds are segregated into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This represents a modified accrual basis of accounting, with capital assets, long-lived assets, and long-term liabilities excluded from the financial statements. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Street & Storm Fund. These funds are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Albany adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-37 of this report.

Proprietary Funds

The City of Albany has one *Enterprise Fund* that is a proprietary funds: Sewer Fund. *Enterprise funds* provide the same type of information as business-type activities in the government-wide statements.

Proprietary funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer

operations, which is considered major funds for the City of Albany. The basic proprietary fund financial statements can be found on pages 40-42 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-Wide Financial Statements because the resources of these funds are not available to support the City of Albany's own programs. The accounting for fiduciary funds is much like that used for business-type activities. The City maintains a pension trust fund for its Police and Fire Pension Trust account, and two custodial funds to report activities related to the Codornices Creek account and the 1996-1 Assessment District Bond.

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. The notes can be found immediately following the Fund Financial Statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Albany's funding progress for its employee pension and OPEB obligations. The required supplementary information can be found on pages 85-90 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Albany's funding progress for its employee pension and Other Post Employment Benefit (OPEB) obligations. The required supplementary information can be found on pages 85-90 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as an indicator of a government's financial position. In the case of the City of Albany, assets and deferred outflows of resources exceeded liabilities by \$56 million at the close of Fiscal Year 20/21. This represents an increase of \$974,678 over the prior year.

The following table summarizes the City's ending net position:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 35,924,427	\$ 33,655,680	\$ 6,404,089	\$ 6,603,994	\$ 42,328,516	\$ 40,259,674
Capital assets	54,393,587	53,679,133	29,600,361	28,001,652	83,993,948	81,680,785
Total Assets	\$ 90,318,014	\$ 87,334,813	\$ 36,004,450	\$ 34,605,646	\$ 126,322,464	\$ 121,940,459
Deferred Outflows of Resources	\$ 11,347,491	\$ 9,030,931	\$ -	\$ -	\$ 11,347,491	\$ 9,030,931
Liabilities						
Current and other liabilities	\$ 7,582,287	\$ 7,368,931	\$ 796,111	\$ 1,349,564	\$ 8,378,398	\$ 8,718,495
Noncurrent liabilities	66,214,708	59,026,569	3,345,738	3,953,672	69,560,446	62,980,241
Total Liabilities	\$ 73,796,995	\$ 66,395,500	\$ 4,141,849	\$ 5,303,236	\$ 77,938,844	\$ 71,698,736
Deferred Inflows of Resources	\$ 3,647,402	\$ 4,163,623	\$ -	\$ -	\$ 3,647,402	\$ 4,163,623
Net Position						
Net investment in capital assets	\$ 37,380,868	\$ 35,590,388	\$ 25,656,689	\$ 23,476,686	\$ 63,037,557	\$ 59,067,074
Restricted	18,618,011	17,835,312	-	-	18,618,011	17,835,312
Unrestricted	(31,777,771)	(27,619,079)	6,205,912	5,825,724	(25,571,859)	(21,793,355)
Total Net Position	\$ 24,221,108	\$ 25,806,621	\$ 31,862,601	\$ 29,302,410	\$ 56,083,709	\$ 55,109,031

A significant portion, or \$63 million, of the City's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), less accumulated depreciation and any outstanding debt that was used to acquire or construct those assets. Capital assets represent infrastructure which provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

The \$18.6 million amount classified as Restricted Net Position, represents resources that are subject to external restrictions on how they may be used. These amounts are restricted by external creditors, grantors, contributors, or laws or regulations of other governments. Complete details of each fund can be found in the fund descriptions.

The remaining deficit balance of \$25.6 million is classified as unrestricted. This negative unrestricted balance is largely due to the implementation of *GASB 68 – Accounting and Financial Reporting for Pensions*. The City participates in the CalPERS Miscellaneous and Safety pension plans. This pronouncement requires that local governments report a proportional share of their pension plan's net pension liabilities on financial statements. In Fiscal Year 20/21, the City's proportionate share of the CalPERS pension liability was \$43.9 million. An additional contributing factor to the deficit balance, includes the implementation of *GASB 75 – Accounting and Financial Reporting for OPEB*. This pronouncement requires local governments to report OPEB liabilities on financial statements. The City's OPEB liability for Fiscal Year 20/21 is \$5.1 million. See notes 9 and 10 for detailed information related to the plans, along with the required supplementary information section of this report.

At the end of the current fiscal year, the City of Albany is able to report a positive balance for the government as a whole. The reasons for the overall financial changes are discussed in the following sections for governmental and business-type activities.

Governmental and Business-Type Activities

As shown in the *Statement of Changes in Net Position* schedule, the net position for Governmental Activities decreased from \$25.8 million in the prior year to \$24.2 million in the current fiscal year. This decrease is largely due to increases in pension and OPEB expenses.

The net position for business-type activities increased from \$29.3 million to \$31.9 million in the current fiscal year. This \$2.6 million increase is due to increased Charges for Services that outpaced expenses which decreased by \$364,763. In Fiscal Year 20/21, the City's total revenues were \$39.3 million and total expenses at \$38.1 million. The combined increase in net position of \$974,678 includes a net operating difference of \$1.15 million.

An analysis of the changes in revenues and expenses by type of significant events follows:

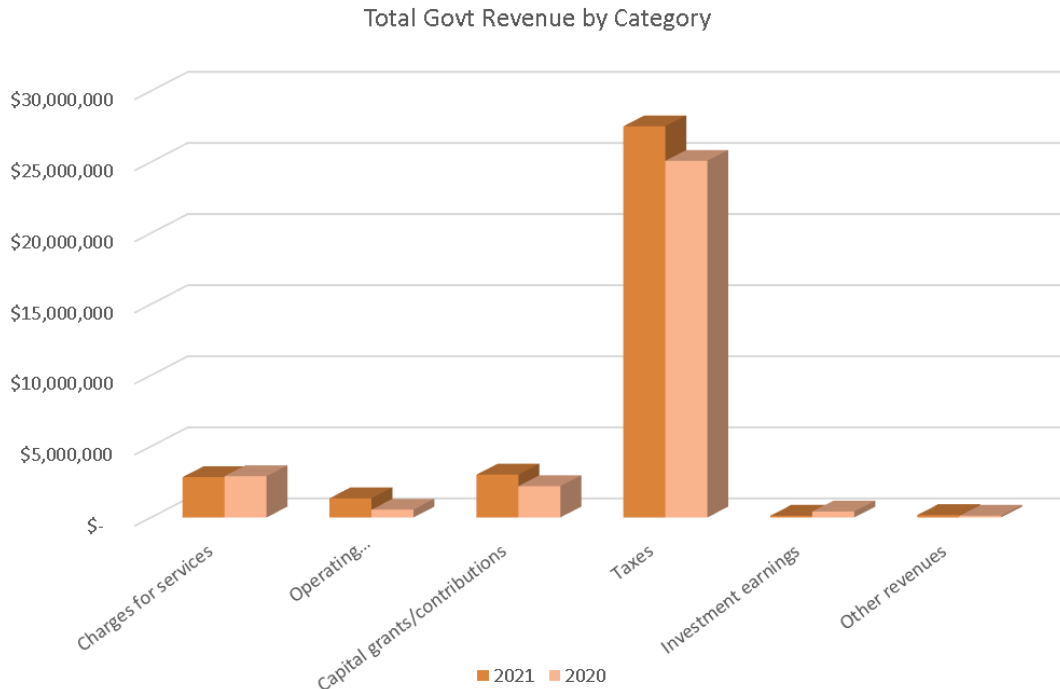
Table 2 - Statement of Changes in Net Position

Functions/Programs	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)
	2021	2020		2021	2020	
Program Revenues						
Charges for services	\$ 2,838,386	\$ 2,898,981	\$ (60,595)	\$ 4,213,592	\$ 3,883,900	\$ 329,692
Operating grants and contributions	1,349,069	546,676	802,393	-	-	-
Capital grants and contributions	3,012,048	2,199,590	812,458	-	-	-
Total Program Revenues	7,199,503	5,645,247	1,554,256	4,213,592	3,883,900	329,692
General Revenues						
Taxes	27,506,715	25,079,200	2,427,515	-	-	-
Investment earnings	121,634	417,673	(296,039)	49,958	231,799	(181,841)
Other revenues	170,402	120,885	49,517	-	-	-
Total General Revenues	27,798,751	25,617,758	2,180,993	49,958	231,799	(181,841)
Expenses						
General government	10,413,511	8,602,217	1,811,294	-	-	-
Police	9,479,930	6,792,412	2,687,518	-	-	-
Fire and emergency medical services	8,228,297	5,550,738	2,677,559	-	-	-
Community dev. and environmental services	5,273,833	4,881,342	392,491	-	-	-
Recreation and community services	2,476,014	3,605,644	(1,129,630)	-	-	-
Interest and fiscal charges	536,133	584,694	(48,561)	-	-	-
Sewer operating	-	-	-	1,703,359	2,068,122	(364,763)
Total Expenses	36,407,718	30,017,047	6,390,671	1,703,359	2,068,122	(364,763)
Increase / (Decrease) in Net Position	(1,409,464)	1,245,958	(2,655,422)	2,560,191	2,047,577	512,614
Prior Period Adjustments	(176,049)	272,052	(448,101)	-	-	-
Net Position, Beginning of Year	25,806,621	24,288,611	1,518,010	29,302,410	27,254,833	2,047,577
Net Position, End of Year	\$24,221,108	\$25,806,621	\$ (1,585,513)	\$31,862,601	\$29,302,410	\$ 2,560,191

Governmental Activities

Governmental Revenues

The following chart summarizes the changes in revenues by category during Fiscal Year 20/21:

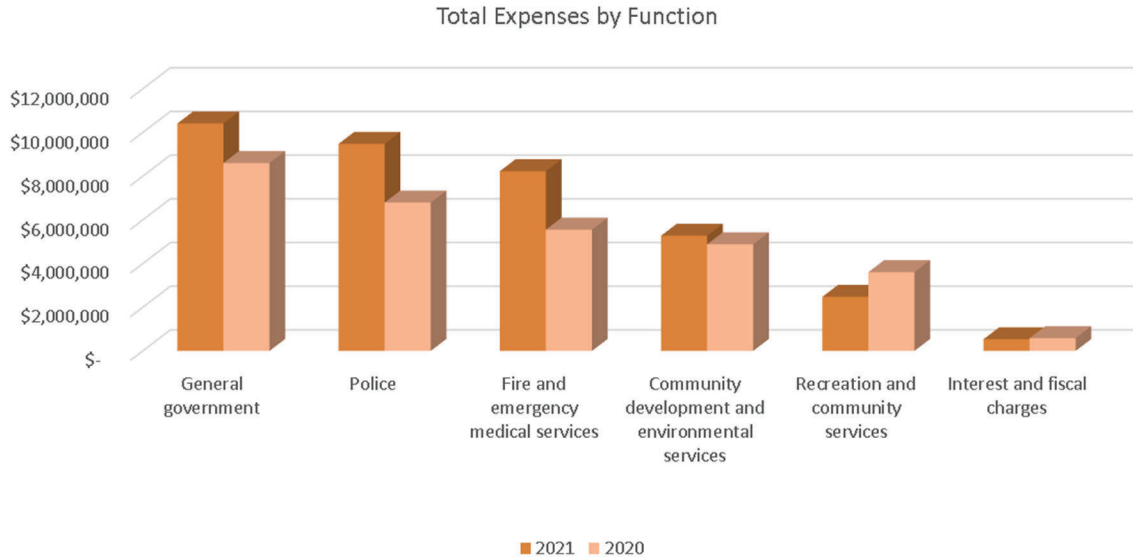


Significant changes in governmental revenues consisted of the following:

- Taxes increased by \$2.4 million or 10%, with changes related to the following categories:
 - Property taxes increased by approximately \$1.2 million or 7%, which reflects the continuing strength in property values.
 - Sales and use tax revenues increased by \$190,876 or 5%. This increase can be primarily attributed to declines in the prior year associated with COVID-19.
 - Franchise and other taxes increased by \$1.05 million or 21% mostly related to tax increases passed by the voters in November 2020, as well as the economy recovering after the impacts of COVID-19 in the prior year.
- The Charges for Services category decreased by \$60,595 which included declining Recreation and Community Services revenues that resulted from COVID-19 restrictions.
- In Fiscal Year 20/21, operating and capital grants and contributions increased by \$1.6 million. The increase was mainly due to one-time grants received from federal, state and county agencies.

Governmental Expenses

The Fiscal Year 20/21 expenses for Governmental Activities increased by \$6.4 million as illustrated in the chart below:

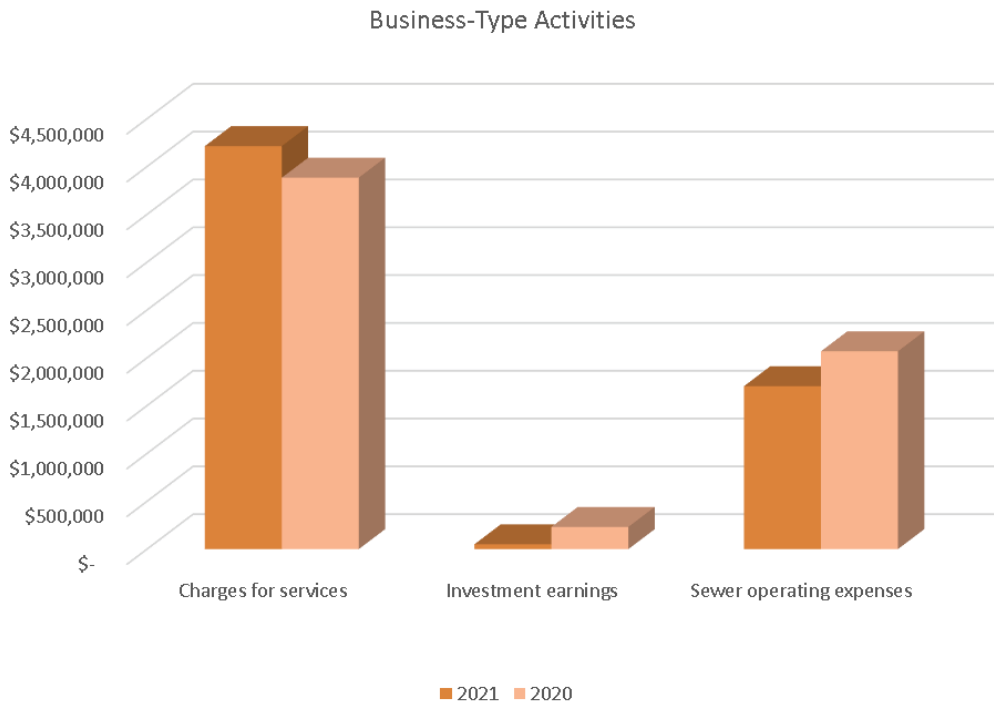


Significant changes in governmental expenses consisted of the following:

- As part of the presentation of financial statements on a government-wide perspective, expenditures are allocated to departments related to adjustments for actuarial pension reports and depreciation. Additional allocations or conversion entries are needed to convert fund statements to a government-wide perspective. In Fiscal Year 20/21, the annual amounts distributed to governmental functions was \$7.6 million. This included allocations for actuarial pension adjustments in the amount of \$5.3 million, and depreciation expense of \$2.3 million, as well as amounts in other conversion categories.
- General government increased by 21% or \$1.8 million.
- Police related costs increased by 40% or \$2.7 million.
- Fire and emergency medical services costs increased by 48% or \$2.7 million.
- Community development and environmental services costs increased by 8% or \$392,491.
- Recreation and community services expenses decreased by 31% or \$1.1 million.
- Interest expense decreased by 8% or \$48,561.

Business-Type Activities

The City’s net position for business type activities increased by \$2.6 million. The following chart is a summary of the changes in revenues and expenses for the City’s business-type activities from Fiscal Year 19/20 to 20/21, with additional analysis following the chart:



Total Program Revenues for business-type activities increased by \$329,692 when compared to the prior year. This reflects an increase in Charges for Services for sewer services.

Total General Revenues decreased by \$181,841 related to investment earnings.

Total expenses for business type activities were \$1.7 million for Fiscal Year 20/21, which was a decrease of \$364,763 or 18% when compared to the prior year. This was primarily due to a \$873,447 decrease in supplies and materials for sewer operations.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

As noted earlier, the City of Albany uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of Albany's Council.

A summary of the changes in fund balance of the Major Funds and Other Governmental Funds is presented below:

Table 3 - Summary of Changes in Fund Balance - Governmental Funds

	Major Funds			Total
	General Fund	Street & Storm Fund	Other Governmental Funds	
Total Revenues	\$ 21,639,085	\$ 1,199,884	\$ 12,159,285	\$ 34,998,254
Total Expenditures	23,855,096	702,988	8,144,191	32,702,275
Revenues Over (Under) Expenditures	(2,216,011)	496,896	4,015,094	2,295,979
Transfers in	3,295,424	-	987,066	4,282,490
Transfers out	-	(432,845)	(3,849,645)	(4,282,490)
Net change in fund balances	1,079,413	64,051	1,152,515	2,295,979
Beginning of year	8,808,308	4,552,525	14,550,085	27,910,918
Prior Period Adjustment	157,736	-	-	157,736
End of year	<u>\$ 10,045,457</u>	<u>\$ 4,616,576</u>	<u>\$ 15,702,600</u>	<u>\$ 30,364,633</u>

The General Fund balance increased by \$1.2 million. This is primarily attributed to \$3.3 million in planned transfers from other nonmajor special revenue and capital projects funds during the Fiscal Year 20/21. General Fund operating expenditures exceed operating revenues by \$2.2 million.

The Street and Storm Fund expenditures increased by \$413,615 mainly due to a \$631,445 increase in capital outlay during the year.

Non-major Governmental Fund's fund balances increased \$1.15 million mainly due to an increase of \$1.4 million in operating grants and \$614,467 in property taxes.

CAPITAL ASSETS

The City of Albany's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$84 million (net of accumulated depreciation). This includes net capital assets from governmental activities of \$54.4 million and net capital assets from business-type activities at \$29.6 million. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and sewer systems. The total increase in the City of Albany's capital assets, net of depreciation and disposals was \$2.3 million or 3%. In Governmental Activities, the net increase in capital assets was \$714,454 or just over 1%, while business-type activities increased by over \$1.6 million or 6%. This increase was mainly attributed to the construction of additional sewer lines.

The following table summarizes the City's capital assets at the end of the year:

Table 4 - Capital Assets at Year End - Net

	Governmental Activities		Business-type Activities		Total		% Change
	2021	2020	2021	2020	2021	2020	
Land	\$ 9,443,728	\$ 9,443,728	\$ -	\$ -	\$ 9,443,728	\$ 9,443,728	0.00%
Construction in progress	1,947,536	1,862,686	2,399,640	4,699,732	4,347,176	6,562,418	-33.76%
Buildings	18,100,219	18,663,042	2,130,557	2,176,957	20,230,776	20,839,999	-2.92%
Improvements other than building	7,241,546	5,414,862	-	-	7,241,546	5,414,862	33.73%
Furniture Fixtures	83,797	98,958	-	-	83,797	98,958	-15.32%
Machinery and Equipment	202,936	193,320	-	-	202,936	193,320	4.97%
Vehicles	463,413	270,067	-	-	463,413	270,067	71.59%
Sewer Lines	-	-	25,070,164	21,124,963	25,070,164	21,124,963	18.68%
Infrastructure	16,910,412	17,732,470	-	-	16,910,412	17,732,470	-4.64%
Total Capital Assets, Net	<u>\$ 54,393,587</u>	<u>\$ 53,679,133</u>	<u>\$ 29,600,361</u>	<u>\$ 28,001,652</u>	<u>\$ 83,993,948</u>	<u>\$ 81,680,785</u>	2.83%

Additional detail and information on capital asset activity is described in the notes to the financial statements, Note 5.

DEBT ADMINISTRATION

During the year, Long-Term Debt from governmental activities decreased by \$1.1 million primarily due to regular debt service payments, while Long-Term Debt attributable to business-type activities decreased by \$581,294. The reduction within the business-type category resulted from regular debt service payments.

The following table summarizes the City's debt at the end of the year:

	Governmental Activities		
	2021	2020	% Change
General Obligation Bonds	\$ 13,269,615	\$ 13,895,841	-4.51%
Parcel Tax Note	191,293	561,072	-65.91%
California Energy Commission Note	87,703	109,088	-19.60%
Service Center Lease Purchase Agreement	3,847,343	3,929,931	-2.10%
Total outstanding long-term debt	<u>\$ 17,395,954</u>	<u>\$ 18,495,932</u>	-5.95%
	Business-type Activities		
	2021	2020	% Change
Service Center Lease Purchase Agreement	\$ 1,923,672	\$ 1,964,966	-2.10%
Sewer Refunding Bonds	2,020,000	2,560,000	-21.09%
Total outstanding long-term debt	<u>\$ 3,943,672</u>	<u>\$ 4,524,966</u>	-12.85%

Additional detail and information on long-term debt activity is described in the notes to the financial statements, Note 6.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund original budget to the final budget are detailed in the *Required Supplementary Information* section along with a comparison to actual activity for the year ended. Changes to the City's budget that increase or decrease appropriations in a fund must be approved by a resolution of the City Council. Budget amendments were approved by Council throughout the year, with the final budget being approved in June of 2021.

Revenues

The General Fund adopted and final revenue budgets were \$20.8 million and \$19.6 million, with actual revenues at \$21.6 million. The overall budgetary difference of \$2 million primarily reflects greater than anticipated performance of \$2.2 million in tax revenue for the year, including \$1.25 million in real property transfer tax collections.

Expenditures

The General Fund adopted expenditure budget was \$26.5 million and the final budget was \$25.6 million. The actual expenditures totaled \$23.9 million, which resulted in a net difference of \$1.8 million. This budgetary variance consisted of lower-than-expected costs for Police services of \$1.3 million and Fire services of \$322,516. There was also \$483,489 and \$600,612 million less in expenditures for Community Development and Recreation and Community Services than anticipated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Albany's Fiscal Year 2021-22 budget was adopted in June, 2021 as the first year of the biennial budget. While the City is still budgeting a General Fund deficit, there have been several encouraging trends, despite the continuing nationwide economic impacts brought about by the COVID-19 pandemic, and staff continue to identify budget efficiencies. While continuing to address the annual budget deficit, the City has been making strides to also address long term financial obligations such as pensions and asset repair and replacement.

Revenues

Property taxes make up the majority of the City's revenues and have been steadily increasing over the last several years. Permitted improvements that increase a property's taxable value have increased during the pandemic, bolstering the City's property tax revenues. These improvements generally take a year or so to hit the tax assessed value, which means the City should continue to see a steady increase for at least another two fiscal years.

Overall, the City has a diverse revenue mix which has allowed it to weather uncertainty like COVID-19 without resorting to drastic cuts like some cities have had to make. In November 2020, Albany voters approved two tax measures. The first of the two taxes was an increase in the City's real property transfer tax. The increase from \$11.50 to \$15 per thousand dollars of valuation was expected to generate approximately \$392,000 in new revenue each year. During the pandemic there was a surge in transactions, increasing the revenue raised by this tax by \$1.25 million. At this point, it is difficult to identify what portion of the increase was due to the tax rate change versus the increase in transactions.

Staff will continue to monitor this revenue source and suggest budget increases when applicable. The second was an increase of the utility users' tax (UUT) on electricity and gas and an extension of the tax to water. While collections have increased, fluctuations in use of utilities due to the pandemic is still being analyzed.

While economic uncertainty persists, rising interest rates should bolster the City's investments. City staff will soon be issuing a Request for Proposal for asset management services. These services will allow the City to leverage its substantial cash reserves while interest rates rise.

City staff continue to monitor each of the City's revenue sources to ensure it is leveraging special revenues with continuing obligations.

Expenditures

Expenditures necessitated by COVID-19 have put strain on already tight department budgets. These expenses have changed over the course of the pandemic, starting with structural expenses such as physical barriers and virtual work and meeting equipment and software. Personal protective equipment has been a constant expense during the pandemic, and will continue for the foreseeable future. One expense that varies based on the pandemic situation is overtime to cover shifts for staff that have been infected or exposed. In addition to these unexpected costs, the City is looking at increasing costs over the next decade. Pension costs are anticipated to grow to an additional \$3 million per year by 2030 and larger assets will need to be replaced with no current funding plan.

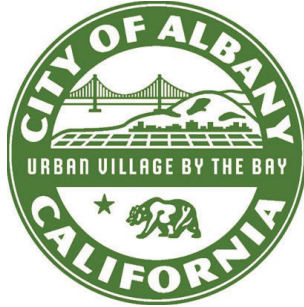
General city expenses have progressed as expected. The major divergence between budgeted and actual expenditures is seen in salary budgets. While the City budgets for the number of positions authorized, staffing levels fluctuate during the year. In addition, certain positions, such as Police Officer, have been harder to fill over the past several years.

Capital projects are mainly funded by special revenues. While some of these revenues are economically driven, such as the state gas tax, many are stable sources that the City uses in its multi-year Capital Improvement Plan. Going forward, the capital reserve funds will help with funding projects that do not have dedicated revenue sources yet are integral to City operations or implementation of items identified in the Council's Strategic Plan and the Capital Reserve Fund Policy adopted in May 2020. While these funds were created in fiscal year 2019-20, no ongoing funding plan has been identified at this point.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Albany's finances for all of Albany's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Albany Finance Department at 1000 San Pablo Ave, Albany, CA 94706, or visit the City of Albany webpage at www.albanyca.org.

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BASIC FINANCIAL STATEMENTS

City of Albany
Statement of Net Position
June 30, 2021

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 33,543,981	\$ 6,385,501	\$ 39,929,482
Restricted cash and investments	364,323	-	364,323
Accounts and taxes receivable	1,700,857	18,588	1,719,445
Due from other governments	258,877	-	258,877
Prepaid items	56,389	-	56,389
Total Current Assets	35,924,427	6,404,089	42,328,516
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	11,391,264	2,399,640	13,790,904
Depreciable, net of accumulated depreciation	43,002,323	27,200,721	70,203,044
Total Capital Assets - Net	54,393,587	29,600,361	83,993,948
Total Assets	\$ 90,318,014	\$ 36,004,450	\$ 126,322,464
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Adjustments	\$ 1,217,071	\$ -	\$ 1,217,071
Pension Adjustments	9,747,185	-	9,747,185
Deferred Loss on Refunding	383,235	-	383,235
Total Deferred Outflows of Resources	\$ 11,347,491	\$ -	\$ 11,347,491
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 3,947,861	\$ 198,177	\$ 4,146,038
Payroll related liabilities	1,076,936	-	1,076,936
Deposits and other liabilities	1,014	-	1,014
Interest payable	183,000	-	183,000
Unearned revenues	533,983	-	533,983
Claims payable	138,000	-	138,000
Compensated absences	802,735	-	802,735
Long-term debt - due within one year	898,758	597,934	1,496,692
Total Current Liabilities	7,582,287	796,111	8,378,398
Noncurrent Liabilities:			
Claims payable	274,001	-	274,001
Compensated absences	413,530	-	413,530
Net pension liability	43,917,696	-	43,917,696
Net OPEB liability	5,112,285	-	5,112,285
Long-term debt - due in more than one year	16,497,196	3,345,738	19,842,934
Total Noncurrent Liabilities	66,214,708	3,345,738	69,560,446
Total Liabilities	\$ 73,796,995	\$ 4,141,849	\$ 77,938,844
DEFERRED INFLOWS OF RESOURCES			
Pension Adjustments	\$ 3,647,402	\$ -	\$ 3,647,402
Total Deferred Inflows of Resources	\$ 3,647,402	\$ -	\$ 3,647,402
NET POSITION			
Net investment in capital assets	\$ 37,380,868	\$ 25,656,689	\$ 63,037,557
Restricted for:			
Police and Fire pension and retirement benefits	687,159	-	687,159
Law enforcement and training	994,905	-	994,905
Transportation projects	10,559,146	-	10,559,146
Recreation playfields, open space and creek restoration	2,414,249	-	2,414,249
Lighting and landscape projects	287,822	-	287,822
Sidewalks	632,708	-	632,708
Library	837,926	-	837,926
Collision response and Extrication	12	-	12
Prevention of nonpoint source pollution	1,107,409	-	1,107,409
Waste reduction and management	201,488	-	201,488
Transition improvement plan	3,398	-	3,398
Public art promotion	186,190	-	186,190
Community capital improvements	300,233	-	300,233
Debt service	469,472	-	469,472
Total Restricted	18,682,117	-	18,682,117
Unrestricted	(31,841,877)	6,205,912	(25,635,965)
Total Net Position	\$ 24,221,108	\$ 31,862,601	\$ 56,083,709

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues				Total	Governmental Activities	Business-Type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions					
Primary Government:									
Governmental Activities:									
General Government	\$ 10,413,511	\$ 139,105	\$ 668,207	\$ -	\$ 807,312	\$ (9,606,199)		\$ (9,606,199)	
Police	9,479,930	205,416	162,280	-	367,696	(9,112,234)		(9,112,234)	
Fire and emergency medical services	8,228,297	952,654	408,397	-	1,361,051	(6,867,246)		(6,867,246)	
Community development and environmental services	5,273,833	1,056,365	58,764	3,012,048	4,127,177	(1,146,656)		(1,146,656)	
Recreation and community services	2,476,014	484,846	51,421	-	536,267	(1,939,747)		(1,939,747)	
Interest and fiscal charges	536,133	-	-	-	-	(536,133)		(536,133)	
Total Governmental Activities	\$ 36,407,718	\$ 2,838,386	\$ 1,349,069	\$ 3,012,048	\$ 7,199,503	(29,208,215)		(29,208,215)	
Business-Type Activities:									
Sewer	\$ 1,703,359	\$ 4,213,592	\$ -	\$ -	\$ 4,213,592		\$ 2,510,233	2,510,233	
Total Business-Type Activities	\$ 1,703,359	\$ 4,213,592	\$ -	\$ -	\$ 4,213,592		2,510,233	2,510,233	
General Revenues:									
Taxes:									
Property taxes						17,099,600	-	17,099,600	
Sales and use taxes						4,403,717	-	4,403,717	
Franchise and other taxes						6,003,398	-	6,003,398	
Total taxes						27,506,715	-	27,506,715	
Investment earnings						121,634	49,958	171,592	
Other revenues						170,402	-	170,402	
Total General Revenues						27,798,751	49,958	27,848,709	
Change in Net Position						(1,409,464)	2,560,191	1,150,727	
Net Position - Beginning of Year						25,806,621	29,302,410	55,109,031	
Prior Period Adjustments						(176,049)	-	(176,049)	
Net Position - Beginning of Year, As Adjusted						25,630,572	29,302,410	54,932,982	
Net Position - End of Year						\$ 24,221,108	\$ 31,862,601	\$ 56,083,709	

The accompanying notes are an integral part of these financial statements.

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

The *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.

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

Non-Major Governmental Funds aggregate all the non-major governmental funds.

City of Albany
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	
ASSETS				
Cash and investments	\$ 12,340,535	\$ 4,585,140	\$ 16,618,306	\$ 33,543,981
Debt service reserves held with trustee	-	-	364,323	364,323
Accounts and taxes receivable	1,595,588	5,235	100,034	1,700,857
Due from other governments	-	-	258,877	258,877
Due from other funds	564,218	391,734	-	955,952
Prepaid items	56,389	-	-	56,389
Total assets	\$ 14,556,730	\$ 4,982,109	\$ 17,341,540	\$ 36,880,379
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,900,354	\$ 365,533	\$ 681,974	\$ 3,947,861
Payroll related liabilities	1,076,936	-	-	1,076,936
Deposits and other liabilities	-	-	1,014	1,014
Due to other funds	-	-	955,952	955,952
Unearned revenues	533,983	-	-	533,983
Total liabilities	4,511,273	365,533	1,638,940	6,515,746
Fund Balances:				
Nonspendable				
Prepaid items	56,389	-	-	56,389
Restricted:				
Police and Fire pension and retirement benefits	-	-	687,159	687,159
Law enforcement and training	-	-	994,905	994,905
Transportation projects	-	4,616,576	5,942,570	10,559,146
Recreation playfields, open space and creek restoration	-	-	2,414,249	2,414,249
Lighting and landscape projects	-	-	287,822	287,822
Sidewalks	-	-	632,708	632,708
Library	-	-	837,926	837,926
Collision response and Extrication	-	-	12	12
Prevention of nonpoint source pollution	-	-	1,107,409	1,107,409
Waste reduction and management	-	-	201,488	201,488
Transition improvement plan	-	-	3,398	3,398
Public art promotion	-	-	186,190	186,190
Community capital improvements	-	-	300,233	300,233
Debt service	-	-	469,472	469,472
Assigned:				
Economic development and land use	-	-	183,726	183,726
Police vehicles and equipment	-	-	180,617	180,617
Emergency medical services equipment	-	-	220,000	220,000
Fire operations equipment	-	-	407,635	407,635
Information technology equipment replacement	-	-	370,713	370,713
Public works and park equipment	-	-	571,482	571,482
General city projects	-	-	402,617	402,617
KALB equipment replacement	-	-	50,000	50,000
Payroll liabilities	1,568,642	-	-	1,568,642
Unassigned	8,420,426	-	(749,731)	7,670,695
Total fund balances	10,045,457	4,616,576	15,702,600	30,364,633
Total liabilities and fund balances	\$ 14,556,730	\$ 4,982,109	\$ 17,341,540	\$ 36,880,379

The accompanying notes are an integral part of these financial statements.

City of Albany
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds \$ 30,364,633

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. The capital assets were adjusted as follows:

Capital assets	86,795,387
Less: accumulated depreciation	(32,401,800)
Total Capital Assets	<u>54,393,587</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (183,000)

The differences from benefit plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows or deferred outflows of resources in the statement of net position. 7,316,854

The difference between the carrying value of refunded debt and the reacquisition price is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt. 383,235

Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

Long-term debt	(17,395,954)
Claims payable	(412,001)
Compensated absences	(1,216,265)
Net pension liability	(43,917,696)
Net OPEB liability	(5,112,285)
Total Long-Term Obligations	<u>(68,054,201)</u>

Net Position of Governmental Activities \$ 24,221,108

The accompanying notes are an integral part of these financial statements.

City of Albany
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	
REVENUES				
Property taxes	\$ 8,644,386	\$ 1,199,884	\$ 7,255,330	\$ 17,099,600
Sales and use taxes	4,403,717	-	-	4,403,717
Franchise and other taxes	6,003,398	-	-	6,003,398
License and permits	617,150	-	-	617,150
Fines and forfeitures	97,171	-	-	97,171
Investment earnings	88,281	-	98,424	186,705
Intergovernmental revenues	665,118	-	3,684,572	4,349,690
Charges for services	853,684	-	1,033,559	1,887,243
Rents and concessions	171,751	-	-	171,751
Other revenues	94,429	-	87,400	181,829
Total Revenues	21,639,085	1,199,884	12,159,285	34,998,254
EXPENDITURES				
Current:				
General Government	7,779,017	20,015	711,392	8,510,424
Police	6,885,936	-	-	6,885,936
Fire and emergency medical services	3,311,166	-	2,497,147	5,808,313
Community development and environmental services	4,249,955	883	384,239	4,635,077
Recreation and community services	1,318,099	-	456,724	1,774,823
Capital outlay	54,111	682,090	2,720,342	3,456,543
Debt service				
Principal	103,973	-	939,779	1,043,752
Interest and fiscal charges	152,839	-	434,568	587,407
Total Expenditures	23,855,096	702,988	8,144,191	32,702,275
Excess (Deficiency) of Revenues over Expenditures	(2,216,011)	496,896	4,015,094	2,295,979
OTHER FINANCING SOURCES (USES)				
Transfers in	3,295,424	-	987,066	4,282,490
Transfers out	-	(432,845)	(3,849,645)	(4,282,490)
Total Other Financing Sources (Uses)	3,295,424	(432,845)	(2,862,579)	-
Net Change in Fund Balances	1,079,413	64,051	1,152,515	2,295,979
Fund Balances Beginning	8,808,308	4,552,525	14,550,085	27,910,918
Prior Period Adjustments	157,736	-	-	157,736
Fund Balances Beginning, as Adjusted	8,966,044	4,552,525	14,550,085	28,068,654
Fund Balances Ending	\$ 10,045,457	\$ 4,616,576	\$ 15,702,600	\$ 30,364,633

The accompanying notes are an integral part of these financial statements.

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 2,295,979

Amounts reported for governmental activities in the Statement of Activities and Changes in net position were different because:

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in net position, the cost of those assets was allocated over their estimated useful lives as depreciation expense.

Capital outlay	3,047,314
Depreciation expense	(2,332,860)

The difference between the carrying value of refunded debt and the reacquisition price is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt.	(23,952)
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In governmental funds, actual contributions to benefit plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year benefit expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	(5,261,905)
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Repayment of long-term debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	1,043,752
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Premiums from the issuance of long-term debt are amortized over the life of the bonds in the Statement of Activities and reported as proceeds when issued in governmental funds.	56,226
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Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements as follows:	
Other postemployment benefits	(366,430)

Long-term compensated absences and claims payables were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources and were not reported as expenditures in governmental funds.	
Compensated absences	25,398
Claims payable	88,014

Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in net position, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in accrued interest from and accreted interest from prior year.	19,000
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Change in Net Position of Governmental Activities	\$ (1,409,464)
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The accompanying notes are an integral part of these financial statements.

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PROPRIETARY FUND FINANCIAL STATEMENTS

The *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, 2021

	Business-Type Activities Enterprise Funds Sewer Fund
ASSETS	
Current assets:	
Cash and investments	\$ 6,385,501
Accounts receivable	18,588
Total current assets	<u>6,404,089</u>
Noncurrent assets:	
Capital assets - nondepreciable	2,399,640
Capital assets - depreciable	27,200,721
Total capital assets - net	<u>29,600,361</u>
Total assets	<u><u>\$ 36,004,450</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 198,177
Long-term debt - due within one year	597,934
Total current liabilities	<u>796,111</u>
Noncurrent liabilities:	
Long-term debt - due in more than one year	3,345,738
Total noncurrent liabilities	<u>3,345,738</u>
Total liabilities	<u><u>\$ 4,141,849</u></u>
NET POSITION	
Net Investment in capital assets	\$ 25,656,689
Unrestricted	6,205,912
Total net position	<u><u>\$ 31,862,601</u></u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds
	Sewer Fund
	<u> </u>
OPERATING REVENUES	
Charges for services	\$ 4,213,592
Total operating revenues	<u>4,213,592</u>
 OPERATING EXPENSES	
Personnel services	1,812
Supplies, materials and other	945,604
Major repairs	454
Depreciation	626,065
Total operating expenses	<u>1,573,935</u>
 Operating income (loss)	<u>2,639,657</u>
 NONOPERATING REVENUES(EXPENSES)	
Investment earnings	49,958
Interest expense	(129,424)
Total nonoperating revenues(expenses)	<u>(79,466)</u>
 Income (loss) before operating transfers	2,560,191
 Transfers in	-
Transfers out	-
 Change in net position	2,560,191
 Total net position - beginning	<u>29,302,410</u>
 Total net position - ending	<u>\$ 31,862,601</u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds
	Sewer Fund
Cash flows from operating activities:	
Receipts from customers and users	\$ 4,195,004
Payments to suppliers	(960,341)
Payments to employees	(18,386)
Net cash provided (used) by operating activities	<u>3,216,277</u>
Cash flows from noncapital financing activities:	
Interfund transactions	39,717
Net cash provided (used) by noncapital financing activities	<u>39,717</u>
Cash flows from capital financing activities:	
Purchases (sales) of property, plant and equipment - net	(2,774,010)
Principal payments on long-term debt	(581,294)
Interest paid on long-term debt	(129,424)
Net cash provided (used) by capital financing activities	<u>(3,484,728)</u>
Cash flows from investing activities:	
Investment income received	49,958
Net cash provided (used) by investing activities	<u>49,958</u>
Net increase (decrease) in cash and cash equivalents	(178,776)
Cash and cash equivalents - beginning	6,564,277
Cash and cash equivalents - ending	<u>\$ 6,385,501</u>
Reconciliation of operating income to net cash provided (used)	
by operating activities:	
Operating income (loss)	\$ 2,639,657
Adjustments to reconcile operating income (loss)	
to net cash provided (used) by operating activities:	
Depreciation	626,065
Change in operating assets and liabilities:	
Accounts receivables	(18,588)
Accounts payable	(14,283)
Payroll related liabilities	(16,574)
Net cash provided (used) by operating activities	<u>\$ 3,216,277</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

The *Police and Fire Pension Trust Fund* accounts for contributions and resources invested in the City's Police and Fire Relief or Pension Trust Fund.

Custodial Funds

Custodial 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.

City of Albany
Statement of Net Position
Fiduciary Funds
June 30, 2021

	Pension Trust Fund	Custodial Funds		
	Police and Fire Pension Fund	Cordornices Trail Fund	1996-1 Assment District Bond Fund	Total Custodial Funds
ASSETS				
Cash deposits with financial institutions	\$ 308,350	\$ 340,881	\$ 537,131	\$ 878,012
Investments at fair value:				
Local Agency Investment Fund	318,372	-	-	-
Mutual funds	3,511,363	-	-	-
Total assets	<u>\$ 4,138,085</u>	<u>\$ 340,881</u>	<u>\$ 537,131</u>	<u>\$ 878,012</u>
LIABILITIES				
Accounts payable	\$ 58,334	\$ -	\$ -	\$ -
Payroll related liabilities	1,407	-	-	-
Total liabilities	<u>\$ 59,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Restricted	<u>\$ 4,078,344</u>	<u>\$ 340,881</u>	<u>\$ 537,131</u>	<u>\$ 878,012</u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Pension	Custodial Funds			
	Trust	1996-1			
	Fund	Police and Fire Pension Fund	Cordornices Trail Fund	Assment District Bond Fund	Total Custodial Funds
ADDITIONS					
Employer contributions	\$ 847,799	\$ -	\$ -	\$ -	\$ -
Net appreciation (depreciation) in fair value of investments	368,129	-	-	-	-
Interest and dividends	464,871	-	6	6	6
Total additions	1,680,799	-	6	6	6
DEDUCTIONS					
Pension benefits	1,274,381	-	-	-	-
Professional services	-	26,697	-	-	26,697
Administration	23,054	-	-	-	-
Total deductions	1,297,435	26,697	-	-	26,697
Change in net position	383,364	(26,697)	6	(26,691)	
Total net position - beginning	3,703,012	-	-	-	-
Prior period adjustment - GASB 84 implementation	(8,032)	367,578	537,125	904,703	
Total net position - beginning, as adjusted	3,694,980	367,578	537,125	904,703	
Total net position - ending	<u>\$ 4,078,344</u>	<u>\$ 340,881</u>	<u>\$ 537,131</u>	<u>\$ 878,012</u>	

The accompanying notes are an integral part of these financial statements.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

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 2020 estimated by the State of California, Department of Finance to be 18,937.

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 107 fulltime equivalent employees in the functions of:

- Police services - the Police Department is composed of a Chief of Police, two Lieutenants, six Sergeants, an Administrative Specialist, eighteen patrol officers, seven 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, three Captains, three Lieutenants, and twelve 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 offering smoke detector installation for residents who are elderly and/or disabled, blood pressure screening to all Albany residents, and conducting CPR and Community Emergency Response Team trainings.
- 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
- Finance and Administrative Services - performs financial accounting, budgeting, insurance administration, investment management, capital projects accounting, and other finance and administrative tasks, as required.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Albany, California, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City Council acts as the governing board. In addition, the City staff performs all administrative and accounting functions for these entities and these entities provide their services entirely to the City. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the City. Each blended component unit has a June 30 year-end.

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 the Authority.

The City has established a separate legal trust, the *City of Albany Police and Fire Relief or Pension Fund* (Trust), for its closed police and fire pension benefits, which were available for certain eligible employees. This is a Private Purpose Trust Fund reported as a fiduciary fund financial statement. 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. 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 applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

B. Basis of Accounting and 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's government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities and Changes in Net Position*. These statements present summaries of governmental and business-type activities for the City. Internal Service Funds activities are excluded to avoid "doubling up" revenues and expenses. Fiduciary activities of the City are not included in these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources (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 changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities. Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Separate financial statements are provided for governmental funds, proprietary funds (which includes the internal service funds), and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in-regards-to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. Interfund services provided and used are not eliminated in the process of consolidation. The following interfund activities have been eliminated:

- Transfers in/Transfers out
- Internal Service Fund charges

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

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. The City has presented all major funds that met the applicable criteria.

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, deferred outflows of resources, current liabilities, and deferred inflows of resources 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 (up to 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Fines, forfeitures, licenses and permits and parking meter revenues are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

The following funds are major funds:

General Fund

The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

Street & Storm Capital Projects Fund

This fund is used to record property tax revenues, debt proceeds and expenditures for various street and storm drain projects.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

Additionally, the City reports the following nonmajor fund types of governmental funds:

Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to specific purposes other than debt service or capital projects.

Capital Project Funds

Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and payment on, long-term obligation debt principal and interest.

Proprietary Funds

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.

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. Proprietary funds are presented using the “economic resources measurement focus”. This means all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with their activities are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the internal service funds financial statements.

The City has the following enterprise funds that have been reported as major:

Sewer Fund

The Sewer 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 has the following internal service funds:

Fiduciary Funds

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 and custodial 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

The City has the following fiduciary funds:

Police and Fire Pension Trust Fund

The Police and Fire Pension Trust Fund accounts for the activities of the Police and Fire Relief or Pension Fund Trust.

Custodial Funds

Custodial 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.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for operating purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments except for debt service reserves with trustees which are restricted and presented separately.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas: Interest Rate Risk, Overall Credit Risk, Custodial Credit Risk, Concentrations of Credit Risk, and Foreign Currency Risk.

Other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures. The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

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Notes to the Basic Financial Statements
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D. Interfund Receivables and Payables

Items classified as interfund receivables/payables are referred to as “advances to/advances from other funds” or as “due to/from other funds”. Due to/from other funds include short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund. Advances to/advances from other funds represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation.

E. Sewer Revenue and Receivables

Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. 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. Material revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

F. 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.

G. Capital Assets

Capital outlays are recorded as expenditures in the general, special revenue, and capital projects funds and as assets in the government-wide and proprietary fund financial statements to the extent the City's capitalization threshold is met.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements and in the proprietary fund financial statements. All assets, including land, buildings, machinery and equipment, with an original cost in excess of \$5,000 and a useful life of one year or more will be subject to capitalization. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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Notes to the Basic Financial Statements
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Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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

H. Deferred Outflows/Deferred Inflows

Deferred outflows of resources are a consumption of net assets by the City that is applicable to a future reporting period; for example, prepaid items and deferred charges.

Deferred inflows of resources are an acquisition of net assets by the City that is applicable to a future reporting period; for example, unavailable resources and advance collections.

I. Interest Payable

In the government-wide and proprietary fund financial statements, interest payable from long-term debt is recognized as an incurred liability and expense. The City has not allocated the interest on long-term debt to departments. In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the governmental fund statements when payment is made.

J. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for general liability and workers' compensation claims. The estimated liability for these claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

K. 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 distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

L. Compensated Absences

Compensated absences include unpaid vacation and the vested portion of sick leave, which are accrued as earned. The City's liability for compensated absences is recorded in an internal service fund and is

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Notes to the Basic Financial Statements
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determined annually. The City's 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. See Note 6 for a summary of changes in compensated absences and the current portions due within the next year.

Compensated absences and the net OPEB obligation are generally liquidated by charges to applicable departments within City Funds from the Compensated Absences Internal Service Fund. These charges are reported as operating revenue in the internal service fund and eliminated in the government-wide statements.

M. Long-Term Liabilities

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Benefit Plans

Pension Expense

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) plans (the Plans) and additions to/deductions from the Plans' 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.

Other Postemployment Benefit (OPEB) Expense

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

O. Fund Balances

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable

Nonspendable fund balance includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

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Restricted

Restricted fund balance includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed

Committed fund balance includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the City Council.

Assigned

Assigned fund balance includes fund balance amounts that are intended to be used for specific purposes that are neither considered 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

The Unassigned Fund Balance category represents fund balance which may be held for specific types of uses or stabilization purposes but is not yet directed to be used for a specific purpose. The detail of amounts reported for each of the above defined fund balance categories is reported in the governmental funds balance sheet and in the combining nonmajor fund balance sheets.

Flow Assumption / Spending Order Policy

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has directed otherwise.

P. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that are attributed to the acquisition, construction, or improvement of the assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position.

Restricted Net Position

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

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Notes to the Basic Financial Statements
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Unrestricted Net Position

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except for interfund services provided and used and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

R. Property Taxes and Special Assessments

County tax assessments include secured and unsecured property taxes and special assessments. "Unsecured" refers to taxes on personal property. These tax assessments are secured by liens on the property being taxed.

Alameda County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively.

Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

S. Budgetary Information

The following procedures are followed when establishing the City's annual budget:

- By June 1, of odd-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.
- Public hearings and work sessions are conducted to obtain comments from interested individuals and organizations.
- The budget is formalized and legally enacted through City Council adoption.
- 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

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Notes to the Basic Financial Statements
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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.

- 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.
- 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.
- 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 through June 30, 2021.

T. Encumbrances

Under encumbrance accounting, purchase orders, contract and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. All appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

U. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable resources.

V. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

W. Implementation of New Accounting Pronouncements

GASB Statement No. 84, "Fiduciary Activities." Issued in January 2017, this statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and describes four fiduciary funds that should be reported, if applicable. The statement is effective beginning fiscal year 2021. The City did reclassify two fiduciary funds from agency to custodial funds, increasing beginning net position in these funds by \$904,703, and now includes these funds in the statement of changes in fiduciary net position as required by GASB 84.

City of Albany
Notes to the Basic Financial Statements
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X. Upcoming New Accounting Pronouncements

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 87, “Leases.” Issued in June 2017, this statement establishes standards of accounting and financial reporting for leases by lessees and lessors. It provides guidance on accounting treatment of lease assets, lease liability, short-term leases, certain regulated leases, measurement for leases other than short-term leases and contracts that transfer ownership, subleases, lease-leaseback transactions, intra-entity leases, and leases between related parties. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 91, “Conduit Debt Obligations.” Issued in May 2019, this statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 92, “Omnibus 2020.” Issued in January 2020, this statement was issued for clarity and consistency by addressing practice issues identified from the implementation and application of certain GASB statements. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 93, “Replacement of Interbank Offered Rates.” Issued in March 2020, this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” Issued in March 2020, this statement is to improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangement (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.” Issued in May 2020, the statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for governments by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requiring note disclosures regarding a SBITA. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.” Issued in June 2020, the statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans. The statement will be effective beginning fiscal year 2022.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

NOTE 3 - CASH AND INVESTMENTS

As of June 30, 2021, cash and investments were reported in the financial statements as follows:

	Government Wide Statement of Net Position		Fiduciary Funds Statement of Net	Total
	Governmental Activities	Business-Type Activities	Position	
Operating cash and investments	33,543,981	6,385,501	4,985,700	44,915,182
Debt service reserves held with fiscal agent	364,323	-	30,397	394,720
Total cash and investments	<u>\$ 33,908,304</u>	<u>\$ 6,385,501</u>	<u>\$ 5,016,097</u>	<u>\$ 45,309,902</u>

The following summarizes the City's cash and investments by type as of June 30, 2021:

Deposits:	
Cash on hand	\$ 2,570
Deposits with financial institutions	<u>6,684,285</u>
Total Deposits	<u>6,686,855</u>
Investments:	
Local Agency Investment Fund	32,202,103
CalTrust investment pool	2,514,861
Mutual and money market funds	<u>3,511,363</u>
Total investments	<u>38,228,327</u>
Total City Treasury	44,915,182
Debt service reserves held with fiscal agent	<u>394,720</u>
Total cash and investments	<u>\$ 45,309,902</u>

A. Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest and places the City ahead of general creditors of the institution.

The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150 percent of the City's total cash deposits. The City has waived the collateral requirements for cash deposits which are fully insured to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The bank balances before reconciling items totaled \$6,141,578 at June 30, 2021 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was \$5,891,578 which was collateralized by securities held by pledging financial institutions.

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Notes to the Basic Financial Statements
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B. Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

C. Authorized Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	n/a	n/a	n/a
U.S. Agency Securities	n/a	n/a	n/a
Banker's Acceptance	180 Days	40%	10%
Commercial Paper	270 Days	15%	10%
Medium-Term Notes	One Year	15%	5%
Money Market Mutual Funds	n/a	n/a	n/a
Repurchase Agreements	7 Days	n/a	n/a
Local Agency Investment Fund	n/a	n/a	n/a
Investment Trust of California (CalTrust)	n/a	25%	n/a
Negotiable Certificates of Deposit	One Year	15%	n/a

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

D. External Investment Pool

The City and The *Albany Police and Fire Relief Pension Trust Fund (the Fund)* are voluntary participants 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 and the Fund relied upon information provided by the State Treasurer in estimating the City’s fair value position of its holding in LAIF as presented Section E, Risk Disclosures. 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 and the Fund’s investments with LAIF at June 30, 2021, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

City of Albany
Notes to the Basic Financial Statements
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These investments include the following:

Structured Notes

These 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 asset-backed securities 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 CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The approved investments policy is listed on the LAIF website, located at <http://www.treasurer.ca.gov/pmia-laif/>.

E. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the term of an investment's maturity, the greater the sensitivity to changes in market interest rates. It is the City's practice to manage its exposure to interest rate risk is by purchasing a combination of shorter 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 City's 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. The Fund monitors the interest rate risk inherent in its portfolio by measuring the maturity of its portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as S&P 500. The City's investments were not assigned ratings by a nationally recognized credit rating organization. The City's and 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.

Concentrations of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021, the City and the Fund had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its

City of Albany
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investments or collateral securities that are in the possession of an outside 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 custodial credit risk disclosures noted in Section A, “Cash Deposits” of this disclosure. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2021, the City’s investments had the following maturities and ratings:

Investment Type	12 Months or Less	Fair Value	Fair Value Input Levels
Local Agency Investment Funds	\$ 31,883,731	\$ 31,883,731	n/a
CalTrust investment pool	2,514,861	2,514,861	n/a
Subtotal	34,398,592	34,398,592	
Police and Fire Pension Trust Fund:			
Local Agency Investment Funds	318,372	318,372	n/a
Mutual and money market funds	3,511,363	3,511,363	Level 1
Total Police and Fire Pension Trus Fund	3,829,735	3,829,735	
Total Investments	\$ 38,228,327	\$ 38,228,327	

F. Albany Police and Fire Relief Pension Trust Fund (the Fund)

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.

Investment Policy

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 as follows:

Authorized Investment Type	Target Allocation	Minimum Percentage of Portfolio	Maximum Percentage of Portfolio
Large Cap Equity	37%	25%	55%
International Equity	9%	5%	15%
Fixed Income	40%	40%	60%
Alternatives	9%	n/a	10%
Cash	5%	n/a	10%

As of June 30, 2021, the Fund’s allocations reflected the general guidelines set by the Fund’s policy as described above.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

NOTE 4 - INTERFUND TRANSACTIONS

A. Inter-fund Receivables and Payables

Amounts due to or due from other funds reflect inter-fund balances for services rendered or short-term loans expected to be repaid in the next fiscal year. Advances to or from other funds are long-term loans between funds that are to be repaid in their entirety over several years. As of June 30, 2021, inter-fund receivables and payables consisted of the following:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 564,218	\$ -
Street & Storm Fund	391,734	-
Nonmajor Funds	-	955,952
Total Due from/to	\$ 955,952	\$ 955,952

B. Transfers In/Out

With Council approval resources may be transferred from one fund to another. Transfers may be made to pay for capital projects or capital outlays, lease or debt service payments, and operating expenses.

The following summarizes transfers between funds during the fiscal year ended June 30, 2021:

Fund	Transfer in	Transfer out
General Fund	\$ 3,295,424	\$ -
Street & Storm Fund	-	432,845
Nonmajor Funds	987,066	3,849,645
Total Transfers	\$ 4,282,490	\$ 4,282,490

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

NOTE 5 - CAPITAL ASSETS

Capital assets related to governmental activities consisted of the following as of June 30, 2021:

Governmental Activities	Balance July 1, 2020	Additions	Deletions/ Transfers	Adjustments	Balance June 30, 2021
Non-depreciable:					
Land	\$ 9,443,728	\$ -	\$ -	\$ -	\$ 9,443,728
Construction in Progress	1,862,686	2,040,179	(1,955,329)	-	1,947,536
Total Non-Depreciable	11,306,414	2,040,179	(1,955,329)	-	11,391,264
Depreciable:					
Buildings	26,538,261	-	-	-	26,538,261
Improvements other than building	10,978,264	565,742	1,765,787	-	13,309,793
Furniture Fixtures	772,880	-	-	-	772,880
Machinery and Equipment	2,500,232	75,449	-	-	2,575,681
Vehicles	3,634,593	365,944	-	55,800	4,056,337
Infrastructure	27,961,629	-	189,542	-	28,151,171
Total Depreciable	72,385,859	1,007,135	1,955,329	55,800	75,404,123
Less Accumulated Depreciation for:					
Buildings	(7,875,219)	(562,823)	-	-	(8,438,042)
Improvements other than building	(5,563,402)	(504,845)	-	-	(6,068,247)
Furniture Fixtures	(673,922)	(15,161)	-	-	(689,083)
Machinery and Equipment	(2,306,912)	(65,833)	-	-	(2,372,745)
Vehicles	(3,364,526)	(172,598)	-	(55,800)	(3,592,924)
Infrastructure	(10,229,159)	(1,011,600)	-	-	(11,240,759)
Total Accumulated Depreciation	(30,013,140)	(2,332,860)	-	(55,800)	(32,401,800)
Total Depreciable Capital Assets - Net	42,372,719	(1,325,725)	1,955,329	-	43,002,323
Total Governmental Capital Assets	\$ 53,679,133	\$ 714,454	\$ -	\$ -	\$ 54,393,587

Depreciation expense for governmental activities was charged to the following programs during the year:

General Government	\$ 1,436,868
Police	60,029
Fire and Emergency Medical Services	64,771
Community Development and Environmental Services	243,628
Recreation and Community Services	527,564
Total depreciation expense	\$ 2,332,860

City of Albany
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Capital assets related to business-type activities consisted of the following as of June 30, 2021:

Business Type Activities	Balance July 1, 2020	Additions	Deletions/ Transfers	Adjustments	Balance June 30, 2021
Non Depreciable					
Construction in progress	\$ 4,699,732	\$ 2,196,275	\$ (4,496,367)	\$ -	\$ 2,399,640
Depreciable:					
Buildings	2,320,024	-	-	-	2,320,024
Sewer Lines	28,954,762	28,499	4,496,367	-	33,479,628
Machinery and Equipment	98,604	-	-	-	98,604
Total Depreciable	31,373,390	28,499	4,496,367	-	35,898,256
Less Accumulated Depreciation					
Buildings	(143,067)	(46,400)	-	-	(189,467)
Sewer Lines	(7,829,799)	(579,665)	-	-	(8,409,464)
Machinery and Equipment	(98,604)	-	-	-	(98,604)
Total Accumulated Depreciation	(8,071,470)	(626,065)	-	-	(8,697,535)
Total Depreciable Capital Assets - Net	23,301,920	(597,566)	4,496,367	-	27,200,721
Total Business Type - Capital Assets	\$ 28,001,652	\$ 1,598,709	\$ -	\$ -	\$ 29,600,361

NOTE 6 - LONG-TERM LIABILITIES

The City's long-term liabilities consisted of the following as of June 30, 2021:

Governmental Activities	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
General Obligation Bonds:					
2016 GO Refunding Bonds					
2-5%, 8/1/37	\$ 12,940,000	\$ -	\$ (570,000)	\$ 12,370,000	\$ 600,000
Bond Premiums	955,841	-	(56,226)	899,615	-
Subtotal GO Bonds	13,895,841	-	(626,226)	13,269,615	600,000
Direct Borrowings:					
2009 Street & Storm Drain					
Parcel tax note, 4.60%, 8/1/1/21	561,072	-	(369,779)	191,293	191,292
2011 California Energy Commission					
1%, 6/2025	109,088	-	(21,385)	87,703	21,599
Lease Agreements:					
2017 Albany Service Center Lease					
3.9%, 9/1/37 (67%)	3,929,931	-	(82,588)	3,847,343	85,867
Subtotal Long-Term Debt	18,495,932	-	(1,099,978)	17,395,954	898,758
Claims Payable	500,015	80,035	(168,049)	412,001	138,000
Net Pension Liabilities	37,146,108	38,447,000	(31,675,412)	43,917,696	-
Total OPEB Liability	3,065,019	3,006,817	(959,551)	5,112,285	-
Compensated Absences	1,241,663	789,512	(814,910)	1,216,265	802,735
Total Long-Term Liabilities	\$ 60,448,737	\$ 42,323,364	\$ (34,717,900)	\$ 68,054,201	\$ 1,839,493

Business-Type Activities	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
2017 Albany Service Center Lease					
3.9%, 9/1/37 (33%)	\$ 1,964,966	\$ -	\$ (41,294)	\$ 1,923,672	\$ 42,934
2016 Sewer Refunding Bond	2,560,000	-	(540,000)	2,020,000	555,000
Total Long-Term Liabilities	\$ 4,524,966	\$ -	\$ (581,294)	\$ 3,943,672	\$ 597,934

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2016 General Obligation Refunding Bonds

In September 2016, the City issued the 2016 General Obligation Refunding Bonds in the amount of \$14,750,000. The proceeds were used to refinance the City's outstanding General Obligation Bonds, Election of 2002, Series 2003, General Obligation Bonds, Election of 2002, Series 2007, and General Obligation Bonds, Election of 2006, Series 2007. Interest payments are due February 1st and August 1st and principal payments are due August 1st of each year, with the final payment due August 1, 2037. The refunding resulting in a difference in aggregate future debt service cash payments in the amount of \$3,687,396 and an economic gain (net present value savings) of \$2,898,165.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2022	\$ 600,000	\$ 382,613	\$ 982,613
2023	630,000	351,863	981,863
2024	665,000	319,488	984,488
2025	700,000	285,363	985,363
2026	735,000	249,488	984,488
2027-2031	4,095,000	882,959	4,977,959
2032-2036	3,780,000	405,078	4,185,078
2037-2041	1,165,000	35,175	1,200,175
Total	<u>\$ 12,370,000</u>	<u>\$ 2,912,027</u>	<u>\$ 15,282,027</u>

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.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2021	191,293	4,400	195,693
Total	<u>\$ 191,293</u>	<u>\$ 4,400</u>	<u>\$ 195,693</u>

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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.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2022	\$ 21,599	\$ 823	\$ 22,422
2023	21,816	607	22,423
2024	22,033	389	22,422
2025	22,255	167	22,422
Total	<u>\$ 87,703</u>	<u>\$ 1,986</u>	<u>\$ 89,689</u>

2017 Albany Service Center Lease Purchase

On July 1, 2017, the City entered into a lease purchase agreement with the Albany Public Works Center, LLC for property located at 540 Cleveland Ave, Albany, CA 94705. The lease purchase facilitates the closing of the Design-Build Agreement the City had with C. Overaa & Co (the Company); whereas the Company and the City entered into a lease-leaseback agreement and the Company was required to sell the property back to the City at the end of the Lease. The lease purchase agreement included a principal advance of \$6,211,720 to be repaid monthly by September 1, 2037 at an annual percentage rate of 3.9%.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2022	\$ 128,801	\$ 222,783	351,584
2023	133,915	217,669	351,584
2024	139,232	212,352	351,584
2025	144,760	206,824	351,584
2026	150,508	201,077	351,585
2027-2031	847,067	910,856	1,757,923
2032-2036	1,029,124	728,798	1,757,922
2037-2041	3,197,608	149,340	3,346,948
Total	<u>\$ 5,771,015</u>	<u>\$ 2,849,699</u>	<u>\$ 8,620,714</u>

Sewer Revenue Bonds

During fiscal year 2016, the City issued \$4,810,000 in Sewer Revenue Bonds, which 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. Sewer revenue net of operating expenses (excluding depreciation expense) was \$3,265,723.

City of Albany
Notes to the Basic Financial Statements
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The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2022	\$ 555,000	\$ 40,525	\$ 595,525
2022	565,000	28,427	593,427
2023	575,000	16,112	591,112
2024	325,000	3,526	328,526
Total	\$ 2,020,000	\$ 88,590	\$ 2,108,590

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 \$364,323 at June 30, 2021. The California Government Code requires these funds to be invested in accordance with the City ordinance, bond indentures or State statute. All funds have been invested as permitted under the Code.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Litigation

The City is subject to certain matters of litigation arising in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

Federal and State Grant Programs

The City participates in Federal and State grant programs. These programs are audited by the City's independent accountants if required by and in accordance with the provisions of the Uniform Guidance, Generally Accepted Governmental Auditing Standards and applicable State requirements. For Federal programs, the City did not reach the level of qualifying expenditures during the current fiscal year that would require a single audit. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 8 - 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 public entity risk pools 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.

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

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responsible for payments of all claims up to \$1,000,000. CARMA covers claims from \$1,000,000 to \$28,000,000. 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 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.

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 was as follows:

	Worker's Compensation	General Liability	Total
Balance July 1, 2019	\$ 1,006,000	\$ 270,000	\$ 1,276,000
Increase (Decrease) in current year claims and changes in estimates	(421,321)	(173,224)	(594,545)
Claims paid	<u>(129,939)</u>	<u>(51,501)</u>	<u>(181,440)</u>
Balance June 30, 2020	454,740	45,275	500,015
Increase (Decrease) in current year claims and changes in estimates	103,738	(23,703)	80,035
Claims paid	<u>(151,931)</u>	<u>(16,118)</u>	<u>(168,049)</u>
Balance June 30, 2021	<u>\$ 406,547</u>	<u>\$ 5,454</u>	<u>\$ 412,001</u>

NOTE 9 - RETIREMENT PLANS

A. Summary of Pension Plan Balances

The following summarizes the pension plan balance as of June 30, 2021:

Description	Plan Type	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police and Fire Relief Fund	Single Employer	\$ 10,515,979	\$ 1,342,703	\$ -	\$ 3,925,317
CalPERS Misc and Safety	Cost Sharing	33,401,717	8,404,482	2,974,094	5,775,091
Totals		<u>\$ 43,917,696</u>	<u>\$ 9,747,185</u>	<u>\$ 2,974,094</u>	<u>\$ 9,700,408</u>

B. Single Employer Plan - Police and Fire Relief Fund

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

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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 Requirement			Death Benefit	
Eligibility:	Age 50 with 25 years of service, or 30 years of service regardless of age		Eligibility:	Death after retirement
Amount:	Years of Service	Percentage of Average Yearly Salary	Amount:	Years Married at Retirement
	25	50.00%		Less than five
	26	53.33%		At least five
	27	56.67%		
	28	60.00%		
	29	63.33%		
	30	66.67%		
			**Benefits are payable to eligible children if there is no spouse eligible for death benefits.	

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

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, 2021, the following employees were covered by the benefit terms for the Plans:

Inactive employees receiving benefits	19
Total Employees Covered	<u>19</u>

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 10-year period from July 1, 2019.

For the year ended June 30, 2021, the following contributions were made:

Contributions - employer	\$ 847,799
Total contributions	<u>\$ 847,799</u>

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

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, 2020, using an annual actuarial valuation as of June 30, 2020. The following summarizes the changes in the net pension liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020	\$11,655,518	\$ 4,886,910	\$ 6,768,608
Interest in Total Pension Liability	595,964	-	595,964
Changes in assumptions	2,635,181	-	2,635,181
Difference between actual and expected experience	611,422	-	611,422
Employer contributions	-	218,723	(218,723)
Net investment income	-	(102,606)	102,606
Benefit payments	(1,279,094)	(1,279,094)	-
Administrative expenses	-	(20,921)	20,921
Net changes	<u>2,563,473</u>	<u>(1,183,898)</u>	<u>3,747,371</u>
Balance at June 30, 2021	<u>\$14,218,991</u>	<u>\$ 3,703,012</u>	<u>\$10,515,979</u>

For the year ended June 30, 2021, the City recognized pension expense of \$3,925,317.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 847,799	\$ -
Net differences between projected and actual earnings on plan investments	494,904	-
Total	<u>\$ 1,342,703</u>	<u>\$ -</u>

The City reported \$847,799 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Recognized to Pension Expense</u>
2022	\$ 229,582
2023	106,042
2024	86,532
2025	72,748
Total	<u>\$ 494,904</u>

City of Albany
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Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	2.64%
Inflation	2.25%
Projected Salary Increase	3.00%
Investment Rate of Return	5.00%
Mortality	Dec. 2017 CalPERS Study

Discount Rate

The discount rate used to measure the total pension liability was 2.64%. The projection of cash flows used to determine the discount rate assumed that contributions would 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 2038.

The discount rate was determined by blending the expected return on assets (5%) with the weighted average yield of S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2020 (2.64%).

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	Target Allocation	Long-Term Expected Real Rate of Return
US Equity Large Cap	37%	6.6%
International Equity	9%	6.6%
Fixed Income	40%	2.2%
Alternatives	14%	1.6%
Total	100%	

City of Albany
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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 Plans, calculated using the discount rate for the Plans, 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	1.64%
Net Pension Liability	\$ 11,740,666
Current Discount Rate	2.64%
Net Pension Liability	\$ 10,515,979
1% Increase	3.64%
Net Pension Liability	\$ 9,451,268

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.

C. CalPERS Cost Sharing Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous and Safety Employee Pension Plans (the Plans); cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 fulltime employment. The cost of living adjustments for the Plans are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Hire date	< 1/1/2013	< 1/1/2013	>= 1/1/2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits as a % of eligible compensation	2.50%	2.00%	2.70%
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	11.742%	8.794%	7.732%
Total combined rate	19.742%	15.794%	14.482%

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	Fire		
	Tier 1	Tier 2	PEPRA
Hire date	< 1/1/2013	< 1/1/2013	>= 1/1/2013
Benefit formula	3% @ 55	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	55	57
Monthly benefits as a % of eligible compensation	3.00%	3.00%	2.70%
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer contribution rates	21.746%	20.585%	13.044%
Contractual employee contribution rates	12.000%	12.000%	13.000%
Contractual employer contribution rates	18.746%	17.585%	13.044%
Total combined rate	30.746%	29.585%	26.044%

	Police	
	Tier 1	PEPRA
Hire date	< 1/1/2013	>= 1/1/2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	57
Monthly benefits as a % of eligible compensation	3.00%	2.70%
Required employee contribution rates	9.000%	13.000%
Required employer contribution rates	21.746%	13.044%
Contractual employee contribution rates	12.000%	13.000%
Contractual employer contribution rates	18.746%	13.044%
Total combined rate	30.746%	26.044%

Employees Covered

At June 30, 2021, the following employees were covered by the benefit terms for the Plans:

	Miscellaneous	Safety
Active	62	41
Transferred	62	19
Separated	35	12
Retired	86	61
Total	245	133

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are 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.

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For the year ended June 30, 2021, the following contributions were made:

	Employer Contributions
Miscellaneous	\$ 2,450,672
Safety	1,140,031
Total Employer Contributions	\$ 3,590,703

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

As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	\$ 10,530,239
Safety	22,871,478
Total	\$ 33,401,717

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2020, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plans as of June 30, 2020 and 2021 was as follows:

	Miscellaneous	Safety	Combined Plans
Proportion - June 30, 2020	0.24495%	0.32949%	0.29645%
Proportion - June 30, 2021	0.24965%	0.34329%	0.30699%
Change - Increase/(Decrease)	0.00469%	0.01381%	0.01054%

For the year ended June 30, 2021, the City recognized pension expense of \$5,775,091.

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Notes to the Basic Financial Statements
June 30, 2021

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Misc and Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 151,291
Differences between Expected and Actual Experience	2,316,222	-
Differences between Projected and Actual Investment Earnings	809,911	-
Differences between Employer's Contributions and Proportionate Share of Contributions	434,536	2,776,451
Change in Employer's Proportion	1,253,110	46,351
Pension Contributions Made Subsequent to Measurement Date	3,590,703	-
Total	\$ 8,404,482	\$ 2,974,093

The City reported \$3,590,703 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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:	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2022	\$ 28,714	\$ 62,410	\$ 91,124
2023	355,561	384,055	739,616
2024	387,338	222,500	609,838
2025	150,036	249,072	399,108
2026	-	-	-
Thereafter	-	-	-
Total	\$ 921,649	\$ 918,037	\$ 1,839,686

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

- (1) Varies by entry age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent for the Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plans, 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is net of administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

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 (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% 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 Plans, calculated using the discount rate for the Plans, 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:

	Miscellaneous	Safety	Combined
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 15,573,238	\$ 34,877,420	\$ 50,450,659
Current	7.15%	7.15%	7.15%
Net Pension Liability	\$ 10,530,239	\$ 22,871,478	\$ 33,401,717
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 6,363,368	\$ 13,019,466	\$ 19,382,834

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS 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.

Benefits Provided

Eligibility for retiree health benefits requires retirement from the City on or after age 50 (age 52 for PEPPRA New hires) with at least five years of CalPERS service. Eligible employees who were hired prior to July 1, 2005, receive 100% of medical premium to age 65, subject to the following age and service requirements. Employees who retire on or after age 63 with at least five years of service will receive 100% of the medical premium for employee only coverage. Employees who retire at on or after age 60 with at least 10 years of service will receive 100% of the medical premium for employee, spouse and dependent coverage. Eligible employees who were hired on or after July 1, 2005, but before January 1, 2016, receive 100% of medical premium to from age 55 to age 65, subject to the following age and service requirements. Employees who retire with at least 10 years of service will receive 100% of the medical premium for employee only coverage. Employees who retire with at least 15 years of service will receive 100% of the medical premium for employee and spouse coverage. Employees who retire with at least 20 years of service will receive 100% of the medical premium for employee, spouse and dependent coverage. City Council, City Manager and City Clerks receive who retire with at least four years of service receive four years of medical coverage for employee, spouse and dependent coverage. They will receive an additional six months for each year served beyond four. Eligible Employees hired after the dates listed above, or with less than 10 years of service will receive the PEMHCA minimum benefit.

Employees Covered by Benefit Terms

At June 30, 2021 (the valuation date), the benefit terms covered the following employees:

Active employees	96
Inactive employees	61
Total employees	<u>157</u>

Contributions

The City makes contributions based on a pay-as-you go basis as approved by the authority of the City's Board. Total benefit payments included in the measurement period were \$51,143. The City's contributions, which equal the benefit payments, were .56% of covered employee payroll during the measurement period June 30, 2021 (reporting period June 30, 2021). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Actuarial Assumptions:	
Discount Rate	1.92%
Inflation	2.50%
Payroll Increases	2.75%
Trend Rate	7% to 4.04%
Municipal Bond Rate	1.92%
Mortality	Derived using CalPERS membership data for all funds

Discount Rate

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Changes in the Total OPEB Liability

The following summarizes the changes in the total OPEB liability during the year ended June 30, 2021, for the measurement date of June 30, 2021:

Fiscal Year Ended June 30, 2021	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020	\$ 3,065,019	\$ -	\$ 3,065,019
Service cost	192,622	-	192,622
Interest in Total OPEB Liability	112,740	-	112,740
Balance of diff between actual and exp experience	1,460,599	-	1,460,599
Balance of changes in assumptions	359,665	-	359,665
Benefit payments	(51,143)	-	(51,143)
Implicit rate subsidy fulfilled	(27,217)	-	(27,217)
Net changes	2,047,266	-	2,047,266
Balance at June 30, 2021	\$ 5,112,285	\$ -	\$ 5,112,285
Covered Employee Payroll	\$ 8,516,912		
Total OPEB Liability as a % of Covered Employee Payroll	60.03%		
Service Cost as a % of Covered Employee Payroll	2.26%		

The City's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

Deferred Inflows and Outflows of Resources

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 673,308
Change in assumptions	1,217,071	-
Totals	<u>\$ 1,217,071</u>	<u>\$ 673,308</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2022	\$ 123,315
2023	123,315
2024	123,315
2025	123,315
2026	(26,417)
Thereafter	76,920
Total	<u>\$ 543,763</u>

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2021, for the measurement date of June 30, 2019:

Service cost	\$ 192,622
Interest in TOL	112,740
Difference between actual and expected experience	(132,483)
Change in assumptions	255,798
OPEB Expense	<u>\$ 428,677</u>

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2021, for the measurement date of June 30, 2019:

Total OPEB liability ending	\$ 5,112,285
Total OPEB liability beginning	<u>(3,065,019)</u>
Change in total OPEB liability	2,047,266
Changes in deferred outflows	(993,074)
Changes in deferred inflows	(353,976)
Valuation adjustments	(333,785)
Employer contributions and implicit subsidy	62,246
OPEB Expense	<u>\$ 428,677</u>

City of Albany
Notes to the Basic Financial Statements
June 30, 2021

Sensitivity to Changes in the Municipal Bond Rate

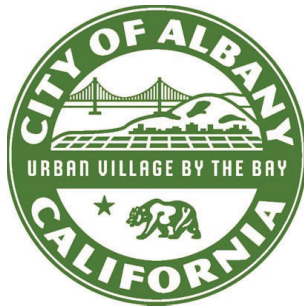
The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a municipal bond rate (used to determine the discount rate) that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	1.92%	(1% Increase)
Total OPEB Liability	\$ 5,785,106	\$ 5,112,285	\$ 4,555,709

Sensitivity to Changes in the Healthcare Cost Trend Rates

The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	7.00%	(1% Increase)
Total OPEB Liability	\$ 4,425,982	\$ 5,112,285	\$ 5,970,784



REQUIRED SUPPLEMENTARY INFORMATION

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City of Albany
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 7,990,901	\$ 7,960,000	\$ 8,644,386	\$ 684,386
Sales and use taxes	4,330,100	3,925,000	4,403,717	478,717
Franchise and other taxes	4,632,480	4,988,280	6,003,398	1,015,118
License and permits	450,200	455,200	617,150	161,950
Fines and forfeitures	270,000	270,000	97,171	(172,829)
Investment earnings	300,000	490,000	88,281	(401,719)
Intergovernmental revenues	235,000	235,000	665,118	430,118
Charges for services	2,285,232	1,087,650	853,684	(233,966)
Rents and concessions	-	-	171,751	171,751
Other revenues	350,665	227,130	94,429	(132,701)
Total Revenues	20,844,578	19,638,260	21,639,085	2,000,825
EXPENDITURES				
Current:				
General Government	6,091,755	7,183,634	7,779,017	(595,383)
Police	7,878,148	8,161,559	6,885,936	1,275,623
Fire and emergency medical services	5,004,081	3,633,682	3,311,166	322,516
Community development and environmental services	5,141,580	4,733,444	4,249,955	483,489
Recreation and community services	2,397,370	1,918,711	1,318,099	600,612
Capital outlay	-	-	54,111	(54,111)
Debt service				
Principal retirement	-	-	103,973	(103,973)
Interest and fiscal charges	-	-	152,839	(152,839)
Total Expenditures	26,512,934	25,631,030	23,855,096	1,775,934
Excess (Deficiency) of Revenues over Expenditures	(5,668,356)	(5,992,770)	(2,216,011)	3,776,759
OTHER FINANCING SOURCES (USES)				
Transfers in	4,774,123	4,484,509	3,295,424	(1,189,085)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	4,774,123	4,484,509	3,295,424	(1,189,085)
Net Change in Fund Balance	(894,233)	(1,508,261)	1,079,413	2,587,674
Fund Balance Beginning	8,808,308	8,808,308	8,808,308	-
Prior Period Adjustments - Cash Allocations	-	-	157,736	157,736
Fund Balance Beginning, as Adjusted	8,808,308	8,808,308	8,966,044	157,736
Fund Balance Ending	\$ 7,914,075	\$ 7,300,047	\$ 10,045,457	\$ 2,745,410

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

The accompanying notes are an integral part of these financial statements

City of Albany
Required Supplementary Information
Schedule of Pension Contributions
Single Employer Plan (Police and Fire Relief Fund)
June 30, 2021

Fiscal Year Ended	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions (Actuarially Determined)	\$ 844,500	\$ 844,500	\$ 218,723	\$ 218,723	\$ 218,723	\$ 82,401	\$ 82,401
Contributions in Relation to Actuarially Determined Contributions	(847,799)	(218,723)	(218,723)	(218,723)	-	-	(82,401)
Contribution Deficiency (Excess)	\$ (3,299)	\$ 625,777	\$ -	\$ -	\$ 218,723	\$ 82,401	\$ -
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule:

Valuation Date: June 30, 2020
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll (Closed) Used Amortization Method
Discount Rate 2.64%
Cost of Living Increase 3%
Inflation Assumed at 2.25%
Investment Rate of Returns set at 5%
Mortality based on assumption for Public Safety members published in
Dec. 2017 CalPERS Study

** Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

City of Albany
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Single Employer Plan (Police and Fire Relief Fund)
June 30, 2021

Fiscal Year Ended	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Interest	\$ 595,964	\$ 542,063	\$ 563,799	\$ 556,000	\$ 689,200	\$ 667,736	\$ 774,708
Differences between expected and actual experience	611,422	-	(627,406)	-	-	1,348,531	-
Changes of assumptions	2,635,181	(1,012,401)	1,667,884	(377,454)	1,228,156	499,219	945,018
Benefit payments	(1,279,094)	(1,257,130)	(1,279,564)	(1,283,577)	(1,351,708)	(1,411,164)	(1,384,481)
Net change in total pension liability	2,563,473	(1,727,468)	324,713	(1,105,031)	565,648	1,104,322	335,245
Total pension liability - beginning	11,655,518	13,382,986	13,058,273	14,163,304	13,597,656	12,493,334	12,158,089
Total pension liability - ending	<u>\$ 14,218,991</u>	<u>\$ 11,655,518</u>	<u>\$ 13,382,986</u>	<u>\$ 13,058,273</u>	<u>\$ 14,163,304</u>	<u>\$ 13,597,656</u>	<u>\$ 12,493,334</u>
Plan fiduciary net position							
Employer contributions	\$ 218,723	\$ 218,723	\$ 218,723	\$ 218,723	\$ -	\$ -	\$ 82,401
Net investment income	(102,606)	242,600	313,712	887,945	(103,177)	131,946	1,287,597
Benefit payments	(1,279,094)	(1,257,130)	(1,279,564)	(1,283,577)	(1,351,708)	(1,411,164)	(1,384,481)
Other	-	284	(92,454)	-	-	-	-
Administrative expense	(20,921)	(42,623)	(101,709)	-	-	-	-
Net change in plan fiduciary net position	(1,183,898)	(838,146)	(941,292)	(176,909)	(1,454,885)	(1,279,218)	(14,483)
Plan fiduciary net position - beginning	4,886,910	5,725,056	6,666,348	6,843,257	8,298,142	9,577,360	9,591,843
Plan fiduciary net position - ending	<u>\$ 3,703,012</u>	<u>\$ 4,886,910</u>	<u>\$ 5,725,056</u>	<u>\$ 6,666,348</u>	<u>\$ 6,843,257</u>	<u>\$ 8,298,142</u>	<u>\$ 9,577,360</u>
Net pension liability	10,515,979	6,768,608	7,657,930	6,391,925	7,320,047	5,299,514	2,915,974
Plan fiduciary net position as a percentage of the total pension liability	26.04%	41.93%	42.78%	51.05%	48.32%	61.03%	76.66%

Notes to Schedule:

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

There were no changes in benefit terms.

Inflation was adjusted from 2.5% to 2.25% during FY21.

The discount rate changed from 5.66% to 5.33% in FY16; 4.11% in FY17; 4.54% in FY18; 4.25% in FY19; 5.41% in FY20; and 2.64% in FY21.

In FY 19, the expected investment return decreased from 6.75% to 6.00%, and the municipal bond index rate changed from 3.13% to 3.62%

based on updated index rates. In FY20, expected investment return decreased to 5%.

Change in mortality assumptions from RP-2000, projected seven years from the valuation date on a static basis to RP-2000, projected ten years from the valuation date on a static basis.

City of Albany
Required Supplementary Information
Schedule of Pension Contributions
CalPERS Cost Sharing Plans
June 30, 2021

Miscellaneous and Safety Plan							
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contributions	\$ 1,231,831	\$ 1,498,446	\$ 1,570,862	\$ 1,814,405	\$ 2,590,176	\$ 2,737,400	\$ 3,590,703
Contributions in Relation to Contractually Required Contributions	1,231,831	1,498,446	1,570,862	1,814,405	2,590,176	2,737,400	3,590,703
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,831,933	\$ 9,368,339	\$ 9,649,389	\$ 9,938,871	\$ 10,237,037	\$ 10,710,822	\$ 11,005,370
Contributions as a % of Covered Payroll	13.95%	15.99%	16.28%	18.26%	25.30%	25.56%	32.63%

Notes to Schedule:

Valuation Date: June 30, 2019
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
3.8 Years Remaining Amortization Period
Inflation Assumed at 2.5%
Investment Rate of Returns set at 7.15%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.
The CalPERS mortality assumptions was adjusted in fiscal year 2019.

City of Albany
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
CalPERS Cost Sharing Plans
June 30, 2021

Miscellaneous and Safety Plan Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021
Proportion of Net Pension Liability (Safety and Misc)	0.26355%	0.26297%	0.27660%	0.27976%	0.28894%	0.29645%	0.30699%
Proportionate Share of Net Pension Liability	\$ 16,399,349	\$ 18,050,164	\$ 23,934,673	\$ 27,744,343	\$ 27,843,033	\$ 30,377,500	\$ 33,401,717
Covered Payroll	\$ 8,553,930	\$ 8,831,933	\$ 9,368,339	\$ 9,649,389	\$ 9,938,871	\$ 10,237,037	\$ 10,710,822
Proportionate Share of NPL as a % of Covered Payroll	191.72%	204.37%	255.48%	287.52%	280.14%	296.74%	311.85%
Plan's Fiduciary Net Position as a % of the TPL	79.56%	76.73%	75.75%	74.21%	75.37%	74.68%	73.55%

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.
The CalPERS mortality assumptions was adjusted in fiscal year 2019.

City of Albany
Required Supplementary Information
Schedule of Changes in Total OPEB Liability
June 30, 2021

Fiscal Year Ended	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 244,341	\$ 260,164	\$ 266,060	\$ 192,622
Interest	119,827	129,175	139,035	112,740
Differences between expected and actual experience	-	54	(1,170,009)	1,460,599
Changes of assumptions	-	10,072	188,223	359,665
Benefit payments	(28,742)	(42,942)	(45,742)	(51,143)
Implicit subsidy fulfilled	(72,983)	(78,092)	(83,558)	(27,217)
Net change in Total OPEB Liability	262,443	278,431	(705,991)	2,047,266
Total OPEB Liability - beginning	3,230,136	3,492,579	3,771,010	3,065,019
Total OPEB Liability - ending	<u>\$ 3,492,579</u>	<u>\$ 3,771,010</u>	<u>\$ 3,065,019</u>	<u>\$ 5,112,285</u>
Plan fiduciary net position				
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (asset)	\$ 3,492,579	3,771,010	3,065,019	5,112,285
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 11,107,696	\$ 11,421,795	\$ 11,735,894	\$ 9,156,822
Net OPEB liability as a percentage of covered employee payroll	31.44%	33.02%	26.12%	55.83%
Total OPEB liability as a percentage of covered employee payroll	31.44%	33.02%	26.12%	55.83%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

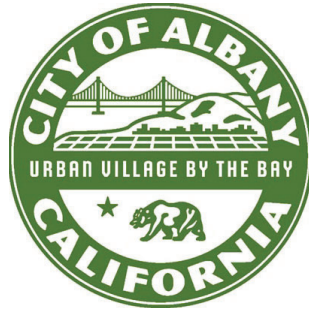
There were no changes in benefit terms.

The Discount Rate decreased from 3.50% to 3.13% in 2019, 2.45% in 2020 and 1.92% in 2021.

The Healthcare Trend rate changed from trending 7.00% to 3.84%, to 7% to 4.04%.

There were no changes in expected payroll growth.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.



SUPPLEMENTARY INFORMATION

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COMBINING NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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.

NONMAJOR CAPITAL PROJECTS FUNDS

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.

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds account for financial resources used to pay the City's long-term debt.

City of Albany
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 12,185,535	\$ 4,330,694	\$ 102,077	\$ 16,618,306
Debt service reserves held with trustee	-	-	364,323	364,323
Accounts receivable	96,962	-	3,072	100,034
Due from other governments	258,877	-	-	258,877
Total assets	\$ 12,541,374	\$ 4,330,694	\$ 469,472	\$ 17,341,540
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 604,497	\$ 77,477	\$ -	\$ 681,974
Deposits and other liabilities	1,014	-	-	1,014
Due to other funds	564,218	-	391,734	955,952
Total liabilities	1,169,729	77,477	391,734	1,638,940
Fund Balances:				
Restricted:				
Police and Fire pension and retirement benefits	687,159	-	-	687,159
Law enforcement and training	994,905	-	-	994,905
Transportation projects	5,942,570	-	-	5,942,570
Recreation playfields, open space and creek restoration	1,034,245	1,380,004	-	2,414,249
Lighting and landscape projects	287,822	-	-	287,822
Sidewalks	632,708	-	-	632,708
Library	837,926	-	-	837,926
Collision response and Extrication	12	-	-	12
Prevention of nonpoint source pollution	1,107,409	-	-	1,107,409
Waste reduction and management	201,488	-	-	201,488
Transition improvement plan	3,398	-	-	3,398
Public art promotion	-	186,190	-	186,190
Community capital improvements	-	300,233	-	300,233
Debt service	-	-	469,472	469,472
Assigned:				
Economic development and land use	-	183,726	-	183,726
Police vehicles and equipment	-	180,617	-	180,617
Emergency medical services equipment	-	220,000	-	220,000
Fire operations equipment	-	407,635	-	407,635
Information technology equipment replacement	-	370,713	-	370,713
Public works and park equipment	-	571,482	-	571,482
General city projects	-	402,617	-	402,617
KALB equipment replacement	-	50,000	-	50,000
Unassigned	(357,997)	-	(391,734)	(749,731)
Total fund balances	11,371,645	4,253,217	77,738	15,702,600
Total liabilities and fund balances	\$ 12,541,374	\$ 4,330,694	\$ 469,472	\$ 17,341,540

City of Albany

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2021

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 6,244,714	\$ -	\$ 1,010,616	\$ 7,255,330
Investment earnings	98,369	-	55	98,424
Intergovernmental revenues	3,684,572	-	-	3,684,572
Charges for services	911,964	121,595	-	1,033,559
Other revenues	-	87,400	-	87,400
Total Revenues	10,939,619	208,995	1,010,671	12,159,285
EXPENDITURES				
Current:				
General Government	711,392	-	-	711,392
Fire and emergency medical services	2,497,147	-	-	2,497,147
Community development and environmental services	384,239	-	-	384,239
Recreation and community services	456,724	-	-	456,724
Capital outlay	2,488,428	231,914	-	2,720,342
Debt service:				
Principal	-	-	939,779	939,779
Interest and fiscal charges	-	-	434,568	434,568
Total Expenditures	6,537,930	231,914	1,374,347	8,144,191
Excess (Deficiency) of Revenues over Expenditures	4,401,689	(22,919)	(363,676)	4,015,094
OTHER FINANCING SOURCES (USES)				
Transfers in	967,066	20,000	-	987,066
Transfers out	(3,849,645)	-	-	(3,849,645)
Total Other Financing Sources (Uses)	(2,882,579)	20,000	-	(2,862,579)
Net Change in Fund Balances	1,519,110	(2,919)	(363,676)	1,152,515
Fund Balances Beginning	9,852,535	4,256,136	441,414	14,550,085
Fund Balances Ending	\$ 11,371,645	\$ 4,253,217	\$ 77,738	\$ 15,702,600

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NONMAJOR SPECIAL REVENUE FUNDS

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

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.

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.

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.

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

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

MTC Paratransit Taxi Fund accounts for paratransit transportation services provided to qualified Albany senior residents and to people with disabilities 18 years and over.

Alameda County Vehicle Registration Fee (VRF) Fund 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.

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.

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

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

State Active Transportation Grant Fund accounts for the grant revenues from the state of California restricted for local transportation.

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

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

Alameda County Measure BB Paratransit Fund accounts for grants from Measure BB for paratransit transportation services.

Alameda County Measure B Competitive Fund accounts for grants from Measure B for transportation services.

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

Lighting and Landscape 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.

Sidewalk Parcel Tax Fund accounts for voter approved parcel taxes for repairs to sidewalks and to improve the walkability of the City.

Parks Open Space Fund accounts for resources set-aside for parks and open space.

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

Measure WW Extended EBRPD Fund accounts for monies received from the East Bay Regional Parks District Measure WW Bonds. These funds are used for rehabilitation and restoration of parks and recreation facilities.

Community Development Block Grant (CDBG) 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.

Federal CARES Act Fund accounts for funds received from the Federal Coronavirus Aid, Relief, and Economic Security Act through the Department of Finance to be used to respond to or mitigate COVID-19.

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

Fire Grant accounts for expenditures incurred for the Regional Collision Response and Extrication Improvement Program.

Operating Grants Fund accounts for grant revenues and expenditures for general purposes.

Miscellaneous Grants Fund accounts for grant revenues and expenditures for miscellaneous grants.

Storm Drain Fund accounts for revenues and expenditures for programs and activities used to prevent nonpoint source pollution.

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.

Waterfront Fund accounts for a state grant to prepare a transition improvement plan for the Albany Neck and Bulb area.

Senate Bill 1 (SB1) Fund accounts for state grants for road repair and accountability.

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	Pension Property Tax Fund	Emergency Medical Services Fund	Asset Forfeiture Fund	Streets and Roads Measure B Fund	Alameda County Measure B Bike & Ped. Fund
ASSETS					
Cash and investments	\$ 677,830	\$ -	\$ 58,156	\$ 1,472,331	\$ 190,782
Accounts receivable	9,329	4,452	-	-	-
Due from other governments	-	-	-	106,384	13,745
Total assets	\$ 687,159	\$ 4,452	\$ 58,156	\$ 1,578,715	\$ 204,527
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 28,008	\$ -	\$ 70,119	\$ 566
Deposits and other liabilities	-	-	1,014	-	-
Due to other funds	-	20,896	-	-	-
Total liabilities	-	48,904	1,014	70,119	566
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	687,159	-	-	-	-
Law enforcement and training	-	-	57,142	-	-
Transportation projects	-	-	-	1,508,596	203,961
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	(44,452)	-	-	-
Total fund balances	687,159	(44,452)	57,142	1,508,596	203,961
Total liabilities and fund balances	\$ 687,159	\$ 4,452	\$ 58,156	\$ 1,578,715	\$ 204,527

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	MTC Paratransit Taxi Fund	Alameda County VRF Fund	Gas Tax Fund	TDA Transportation Development Act Fund	Safe Routes to School Fund
ASSETS					
Cash and investments	\$ 9,514	\$ 310,141	\$ 835,140	\$ 362,062	\$ 88,037
Accounts receivable	-	-	-	-	-
Due from other governments	7,267	12,938	-	-	-
Total assets	\$ 16,781	\$ 323,079	\$ 835,140	\$ 362,062	\$ 88,037
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 28	\$ 1,410	\$ 41,059	\$ -	\$ -
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	28	1,410	41,059	-	-
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	16,753	321,669	794,081	362,062	88,037
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	16,753	321,669	794,081	362,062	88,037
Total liabilities and fund balances	\$ 16,781	\$ 323,079	\$ 835,140	\$ 362,062	\$ 88,037

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	State Active Transportation Grant Fund	Measure BB Local Streets and Roads Fund	Measure BB Bike and Pedestrian Fund	Measure BB Paratransit Fund	Measure B Competitive Fund
ASSETS					
Cash and investments	\$ 256,719	\$ 1,754,836	\$ 229,709	\$ 82,867	\$ -
Accounts receivable	-	-	-	-	-
Due from other governments	-	100,048	11,214	7,281	-
Total assets	\$ 256,719	\$ 1,854,884	\$ 240,923	\$ 90,148	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 97,260	\$ 37,879	\$ 345	1,085	\$ -
Deposits and other liabilities	-	-	-	-	-
Due to other funds	22,706	-	-	-	-
Total liabilities	119,966	37,879	345	1,085	-
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	136,753	1,817,005	240,578	89,063	-
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	136,753	1,817,005	240,578	89,063	-
Total liabilities and fund balances	\$ 256,719	\$ 1,854,884	\$ 240,923	\$ 90,148	\$ -

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	L&LAD 1996-1 Open Space Fund	L&LAD 1996-1 Recreational Playfields Fund	L&LAD 1996-1 Creek Restoration Fund	Lighting and Landscape 1998-1 Fund	Sidewalk Parcel Tax Fund
ASSETS					
Cash and investments	\$ 123,463	\$ 76,340	\$ 216,244	\$ 290,576	\$ 683,799
Accounts receivable	-	-	-	2,246	729
Due from other governments	-	-	-	-	-
Total assets	\$ 123,463	\$ 76,340	\$ 216,244	\$ 292,822	\$ 684,528
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 5,000	\$ 51,820
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	35,544	-	-	-
Total liabilities	-	35,544	-	5,000	51,820
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	123,463	40,796	216,244	-	-
Lighting and landscape projects	-	-	-	287,822	-
Sidewalks	-	-	-	-	632,708
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	123,463	40,796	216,244	287,822	632,708
Total liabilities and fund balances	\$ 123,463	\$ 76,340	\$ 216,244	\$ 292,822	\$ 684,528

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	Parks Open Space Fund	Library Operations Fund	Measure WW Extended EBRPD Bond Fund	CDBG Fund	Federal CARES Act Fund
ASSETS					
Cash and investments	\$ 651,617	\$ 928,673	\$ -	\$ -	\$ 233,818
Accounts receivable	2,125	3,401	-	25,000	-
Due from other governments	-	-	-	-	-
Total assets	\$ 653,742	\$ 932,074	\$ -	\$ 25,000	\$ 233,818
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 94,148	\$ 1,183	\$ 23,823	\$ -
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	18,323	74,095	233,818
Total liabilities	-	94,148	19,506	97,918	233,818
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	653,742	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
Library	-	837,926	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	(19,506)	(72,918)	-
Total fund balances	653,742	837,926	(19,506)	(72,918)	-
Total liabilities and fund balances	\$ 653,742	\$ 932,074	\$ -	\$ 25,000	\$ 233,818

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	Law Enforcement Grants Fund	Fire Grant Fund	Operating Grants Fund	Miscellaneous Grants Fund	Storm Drain Fund
ASSETS					
Cash and investments	\$ 937,763	\$ 12	\$ -	\$ -	\$ 1,121,159
Accounts receivable	-	-	-	-	1,583
Due from other governments	-	-	-	-	-
Total assets	\$ 937,763	\$ 12	\$ -	\$ -	\$ 1,122,742
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 62,285	\$ 15,333
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	158,836	-
Total liabilities	-	-	-	221,121	15,333
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	937,763	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	12	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	1,107,409
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	(221,121)	-
Total fund balances	937,763	12	-	(221,121)	1,107,409
Total liabilities and fund balances	\$ 937,763	\$ 12	\$ -	\$ -	\$ 1,122,742

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2021

	Waste Management Fund	Waterfront Fund	SB1 Fund	Total Special Revenue Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 229,939	\$ 3,398	\$ 360,610	\$ 12,185,535
Accounts receivable	13,875	-	34,222	96,962
Due from other governments	-	-	-	258,877
Total assets	\$ 243,814	\$ 3,398	\$ 394,832	\$ 12,541,374
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 42,326	\$ -	\$ 30,820	\$ 604,497
Deposits and other liabilities	-	-	-	1,014
Due to other funds	-	-	-	564,218
Total liabilities	42,326	-	30,820	1,169,729
Fund Balances:				
Restricted:				
Police and Fire pension and retirement benefits	-	-	-	687,159
Law enforcement and training	-	-	-	994,905
Transportation projects	-	-	364,012	5,942,570
Recreation playfields, open space and creek restoration	-	-	-	1,034,245
Lighting and landscape projects	-	-	-	287,822
Sidewalks	-	-	-	632,708
Library	-	-	-	837,926
Collision response and Extrication	-	-	-	12
Prevention of nonpoint source pollution	-	-	-	1,107,409
Waste reduction and management	201,488	-	-	201,488
Transition improvement plan	-	3,398	-	3,398
Unassigned	-	-	-	(357,997)
Total fund balances	201,488	3,398	364,012	11,371,645
Total liabilities and fund balances	\$ 243,814	\$ 3,398	\$ 394,832	\$ 12,541,374

Concluded

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Pension Property Tax Fund	Emergency Medical Services Fund	Asset Forfeiture Fund	Streets and Roads Measure B Fund	Alameda County Measure B Bike & Ped. Fund
REVENUES					
Property taxes	\$ 3,069,379	\$ 898,957	\$ -	\$ -	\$ -
Investment earnings	-	-	-	14,131	1,831
Intergovernmental revenues	-	8,440	-	522,339	67,484
Charges for services	-	755,700	-	-	-
Total Revenues	3,069,379	1,663,097	-	536,470	69,315
EXPENDITURES					
Current:					
General Government	500,000	-	-	-	-
Fire and emergency medical services	-	2,497,147	-	-	-
Community development and environmental services	-	-	-	4,955	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	13,814	-	686,962	60,000
Total Expenditures	500,000	2,510,961	-	691,917	60,000
Excess (Deficiency) of Revenues over Expenditures	2,569,379	(847,864)	-	(155,447)	9,315
OTHER FINANCING SOURCES (USES)					
Transfers in	-	848,056	-	-	-
Transfers out	(2,994,341)	-	-	-	-
Total Other Financing Sources (Uses)	(2,994,341)	848,056	-	-	-
Net Change in Fund Balances	(424,962)	192	-	(155,447)	9,315
Fund Balances Beginning	1,112,121	(44,644)	57,142	1,664,043	194,646
Fund Balances Ending	\$ 687,159	\$ (44,452)	\$ 57,142	\$ 1,508,596	\$ 203,961

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	MTC Paratransit Taxi Fund	Alameda County VRF Fund	Gas Tax Fund	TDA Transportation Development Act Fund	Safe Routes to School Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	91	2,976	8,016	-	-
Intergovernmental revenues	35,676	75,882	416,781	-	-
Charges for services	-	-	-	-	-
Total Revenues	35,767	78,858	424,797	-	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	2,210	-	-
Recreation and community services	29,712	-	-	-	-
Capital outlay	-	11,730	-	-	-
Total Expenditures	29,712	11,730	2,210	-	-
Excess (Deficiency) of Revenues over Expenditures	6,055	67,128	422,587	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(306,533)	-	-
Total Other Financing Sources (Uses)	-	-	(306,533)	-	-
Net Change in Fund Balances	6,055	67,128	116,054	-	-
Fund Balances Beginning	10,698	254,541	678,027	362,062	88,037
Fund Balances Ending	\$ 16,753	\$ 321,669	\$ 794,081	\$ 362,062	\$ 88,037

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	State Active Transportation Grant Fund	Measure BB Local Streets and Roads Fund	Measure BB Bike and Pedestrian Fund	Measure BB Paratransit Fund	Measure B Competitive Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	16,842	2,205	797	-
Intergovernmental revenues	256,990	492,136	55,165	35,807	75,000
Charges for services	-	-	-	-	-
Total Revenues	256,990	508,978	57,370	36,604	75,000
EXPENDITURES					
Current:					
General Government	-	-	-	900	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	4,954	-	-	-
Recreation and community services	-	-	-	4,514	-
Capital outlay	271	627,158	-	-	75,000
Total Expenditures	271	632,112	-	5,414	75,000
Excess (Deficiency) of Revenues over Expenditures	256,719	(123,134)	57,370	31,190	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	29,753
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	29,753
Net Change in Fund Balances	256,719	(123,134)	57,370	31,190	29,753
Fund Balances Beginning	(119,966)	1,940,139	183,208	57,873	(29,753)
Fund Balances Ending	\$ 136,753	\$ 1,817,005	\$ 240,578	\$ 89,063	\$ -

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	L&LAD 1996-1 Open Space Fund	L&LAD 1996-1 Recreational Playfields Fund	L&LAD 1996-1 Creek Restoration Fund	Lighting and Landscape 1998-1 Fund	Sidewalk Parcel Tax Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ 535,779	\$ 210,259
Investment earnings	9,492	4,747	4,748	-	6,564
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Total Revenues	9,492	4,747	4,748	535,779	216,823
EXPENDITURES					
Current:					
General Government	-	-	-	8,920	3,516
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	-	16,043	3,257
Recreation and community services	-	-	-	-	-
Capital outlay	-	-	-	-	196,404
Total Expenditures	-	-	-	24,963	203,177
Excess (Deficiency) of Revenues over Expenditures	9,492	4,747	4,748	510,816	13,646
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(35,500)	(14,944)	(17,750)	(244,406)	-
Total Other Financing Sources (Uses)	(35,500)	(14,944)	(17,750)	(244,406)	-
Net Change in Fund Balances	(26,008)	(10,197)	(13,002)	266,410	13,646
Fund Balances Beginning	149,471	50,993	229,246	21,412	619,062
Fund Balances Ending	\$ 123,463	\$ 40,796	\$ 216,244	\$ 287,822	\$ 632,708

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Parks Open Space Fund	Library Operations Fund	Measure WW Extended EBRPD Bond Fund	CDBG Fund	Federal CARES Act Fund
REVENUES					
Property taxes	\$ 478,518	\$ 754,394	\$ -	\$ -	\$ -
Investment earnings	6,254	8,912	-	-	-
Intergovernmental revenues	-	45,020	-	472,427	233,818
Charges for services	-	-	-	-	-
Total Revenues	484,772	808,326	-	472,427	233,818
EXPENDITURES					
Current:					
General Government	10,325	-	-	53,830	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	39,237	-	-	-	-
Recreation and community services	-	422,411	-	87	-
Capital outlay	-	-	-	403,088	-
Total Expenditures	49,562	422,411	-	457,005	-
Excess (Deficiency) of Revenues over Expenditures	435,210	385,915	-	15,422	233,818
OTHER FINANCING SOURCES (USES)					
Transfers in	3,203	-	-	86,054	-
Transfers out	(236,171)	-	-	-	-
Total Other Financing Sources (Uses)	(232,968)	-	-	86,054	-
Net Change in Fund Balances	202,242	385,915	-	101,476	233,818
Fund Balances Beginning	451,500	452,011	(19,506)	(174,394)	(233,818)
Fund Balances Ending	\$ 653,742	\$ 837,926	\$ (19,506)	\$ (72,918)	\$ -

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Law Enforcement Grants Fund	Fire Grant Fund	Operating Grants Fund	Miscellaneous Grants Fund	Storm Drain Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 297,428
Investment earnings	-	-	-	-	10,763
Intergovernmental revenues	156,727	-	5,000	287,912	-
Charges for services	-	-	-	-	156,264
Total Revenues	156,727	-	5,000	287,912	464,455
EXPENDITURES					
Current:					
General Government	-	-	-	133,901	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	93	70,641	241,333
Recreation and community services	-	-	-	-	-
Capital outlay	15,845	-	-	83,156	-
Total Expenditures	15,845	-	93	287,698	241,333
Excess (Deficiency) of Revenues over Expenditures	140,882	-	4,907	214	223,122
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	140,882	-	4,907	214	223,122
Fund Balances Beginning	796,881	12	(4,907)	(221,335)	884,287
Fund Balances Ending	<u>\$ 937,763</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ (221,121)</u>	<u>\$ 1,107,409</u>

Cont'd

City of Albany

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Nonmajor Governmental Funds For the Year Ended June 30, 2021

	Waste Management Fund	Waterfront Fund	SB1 Fund	Total Special Revenue Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 6,244,714
Investment earnings	-	-	-	98,369
Intergovernmental revenues	69,364	-	372,604	3,684,572
Charges for services	-	-	-	911,964
Total Revenues	69,364	-	372,604	10,939,619
EXPENDITURES				
Current:				
General Government	-	-	-	711,392
Fire and emergency medical services	-	-	-	2,497,147
Community development and environmental services	1,516	-	-	384,239
Recreation and community services	-	-	-	456,724
Capital outlay	-	-	315,000	2,488,428
Total Expenditures	1,516	-	315,000	6,537,930
Excess (Deficiency) of Revenues over Expenditures	67,848	-	57,604	4,401,689
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	967,066
Transfers out	-	-	-	(3,849,645)
Total Other Financing Sources (Uses)	-	-	-	(2,882,579)
Net Change in Fund Balances	67,848	-	57,604	1,519,110
Fund Balances Beginning	133,640	3,398	306,408	9,852,535
Fund Balances Ending	\$ 201,488	\$ 3,398	\$ 364,012	\$ 11,371,645

Concluded

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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.

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

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.

Information Systems Fund is used to account for activities related to information systems.

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

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

KALB Equipment Reserve Fund is used to accumulate resources for replacement of KALB media equipment.

Public Works Equipment Reserve Fund is used to accumulate resources for replacement of public works equipment.

Recreation Equipment Reserve Fund is used to accumulate resources for replacement of recreation equipment.

1996-1 Assessment District Bond Fund is used to account for the acquisition, development and maintenance of recreational play fields, and the activities relating to creek restoration, as part of the Open Space, Recreational Playfields and Creek Restoration Assessment District No. 1996-1.

Capital Facilities Developer Fee Fund 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.

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2021

	Major Planning Fund	Public Arts Fee Fund	City Capital Projects Fund	Police Equipment Fund	EMS Equipment Fund
ASSETS					
Cash and investments	\$ 183,726	\$ 187,392	\$ 465,745	\$ 180,617	\$ 220,000
Total assets	\$ 183,726	\$ 187,392	\$ 465,745	\$ 180,617	\$ 220,000
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,202	\$ 63,128	\$ -	\$ -
Total liabilities	-	1,202	63,128	-	-
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	-	-	-	-
Public art promotion	-	186,190	-	-	-
Community capital improvements	-	-	-	-	-
Assigned:					
Economic development and land use	183,726	-	-	-	-
Police vehicles and equipment	-	-	-	180,617	-
Emergency medical services equipment	-	-	-	-	220,000
Fire operations equipment	-	-	-	-	-
Information technology equipment replacement	-	-	-	-	-
Public works and park equipment	-	-	-	-	-
General city projects	-	-	402,617	-	-
KALB equipment replacement	-	-	-	-	-
Total fund balances	183,726	186,190	402,617	180,617	220,000
Total liabilities and fund balances	\$ 183,726	\$ 187,392	\$ 465,745	\$ 180,617	\$ 220,000

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2021

	Fire Operations Equipment Fund	Information Systems Fund	Equipment Replacement Reserve Fund	Community Development Equipment Reserve Fund	KALB Equipment Reserve Fund
ASSETS					
Cash and investments	\$ 417,291	\$ 5,713	\$ 365,000	\$ 83,457	\$ 50,000
Total assets	\$ 417,291	\$ 5,713	\$ 365,000	\$ 83,457	\$ 50,000
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 9,656	\$ -	\$ -	\$ -	\$ -
Total liabilities	9,656	-	-	-	-
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	-	-	-	-
Public art promotion	-	-	-	-	-
Community capital improvements	-	-	-	-	-
Assigned:					
Economic development and land use	-	-	-	-	-
Police vehicles and equipment	-	-	-	-	-
Emergency medical services equipment	-	-	-	-	-
Fire operations equipment	407,635	-	-	-	-
Information technology equipment replacement	-	5,713	365,000	-	-
Public works and park equipment	-	-	-	83,457	-
General city projects	-	-	-	-	-
KALB equipment replacement	-	-	-	-	50,000
Total fund balances	407,635	5,713	365,000	83,457	50,000
Total liabilities and fund balances	\$ 417,291	\$ 5,713	\$ 365,000	\$ 83,457	\$ 50,000

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2021

	Public Works Equipment Reserve Fund	Recreation Equipment Reserve Fund	1996-1 Assessment Bond Fund	Capital Facilities Developer Fee Fund	Total Capital Projects Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 250,000	\$ 241,516	\$ 1,380,004	\$ 300,233	\$ 4,330,694
Total assets	<u>\$ 250,000</u>	<u>\$ 241,516</u>	<u>\$ 1,380,004</u>	<u>\$ 300,233</u>	<u>\$ 4,330,694</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 3,491	\$ -	\$ -	\$ 77,477
Total liabilities	<u>-</u>	<u>3,491</u>	<u>-</u>	<u>-</u>	<u>77,477</u>
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	-	1,380,004	-	1,380,004
Public art promotion	-	-	-	-	186,190
Community capital improvements	-	-	-	300,233	300,233
Assigned:					
Economic development and land use	-	-	-	-	183,726
Police vehicles and equipment	-	-	-	-	180,617
Emergency medical services equipment	-	-	-	-	220,000
Fire operations equipment	-	-	-	-	407,635
Information technology equipment replacement	-	-	-	-	370,713
Public works and park equipment	250,000	238,025	-	-	571,482
General city projects	-	-	-	-	402,617
KALB equipment replacement	-	-	-	-	50,000
Total fund balances	<u>250,000</u>	<u>238,025</u>	<u>1,380,004</u>	<u>300,233</u>	<u>4,253,217</u>
Total liabilities and fund balances	<u>\$ 250,000</u>	<u>\$ 241,516</u>	<u>\$ 1,380,004</u>	<u>\$ 300,233</u>	<u>\$ 4,330,694</u>

Concluded

City of Albany

Combining Statement of Revenues,

Expenditures, and Changes in Fund Balances

Capital Projects Nonmajor Governmental Funds

For the Year Ended June 30, 2021

	Major Planning Fund	Public Arts Fee Fund	City Capital Projects Fund	Police Equipment Fund	EMS Equipment Fund
REVENUES					
Charges for services	\$ 5,568	\$ -	\$ -	\$ -	\$ -
Other revenues	-	65,265	-	22,135	-
Total Revenues	5,568	65,265	-	22,135	-
EXPENDITURES					
Capital outlay	-	1,204	24,893	101,937	-
Total Expenditures	-	1,204	24,893	101,937	-
Excess (Deficiency) of Revenues over Expenditures	5,568	64,061	(24,893)	(79,802)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	5,568	64,061	(24,893)	(79,802)	-
Fund Balances Beginning	178,158	122,129	427,510	260,419	220,000
Fund Balances Ending	\$ 183,726	\$ 186,190	\$ 402,617	\$ 180,617	\$ 220,000

Cont'd

City of Albany

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Capital Projects Nonmajor Governmental Funds
For the Year Ended June 30, 2021**

	Fire Operations Equipment Fund	Information Systems Fund	Equipment Replacement Reserve Fund	Community Development Equipment Reserve Fund	KALB Equipment Reserve Fund
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 10,476	\$ -
Other revenues	-	-	-	-	-
Total Revenues	-	-	-	10,476	-
EXPENDITURES					
Capital outlay	17,365	2,127	-	-	-
Total Expenditures	17,365	2,127	-	-	-
Excess (Deficiency) of Revenues over Expenditures	(17,365)	(2,127)	-	10,476	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	20,000	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	20,000	-	-	-
Net Change in Fund Balances	(17,365)	17,873	-	10,476	-
Fund Balances Beginning	425,000	(12,160)	365,000	72,981	50,000
Fund Balances Ending	\$ 407,635	\$ 5,713	\$ 365,000	\$ 83,457	\$ 50,000

Cont'd

City of Albany

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Capital Projects Nonmajor Governmental Funds
For the Year Ended June 30, 2021**

	Public Works Equipment Reserve Fund	Recreation Equipment Reserve Fund	1996-1 Assessment Bond Fund	Capital Facilities Developer Fee Fund	Total Capital Projects Nonmajor Governmental Funds
REVENUES					
Charges for services	\$ -	\$ 21,098	\$ -	\$ 84,453	\$ 121,595
Other revenues	-	-	-	-	87,400
Total Revenues	-	21,098	-	84,453	208,995
EXPENDITURES					
Capital outlay	-	3,491	80,897	-	231,914
Total Expenditures	-	3,491	80,897	-	231,914
Excess (Deficiency) of Revenues over Expenditures	-	17,607	(80,897)	84,453	(22,919)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	20,000
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	20,000
Net Change in Fund Balances	-	17,607	(80,897)	84,453	(2,919)
Fund Balances Beginning	250,000	220,418	1,460,901	215,780	4,256,136
Fund Balances Ending	<u>\$ 250,000</u>	<u>\$ 238,025</u>	<u>\$ 1,380,004</u>	<u>\$ 300,233</u>	<u>\$ 4,253,217</u>

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NONMAJOR DEBT SERVICE FUNDS

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

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.

2003 G.O. Bond I Debt Service accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2003 General Obligation Bonds.

2016 G.O. Refunding Bonds accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2016 General Obligation Refunding Bonds.

City of Albany
Combining Balance Sheet
Debt Service Nonmajor Governmental Funds
June 30, 2021

	2009 St. Paving & Storm Drain Debt Service Fund	2003 GO Bond I Debt Service Fund	2016 GO Refunding Bonds Fund	Total Debt Service Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ -	\$ 1,594	\$ 100,483	\$ 102,077
Debt service reserves held with trustee	364,323	-	-	364,323
Accounts receivable	-	264	2,808	3,072
Total assets	<u>\$ 364,323</u>	<u>\$ 1,858</u>	<u>\$ 103,291</u>	<u>\$ 469,472</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 391,734	\$ -	\$ -	\$ 391,734
Total liabilities	<u>391,734</u>	<u>-</u>	<u>-</u>	<u>391,734</u>
Fund Balances:				
Restricted:				
Restricted for debt service	\$ 364,323	\$ 1,858	\$ 103,291	\$ 469,472
Unassigned	(391,734)	-	-	(391,734)
Total fund balances	<u>(27,411)</u>	<u>1,858</u>	<u>103,291</u>	<u>77,738</u>
Total liabilities and fund balances	<u>\$ 364,323</u>	<u>\$ 1,858</u>	<u>\$ 103,291</u>	<u>\$ 469,472</u>

City of Albany
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Debt Service Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	City Debt Service Fund	2003 GO Bond I Debt Service Fund	2016 GO Refunding Bonds Fund	Total Debt Service Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ -	\$ 12,283	\$ 998,333	\$ 1,010,616
Investment earnings	55	-	-	55
Total Revenues	55	12,283	998,333	1,010,671
EXPENDITURES				
Debt service				
Principal retirement	369,779	-	570,000	939,779
Interest and fiscal charges	21,955	-	412,613	434,568
Total Expenditures	391,734	-	982,613	1,374,347
Excess (Deficiency) of Revenues over Expenditures	(391,679)	12,283	15,720	(363,676)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(391,679)	12,283	15,720	(363,676)
Fund Balances Beginning	364,268	-	77,146	441,414
Prior Period Adjustments	-	(10,425)	10,425	-
Fund Balances Beginning, as Adjusted	364,268	(10,425)	87,571	441,414
Fund Balances Ending	\$ (27,411)	\$ 1,858	\$ 103,291	\$ 77,738

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STATISTICAL INFORMATION

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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. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

5. Net Assessed Value of Property
6. Property Tax Levies and Collections
7. Direct and Overlapping Property Tax Rates
8. Principal Property Taxpayers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

9. Ratio of General Obligation Bonded Debt to Assessed Value and General Obligation on Bonded Debt Per Capita
10. Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures
11. Ratios of Outstanding Debt by Type
12. Computation of Legal Debt Margin
13. Schedule of Direct and Overlapping Debt

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

14. Demographic and Economic Statistics
15. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

16. Full-Time Equivalent Employees by Function
17. Operating Indicators by Function
18. Construction Value
19. Miscellaneous Statistics

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of Albany
Net Position by Component
Last Ten Fiscal Years

Table 1

	Fiscal Year				
	2012	2013	2014	2015	2016
Primary Government					
Governmental activities					
Net investment in capital assets	\$ 34,131,000	\$ 37,417,000	\$ 40,679,000	\$ 40,665,000	\$ 41,104,000
Restricted	13,243,000	16,962,000	16,713,000	16,404,000	16,085,000
Unrestricted	16,569,000	14,448,000	15,390,000	(5,887,000)	(6,822,000)
Total governmental activities net position	\$ 63,943,000	\$ 68,827,000	\$ 72,782,000	\$ 51,182,000	\$ 50,367,000

	Fiscal Year				
	2017	2018	2019	2020	2021
Primary Government					
Governmental activities					
Net investment in capital assets	\$ 39,789,000	\$ 39,026,000	\$ 54,195,000	\$ 59,067,000	\$ 63,038,000
Restricted	15,354,000	13,168,000	16,381,000	17,835,000	18,618,000
Unrestricted	(14,143,000)	(15,032,000)	(19,033,000)	(21,793,000)	(25,572,000)
Total governmental activities net position	\$ 41,000,000	\$ 37,162,000	\$ 51,543,000	\$ 55,109,000	\$ 56,084,000

Source: Financial Statements

Note: The negative unrestricted net position is the result of the implementation of GASB 68

City of Albany
Changes in Net Position
Last Ten Fiscal Years

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 3,571,000	\$ 3,282,000	\$ 2,814,000	\$ 3,169,000	\$ 4,701,000	\$ 14,533,000	\$ 14,896,000	\$ 7,693,000	\$ 8,602,000	\$ 10,414,000
Police	5,608,000	5,679,000	5,849,000	6,607,000	6,968,000	6,437,000	6,857,000	7,789,000	6,792,000	9,480,000
Fire and emergency medical services	4,748,000	4,797,000	4,679,000	5,511,000	5,474,000	4,786,000	5,301,000	6,712,000	5,551,000	8,228,000
Community development										
and environmental resources	4,286,000	4,400,000	6,114,000	5,238,000	7,045,000	5,861,000	5,844,000	4,489,000	4,881,000	5,274,000
Recreation	3,296,000	3,579,000	3,876,000	3,716,000	3,142,000	3,819,000	3,590,000	3,963,000	3,606,000	2,476,000
Interest on long-term debt	949,000	900,000	833,000	827,000	800,000	619,000	558,000	538,000	585,000	536,000
Total Governmental activities expenses	22,458,000	22,637,000	24,165,000	25,068,000	28,130,000	36,055,000	37,046,000	31,184,000	30,017,000	36,408,000
Program Revenues:										
Charges for services:										
General government	\$ 31,000	\$ 34,000	\$ 8,000	\$ 102,000	\$ 75,000	\$ 175,000	\$ 82,000	\$ 161,000	\$ 116,000	\$ 139,000
Police	248,000	231,000	214,000	423,000	340,000	282,000	192,000	206,000	263,000	205,000
Fire and emergency medical services	1,035,000	838,000	1,118,000	1,067,000	937,000	895,000	744,000	1,173,000	1,095,000	953,000
Community development										
and environmental resources	464,000	414,000	617,000	575,000	1,300,000	792,000	762,000	877,000	733,000	1,056,000
Recreation	1,162,000	1,100,000	976,000	1,214,000	1,304,000	1,211,000	1,618,000	1,105,000	693,000	485,000
Operating grants and contribution	2,008,000	1,429,000	717,000	1,121,000	894,000	1,145,000	744,000	660,000	547,000	1,349,000
Capital grants and contributions	364,000	2,093,000	1,570,000	1,121,000	987,000	1,529,000	1,647,000	4,447,000	2,200,000	3,012,000
Total Governmental program revenues	5,312,000	6,139,000	5,220,000	5,623,000	5,837,000	6,029,000	5,789,000	8,629,000	5,647,000	7,199,000
Net revenues (expense)	(17,146,000)	(16,498,000)	(18,945,000)	(19,445,000)	(22,293,000)	(30,026,000)	(31,257,000)	(22,555,000)	(24,370,000)	(29,209,000)
General revenues:										
Taxes:										
Property taxes	11,495,000	11,811,000	12,511,000	10,459,000	9,229,000	10,837,000	12,416,000	13,850,000	15,915,000	17,100,000
Sales taxes	2,193,000	2,267,000	3,406,000	3,509,000	3,808,000	4,134,000	3,512,000	4,501,000	4,213,000	4,404,000
Franchise and other taxes	3,923,000	4,359,000	4,619,000	4,610,000	7,302,000	7,244,000	5,962,000	4,874,000	4,951,000	6,003,000
Earnings on investments	78,000	59,000	59,000	17,000	126,000	90,000	277,000	581,000	418,000	122,000
Unrestricted revenues from other agencies	54,000	153,000	634,000	314,000	276,000	44,000	39,000	-	-	-
Other revenue	235,000	927,000	585,000	166,000	269,000	666,000	3,334,000	151,000	121,000	170,000
Transfers from agency funds	865,000	836,000	-	-	(1,536,000)	-	-	-	-	-
Extraordinary items	1,189,000	-	-	-	19,474,000	-	-	6,840,895	272,000	-
Total general revenues	20,032,000	20,412,000	21,814,000	19,075,000	19,474,000	23,015,000	25,540,000	30,797,895	25,890,000	27,799,000
Change in net position	\$ 2,886,000	\$ 3,914,000	\$ 2,869,000	\$ (370,000)	\$ (2,819,000)	\$ (7,011,000)	\$ (5,717,000)	\$ 8,242,895	\$ 1,520,000	\$ (1,410,000)

Source: Financial statements

City of Albany
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable	\$ -	\$ -	\$ 1,564,000	\$ 1,583,000	\$ 55,000	\$ 66,000	\$ 61,000	\$ 13,000	\$ 63,000	\$ 56,000
Restricted	-	204,000	210,000	-	-	-	-	-	-	-
Assigned	1,715,000	1,814,000	245,000	245,000	302,000	-	-	1,573,000	1,564,000	1,569,000
Unassigned	4,533,000	4,031,000	4,219,000	5,706,000	7,962,000	8,008,000	8,785,000	1,670,000	7,181,000	8,420,000
Total general fund	\$ 6,248,000	\$ 6,049,000	\$ 6,238,000	\$ 7,534,000	\$ 8,319,000	\$ 8,074,000	\$ 8,846,000	\$ 3,256,000	\$ 8,808,000	\$ 10,045,000
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	11,932,000	15,174,000	16,959,000	16,553,000	16,273,000	15,685,000	15,049,000	16,380,000	17,494,000	18,682,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,567,000	4,513,000	3,891,000	3,255,000	2,856,000	2,483,000	1,989,000	2,428,000	2,469,000	2,387,000
Unassigned	-	(83,000)	(245,000)	(166,000)	(101,000)	(708,000)	(2,479,000)	(502,000)	(860,000)	(750,000)
Total all other governmental funds	\$ 18,499,000	\$ 19,604,000	\$ 20,605,000	\$ 19,642,000	\$ 19,028,000	\$ 17,460,000	\$ 14,559,000	\$ 18,306,000	\$ 19,103,000	\$ 20,319,000

Source: City Financial Statements

Note: The City has implemented GASB 54 effective fiscal year ending June 30, 2011. This Statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The City opted not to change the previous years' data

City of Albany
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 4

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes:										
Property taxes	\$ 11,495,000	\$ 11,550,000	\$ 12,511,000	\$ 10,459,000	\$ 10,916,000	\$ 12,486,000	\$ 13,142,000	\$ 13,850,000	\$ 15,915,000	\$ 17,100,000
Sales taxes	2,193,000	2,267,000	3,406,000	3,509,000	3,808,000	4,134,000	3,512,000	4,501,000	4,213,000	4,404,000
Franchise and other taxes	3,923,000	4,359,000	4,006,000	4,038,000	4,575,000	4,577,000	4,021,000	4,874,000	4,951,000	6,003,000
Licenses and permits	213,000	174,000	883,000	883,000	991,000	1,130,000	1,204,000	519,000	446,000	617,000
Fines and forfeits	213,000	196,000	209,000	414,000	336,000	278,000	189,000	204,000	161,000	97,000
Investment earnings	78,000	59,000	59,000	17,000	126,000	86,000	277,000	539,000	418,000	187,000
Revenues from other agencies	2,095,000	2,733,000	3,386,000	2,298,000	1,895,000	2,768,000	2,305,000	4,107,000	2,693,000	4,350,000
Charges for services	2,431,000	2,307,000	2,718,000	2,608,000	3,258,000	2,603,000	2,933,000	2,606,000	2,148,000	1,887,000
Other revenue	649,000	848,000	1,169,000	471,000	941,000	979,000	3,738,000	1,343,000	317,000	353,000
Total revenues	23,290,000	24,473,000	28,276,000	24,697,000	26,846,000	29,041,000	31,321,000	32,543,000	31,262,000	34,998,000
Expenditures:										
Current:										
General government	3,015,000	2,967,000	2,756,000	3,245,000	4,587,000	7,254,000	4,464,000	6,214,000	7,007,000	8,510,000
Police	5,546,000	5,476,000	5,643,000	5,982,000	5,931,000	6,330,000	6,755,000	6,300,000	6,030,000	6,886,000
Fire and emergency medical services	4,439,000	4,383,000	4,419,000	4,817,000	4,466,000	4,714,000	5,228,000	5,331,000	5,022,000	5,808,000
Community development and environmental resources	3,482,000	3,289,000	3,779,000	3,656,000	3,740,000	4,125,000	4,176,000	3,985,000	4,183,000	4,635,000
Recreation	2,661,000	2,893,000	3,689,000	3,533,000	2,931,000	3,608,000	3,375,000	3,172,000	2,748,000	1,775,000
Capital outlay	4,028,000	3,682,000	4,016,000	1,282,000	1,836,000	3,336,000	10,940,000	2,423,000	1,995,000	3,457,000
Principal on long-term debt	952,000	1,002,000	765,000	795,000	835,000	869,000	1,142,000	995,000	994,000	1,044,000
Interest on long-term debt	944,000	916,000	875,000	843,000	814,000	619,000	555,000	681,000	635,000	587,000
Cost of issuance	-	-	-	-	-	288,000	-	-	-	-
Total expenditures	25,067,000	24,608,000	25,942,000	24,153,000	25,140,000	31,143,000	36,635,000	29,101,000	28,614,000	32,702,000
Revenue Over (Under) expenditures	(1,777,000)	(135,000)	2,334,000	544,000	1,706,000	(2,102,000)	(5,314,000)	3,442,000	2,648,000	2,296,000
Other Financing Sources (Uses):										
Debt Proceeds	-	-	-	-	-	14,750,000	-	-	-	-
Proceeds from debt issuance premium	-	-	-	-	-	1,125,000	-	-	-	-
Payment to escrow	-	-	-	-	-	(15,587,000)	-	-	-	-
Transfer in	7,735,000	3,043,000	2,552,000	2,347,000	2,086,000	3,269,000	1,736,000	2,494,000	8,352,000	4,282,000
Transfer out	(6,870,000)	(2,207,000)	(3,702,000)	(2,347,000)	(2,086,000)	(3,269,000)	(1,736,000)	(2,494,000)	(4,571,000)	(4,282,000)
Total other financing sources (uses)	865,000	836,000	(1,150,000)	-	-	288,000	-	-	3,781,000	-
Extraordinary Items:										
Redevelopment dissolution	729,000	-	-	-	-	-	-	-	-	-
Non-recurring credits	460,000	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	(2,100,000)	(80,000)	-
Loan settlement	-	-	-	-	(1,536,000)	-	-	-	-	-
Total extraordinary items	1,189,000	-	-	-	(1,536,000)	-	-	(2,100,000)	(80,000)	-
Net Change in fund balance	\$ 277,000	\$ 701,000	\$ 1,184,000	\$ 544,000	\$ 170,000	\$ (1,814,000)	\$ (5,314,000)	\$ 1,342,000	\$ 6,349,000	\$ 2,296,000
Debt service as a percentage of non-capital expenditures	9.0%	9.2%	7.5%	7.2%	7.1%	5.4%	6.6%	6.3%	6.1%	5.6%

Source: City Financial Statements
 Note: This schedule contains trend information to help the reader understand how the City's financial performance and well being have changed over time

City of Albany
Net Assessed Value of Property
Last Ten Fiscal Years

Table 5

Fiscal Year	Real Property ⁽¹⁾	Personal Property ⁽¹⁾	Total ⁽¹⁾	Increase (Decrease) in Market Value
	Net Assessed Market Value	Net Assessed Market Value	Net Assessed Market Value	
2011-12	1,926,916	22,965	1,949,881	2.7%
2012-13	1,961,404	24,860	1,986,264	1.9%
2013-14	2,060,381	26,914	2,087,295	5.1%
2014-15	2,142,889	25,834	2,168,723	3.9%
2015-16	2,327,484	23,237	2,350,721	8.4%
2016-17	2,469,850	22,007	2,491,857	6.0%
2017-18	2,623,291	56,966	2,680,257	7.6%
2018-19	2,806,297	24,549	2,830,846	5.6%
2019-20	3,002,302	24,555	3,026,857	6.9%
2020-21	3,086,768	-	3,086,768	2.0%

Source:

(1) County of Alameda Office of the Assessor

City of Albany
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 6

<u>Fiscal Year</u>	<u>Allocation ⁽¹⁾</u>	<u>Current Collections</u>	<u>Percent of Current Taxes Collected</u>
2011-12	4,010,791	3,952,135	98.5%
2012-13	3,712,964	3,728,352	100.4%
2013-14	3,934,253	3,982,513	101.2%
2014-15	4,175,074	4,048,711	97.0%
2015-16	4,478,779	4,247,060	94.8%
2016-17	4,706,559	4,645,298	98.7%
2017-18	5,087,302	5,031,515	98.9%
2018-19	5,372,611	5,317,906	99.0%
2019-20	5,716,700	5,645,508	98.8%
2020-21	6,239,440	6,177,663	99.0%

Notes:

- (1) Source is State Controller's Report for City of Albany.
- (2) Includes general fund only.

City of Albany
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Table 7

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Override Assessments										
County GO Bond	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0112	0.0108	0.0036
Albany Unified School District	0.1645	0.1598	0.1591	0.1586	0.1440	0.2000	0.2500	0.2500	0.2250	0.2005
Peralta Community College	0.0436	0.0434	0.0419	0.0412	0.0337	0.0256	0.0310	0.0269	0.0257	0.0452
Bay Area Rapid Transit	0.0041	0.0043	0.0075	0.0045	0.0026	0.0080	0.0084	0.0070	0.0120	0.0139
East Bay Regional Park 1	0.0071	0.0051	0.0078	0.0085	0.0067	0.0032	0.0021	0.0057	0.0060	0.0014
East Bay Mud Special District 1	0.0067	0.0068	0.0066	0.0047	0.0034	0.0028	0.0011	0.0000	0.0000	0.0000
City of Albany	0.1628	0.1620	0.1577	0.0563	0.0526	0.0930	0.0816	0.0796	0.1150	0.1320
Total Overlapping Tax Rates	1.3888	1.3814	1.3806	1.2738	1.2430	1.3326	1.3742	1.3804	1.3945	1.3966

Total Direct Rate

0.1628	0.1620	0.1577	0.0563	0.0526	0.0930	0.0816	0.0796	0.1150	0.1150
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Source: County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
Source: 2015-16 and prior, previously published
TRA 22-000 is represented for this report.

City of Albany
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Taxpayer	2021		2012	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Land Holdings LLC	\$ 55,642,564	1.80%	\$ 47,500,639	2.51%
Target Corporation	39,331,763	1.28%		
1100 San Pablo Avenue LLC	29,637,699	0.96%		
VR University Village LLC	28,007,033	0.91%		
Safeway Inc	11,335,676	0.37%		
ESMHT LLC	9,674,484	0.31%	9,077,330	0.48%
Eichner Erik & Rose L TRS	8,622,387	0.28%		
Albany View Properties LLC	7,317,537	0.24%		
Fire In The Hole LLC	6,333,482	0.21%		
Meier Denise & Jacob Michael TRS & Meier Alyc Et Al	5,888,644	0.19%		
Sorokin Samuel P & Iris TRS & Beckerman Craig Et Al.	5,683,078	0.18%		
Mehar Enterprises LP	5,492,262	0.18%		
1001 Eastshore Partners	5,415,044	0.18%	4,622,594	0.24%
401 Park Plaza LLC	5,383,546	0.17%	3,134,361	0.17%
Farrokhtala Katy & Saye TRS & Farrokhtala Kat Et Al.	4,983,689	0.16%	4,188,649	0.22%
Oak Hill Grove LLC	4,902,518	0.16%		
Alcatraz Premium Investments LLC	4,752,829	0.15%		
Wendell C Smith Family Holdings LLC	4,656,716	0.15%		
Albany Bowl Properties	4,503,223	0.15%	3,454,481	0.18%
Allen Dallas V Jr Tr & Satake Alvin T & Maxin Et Al.	4,191,946	0.14%	3,578,480	0.19%
Sutter East Bay Medical Foundation	4,156,551	0.13%		
Nasser Adham Tr & Nasser William Et Al.	4,138,680	0.13%		
Portland Gardens LLC	4,132,653	0.13%	3,160,464	0.17%
Solano Court Group LLC	4,016,795	0.13%		
Comcast Corp	4,014,236	0.13%		
Target Corp			33594852	1.77%
Eichner Erik Rose L			8908387	0.47%
Fire In Hole LLC			4985945	0.26%
Safeway Inc.			4803293	0.25%
Meier Charles L Friedman Sharo			4160385	0.22%
Pacific Racing Association			3696247	0.20%
Alta Bates Summit Medical Center			3487365	0.18%
Southwick 1025 Eastshore Highway			3384705	0.18%
Biggs Edward F Sr			3340475	0.18%
Solano Group			3269676	0.17%
Pakzad Faramarz Jaleh P			3141277	0.17%
Tannahill Larry L Judith L			3047914	0.16%
Brighton Avenue Apts LLC			2852667	0.15%
Oak Tyler Investment Inc.			2828747	0.15%
Bodhaine Randall C Catherine I			2691985	0.14%
Villa Dealbany LLC			2623794	0.14%
IJK Properties LLC			2614362	0.14%
Total Top 25 Taxpayers	272,215,035	8.83%	172,149,074	9.09%
Total Taxable Value	\$ 3,083,767,208	100.00%	\$ 1,894,216,613	100.00%

Source: MuniServices, LLC / Avenu Insights & Analytics

**Ratio of General Obligation Bonded Debt to Assessed Value and
General Obligation on Bonded Debt Per Capita
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Population ⁽¹⁾</u>	<u>Net Assessed Valuation ⁽²⁾</u>	<u>General Obligation Bonds</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Bonded Debt Per Capita</u>
2011-12	18,622	\$ 1,949,881	\$ 17,005	0.87%	\$ 913
2012-13	18,488	\$ 1,986,264	\$ 16,565	0.83%	\$ 896
2013-14	18,446	\$ 2,087,295	\$ 16,110	0.77%	\$ 873
2014-15	18,472	\$ 2,168,723	\$ 15,630	0.72%	\$ 846
2015-16	18,893	\$ 2,350,721	\$ 14,750	0.63%	\$ 781
2016-17	18,565	\$ 2,491,857	\$ 15,120	0.61%	\$ 814
2017-18	18,893	\$ 2,680,257	\$ 14,492	0.54%	\$ 767
2018-19	18,867	\$ 2,830,846	\$ 13,480	0.48%	\$ 714
2019-20	18,961	\$ 3,026,857	\$ 12,940	0.43%	\$ 682
2020-21	18,937	\$ 3,086,768	\$ 12,370	0.40%	\$ 653

Notes:

- (1) Population from State Department of Finance
- (2) Assessed Valuation from Table 5

City of Albany

Table 10

**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service ⁽²⁾</u>	<u>Total General Governmental Expenditures ⁽²⁾</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2011-12	210,000	109,805	319,805	26,795,277	0.01
2012-13	225,000	99,095	324,095	19,912,217	0.02
2013-14	235,000	89,615	324,615	17,146,499	0.02
2014-15	255,000	77,141	332,141	18,233,584	0.02
2015-16	270,000	62,140	332,140	20,473,640	0.02
2016-17	290,000	224,610	514,610	18,983,316	0.03
2017-18	755,000	497,740	1,252,740	21,571,704	0.06
2018-19	515,000	465,990	980,990	25,001,378	0.04
2019-20	540,000	439,610	979,610	24,990,729	0.04
2020-21	570,000	412,613	982,613	29,245,732	0.03

Notes:

- (1) Source is City of Albany debt service on general obligation bonds
- (2) Includes general, special revenue, debt service and capital projects funds

City of Albany
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Loan & Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2011-12	\$ 17,420,000	\$ 940,000	\$ -	\$ 376,486	\$ 10,749,965	\$ 29,486,451	0.18%	\$ 1,595
2012-13	17,005,000	720,000	-	274,680	1,761,450	19,761,130	0.58%	1,071
2013-14	16,565,000	490,000	-	168,365	1,684,735	18,908,100	0.67%	1,024
2014-15	16,110,000	250,000	-	57,342	1,606,995	18,024,337	2.50%	954
2015-16	15,630,000	-	-	649,453	1,529,255	17,808,708	2.41%	959
2016-17	15,120,000	-	-	575,938	1,451,515	17,147,453	2.38%	923
2017-18	14,492,000	-	-	6,164,660	1,403,260	22,059,920	2.84%	1,169
2018-19	13,480,000	-	-	6,004,300	1,044,670	20,528,970	2.65%	1,083
2019-20	12,940,000	-	-	5,894,897	670,160	19,505,057	2.51%	1,030
2020-21	12,370,000	-	-	5,771,015	278,996	18,420,011	2.37%	1,080

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Refer to the Demographics Statistics for personal income and population data.
- (3) Tax Allocation Bonds were eliminated from the table due to the dissolution of the Redevelopment Agency.

City of Albany
Computation of Legal Debt Margin
Last Ten Fiscal Years

Table 12

Fiscal Year	Assessed Value	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Ratio of Outstanding Net Debt Limit
2011-12	\$ 1,949,881,000	\$ 292,482,150	\$ 17,005,000	\$ 73,120,538	23.26%
2012-13	1,986,264,000	297,939,600	16,565,000	74,484,900	22.24%
2013-14	2,087,295,000	313,094,250	16,110,000	78,273,563	20.58%
2014-15	2,168,723,000	325,308,450	15,630,000	81,327,113	19.22%
2015-16	2,350,721,000	352,608,150	14,750,000	88,152,038	16.73%
2016-17	2,491,857,000	373,778,550	15,120,000	93,444,638	16.18%
2017-18	2,680,257,000	402,038,550	14,492,000	100,509,638	14.42%
2018-19	2,830,846,000	424,626,900	13,480,000	106,156,725	12.70%
2019-20	3,026,857,000	454,028,550	12,940,000	113,507,138	11.40%
2020-21	3,086,768,000	463,015,200	12,370,000	115,753,800	10.69%

Notes:

- (1) California Government Code, Section 43605 sets the limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

City of Albany
Schedule of Direct and Overlapping Debt
June 30, 2021

Table 13

2020-21 Assessed Valuation \$ 3,106,794,770

Direct and Overlapping Tax and Assessment Debt	Total Debt 6/30/20	% Applicable ⁽¹⁾	City's Share of Debt 6/30/20
Bay Area Rapid Transit District	\$ 1,871,890,000	0.363%	\$ 6,794,961
Alameda County	191,300,000	0.937%	1,792,481
Peralta Community College District	437,205,000	2.568%	11,227,424
Albany Unified School District	106,330,000	100.000%	106,330,000
East Bay Regional Park District	133,170,000	0.580%	772,386
City of Albany General Obligation Bonds	12,370,000	100.000%	12,370,000
City of Albany Parcel Tax Note	191,292	100.000%	191,292
Total Direct and Overlapping Tax and Assessment Debt			\$ 139,478,544
Direct and Overlapping General Fund Obligation Debt:			
Alameda County General Fund Obligations	790,122,500	0.937%	\$ 7,403,448 ⁽²⁾
Peralta Community College District Pension Obligations	133,284,008	2.568%	3,422,733
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	1.110%	129,371
City of Albany General Fund Obligations	5,946,419	100.000%	5,946,419 ⁽³⁾
Total Direct and Overlapping General Fund Obligation Debt			\$ 16,901,971
Total Direct Debt			18,507,711
Total Overlapping Debt			137,872,804
COMBINED TOTAL DEBT			\$ 156,380,515 ⁽⁴⁾

- (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) Includes California Energy Commission Note (\$87,703).
- (4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

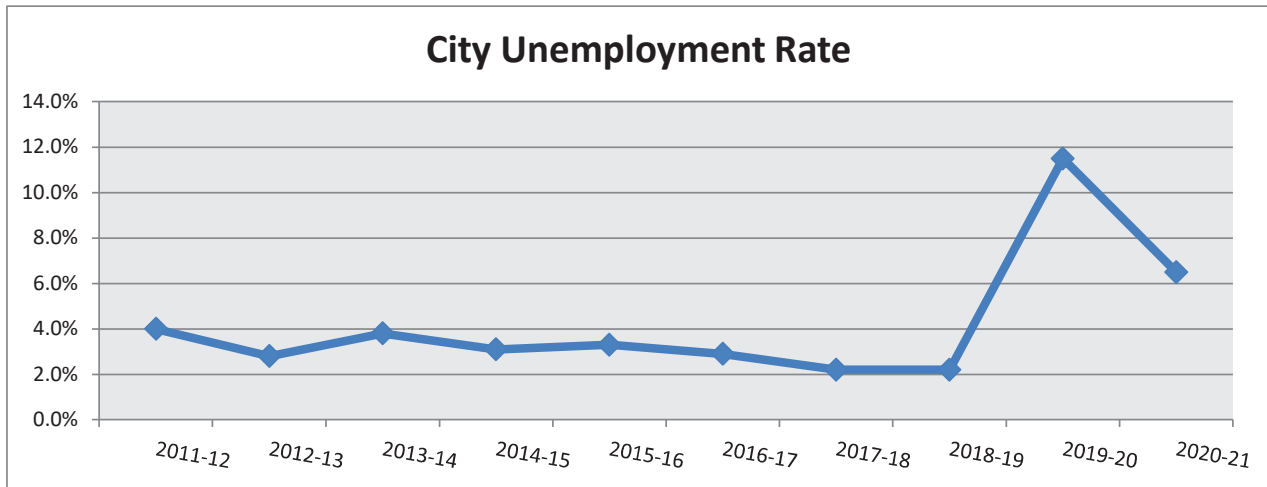
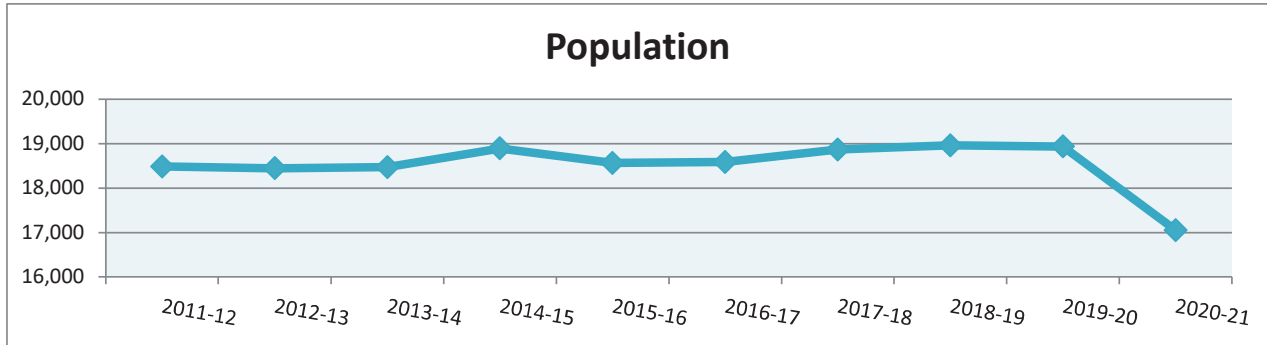
Direct Debt (\$12,561,292)	0.40%
Total Direct and Overlapping Tax and Assessment Debt	4.49%
Total Direct Debt (\$18,507,711)	0.60%
Combined Total Debt	5.03%

Source: California Municipal Statistics, Inc.

City of Albany
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year	Population ⁽¹⁾	Personal Income (amounts expressed in thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age	Public School Enrollment ⁽³⁾	County Unemployment Rate (%) ⁽⁴⁾	City Unemployment Rate (%) ⁽⁴⁾
2011-12	18,488	85,017	54,683	36.2	3803	8.6%	4.0%
2012-13	18,446	87,373	55,338	35.9	3804	9.0%	2.8%
2013-14	18,472	90,631	56,261	36.1	3839	5.7%	3.8%
2014-15	18,893	101,370	61,879	35.5	3881	4.5%	3.1%
2015-16	18,565	-	-	35.3	3822	4.7%	3.3%
2016-17	18,587	-	-	35.5	3702	4.2%	2.9%
2017-18	18,867	-	-	35.4	3658	2.9%	2.2%
2018-19	18,961	-	-	35.7	3682	2.5%	2.2%
2019-20	18,937	916,615,943	48,403	35.7	3586	13.5%	11.5%
2020-21	17,055	891,055,530	52,246	36.5	3501	8.4%	6.5%



Source: MuniServices, LLC / Avenu Insights & Analytics, U.S. Census Bureau, 2010 American Community Survey.
 The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- (1) Population Projections are provided by the California Department of Finance Projections.
- (2) Income Data is provided by the United States Census Data and is adjusted for inflation.
- (3) Student Enrollment reflects the total number of students enrolled in the Albany Unified School District.
- (4) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.

City of Albany
Principal Employers
Last Fiscal Year and Nine Years Ago

Table 15

Business Name	2020-21		2011-12	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Albany Unified School District*	360	3.87%	414	4.36%
US Agricultural Dept	339	3.65%	218	2.29%
Sutter East Bay Med Foundation	233	2.51%		
ESP Inspire	198	2.13%	228	2.40%
Target	162	1.74%	92	0.97%
City of Albany**	150	1.61%		
Albany Branch YMCA	141	1.52%		
Sprouts Farmers Market	80	0.86%	74	0.78%
Safeway	50	0.54%	54	0.57%
Albany Bowl	43	0.46%	44	0.46%
Golden Gate Fields			230	2.42%
St. Mary's College High School			40	0.42%
Albany Ford Subaru				
California Orientation Center for the Blind			32	0.34%
Total Top Employers	1,756	18.88%	1,426	15.01%
Total Labor Force ⁽¹⁾	9,300		9,500	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2011-12 previously published ACFR

Results based on direct correspondence with city's local businesses.

*Includes all classified, certificated, admin, full-time.

** Includes FTE only

(1) Total City Labor Force provided by EDD Labor Force Data

City of Albany
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Table 16

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	10	10	11	11	11	12	14	16	15	15
Public Safety	51	48	49	55	56	55	55	51	50	50
Public Works	8	11	11	13	13	13	13	13	14	14
Community Development	9	6	6	7	7	8	9	9	9	9
Recreation	9	9	9	10	10	7	6	11	13	13
Total	87	84	86	96	97	95	97	99	100	100

Source: City of Albany records.

City of Albany
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety - Police										
Arrests	485	451	646	665	682	457	333	277	135	135
Parking citations issued	5,933	7,148	2,741	11,583	8,717	6,028	5,556	5,742	1,518	1,518
Public Safety - Fire										
Number of emergency calls	1,662	1,849	1,823	1,785	1,881	1,917	1,967	1,984	1,872	1,872
Inspections	1,129	893	1,014	1,014	1,107	1,290	1,314	1,326	1,319	1,319
Culture and Recreation										
Number of recreation classes	1,208	1,199	1,766	1,903	2,139	434	413	413	750	750
Number of facility rentals	1,145	2,230	2,069	2,482	2,526	271	338	427	294	294

Source: Various City records.

City of Albany
Construction Value
Last Ten Fiscal Years

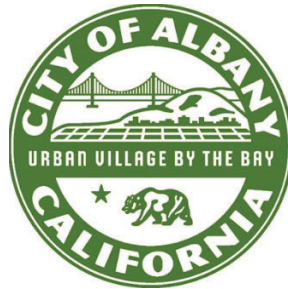
Table 18

Fiscal Year	New Commercial Construction ⁽¹⁾		New Residential Construction ⁽¹⁾⁽²⁾	
	Number of Permits	Value of Improvements	Number of Units	Value of Improvements
2011-12	1	\$ 4,200,000	0	\$ -
2012-13	0	-	21	3,869,341
2013-14	1	16,500,000	28	5,010,489
2014-15	1	20,488	1	346,753
2015-16	2	174,475	37	12,034,351
2016-17	0	-	32	10,692,841
2017-18	1	750,000	4	1,507,514
2018-19	0	-	23	2,006,573
2019-20	0	-	13	1,590,836
2020-21	0	-	0	-

Notes:

- (1) Source is City of Albany Community Development Department
- (2) Includes single and multi-family units

City Type	General Law
Date of Incorporation	1908
Form of Government	Council/Manager
Population	18,937
Land Area	1.7 Square Miles
Police Protection	1 Station 21 Officers 22 Leased Patrol Vehicles
Fire Protection	1 Station 4 Full-time Firefighters 8 Fire Apparatus
Assessed Valuation	3,086,768
Parks and Recreation	1 Community Center 1 Senior Center 7 Parks



OTHER INDEPENDENT AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, 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, the financial statements of the of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 14, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and questioned costs*, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as finding 2021-001 to be significant deficiencies.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

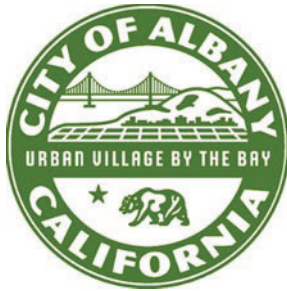
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

February 14, 2022
Morgan Hill, California

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SCHEDULE OF FINDINGS AND RESPONSES

City of Albany
Schedule of Findings and Responses
June 30, 2021

Finding 2021-001: Financial Reporting and Closing – Significant Deficiency

Criteria: Management is responsible for the fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). In addition, having an effective internal control system over financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

Condition: During our audit, we noted the following related to closing:

1. Long-term liabilities in the City's general ledger did not tie to support. The debt service principal payments made in the Sewer Service fund (fund 4001) should reduce long-term debt and not be reported as an expense. In addition, the current portion of long-term debt should be updated in the Sewer Service fund to tie to the principal payments due within one year from the date of the balance sheet.
2. Long-term liabilities reported in the City's Long-Term Debt Account Group (fund 9101) were not reconciled and updated to match support.
3. Multiple funds in the general ledger had negative cash balances which should be reclassified to interfund payables, increasing cash in each fund with a negative balance and decreasing cash in the corresponding fund(s) which covered the deficits in these funds.
4. A portion of the Service Center Lease is allocated to the City's General fund and governmental activities from the Sewer Service fund. However, this allocation was not calculated and updated in the general ledger prior to the audit. The lease debt service payments should be reconciled and updated to correctly reflect the debt service expenditures, reductions of debt and rental expenditures during the year.
5. Investment earnings and fair value adjustments in its pooled cash accounts were not allocated to the respective funds.

Context: Not following written, routine and standardized closing processes increases the risk of material misstatement in the financial statements. In addition, turnover can create a situation where there are not enough qualified personnel to perform the routine controls required to properly maintain the City's financial records.

Effect: General ledger balances for the areas identified above did not tie to support and required adjustment during the audit.

Cause: General ledger account balances were not reviewed to ensure they agreed to subsidiary schedules and support. The City did not follow written, routine and standardized closing processes and did not have enough qualified personnel to perform routine controls.

Recommendation: We recommend that the City update its risk assessment process and business continuity planning to identify potential unusual circumstances that would result in significant delays in financial closing and reporting, and develop and follow policies and procedures to prevent or mitigate the effects of these circumstances when they occur. The City should provide cross training of finance staff to ensure continuity during the financial reporting process and audit in case the City experiences turnover in key finance positions. The City should also develop and implement formal written policies over significant accounts that include the timely reconciling of accounts to activity reported in the general ledger. Key personnel should be trained to recognize errors in the accounting records in order to prevent, or detect and correct them in a timely manner, such as when a fund is out of balance.

City of Albany
Schedule of Findings and Responses
June 30, 2021

City's Response: The City agrees with the auditor's recommendations. In response, the City has been working to implement these recommendations. The City has also continued to seek out the assistance of representatives from the Munis accounting software to analyze and assist in correcting and clearing any on-going issues, such as funds not balancing.