

City of Albany

California

Annual Comprehensive Financial Report



**For the Fiscal Year Ended
June 30, 2023**

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CITY OF ALBANY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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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

January 18, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Albany, California (City) for the fiscal year ended June 30, 2023. 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) and in compliance with City Charter Section 4.01.

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 financial statements. The goal of their independent audit was to provide reasonable assurance that the financial statements of the City, for the fiscal year ended June 30, 2023, 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's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditors' report is included at the beginning of the financial section of this ACFR.

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. The MD&A complements this transmittal letter and should be read in conjunction with it.

The ACFR is divided into three sections:

- **Introductory Section:** includes this letter of transmittal and an organizational overview of the City.
- **Financial Section:** consists of the independent auditor's report, MD&A, Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplementary Information.
- **Statistical Section:** contains comprehensive statistical data which relates to physical, social, and political characteristics of the City.

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 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 conflicts 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 the City's population as of January 1, 2023 at 21,400.

The City is governed by a five-member City Council who annually elects a council member to serve as Mayor. Council members serve four-year staggered terms. The City operates under a Council-Manager form of government, whereby 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 operations.

GENERAL GOVERNMENT FUNCTIONS

The City provides the full range of municipal services, which are reflected in this report, as follows:

- General government - city management, legal (appointed contract position), human resources, and finance;
- Public safety - police, fire protection, and emergency medical services;
- Recreation and community services – (library services through the Alameda County Library system)
- Community development - land-use planning and building regulation; and
- Public Works – street maintenance; park maintenance; storm and sanitary sewer maintenance; and engineering

The City owns the building which houses the branch library and financially supplements the operations of the Library through two parcel taxes. The City also provides storm and sanitary sewer maintenance enterprise activities, and the financial information regarding these activities is included in this report. The current full-time City Staffing is comprised of just over 114 positions.

ECONOMIC CONDITIONS AND OUTLOOK

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

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 wellbeing of the overall economy. Most revenues that were impacted by the pandemic recovered to pre-pandemic levels in the second half of Fiscal Year 2022-23, providing for a year end surplus.

Property taxes has consistently been the City's largest revenue source representing 35% of General Fund Revenues and has increased during the pandemic due to property transfers and renovations. 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 2020-21 to Fiscal Year 2021-22 and had not slowed through Fiscal Year 2022-23.

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 Covid-19 cases decreased and restrictions were dropped in Spring 2023, businesses began to see a recovery in revenue due to re-openings or increased demand. These economic factors have the largest effect on the City's sales tax collections. Collections were stagnant during years impacted by the pandemic but saw a gradual upturn in fiscal year 2023.

MAJOR INITIATIVES AND SIGNIFICANT ACCOMPLISHMENTS

Albany is committed to providing a healthy, safe, and accessible city, and strives to lift every voice in our community. The major initiatives and significant accomplishments for the City follows:

- Developed and implemented the Albany Crisis Team consisting of mental health care professionals to respond and assist with any mental health crisis situations.
- Launched the Area Coordinator program that assigns a police department representative to each area of the city to answer questions, provide continuity of communication and help resolve any issues within the area.
- Launched Citizen RIMS and Crime Graphics which is an interactive platform that allows residents to see crime information throughout the city.
- Delivered increased volume of projects under the Annual Street Rehabilitation Program, including but not limited to paving, curb ramp upgrades, and storm drainage upgrades at: Washington Avenue (Phase 1 – 67,500 sq. ft., Phase 2 – 4+ blocks); Marin Avenue (Phase 1 – est. 56,000 sq. ft.); and various locations for the 2022 Pavement Rehabilitation Project (Est. 297,000 sq. ft.).
- Maintained compliance with the USEPA Sanitary Sewer Consent Decree through execution of projects as part of the Annual Sewer Rehabilitation Program (CIP No. 32000).
- Executed four Phases of the Sidewalk Repair Program (CIP No. 22000; Phases 4-7 comprised 28,100 square feet of sidewalk rehabilitation at 187 locations) and implemented zoned cyclical sidewalk shaving for City sidewalks as part of the Public Right-of-Way Maintenance Program.
- Planted over 300 street and park trees in a diverse variety of appropriate species and expanded stewardship of Albany Hill & Creeks, including establishment of Urban Tilth partnership, performance of Wildland Risk Assessments, & procurement of a State Coastal Conservancy grant for Forest Management Planning.
- Approved the San Pablo Avenue Specific Plan including General Plan and zoning code amendments
- Facilitated the close of escrow on the long-term lease of city property and issuance of building permits for construction of the 62-unit affordable housing project at 755 Cleveland Avenue
- Adoption of the 2023-2031 Housing Element
- Preparation and approval of Local Road Safety Plan

- Preparation and approval of Seismic Safety Soft Story Retrofit Ordinance
- Received grant award from FEMA's Assistance to Firefighters Grant Program for a diesel exhaust removal system in the fire station
- Graduated two Community Emergency Response Team (CERT) Classes, resulting in over 40 community members learning best practices and skills to assist with disaster response
- Implemented several temporary public assistance programs funded through the City's American Rescue Plan Act (ARPA) federal grant. Programs include the community grocery program, the afterschool and summer camp subsidy program, and the rental assistance and debt relief program for income eligible Albany residents. To date, 23 people have received rent or debt relief assistance, 52 afterschool and camp subsidies have been provided, and more than 4,400 bags of groceries and household items and over 430 grocery cards have been distributed
- Initiated a Community Expo event which is a showcase of services and programs that are available to residents of all ages in Albany. Participating organizations displaying their services / programs included all City of Albany Departments, Community Based Organizations, Albany Unified School District, and resources for local businesses. Over 500 participants attend this now annual event
- Introduced a Parklet Grant to assist businesses with parklets and the business community as a whole by offering financial support to bring the parklets up to code, both in design and safety compliance
- Introduced a Business Attraction and Improvement Grant to attract new businesses in Albany, fill vacant spaces in commercial areas, and give business owners financial support to overcome startup and facility upgrade costs as they look to grow their business in Albany
- Launched an Albany eGift Card Program with 45 participating businesses. To kick off the program, and encourage community members to support local businesses, the City offered a Buy One Get One matching offer to customers, also known as a BOGO. Over \$110,000 has been redeemed at Albany businesses directly from this program
- Launched the Albany Economic Development website, www.choosealbany.org, which offers resources for businesses that are currently in Albany or looking to relocate to Albany.
- Developed a Street Banner Program which officially launched in FY 2023.
- Conducted a Virtual Evacuation Drill using AC Alert and GenasysProtect (formerly ZoneHaven) for Albany community members to practice evacuating in case of emergency and become more familiar with the AC Alert and GenasysProtect formats
- Provided vital emergency notifications via AC Alert when required
- Conducted community outreach regarding the transition to Ranked Choice Voting for the November 2022 General Municipal Election
- Coordinated with the Alameda County Registrar of Voters regarding the transition to Ranked Choice Voting for the November 2022 General Municipal Election

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. The budget is adopted at the Fund level (legal level of control) and the City Council must approve all budget revisions that change the initial fund appropriations. Fiscal year 2023 was the second year in the biennial budget which was adopted by Council in June 2021 and extended through June 30, 2023. A new biennial budget for Fiscal Years 2023-24 and 2024-25 was adopted by Council in June 2023.

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. The City Council has adopted several financial policies over the last five years and staff continuously monitors for additional long-term policies that assist staff and Council in planning. Outstanding debt service has been steadily decreasing as the City has taken out little new debt since the issuance of General Obligation Bonds in 2007. Pensions continue to be a concern for cities across the Country. The City has been working to make additional contributions, when able, to pay down this liability and Staff continues to monitor outstanding pension obligations and keep Council up to date on any changes implemented by CalPERS. Staff is currently conducting work on potential revenue measures that could increase areas of the operating budget for City Council review.

AWARDS AND ACKNOWLEDGEMENTS

In order to be awarded a Certificate of Achievement, by the Government Finance Officers Association (GFOA), an ACFR has to be published as an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. The fiscal year ended June 30, 2023 ACFR will be submitted to the GFOA award program to be considered for the distinguished financial reporting award.

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

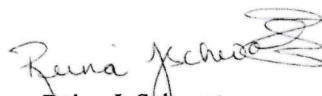
Staff appreciates the City's independent auditors, Chavan & Associates, Certified Public Accountants. Their efforts and suggestions were instrumental in providing the report.

The 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,

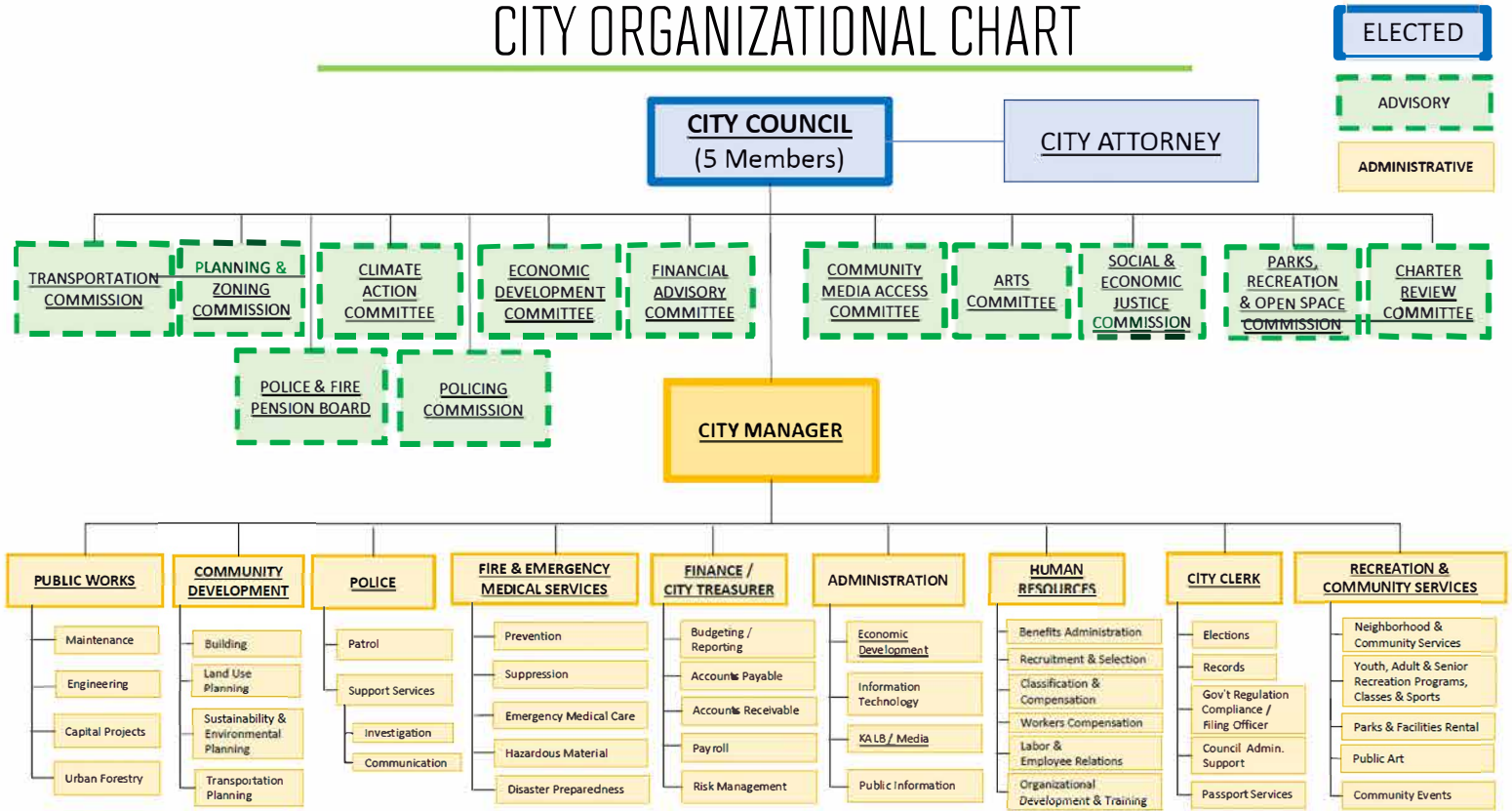


Nicole Almaguer
City Manager



Reina J. Schwartz
Interim Finance Director

CITY ORGANIZATIONAL CHART



City of Albany Principal Officers June 30, 2023

City Council

Mayor	Aaron Tiedemann
Vice Mayor	John Anthony Miki
Councilmember	Jennifer Hansen-Romero
Councilmember	Robin D Lopez
Councilmember	Preston Jordan

Appointed Department Directors

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

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FINANCIAL SECTION

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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

Opinion

We have audited the accompanying financial statements of the governmental 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, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Albany, as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

City management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that



collectively comprise the City's basic financial statements. The combining and individual fund financial statements, schedules, and other information listed in the supplementary information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The City's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2024, 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

January 18, 2024
Morgan Hill, California

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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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INTRODUCTION

As management of the City of Albany, California (city), 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, 2023. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

FISCAL YEAR 2022/23 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 \$76.3 million (net position). Of the net position, \$71.8 million was classified as net investment in capital assets; \$22.7 million recorded as restricted funds; and \$18.3 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 requires local governments to record pension liabilities on the government-wide financial statements.
- The City's net position increased by \$14.3 million. This included a \$10.3 million increase in the net position of Governmental Activities and a \$4.0 million increase in the net position of Business-Type Activities. There was an increase to beginning net position of \$331,000 for Governmental Activities and \$1.1 million for Business-Type Activities.
- City revenues increased by \$5.5 million, or 13.1%, when compared to the prior fiscal year. This increase is primarily related to increased capital grants of \$1.2 million, investment earnings of \$1.0 million, and property taxes of \$1.7 million. Expenses decreased by \$556,000, or 1.6%, with approximately \$2.7 million related to decreases in police and fire costs, offset by about \$2.9 million of increases to general government and recreational expenses.
- Deferred outflows of resources increased by \$11 million, while deferred inflows of resources decreased by \$10.7 million. 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, 2023 was \$45.9 million, while the total OPEB liability for the fiscal year ending June 30, 2023 was \$4.8 million.
- The City's long-term debt decreased by \$1.2 million, or 6%, in Fiscal Year 2022/23 primarily from debt service payments made during the year.
- The City's net capital assets increased by \$7.3 million, or 8.7%, primarily as a result of construction projects and new purchases, offset by depreciation.

Fund Highlights

- At the close of Fiscal Year 2022/23 the City's *Governmental Funds* reported a combined fund balance of \$36.3 million, which represents an increase of \$1.4 million in comparison with the prior year.

Approximately 23.2%, or \$8.4 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 \$11.4 million, or 40.9% of total general fund expenditures, prior to transfers. The General Fund's unassigned fund balance was \$9.2 million or 33.0% 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 decreased by approximately \$209,000 at the close of the fiscal year. This included an excess of operating expenditures over revenues of \$1.9 million, before an additional \$1.7 million in net transfers.
- *General Fund* revenues and expenditures increased from the prior year by \$2.0 million and \$1.5 million, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City'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 intended to furnish additional detail to support 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'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'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 is improving or deteriorating.

The *Statement of Activities* presents information showing how the City'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. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes; and earned but unused vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the City 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, community development and environmental services, recreation and community services. 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 enterprise activity includes wastewater and sewage collection 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 include not only the City itself (known as the primary government), but also a legally separate financing authority which the City is financially accountable. The City of Albany Public Facilities Financing Authority (Financing Authority) board is legally separate from the City but is blended with the primary government because it has the same governing board as the City and because of its financial relationship with the City. Separate financial statements are not issued for the Financing Authority.

The Government-Wide Financial Statements can be found on pages 35-36 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. Other Supplementary information includes subordinate schedules that 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. All of the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements 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 *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 this 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, which 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 Other Supplementary Information section of this report.

The City 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 38-41 of this report.

Proprietary Funds

The City has one *Enterprise Fund* that is a proprietary fund, the Sewer Fund. *Enterprise funds* are used to report the same functions presented 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 to be a major fund for the City.

The basic proprietary fund financial statements can be found on pages 44-46 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'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.

The fiduciary fund financial statements can be found on pages 48-49 of this report.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

The notes to the financial statements can be found on pages 50-87 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City’s progress in funding its obligations to provide pension and Other Post Employment Benefit (OPEB) benefits to its employees.

The required supplementary information can be found on pages 91-96 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, are presented in the other supplementary information section, immediately following the required supplementary information.

The other supplementary information can be found on pages 100-131 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76.3 million at the close of Fiscal Year 2022/23. This represents an increase of \$14.3 million over the prior fiscal year.

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

Table 1 - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 42,923,184	\$ 40,709,662	\$ 6,949,643	\$ 6,163,947	\$ 49,872,827	\$ 46,873,609
Capital assets	58,034,417	53,158,307	33,514,839	31,052,250	91,549,256	84,210,557
Total Assets	\$ 100,957,601	\$ 93,867,969	\$ 40,464,482	\$ 37,216,197	\$ 141,422,083	\$ 131,084,166
Deferred Outflows of Resources	\$ 21,939,904	\$ 10,968,133	\$ -	\$ -	\$ 21,939,904	\$ 10,968,133
Liabilities						
Current and other liabilities	\$ 9,304,145	\$ 7,530,308	\$ 640,834	\$ 785,383	\$ 9,944,979	\$ 8,315,691
Noncurrent liabilities	67,208,735	50,530,442	2,114,689	2,736,100	69,323,424	53,266,542
Total Liabilities	\$ 76,512,880	\$ 58,060,750	\$ 2,755,523	\$ 3,521,483	\$ 79,268,403	\$ 61,582,233
Deferred Inflows of Resources	\$ 7,820,491	\$ 18,481,106	\$ -	\$ -	\$ 7,820,491	\$ 18,481,106
Net Position						
Net investment in capital assets	\$ 41,064,237	\$ 36,275,403	\$ 30,778,739	\$ 27,706,512	\$ 71,842,976	\$ 63,981,915
Restricted	22,719,443	21,331,504	-	-	22,719,443	21,331,504
Unrestricted	(25,219,546)	(29,312,661)	6,930,220	5,988,202	(18,289,326)	(23,324,459)
Total Net Position	\$ 38,564,134	\$ 28,294,246	\$ 37,708,959	\$ 33,694,714	\$ 76,273,093	\$ 61,988,960

A significant portion, or \$71.8 million, of the City's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), net of accumulated depreciation and less 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 \$22.7 million classified as Restricted Net Position, represents resources that are subject to external restrictions, by external creditors, grantors, contributors, or laws or regulations of other governments, on how they may be used. Complete details of each fund can be found in the fund descriptions.

The remaining deficit balance of \$18.3 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 2022/23, the City’s proportionate share of the CalPERS pension liability was \$45.9 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 2022/23 is \$4.8 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 Fiscal Year 2022/23, the City 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 increased from \$28.3 million to \$38.6 million during Fiscal Year 2022/23. This increase is largely due to pension credits and construction in progress.

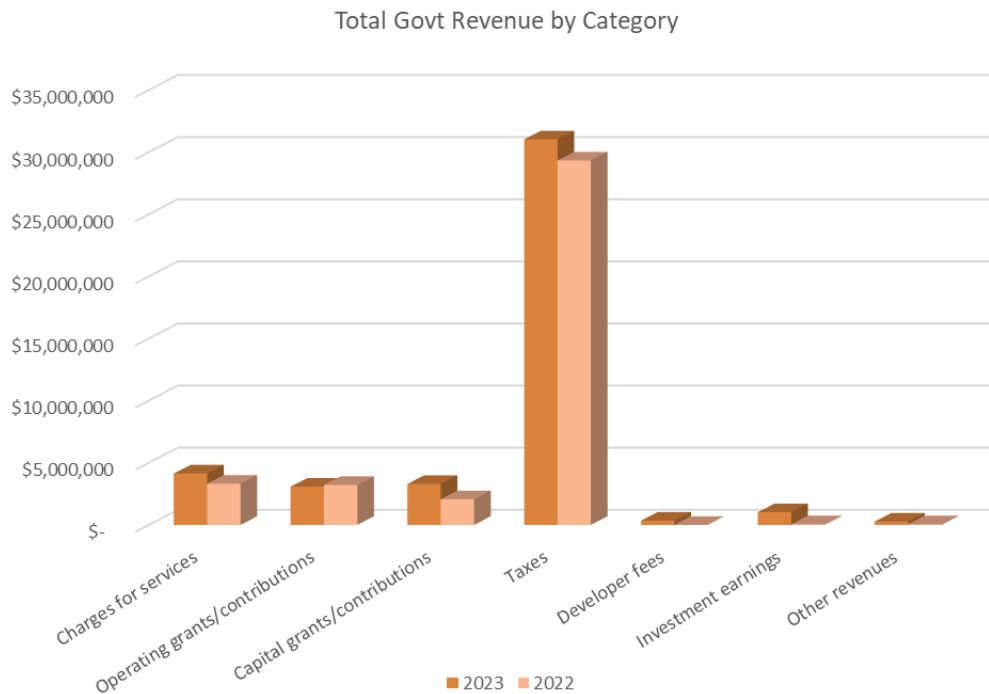
The net position for business-type activities increased from \$33.7 million to \$37.7 million during Fiscal Year 2022/23. This \$4.0 million increase was due to increased Charges for Services that outpaced expenses which decreased by \$664,000. In Fiscal Year 2022/23, the City’s total revenues were \$47.9 million and total expenses were \$35.1 million. The combined increase in net position of \$14.3 million includes a net operating difference of \$12.8 million and \$1.5 million prior period adjustments (see Note 12). An analysis of the changes in revenues and expenses by type of significant events follows:

Functions/Programs	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)	Totals		Increase (Decrease)
	2023	2022		2023	2022		2023	2022	
Program Revenues									
Charges for services	\$ 4,137,132	\$ 3,316,888	\$ 820,244	\$ 4,578,236	\$ 4,357,794	\$ 220,442	\$ 8,715,368	\$ 7,674,682	\$ 1,040,686
Operating grants and contributions	3,079,962	3,215,221	(135,259)	-	-	-	3,079,962	3,215,221	(135,259)
Capital grants and contributions	3,290,014	2,062,499	1,227,515	-	-	-	3,290,014	2,062,499	1,227,515
Total Program Revenues	10,507,108	8,594,608	1,912,500	4,578,236	4,357,794	220,442	15,085,344	12,952,402	2,132,942
General Revenues									
Taxes	31,032,014	29,335,667	1,696,347	-	-	-	31,032,014	29,335,667	1,696,347
Developer fees	341,312	-	341,312	-	-	-	341,312	-	341,312
Investment earnings	1,022,098	53,931	968,167	195,398	14,005	181,393	1,217,496	67,936	1,149,560
Other revenues	268,565	46,596	221,969	-	-	-	268,565	46,596	221,969
Total General Revenues	32,663,989	29,436,194	3,227,795	195,398	14,005	181,393	32,859,387	29,450,199	3,409,188
Expenses									
General government	11,422,141	10,291,783	1,130,358	-	-	-	11,422,141	10,291,783	1,130,358
Police	5,979,309	7,048,914	(1,069,605)	-	-	-	5,979,309	7,048,914	(1,069,605)
Fire and emergency medical services	4,447,150	5,687,456	(1,240,306)	-	-	-	4,447,150	5,687,456	(1,240,306)
Community dev. and environmental service	5,332,006	5,284,453	47,553	-	-	-	5,332,006	5,284,453	47,553
Recreation and community services	5,533,380	3,627,640	1,905,740	-	-	-	5,533,380	3,627,640	1,905,740
Interest and fiscal charges	518,052	516,411	1,641	-	-	-	518,052	516,411	1,641
Sewer operating	-	-	-	1,875,503	2,539,686	(664,183)	1,875,503	2,539,686	(664,183)
Total Expenses	33,232,038	32,456,657	775,381	1,875,503	2,539,686	(664,183)	35,107,541	34,996,343	111,198
Increase / (Decrease) in Net Position	9,939,059	5,574,145	4,364,914	2,898,131	1,832,113	1,066,018	12,837,190	7,406,258	5,430,932
Prior Period Adjustments	330,829	(1,501,007)	1,831,836	1,116,114	-	1,116,114	1,446,943	(1,501,007)	2,947,950
Net Position, Beginning of Year	28,294,246	24,221,108	4,073,138	33,694,714	31,862,601	1,832,113	61,988,960	56,083,709	5,905,251
Net Position, End of Year	\$ 38,564,134	\$ 28,294,246	\$ 10,269,888	\$ 37,708,959	\$ 33,694,714	\$ 4,014,245	\$ 76,273,093	\$ 61,988,960	\$ 14,284,133

Governmental Activities

Governmental Revenues

The following chart summarizes the changes in revenues by category during Fiscal Year 22/23:

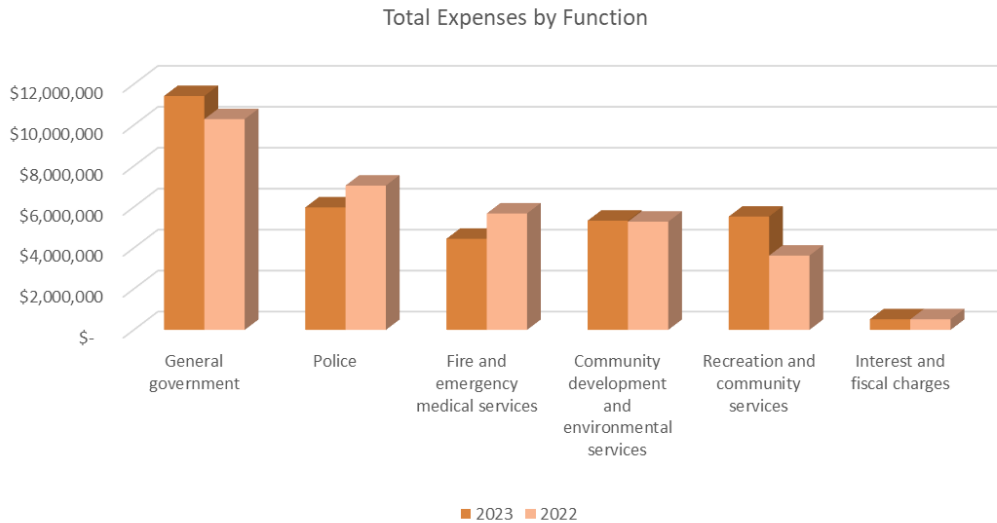


Significant changes in governmental revenues consisted of the following:

- The Charges for Services category in governmental activities increased by \$820,000 as Recreation and Community Services program revenues continued to recover from prior COVID-19 restrictions.
- In Fiscal Year 2022/23, capital grants and contributions increased by \$1.2 million. The increase was mainly due to one-time grants received from federal, state and county agencies.
- Taxes increased by \$1.7 million or 5.8%, with changes related to the following categories:
 - Property taxes increased by approximately \$415,000 or 4.6%, which reflects the continuing strength in property values.
 - Sales and use tax revenues increased by \$638,000 or 13.0%. This increase can be primarily attributed to the continuing recovery of sales and use taxes from COVID-19.
- Investment earnings increased by \$968,000 which reflects the rise in interest rates by the Federal Reserve.

Governmental Expenses

The Fiscal Year 2022/23 expenses for Governmental Activities increased by \$775,000 as illustrated in the chart below:



Significant changes in governmental expenses consisted of the following:

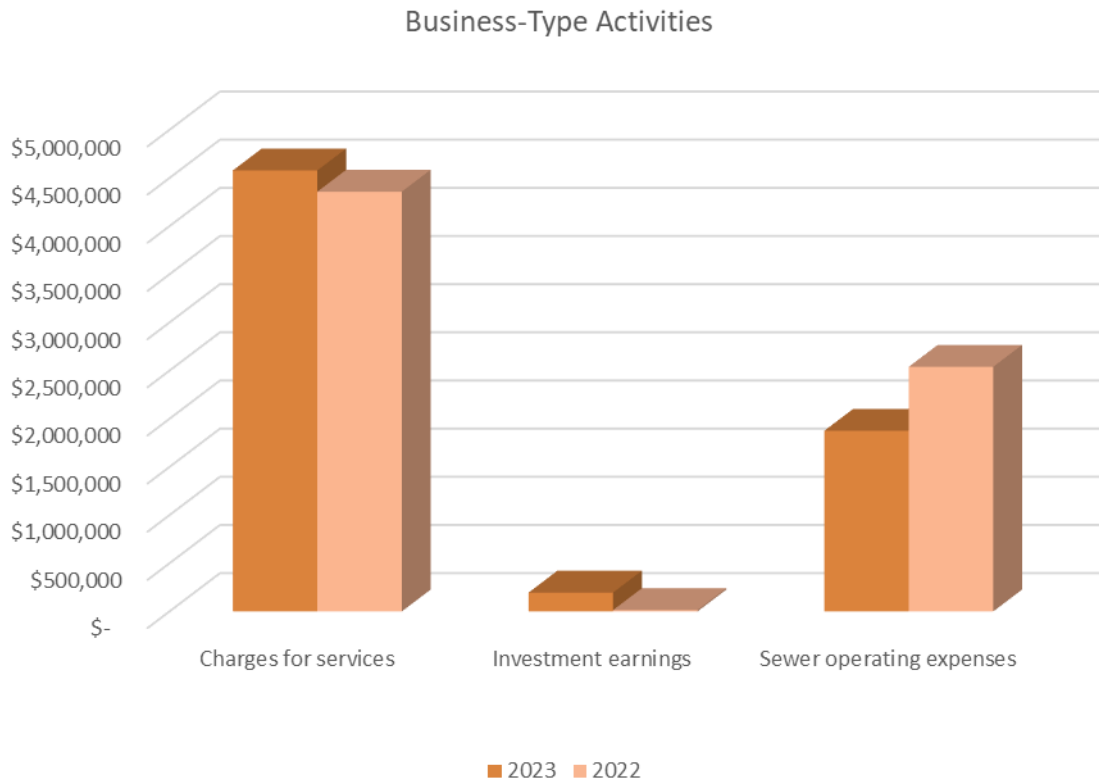
Although overall governmental expenses increased by \$775,000, there were line-item variances as follows:

- General government increased by 11% or \$1.1 million.
- Police-related costs decreased by 15.2% or \$1.1 million.
- Fire and emergency medical services costs decreased by 21.8% or \$1.2 million.
- Recreation and community services expenses increased by 52.5% or \$1.9 million.

These variances are a part of the presentation of financial statements on a government-wide perspective, whereby 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. The decreases in Police and Fire and emergency medical services are primarily related to allocations for actuarial pension adjustments in the amount of a \$4.4 million credit for Fiscal year 2022/23, calculated pursuant to GASB requirements. The increases to general government and recreation and community services expenses are primarily related to the allocation of depreciation expense of \$3.4 million, in addition to the increased demand for recreation services in Fiscal Year 2022/23. There were amounts in other conversion categories as well.

Business-Type Activities

The City’s net position for business-type activities increased by \$4.0 million. The following chart is a summary of the changes in revenues and expenses for the City’s business-type activities from Fiscal Year 2021/22 to 2022/23, with additional analysis following the chart:



Total Program Revenues for business-type activities increased by \$220,000 when compared to the prior fiscal year. This reflects an increase in Charges for Services for sewer services.

Total General Revenues increased by \$181,000 related to investment earnings as the Federal Reserve raised interest rates during the fiscal year.

Total expenses for business type activities were \$1.9 million for Fiscal Year 2022/23, which was a decrease of \$664,000 or 26.2% when compared to the prior fiscal year. This was primarily due to a \$794,000 decrease in supplies and materials for sewer operations.

FINANCIAL ANALYSIS OF THE CITY’S GOVERNMENTAL FUNDS

As noted earlier, the City 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, 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 use for particular purposes by the City’s Council.

The following summarizes the fund balances by major and nonmajor funds:

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

	Major Funds			
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	Total
Nonspendable	\$ 1,422,341	\$ -	\$ -	\$ 1,422,341
Restricted	-	3,265,651	19,453,792	22,719,443
Assigned	775,000	-	2,990,638	3,765,638
Unassigned	9,182,312	-	(744,518)	8,437,794
Total Fund Balance	\$ 11,379,653	\$ 3,265,651	\$ 21,699,912	\$ 36,345,216

Total Fund Balance as of June 30, 2023 is \$36.3 million. Of this amount, \$8.4 million, or 23.2%, constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is (1) not in a spendable form, \$1.4 million; (2) restricted for particular purposes, \$22.7 million; or (3) assigned for particular purposes, \$3.8 million.

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

Table 4 - Summary of Changes in Fund Balance - Governmental Funds

	Major Funds			Total
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	
Total Revenues	\$ 25,890,552	\$ 1,248,522	\$ 16,032,023	\$ 43,171,097
Total Expenditures	27,796,116	2,982,578	11,205,246	41,983,940
Revenues Over (Under) Expenditures	(1,905,564)	(1,734,056)	4,826,777	1,187,157
Transfers in	3,455,411	-	1,976,228	5,431,639
Transfers out	(1,758,657)	(121,215)	(3,551,767)	(5,431,639)
Net change in fund balances	(208,810)	(1,855,271)	3,251,238	1,187,157
Beginning of year	11,588,267	5,120,922	18,254,035	34,963,224
Prior Period Adjustment	196	-	194,639	194,835
End of year	\$ 11,379,653	\$ 3,265,651	\$ 21,699,912	\$ 36,345,216

As of June 30, 2023, the City’s governmental funds reported combined fund balances of \$36.3 million, an increase of \$1.4 million (including a prior period adjustment of \$194,000) in comparison with the prior fiscal year.

Analysis of Individual Funds

The General Fund is the chief operating fund of the City. As of the end of Fiscal Year 2022/23, the unassigned fund balance of the general fund was \$9.2 million, while total fund balance decreased to \$11.4 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 33.0% of total general fund expenditures, while total fund balance represents 40.9% of that same amount.

The General Fund balance decreased by \$209,000 for Fiscal Year 2022/23. This is primarily attributed to \$1.7 million in net transfers and General Fund operating expenditures exceeding operating revenues by \$1.9 million during fiscal year 2022/23.

For Fiscal Year 2022/23, the Street and Storm Fund balance decreased by \$1.9 million, primarily because of expenditures that increased by \$2.6 million, mainly due to capital outlay expenditures during the fiscal year.

Nonmajor Governmental Fund’s fund balances increased by \$3.4 million mainly due to an increase of \$3.1 million in revenues.

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 fiscal 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 2023.

Revenues

The General Fund adopted and final revenue budgets were \$20.5 million and \$22.1 million, respectively, with actual revenues at \$25.9 million. The overall budgetary difference of \$3.7 million primarily reflects greater than anticipated performance of property, sales and Franchise and other tax revenues for the fiscal year.

Expenditures

The General Fund adopted expenditure budget was \$26.7 million and the final budget was \$27.3 million. The actual expenditures totaled \$27.8 million, which resulted in a net difference from the final budget of \$542,000. This budgetary variance consists of higher than expected costs for general government and Recreation and Community Services, offset by expenditures less than budget in Police, Fire and Emergency Medical Services, and Community Development and Environmental Services.

CAPITAL ASSETS

The City of Albany’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$91.5 million (net of accumulated depreciation). This includes net capital assets from governmental activities of \$58.0 million and net capital assets from business-type activities of \$33.5 million. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and sewer systems.

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

	Governmental Activities		Business-type Activities		Total		% Change
	2023	2022	2023	2022	2023	2022	
Land	\$ 9,443,728	\$ 9,443,728	\$ -	\$ -	\$ 9,443,728	\$ 9,443,728	0.00%
Construction in progress	256,757	751,373	2,399,640	4,546,819	2,656,397	5,298,192	-49.86%
Buildings	18,614,025	19,160,932	2,037,757	2,084,157	20,651,782	21,245,089	-2.79%
Improvements other than building	5,871,175	6,374,044	-	-	5,871,175	6,374,044	-7.89%
Furniture Fixtures	153,614	95,314	-	-	153,614	95,314	61.17%
Machinery and Equipment	484,856	337,086	-	-	484,856	337,086	43.84%
Vehicles	257,000	539,707	-	-	257,000	539,707	-52.38%
Subscription Based Assets	791,766	-	-	-	791,766	-	100.00%
Sewer Lines	-	-	29,077,442	24,421,274	29,077,442	24,421,274	19.07%
Infrastructure	22,161,496	16,456,123	-	-	22,161,496	16,456,123	34.67%
Total Capital Assets, Net	\$ 58,034,417	\$ 53,158,307	\$ 33,514,839	\$ 31,052,250	\$ 91,549,256	\$ 84,210,557	8.71%

The total increase in the City’s capital assets, net of depreciation and disposals was \$7.3 million or 8.7%. In Governmental Activities, the net increase in capital assets was \$4.9 million or 9.2%, while business-type activities increased by \$2.5 million or 7.9%. This increase was mainly attributed to the construction of additional sewer lines.

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

DEBT ADMINISTRATION

At the end of the fiscal year, the City had total bonded debt outstanding of \$11.9 million and \$900,000 in governmental activities and business-type activities, respectively. Total long-term debt was \$16.6 million and \$2.7 million in governmental activities and business-type activities, respectively.

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

Table 6 - Outstanding Long-Term Debt at Year End			
	Governmental Activities		
	2023	2022	% Change
General Obligation Bonds	\$ 11,927,163	\$ 12,613,389	-5.44%
Subscription Liabilities	267,871	-	100.00%
California Energy Commission Note	44,288	66,104	-33.00%
Service Center Lease Purchase Agreement	3,672,199	3,761,476	-2.37%
Vehicle Lease Purchase Agreement	726,822	801,217	-9.29%
Total outstanding long-term debt	<u>\$ 16,638,343</u>	<u>\$ 17,242,186</u>	-3.50%
	Business-type Activities		
	2023	2022	% Change
Service Center Lease Purchase Agreement	\$ 1,836,100	\$ 1,880,738	-2.37%
Sewer Refunding Bonds	900,000	1,465,000	-38.57%
Total outstanding long-term debt	<u>\$ 2,736,100</u>	<u>\$ 3,345,738</u>	-18.22%

During the fiscal year, Long-Term Debt decreased by \$604,000 and \$610,000 in governmental activities and business-type activities, respectively. The reduction in Long-Term Debt in both categories resulted from regular debt service payments.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's Fiscal Year 2023/24 budget was adopted in June of 2023 as the first year of a biennial budget. While the City is still budgeting a General Fund deficit, the City has yet to realize a deficit due to several encouraging revenue trends as a result of the recovery from the COVID pandemic of many revenue sources. 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

In general, the City's major revenues include property taxes, sales taxes and various other taxes. Most revenues that were impacted by the pandemic have recovered to pre-pandemic levels. Property taxes are the City's single largest revenue source and have been steadily increasing over the last several years. Permitted improvements that increase a property's taxable value have increased post-pandemic, bolstering the City's property tax revenues. These improvements generally take a year or so to result in increased assessed value, which means the City should continue to see a steady increase.

Overall, the City has a diverse revenue mix which has allowed it to weather uncertainty. 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 fiscal year. Staff will continue to monitor this revenue source for potential updates. 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 are still being analyzed.

While economic uncertainty persists, rising interest rates this year and a new investment advisor should bolster the City's investments. PFMAM was selected as the City's Investment Manager and staff are actively working to implement improved investment strategies. A new Investment Policy was adopted by Council with the biennial budget package in June 2023.

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

Expenditures

In general, 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. While salary savings from unfilled positions is still a factor, the City has been fortunate to make several critical hires in late fiscal year 2022 and early 2023, reducing the savings previously actualized.

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. Staff will address funding in the next biennial budget.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City's finances for all of the City'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

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City of Albany
Statement of Net Position
June 30, 2023

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 39,386,575	\$ 6,935,246	\$ 46,321,821
Accounts and taxes receivable	2,208,002	14,397	2,222,399
Due from other governments	370,067	-	370,067
Lease receivable, current	102,966	-	102,966
Prepaid items	751,293	-	751,293
Total Current Assets	42,818,903	6,949,643	49,768,546
Noncurrent Assets:			
Leases receivable	104,281	-	104,281
Capital Assets:			
Nondepreciable	9,700,485	2,399,640	12,100,125
Depreciable, net of accumulated depreciation	48,333,932	31,115,199	79,449,131
Total Capital Assets - Net	58,034,417	33,514,839	91,549,256
Total Noncurrent Assets	58,138,698	33,514,839	91,653,537
Total Assets	\$ 100,957,601	\$ 40,464,482	\$ 141,422,083
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Adjustments	\$ 940,351	\$ -	\$ 940,351
Pension Adjustments	20,664,223	-	20,664,223
Deferred Loss on Refunding	335,330	-	335,330
Total Deferred Outflows of Resources	\$ 21,939,904	\$ -	\$ 21,939,904
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 5,159,133	\$ 19,423	\$ 5,178,556
Payroll related liabilities	397,814	-	397,814
Deposits and other liabilities	1,014	-	1,014
Interest payable	162,000	-	162,000
Unearned revenues	1,483,808	-	1,483,808
Claims payable	140,000	-	140,000
Compensated absences	1,029,785	-	1,029,785
Long-term debt - due within one year	930,591	621,411	1,552,002
Total Current Liabilities	9,304,145	640,834	9,944,979
Noncurrent Liabilities:			
Claims payable	252,876	-	252,876
Compensated absences	530,495	-	530,495
Net pension liability	45,891,193	-	45,891,193
Net OPEB liability	4,826,419	-	4,826,419
Long-term debt - due in more than one year	15,707,752	2,114,689	17,822,441
Total Noncurrent Liabilities	67,208,735	2,114,689	69,323,424
Total Liabilities	\$ 76,512,880	\$ 2,755,523	\$ 79,268,403
DEFERRED INFLOWS OF RESOURCES			
Leases	\$ 203,366	\$ -	\$ 203,366
OPEB Adjustments	1,186,264	-	1,186,264
Pension Adjustments	6,430,861	-	6,430,861
Total Deferred Inflows of Resources	\$ 7,820,491	\$ -	\$ 7,820,491
NET POSITION			
Net investment in capital assets	\$ 41,064,237	\$ 30,778,739	\$ 71,842,976
Restricted for:			
Police and Fire pension and retirement benefits	888,041	-	888,041
Law enforcement and training	1,252,402	-	1,252,402
Transportation projects	9,794,370	-	9,794,370
Recreation playfields, open space and creek restoration	2,691,854	-	2,691,854
Lighting and landscape projects	798,425	-	798,425
Sidewalks	506,492	-	506,492
Library	928,614	-	928,614
Collision response and Extrication	12	-	12
Prevention of nonpoint source pollution	1,609,646	-	1,609,646
Waste reduction and management	56,582	-	56,582
Transition improvement plan	3,398	-	3,398
Other restrictions	23,076	-	23,076
Public art promotion	180,456	-	180,456
Community capital improvements	695,378	-	695,378
Debt service	180,556	-	180,556
Total Restricted	22,719,443	-	22,719,443
Unrestricted	(25,219,546)	6,930,220	(18,289,326)
Total Net Position	\$ 38,564,134	\$ 37,708,959	\$ 76,273,093

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

City of Albany
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues					Governmental Activities	Business-Type Activities	Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total			
Primary Government:								
Governmental Activities:								
General Government	\$ 11,422,141	\$ 46,232	\$ 2,365,314	\$ -	\$ 2,411,546	\$ (9,010,595)		\$ (9,010,595)
Police	5,979,309	346,547	185,271	-	531,818	(5,447,491)		(5,447,491)
Fire and emergency medical services	4,447,150	1,562,927	197,153	-	1,760,080	(2,687,070)		(2,687,070)
Community development and environmental services	5,332,006	1,036,474	233,786	3,290,014	4,560,274	(771,732)		(771,732)
Recreation and community services	5,533,380	1,144,952	98,438	-	1,243,390	(4,289,990)		(4,289,990)
Interest and fiscal charges	518,052	-	-	-	-	(518,052)		(518,052)
Total Governmental Activities	\$ 33,232,038	\$ 4,137,132	\$ 3,079,962	\$ 3,290,014	\$ 10,507,108	(22,724,930)		(22,724,930)
Business-Type Activities:								
Sewer	\$ 1,875,503	\$ 4,578,236	\$ -	\$ -	\$ 4,578,236		\$ 2,702,733	2,702,733
Total Business-Type Activities	\$ 1,875,503	\$ 4,578,236	\$ -	\$ -	\$ 4,578,236		2,702,733	2,702,733
General Revenues:								
Taxes:								
Property taxes						18,612,953	-	18,612,953
Sales and use taxes						5,533,889	-	5,533,889
Franchise and other taxes						6,885,172	-	6,885,172
Total taxes						31,032,014	-	31,032,014
Developer fees						341,312	-	341,312
Investment earnings						1,022,098	195,398	1,217,496
Other revenues						268,565	-	268,565
Total General Revenues						32,663,989	195,398	32,859,387
Change in Net Position						9,939,059	2,898,131	12,837,190
Net Position - Beginning of Year						28,294,246	33,694,714	61,988,960
Prior Period Adjustments						330,829	1,116,114	1,446,943
Net Position - Beginning of Year, As Adjusted						28,625,075	34,810,828	63,435,903
Net Position - End of Year						\$ 38,564,134	\$ 37,708,959	\$76,273,093

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

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, 2023

	Major Funds			Total Governmental Funds
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	
ASSETS				
Cash and investments	\$ 11,820,069	\$ 3,588,028	\$ 23,978,478	\$ 39,386,575
Accounts and taxes receivable	2,147,875	4,407	55,720	2,208,002
Due from other governments	-	-	370,067	370,067
Due from other funds	1,287,713	-	-	1,287,713
Prepaid items	1,418,460	-	-	1,418,460
Leases receivable	207,247	-	-	207,247
Total assets	\$ 16,881,364	\$ 3,592,435	\$ 24,404,265	\$ 44,878,064
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,416,723	\$ 326,784	\$ 1,415,626	\$ 5,159,133
Payroll related liabilities	397,814	-	-	397,814
Deposits and other liabilities	-	-	1,014	1,014
Due to other funds	-	-	1,287,713	1,287,713
Unearned revenues	1,483,808	-	-	1,483,808
Total liabilities	5,298,345	326,784	2,704,353	8,329,482
Deferred Inflows of Resources:				
Leases	203,366	-	-	203,366
Total Deferred Inflows of Resources	203,366	-	-	203,366
Fund Balances:				
Nonspendable				
Prepaid items	1,418,460	-	-	1,418,460
Leases receivable	3,881	-	-	3,881
Restricted:				
Police and Fire pension and retirement benefits	-	-	888,041	888,041
Law enforcement and training	-	-	1,252,402	1,252,402
Transportation projects	-	3,265,651	6,528,719	9,794,370
Recreation playfields, open space and creek restoration	-	-	2,691,854	2,691,854
Lighting and landscape projects	-	-	798,425	798,425
Sidewalks	-	-	506,492	506,492
COVID-19 recovery	-	-	3,110,141	3,110,141
Library	-	-	928,614	928,614
Collision response and Extrication	-	-	12	12
Prevention of nonpoint source pollution	-	-	1,609,646	1,609,646
Waste reduction and management	-	-	56,582	56,582
Transition improvement plan	-	-	3,398	3,398
Other restrictions	-	-	23,076	23,076
Public art promotion	-	-	180,456	180,456
Community capital improvements	-	-	695,378	695,378
Debt service	-	-	180,556	180,556
Assigned:				
Economic development and land use	-	-	230,277	230,277
Police vehicles and equipment	-	-	258,975	258,975
Emergency medical services equipment	-	-	212,250	212,250
Fire operations equipment	-	-	345,599	345,599
Information technology equipment replacement	-	-	491,517	491,517
Public works and park equipment	-	-	759,469	759,469
General city projects	-	-	499,082	499,082
Climate and adaptation plan	-	-	143,469	143,469
KALB equipment replacement	-	-	50,000	50,000
Pensions	775,000	-	-	775,000
Unassigned	9,182,312	-	(744,518)	8,437,794
Total fund balances	11,379,653	3,265,651	21,699,912	36,345,216
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,881,364	\$ 3,592,435	\$ 24,404,265	\$ 44,878,064

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, 2023

Total Fund Balances - Total Governmental Funds \$ 36,345,216

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	97,199,020
Reclassifications from prepaid right of use assets	(667,167)
Less: accumulated depreciation	<u>(39,164,603)</u>
Total Capital Assets	<u>57,367,250</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. (162,000)

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. 13,987,449

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. 335,330

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	(16,638,343)
Claims payable	(392,876)
Compensated absences	(1,560,280)
Net pension liability	(45,891,193)
Net OPEB liability	<u>(4,826,419)</u>
Total Long-Term Obligations	<u>(69,309,111)</u>

Net Position of Governmental Activities \$ 38,564,134

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, 2023

	Major Funds			
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 9,492,391	\$ 1,248,522	\$ 7,872,040	\$ 18,612,953
Sales and use taxes	5,533,889	-	-	5,533,889
Franchise and other taxes	6,885,172	-	-	6,885,172
License and permits	727,159	-	-	727,159
Fines and forfeitures	228,530	-	-	228,530
Investment earnings	691,939	-	330,159	1,022,098
Intergovernmental revenues	424,451	-	5,904,130	6,328,581
Developer fees	-	-	341,312	341,312
Charges for services	1,358,511	-	1,550,642	2,909,153
Rents and concessions	272,291	-	-	272,291
Other revenues	276,219	-	33,740	309,959
Total Revenues	25,890,552	1,248,522	16,032,023	43,171,097
EXPENDITURES				
Current:				
General Government	9,129,732	10,533	15,267	9,155,532
Police	7,378,661	-	293,651	7,672,312
Fire and emergency medical services	3,071,405	-	2,976,412	6,047,817
Community development and environmental services	4,847,239	-	499,263	5,346,502
Recreation and community services	2,728,384	-	2,266,287	4,994,671
Capital outlay	157,976	2,972,045	4,171,753	7,301,774
Debt service				
Principal	258,006	-	630,000	888,006
Interest and fiscal charges	224,713	-	352,613	577,326
Total Expenditures	27,796,116	2,982,578	11,205,246	41,983,940
Excess (Deficiency) of Revenues over Expenditures	(1,905,564)	(1,734,056)	4,826,777	1,187,157
OTHER FINANCING SOURCES (USES)				
Transfers in	3,455,411	-	1,976,228	5,431,639
Transfers out	(1,758,657)	(121,215)	(3,551,767)	(5,431,639)
Total Other Financing Sources (Uses)	1,696,754	(121,215)	(1,575,539)	-
Net Change in Fund Balances	(208,810)	(1,855,271)	3,251,238	1,187,157
Fund Balances Beginning	11,588,267	5,120,922	18,254,035	34,963,224
Prior Period Adjustments	196	-	194,639	194,835
Fund Balances Beginning, as Adjusted	11,588,463	5,120,922	18,448,674	35,158,059
Fund Balances Ending	\$ 11,379,653	\$ 3,265,651	\$ 21,699,912	\$ 36,345,216

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,187,157

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	7,149,810
Depreciation expense	(3,417,250)

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)

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. 4,413,214

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. 888,006

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

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 (242,982)

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 (205,080)
Claims payable 106,910

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. 27,000

Change in Net Position of Governmental Activities	\$ 9,939,059
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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 City residents and businesses.

City of Albany
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities Enterprise Funds Sewer Fund
ASSETS	
Current assets:	
Cash and investments	\$ 6,935,246
Accounts receivable	14,397
Total current assets	<u>6,949,643</u>
Noncurrent assets:	
Capital assets - nondepreciable	2,399,640
Capital assets - depreciable	31,115,199
Total capital assets - net	<u>33,514,839</u>
Total assets	<u><u>\$ 40,464,482</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 19,423
Long-term debt - due within one year	621,411
Total current liabilities	<u>640,834</u>
Noncurrent liabilities:	
Long-term debt - due in more than one year	2,114,689
Total noncurrent liabilities	<u>2,114,689</u>
Total liabilities	<u><u>\$ 2,755,523</u></u>
NET POSITION	
Net Investment in capital assets	\$ 30,778,739
Unrestricted	6,930,220
Total net position	<u><u>\$ 37,708,959</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, 2023

	Business-Type Activities Enterprise Funds
	Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 4,578,236
Total operating revenues	<u>4,578,236</u>
OPERATING EXPENSES	
Personnel services	408,546
Supplies, materials and other	534,574
Major repairs	2,209
Depreciation	828,248
Total operating expenses	<u>1,773,577</u>
Operating income (loss)	<u>2,804,659</u>
NONOPERATING REVENUES(EXPENSES)	
Investment earnings	195,398
Interest expense	(101,926)
Total nonoperating revenues(expenses)	<u>93,472</u>
Change in net position	<u>2,898,131</u>
Total net position - beginning	33,694,714
Prior period adjustments - capital assets	1,116,114
Total net position - beginning , as adjusted	<u>34,810,828</u>
Total net position - ending	<u>\$ 37,708,959</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, 2023

	Business-Type Activities Enterprise Funds
	Sewer Fund
	<u> </u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 4,578,236
Payments to suppliers	(544,495)
Payments to employees	(408,546)
Net cash provided (used) by operating activities	<u>3,625,195</u>
 Cash flows from capital financing activities:	
Purchases of property, plant and equipment - net	(3,439,447)
Principal payments on long-term debt	(609,638)
Interest paid on long-term debt	(101,926)
Net cash provided (used) by capital financing activities	<u>(4,151,011)</u>
 Cash flows from investing activities:	
Investment income received	195,398
Net cash provided (used) by investing activities	<u>195,398</u>
 Net increase (decrease) in cash and cash equivalents	(330,418)
Cash and cash equivalents - beginning	6,149,550
Cash and cash equivalents - ending	<u>\$ 6,935,246</u>
 Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 2,804,659
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	828,248
Change in operating assets and liabilities:	
Accounts payable	(7,712)
Net cash provided (used) by operating activities	<u>\$ 3,625,195</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, 2023

	Pension Trust Fund		Custodial Funds	
			1996-1 Assessment	
	Police and Fire Pension Fund	Cordornices Trail Fund	District Bond Fund	Total Custodial Funds
ASSETS				
Cash deposits with financial institutions	\$ 274,895	\$ 307,347	\$ 537,136	\$ 844,483
Investments at fair value:				
Local Agency Investment Fund	32,454	-	-	-
Mutual funds	2,475,716	-	-	-
Total assets	<u>\$ 2,783,065</u>	<u>\$ 307,347</u>	<u>\$ 537,136</u>	<u>\$ 844,483</u>
LIABILITIES				
Accounts payable	\$ 58,334	\$ -	\$ -	\$ -
Payroll related liabilities	698	-	-	-
Total liabilities	<u>\$ 59,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Restricted	<u>\$ 2,724,033</u>	<u>\$ 307,347</u>	<u>\$ 537,136</u>	<u>\$ 844,483</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, 2023

	Pension Trust Fund	Custodial Funds		
	Police and Fire Pension Fund	Cordornices Trail Fund	1996-1 Assessment District Bond Fund	Total Custodial Funds
ADDITIONS				
Employer contributions	\$ 500,000	\$ -	\$ -	\$ -
Net appreciation (depreciation) of investments	65,067	-	-	-
Interest and dividends	114,657	-	-	-
Total additions	679,724	-	-	-
DEDUCTIONS				
Pension benefits	1,002,243	-	-	-
Professional services	-	24,510	-	24,510
Administration	18,915	-	-	-
Total deductions	1,021,158	24,510	-	24,510
Change in net position	(341,434)	(24,510)	-	(24,510)
Total net position - beginning	3,065,467	331,857	537,136	868,993
Total net position - ending	<u>\$ 2,724,033</u>	<u>\$ 307,347</u>	<u>\$ 537,136</u>	<u>\$ 844,483</u>

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

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Albany, California (City) is a largely residential community located on the San Francisco Bay in Alameda County, California (County). The City was incorporated in 1908 and is a charter city, having adopted its first charter in 1927. The State of California (State), Department of Finance estimated the City's population to be 21,401 as of January 1, 2023.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business - type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Financial Reporting Entity

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.

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 that it is both legally and substantively separate 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.

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

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.

C. 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, as applicable:

- 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:

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- Transfers in/Transfers out
- Internal Service Fund charges

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.

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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.

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 proprietary 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.

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

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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.

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.

D. 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, Local Agency Investment Fund (LAIF), that is managed by the Treasurer of the State and is regulated by Government Code Section 16429. LAIF has invested a portion of the pool funds in Structured Notes and Asset Backed Securities. 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.

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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.

E. 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.

F. 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.

G. Prepaid Items

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

H. Leases Receivable

The City’s leases receivable are measured at the present value of lease payments expected to be received during the lease terms. The present value, net of accumulated amortization, is reported as deferred inflows of resources is recorded for leases. Deferred inflows of resources are recorded at the initiation of the leases in an amount equal to the initial recording of the leases receivable, plus incentive payments received. Amounts recorded as deferred inflows of resources from the leases are amortized on a straight-line basis over the term of the lease.

I. 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.

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All assets, including land, buildings, machinery and equipment, with an original cost in excess of \$5,000 and an estimated useful life of more than one year 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.

Intangible right-to-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset.

Depreciation/amortization 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

J. 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.

K. 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.

L. 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.

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M. 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.

N. Compensated Absences

Compensated absences, representing earned but unused vacation, sick leave pay and related costs, are reported in the Statement of Net Position. All compensated absences and related costs are accrued when incurred in the government-wide and proprietary fund financial statements. The City's bargaining agreements and personnel rules, except Albany Fire Fighters' Association (AFFA), allow for those who retire with unused sick leave to receive payment of twenty-five percent of accrued and unused sick leave, at the time of retirement. The AFFA has a straight-time CalPERS service credit earning up to 2,000 hours, then additional sick hours, up to 750, are cashed out to a retirement health savings account. See Note 6 for a summary of changes in compensated absences and the current portions due within the next year. The general fund is typically used to liquidate compensated absences.

O. 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.

P. Subscription Based Information Technology Arrangements (SBITAs)

The City recognizes subscription liabilities with an initial, individual value of \$250,000 or more. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate in the arrangement. The City's estimated incremental borrowing rate is based on its most recent public debt issuance.

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Q. 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.

R. Net Position

In the government-wide financial statements and proprietary fund statements, net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources, regardless of fund. 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.

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 and proprietary funds 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.

S. 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:

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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.

Restricted

Restricted fund balance amounts 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 amounts are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (e.g., City Council) and does not lapse at year-end.

Assigned

Assigned fund balance amounts 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.

T. 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.

U. Property Taxes and Special Assessments

County tax assessments include secured and unsecured property taxes and special assessments.

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

"Unsecured" refers to taxes on personal property other than real estate, land and buildings and are secured by liens on the property being taxed. Property tax on the unsecured roll is due on July 1 and becomes delinquent if unpaid on August 31.

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. However, unsecured property taxes are not susceptible to year end accrual.

V. 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 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, 2023.

W. 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.

City of Albany
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X. 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.

Y. Use of Estimates

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

Z. Implementation of New Accounting Pronouncements

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

During the fiscal year, the City implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. GASB Statement No. 96 is an accounting pronouncement issued by the Governmental Accounting Standards Board (GASB) that provides guidance on how the costs and investments for subscription-based information technology arrangements (SBITAs) are accounted for and disclosed by governmental entities. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. As a result, the City recorded intangible right of use subscription assets of \$1 million and corresponding subscription liabilities of \$340,000. The details of the related assets and liabilities can be found in Note 7.

AA. Upcoming New Accounting Pronouncements

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

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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Notes to the Basic Financial Statements
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GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the financial statements as follows:

	Government Wide		Fiduciary Funds	Total
	Statement of Net Position			
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Operating cash and investments	\$ 39,386,575	\$ 6,935,246	\$ 3,627,548	\$ 49,949,369

City of Albany
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The following summarizes the City’s cash and investments by type as of June 30, 2023:

Deposits:	
Cash on hand	\$ 2,720
Deposits with financial institutions	2,173,071
Total Deposits	<u>2,175,791</u>
Investments:	
Local Agency Investment Fund	2,999,562
CalTrust investment pool	2,579,941
California Asset Management Program	32,574,221
Mutual and money market funds	9,619,854
Total investments	<u>47,773,578</u>
Total cash and investments	<u>\$ 49,949,369</u>

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 \$9.8 million at June 30, 2023 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was \$9.6 million which was collateralized by securities held by pledging financial institutions.

A. 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.

B. Authorized Investments

The following table 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.

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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	5 Years	n/a	n/a
U.S. Agency Securities	5 Years	n/a	n/a
Municipal Obligations	5 Years	n/a	n/a
Supranational Obligations	5 Years	15%	n/a
Banker's Acceptance	180 Days	40%	5%
Commercial Paper	270 Days	25%	n/a
Negotiable Certificates of Deposit	One Year	30%	n/a
Medium-Term Notes	5 Years	30%	n/a
Asset Backed Securities	5 Years	20%	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
Local Gov't Investment Pools	n/a	n/a	n/a
Time deposits	1 Year	15%	n/a
Money Market Accounts	n/a	20%	n/a

Note: unless matched to a specific cash flow, the City's policy does not allow direct investment in securities that mature more than 5 years from the purchase date. However, investments may exceed 5 years in maturity after receiving authorization from the City Council at least 3 months prior to the purchase.

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.

C. External Investment Pools

Local Agency Investment Fund (LAIF)

The City and The *Albany Police and Fire Relief Pension Trust Fund (the Pension Trust 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. 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 in 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, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

City of Albany
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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/>.

California Asset Management Program (CAMP)

The California Asset Management Program (“CAMP” or the “Program”) is a California Joint Powers Authority (“JPA”) established in 1989 to provide California public agencies with professional investment services. Investments offered through the Cash Reserve Portfolio (the “Pool” or the “CAMP Pool”) and CAMP Term are permitted for all local agencies under California Government Code Section 53601(p). The Program also offers educational resources, market updates and arbitrage rebate compliance services.

CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

CAMP offers the following option that the City utilized as of June 30, 2023:

- **CAMP Pool:** This fully liquid, stable net asset value (NAV) investment option stresses daily liquidity and safety of principal as the two primary objectives, as underscored by its AAAm* rating from Standard & Poor’s. Earning a competitive yield is a third goal after safety and liquidity.

D. 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 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 the 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 will not directly invest in securities maturing more than 5 years from the date of purchase. Investments which exceed five years in maturity require prior City Council 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.

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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. 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 shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probably income to be derived.”

Concentrations of Credit Risk

The City’s Investment Policy states with the exception of U.S. Treasuries, federal agencies, and authorized pools, no more than 5% of the City’s total investment portfolio shall be invested in the securities of any issuer regardless of security type.

Custodial Credit Risk

Custodial credit risk for investments 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 counter party, the City will not be able to recover the value of its 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 or CAMP).

As of June 30, 2023, 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	\$ 2,967,108	\$ 2,922,093	n/a
CalTrust investment pool	2,579,941	2,579,941	n/a
California Asset Management Program	32,574,221	32,574,221	n/a
Mutual and money market funds	7,144,138	7,144,138	Level 1
Subtotal	45,265,408	45,220,393	
Police and Fire Pension Trust Fund:			
Local Agency Investment Funds	32,454	31,962	n/a
Mutual and money market funds	2,475,716	2,475,716	Level 1
Total Police and Fire Pension Trust Fund	2,508,170	2,507,678	
Total Investments	\$ 47,773,578	\$ 47,728,071	

E. Albany Police and Fire Relief Pension Trust Fund (the Pension Trust 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

City of Albany
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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

The Pension Trust 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 Pension Trust Fund’s Investment Policy allows the 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, 2023, the Pension Trust Fund’s allocations reflected the general guidelines set by the Pension Trust Fund’s policy as described above. Financial statements for the Pension Trust Fund may be obtained from the City’s Finance Department at Budget & Financial Reports | City of Albany, CA (albanyca.org).

NOTE 3 - 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, 2023, inter-fund receivables and payables consisted of the following:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,287,713	\$ -
Nonmajor Funds	-	1,287,713
Total Due from/to	\$ 1,287,713	\$ 1,287,713

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.

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The following summarizes transfers between funds during the fiscal year ended June 30, 2023:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	3,455,411	1,758,657
Street & Storm Fund	-	121,215
Nonmajor Funds	1,976,228	3,551,767
Total Transfers	<u>\$ 5,431,639</u>	<u>\$ 5,431,639</u>

NOTE 4 - LEASES RECEIVABLE

The following summarizes the City's leases receivable as of June 30, 2023:

<u>Description</u>	<u>Lease Receivable</u>	<u>Deferred Inflows of Resources</u>
Initial Net Present Value	\$ 508,418	\$ 508,418
Accumulated Amortization	-	(203,368)
Principal Payments	(199,504)	-
Beginning Balances 7/1/2022	308,914	305,050
Current Amortization	-	(101,684)
Current Principal Payments	(101,667)	-
Ending Balances 6/30/2023	<u>\$ 207,247</u>	<u>\$ 203,366</u>

NOTE 5 - CAPITAL ASSETS

Capital assets related to governmental activities consisted of the following as of June 30, 2023:

<u>Governmental Activities</u>	<u>Balance July 01, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2023</u>
Non-depreciable:					
Land	\$ 9,443,728	\$ -	\$ -	\$ -	\$ 9,443,728
Construction in Progress	751,373	4,963,361	-	(5,457,977)	256,757
Total Non-Depreciable	<u>10,195,101</u>	<u>4,963,361</u>	<u>-</u>	<u>(5,457,977)</u>	<u>9,700,485</u>
Depreciable/Amortizable:					
Buildings	28,190,078	-	-	-	28,190,078
Improvements other than building	13,045,460	451,515	-	165,584	13,662,559
Furniture Fixtures	799,476	86,750	-	-	886,226
Machinery and Equipment	2,816,707	429,224	(5,838)	-	3,240,093
Vehicles	3,750,951	-	(61,745)	-	3,689,206
Subscription Based Assets	-	1,010,982	-	-	1,010,982
Infrastructure	28,771,915	1,215,534	-	6,831,942	36,819,391
Total Depreciable/Amortizable	<u>77,374,587</u>	<u>3,194,005</u>	<u>(67,583)</u>	<u>6,997,526</u>	<u>87,498,535</u>
Less Accumulated Dep/Amort for:					
Buildings	(9,029,146)	(546,907)	-	-	(9,576,053)
Improvements other than building	(6,671,416)	(636,770)	-	(483,198)	(7,791,384)
Furniture Fixtures	(704,162)	(25,677)	-	(2,773)	(732,612)
Machinery and Equipment	(2,479,621)	(196,680)	5,838	(84,774)	(2,755,237)
Vehicles	(3,211,244)	(178,803)	61,745	(103,904)	(3,432,206)
Subscription Based Assets	-	(219,216)	-	-	(219,216)
Infrastructure	(12,315,792)	(1,613,197)	-	(728,906)	(14,657,895)
Total Accumulated Dep/Amort	<u>(34,411,381)</u>	<u>(3,417,250)</u>	<u>67,583</u>	<u>(1,403,555)</u>	<u>(39,164,603)</u>
Total Dep/Amort Capital Assets - Net	<u>42,963,206</u>	<u>(223,245)</u>	<u>-</u>	<u>5,593,971</u>	<u>48,333,932</u>
Total Governmental Capital Assets	<u>\$ 53,158,307</u>	<u>\$ 4,740,116</u>	<u>\$ -</u>	<u>\$ 135,994</u>	<u>\$ 58,034,417</u>

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

General Government	\$ 2,368,636
Police	147,507
Fire and Emergency Medical Services	110,446
Community Development and Environmental Services	201,096
Recreation and Community Services	589,565
Total depreciation/amortization expense	<u>\$ 3,417,250</u>

Capital assets related to business-type activities consisted of the following as of June 30, 2023:

Business Type Activities	Balance July 01, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
Non Depreciable					
Construction in progress	\$ 4,546,819	\$ -	\$ -	\$ (2,147,179)	\$ 2,399,640
Depreciable:					
Buildings	2,320,024	-	-	-	2,320,024
Sewer Lines	33,504,528	2,174,723	-	3,413,147	39,092,398
Machinery and Equipment	98,604	-	-	-	98,604
Total Depreciable	35,923,156	2,174,723	-	3,413,147	41,511,026
Less Accumulated Depreciation					
Buildings	(235,867)	(46,400)	-	-	(282,267)
Sewer Lines	(9,083,254)	(781,848)	-	(149,854)	(10,014,956)
Machinery and Equipment	(98,604)	-	-	-	(98,604)
Total Accumulated Depreciation	(9,417,725)	(828,248)	-	(149,854)	(10,395,827)
Total Depreciable Capital Assets - Net	26,505,431	1,346,475	-	3,263,293	31,115,199
Total Business Type Capital Assets	<u>\$ 31,052,250</u>	<u>\$ 1,346,475</u>	<u>\$ -</u>	<u>\$ 1,116,114</u>	<u>\$ 33,514,839</u>

NOTE 6 - LONG-TERM LIABILITIES

The City's long-term liabilities consisted of the following as of June 30, 2023:

Governmental Activities	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
General Obligation Bonds:					
2016 GO Refunding Bonds					
2-5%, 8/1/37	\$ 11,770,000	\$ -	\$ (630,000)	\$ 11,140,000	\$ 665,000
Bond Premiums	843,389	-	(56,226)	787,163	-
Subtotal GO Bonds	12,613,389	-	(686,226)	11,927,163	665,000
Direct Borrowings:					
2011 California Energy Commission					
1%, 6/2025	66,104	-	(21,816)	44,288	22,033
Subscription Liabilities	-	340,389	(72,518)	267,871	74,168
Lease Agreements:					
2017 Albany Service Center Lease					
3.9%, 9/1/37 (67%)	3,761,476	-	(89,277)	3,672,199	92,821
Lease Purchase Agreement	801,217	-	(74,395)	726,822	76,569
Subtotal Long-Term Debt	17,242,186	340,389	(944,232)	16,638,343	930,591
Claims Payable	499,786	68,564	(175,474)	392,876	140,000
Net Pension Liability	28,938,890	40,397,221	(23,444,918)	45,891,193	-
Total OPEB Liability	4,394,300	980,913	(548,794)	4,826,419	-
Compensated Absences	1,355,200	971,952	(766,872)	1,560,280	1,029,785
Total Long-Term Liabilities	<u>\$ 52,430,362</u>	<u>\$ 42,759,039</u>	<u>\$ (25,880,290)</u>	<u>\$ 69,309,111</u>	<u>\$ 2,100,376</u>

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Business-Type Activities	Balance			Balance June 30, 2022	Due Within One Year
	June 30, 2021	Additions	Deletions		
2017 Albany Service Center Lease 3.9%, 9/1/37 (33%)	\$ 1,880,738	\$ -	\$ (44,638)	\$ 1,836,100	\$ 46,411
2016 Sewer Refunding Bond	1,465,000	-	(565,000)	900,000	575,000
Total Long-Term Liabilities	\$ 3,345,738	\$ -	\$ (609,638)	\$ 2,736,100	\$ 621,411

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 \$3.7 million and an economic gain (net present value savings) of \$2.9 million.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2024	\$ 665,000	\$ 319,488	\$ 984,488
2025	700,000	285,363	985,363
2026	735,000	249,488	984,488
2027	775,000	215,613	990,613
2028	805,000	192,063	997,063
2029-2033	4,285,000	698,313	4,983,313
2034-2038	3,175,000	217,225	3,392,225
Total	\$ 11,140,000	\$ 2,177,553	\$ 13,317,553

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
2024	\$ 22,033	\$ 389	\$ 22,422
2025	22,255	167	22,422
Total	\$ 44,288	\$ 556	\$ 44,844

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Subscription Liabilities (Subscription Based Information Technology Arrangements)

The following summarizes the terms of the City's subscription-based information technology arrangements (SBITAs) as of June 30, 2023:

	Microsoft	SHI
Start	7/1/2022	7/1/2022
End	3/31/2026	4/25/2027
Annual Rate	2.28%	0.00%
Principal Paid	\$ 72,518	\$ -
Interest Paid	\$ 7,744	\$ -
Lease Amortization	\$ 85,097	\$ 134,119

The SBITA with SHI was prepaid as of June 30, 2023.

The following summarizes the City's subscription right of use assets as of June 30, 2023:

	Microsoft	SHI	Total
Beginning	\$ -	\$ -	\$ -
Additions	340,389	670,593	1,010,982
Deletions	-	-	-
Ending	340,389	670,593	1,010,982
Accumulated Amortization	(85,097)	(134,119)	(219,216)
Subscription ROA, Net	<u>\$ 255,292</u>	<u>\$ 536,474</u>	<u>\$ 791,766</u>

The following summarizes the City's subscription liabilities as of June 30, 2023:

	Microsoft
Beginning	\$ -
Additions	340,389
Principal Paid	(72,518)
Ending	267,871
Due Within One Year	74,168
Due in More Than One Year	<u>\$ 193,703</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 term, September 1, 2037. The lease payments are allocated between the General Fund and the Sewer Fund and the lease liability is allocated between governmental activities and business-type activities, two-thirds and one-third respectively. The lease purchase agreement included a principal advance of \$6.2 million to be repaid monthly by September 1, 2037 at an annual percentage rate of 3.9%.

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The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2024	\$ 139,232	\$ 212,352	\$ 351,584
2025	144,760	206,824	351,584
2026	150,508	201,077	351,585
2027	156,484	195,101	351,585
2028	162,697	188,888	351,585
2029-2033	915,667	842,255	1,757,922
2034-2038	3,838,951	562,750	4,401,701
Total	\$ 5,508,299	\$ 2,409,247	\$ 7,917,546

Lease Purchase Agreement

On September 24, 2021, the City entered into a lease purchase agreement with Holman Capital Corporation in the amount of \$837,619 to finance the purchase of a pumper fire truck. Ownership of the pumper truck passes to the City at the end of the 10-year lease, at an annual interest rate of 2.90%. The cost of the fire engine has been included in the City's financial statements.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2024	\$ 76,569	\$ 20,527	\$ 97,096
2025	78,805	18,290	97,095
2026	81,107	15,988	97,095
2027	83,476	13,619	97,095
2028	85,915	11,181	97,096
2029-2033	320,950	18,883	339,833
Total	\$ 726,822	\$ 98,488	\$ 825,310

Sewer Revenue Bonds

During fiscal year 2016, the City issued \$4.8 million in Sewer Revenue Bonds (Bonds), which were used to refund the City's 2004 Sewer Revenue Bonds in the amount of \$5.1 million as of the issue date. The reacquisition price exceeded the net carrying amount of the old debt by \$69,000. The bonds mature serially, each August 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 2025. Sewer revenue net of operating expenses (excluding depreciation expense) was \$3.6 million.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2024	\$ 575,000	\$ 16,112	\$ 591,112
2025	325,000	3,526	328,526
Total	\$ 900,000	\$ 19,638	\$ 919,638

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.

Outstanding Contracts

During the normal course of business, the City enters into various contracts for services and construction. As of June 30, 2023, the City had outstanding contracts totaling of \$31.4 million with remaining balances of \$10.4 million.

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 in 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. 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 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

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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 June 30, 2021	\$ 406,547	\$ 5,454	\$ 412,001
Increase (Decrease) in current year claims and changes in estimates	219,229	37,712	172,785
Claims paid	<u>(162,214)</u>	<u>(6,942)</u>	<u>(85,000)</u>
Balance June 30, 2022	463,562	36,224	499,786
Increase (Decrease) in current year claims and changes in estimates	49,966	18,598	68,564
Claims paid	<u>(156,422)</u>	<u>(19,052)</u>	<u>(175,474)</u>
Balance June 30, 2023	<u>\$ 357,106</u>	<u>\$ 35,770</u>	<u>\$ 392,876</u>

NOTE 9 - RETIREMENT PLANS

A. Summary of Pension Plan Balances

The following summarizes the pension plan balance as of June 30, 2023:

Description	Plan Type	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police and Fire Relief Fund	Single Employer	\$ 7,977,856	\$ 1,049,362	\$ 395,362	\$ (1,720,178)
CalPERS Misc and Safety	Cost Sharing	37,913,337	19,614,861	6,035,499	2,155,639
Totals		<u>\$ 45,891,193</u>	<u>\$ 20,664,223</u>	<u>\$ 6,430,861</u>	<u>\$ 435,461</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 the City's Charter Section 9.01 and is a sole employer defined benefit pension plan for the City's police and fire department employees hired before July 1, 1971. The Pension Fund is closed to new participants. Benefit provisions and other requirements are established by the City Charter.

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

Benefits Provided

A summary of the plan benefits is 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	Percentage of Average Yearly Salary
	25	50.00%		Less than five	16.67%
	26	53.33%		At least five	50.00%
	27	56.67%			
	28	60.00%			
	29	63.33%			
	30	66.67%			

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

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

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

As of June 30, 2022, the plan measurement date, the following employees were covered by the benefit terms for the Plans:

Inactive employees receiving benefits	<u>16</u>
Total Employees Covered	<u><u>16</u></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, 2023, the City contributed \$500,000 into the plan.

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, 2022 using an annual actuarial valuation with a measurement date of June 30, 2022.

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

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, 2022	\$ 13,860,551	\$ 4,078,344	\$ 9,782,207
Interest in Total Pension Liability	281,291	-	281,291
Changes in assumptions	(1,923,515)	-	(1,923,515)
Difference between actual and expected experience	9,206	-	9,206
Employer contributions	-	500,000	(500,000)
Net investment income	-	(301,233)	301,233
Benefit payments	(1,184,209)	(1,184,209)	-
Administrative expenses	-	(27,434)	27,434
Other	-	-	-
Net changes	<u>(2,817,227)</u>	<u>(1,012,876)</u>	<u>(1,804,351)</u>
Balance at June 30, 2023	<u>\$ 11,043,324</u>	<u>\$ 3,065,468</u>	<u>\$ 7,977,856</u>

For the year ended June 30, 2023, the City recognized a pension credit of \$1.7 million.

At June 30, 2023, 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	\$ 500,000	\$ -
Net differences between projected and actual earnings on plan investments	549,362	395,362
Total	<u>\$ 1,049,362</u>	<u>\$ 395,362</u>

The City reported \$500,000 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, 2024.

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>
2024	\$ 52,266
2025	38,482
2026	(34,267)
2027	97,519
Total	<u>\$ 154,000</u>

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	3.76%
Inflation	2.50%
Projected Salary Increase	3.00%
Investment Rate of Return	5.00%
Mortality	2021 CalPERS Study

Discount Rate

The discount rate used to measure the total pension liability was 3.76%. 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, 2022 (3.69%).

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
Notes to the Basic Financial Statements
June 30, 2023

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		2.76%
Net Pension Liability	\$	8,800,823
Current Discount Rate		3.76%
Net Pension Liability	\$	7,977,856
1% Increase		4.76%
Net Pension Liability	\$	7,252,725

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 full-time 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, 2023, 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%	2.00%
Required employee contribution rates	7.960%	6.930%	6.750%
Required employer contribution rates	11.590%	8.630%	7.470%
Total combined rate	19.550%	15.560%	14.220%

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

	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	8.990%	8.990%	13.000%
Required employer contribution rates	21.840%	20.640%	12.780%
Contractual employee contribution rates	12.000%	12.000%	13.000%
Contractual employer contribution rates	18.830%	17.630%	12.780%
Total combined rate	30.830%	29.630%	25.780%

	Police		
	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	8.990%	9.000%	13.000%
Required employer contribution rates	21.840%	15.719%	12.780%
Contractual employee contribution rates	12.000%	12.000%	13.000%
Contractual employer contribution rates	18.830%	12.719%	12.780%
Total combined rate	30.830%	24.719%	25.780%

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for the Plans:

	Miscellaneous	Safety
Active	68	41
Transferred	51	17
Separated	38	14
Retired	94	73
Total	251	145

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.

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

For the year ended June 30, 2023, the following contributions were made:

	Employer Contributions
Miscellaneous	\$ 3,136,368
Safety	1,212,306
Total Employer Contributions	\$ 4,348,674

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

As of June 30, 2023, 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	\$ 11,796,781
Safety	26,116,556
Total	\$ 37,913,337

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2022 and 2023 was as follows:

	Miscellaneous	Safety	Combined Plans
Proportion - June 30, 2022	0.33691%	0.36357%	0.35421%
Proportion - June 30, 2023	0.25211%	0.38007%	0.32823%
Change - Increase/(Decrease)	-0.08480%	0.01649%	-0.02598%

For the year ended June 30, 2023, the City recognized pension expense of \$2.2 million.

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 3,842,166	\$ -
Differences between Expected and Actual Experience	1,317,772	442,272
Differences between Projected and Actual Investment Earnings	6,285,026	-
Differences between Employer's Contributions and Proportionate Share of Contributions	1,921,193	4,661,168
Change in Employer's Proportion	1,900,030	932,058
Pension Contributions Made Subsequent to Measurement Date	4,348,674	-
Total	\$ 19,614,861	\$ 6,035,498

The City reported \$4.4 million 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, 2024.

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		Total
	Miscellaneous	Safety	
2024	\$ 1,467,788	\$ 810,449	\$ 2,278,238
2025	1,124,807	850,045	1,974,852
2026	559,968	580,181	1,140,149
2027	1,321,654	2,515,796	3,837,450
Total	\$ 4,474,217	\$ 4,756,471	\$ 9,230,689

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (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 6.9 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 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate 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 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.

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

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

Asset Class (a)	Assumed Asset Allocation	Long-Term Expected Real Return (1)(2)
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.3% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Study.

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
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 17,560,878	39,868,042
Current	6.90%	6.90%
Net Pension Liability	\$ 11,796,781	26,116,556
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 7,054,360	14,877,822

Pension Plan Fiduciary Net Position

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

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

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 retirees' health benefits requires retirement from the City on or after age 50 (age 52 for PEPPA new hires) with at least five years of CalPERS service. All premium coverage is to age 65.

All employees (except City Council, City Manager and City Clerk):

Hire Date	Service	Retirement Age	City Paid Benefit
Prior to July 1, 2005	At least 5 years of service	On or after age 63	100% medical premium for employee
	At least 10 years of service	On or after age 60	100% medical premium for employee, spouse and dependent coverage
After July 1, 2005, but before January 1, 2016	At least 10 years of service	Age 55 to age 65	100% medical premium for employee
	At least 15 years of service		100% medical premium for employee and spouse
	At least 20 years of service		100% medical premium for employee, spouse and dependent coverage
On and after January 1, 2016	Or less than 10 years of service		Public Employees' Medical & Hospital Care Act (PEMCHA) minimum benefit

City Council, City Manager and City Clerk:

At least 4 years of service	Four years of medical coverage for employee, spouse and dependent coverage.
Each additional year beyond 4 years	An additional 6 months

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

Employees Covered by Benefit Terms

At June 30, 2023 (the valuation date), the benefit terms covered the following employees:

Active employees	111
Inactive employees	49
Total employees	<u>160</u>

Contributions

The City makes contributions based on a pay-as-you go basis as approved by the authority of the City’s Council. Total benefit payments included in the measurement period were \$76,156. The City’s contributions, which equal the benefit payments, were .59% of covered employee payroll during the measurement period June 30, 2023. 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.

Actuarial Assumptions

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

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Actuarial Assumptions:	
Discount Rate	3.69%
Inflation	2.40%
Payroll Increases	2.80%
Trend Rate	6.50% to 4.04%
Municipal Bond Rate	3.69%
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, 2023:

Fiscal Year Ended June 30, 2023	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2022	\$ 4,394,300	\$ -	\$ 4,394,300
Service cost	258,942	-	258,942
Interest in Total OPEB Liability	167,901	-	167,901
Balance of diff between actual and exp experience	202,359	-	202,359
Balance of changes in assumptions	10,948	-	10,948
Benefit payments	(75,156)	-	(75,156)
Implicit rate subsidy fulfilled	(132,875)	-	(132,875)
Net changes	<u>432,119</u>	<u>-</u>	<u>432,119</u>
Balance at June 30, 2023	<u>\$ 4,826,419</u>	<u>\$ -</u>	<u>\$ 4,826,419</u>
Covered Employee Payroll	\$ 12,774,330		
Total OPEB Liability as a % of Covered Employee Payroll	37.78%		
Service Cost as a % of Covered Employee Payroll	2.03%		

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

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

Deferred Inflows and Outflows of Resources

At June 30, 2023, 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	\$ 225,306	\$ 466,315
Change in assumptions	715,045	719,949
Totals	\$ 940,351	\$ 1,186,264

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,	
2024	\$ 24,170
2025	24,170
2026	(125,562)
2027	(67,055)
2028	(54,316)
Thereafter	(47,320)
Total	\$ (245,913)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2023:

Service cost	\$ 258,942
Interest in TOL	167,901
Difference between actual and expected experience	(108,866)
Change in assumptions	133,036
OPEB Expense	\$ 451,013

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2023:

Total OPEB liability ending	\$ 4,826,419
Total OPEB liability beginning	(4,394,300)
Change in total OPEB liability	432,119
Changes in deferred outflows	(823,165)
Changes in deferred inflows	634,028
Employer contributions and implicit subsidy	208,031
OPEB Expense	\$ 451,013

City of Albany
Notes to the Basic Financial Statements
June 30, 2023

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)	3.69%	(1% Increase)
Total OPEB Liability	\$ 5,403,981	\$ 4,826,419	\$ 4,343,412

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)	6.50%	(1% Increase)
Total OPEB Liability	\$ 4,260,204	\$ 4,826,419	\$ 5,523,782

NOTE 11 - SUSBEQUENT EVENTS

On July 16, 2023, Golden Gate Fields announced its anticipated closure which is reportedly scheduled to occur as of June 2024. This location provides approximately \$800,000 in annual revenue to the City, primarily through the remittance of special parcel taxes. Should ownership change to a tax-exempt entity, the overall revenue received by the City could be negatively impacted.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

Beginning net position was increased by \$331,000 in the statement of activities for governmental activities to reflect adjustments to capital assets of \$136,000 (see Note 5) and adjustments for the timing of intergovernmental revenue of \$195,000. The \$195,000 increase to beginning net position was also an increase to beginning fund balance in the governmental funds.

Beginning net position was increased by \$1.1 million in the statement of activities and the Sewer fund financial statements for business-type activities, to reflect adjustments to capital assets (see Note 5).

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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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 8,173,750	\$ 9,103,750	\$ 9,492,391	\$ 388,641
Sales and use taxes	4,075,000	4,725,000	5,533,889	808,889
Franchise and other taxes	5,682,800	5,682,800	6,885,172	1,202,372
License and permits	455,200	455,200	727,159	271,959
Fines and forfeitures	270,000	270,000	228,530	(41,470)
Investment earnings	490,000	490,000	691,939	201,939
Intergovernmental revenues	243,000	243,000	424,451	181,451
Charges for services	936,942	951,942	1,358,511	406,569
Rents and concessions	135,000	135,000	272,291	137,291
Other revenues	70,915	91,015	276,219	185,204
Total Revenues	20,532,607	22,147,707	25,890,552	3,742,845
EXPENDITURES				
Current:				
General Government	8,106,611	8,253,055	9,129,732	(876,677)
Police	7,913,606	7,853,681	7,378,661	475,020
Fire and emergency medical services	3,239,487	3,223,882	3,071,405	152,477
Community development and environmental services	5,250,973	5,561,829	4,847,239	714,590
Recreation and community services	2,079,489	2,279,659	2,728,384	(448,725)
Capital outlay	57,579	57,530	157,976	(100,446)
Debt service				
Principal retirement	22,000	22,000	258,006	(236,006)
Interest and fiscal charges	2,000	2,000	224,713	(222,713)
Total Expenditures	26,671,745	27,253,636	27,796,116	(542,480)
Excess (Deficiency) of Revenues over Expenditures	(6,139,138)	(5,105,929)	(1,905,564)	3,200,365
OTHER FINANCING SOURCES (USES)				
Transfers in	4,667,406	4,681,406	3,455,411	(1,225,995)
Transfers out	(872,351)	(872,351)	(1,758,657)	(886,306)
Total Other Financing Sources (Uses)	3,795,055	3,809,055	1,696,754	(2,112,301)
Net Change in Fund Balance	(2,344,083)	(1,296,874)	(208,810)	1,088,064
Fund Balance Beginning	11,588,267	11,588,267	11,588,267	-
Prior Period Adjustments	-	-	196	196
Fund Balance Beginning, as Adjusted	11,588,267	11,588,267	11,588,463	196
Fund Balance Ending	\$ 9,244,184	\$ 10,291,393	\$ 11,379,653	\$ 1,088,260

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance. The level of control (the level at which expenditures may not exceed appropriations) is the fund level. The City's actual expenditures exceeded budgeted appropriations in the General Fund by \$542,480.

City of Albany
Required Supplementary Information
Schedule of Pension Contributions
Single Employer Plan (Police and Fire Relief Fund)
June 30, 2023

Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contributions (Actuarially Determined)	\$ 82,401	\$ 82,401	\$ 218,723	\$ 218,723	\$ 218,723	\$ 844,500	\$ 844,500	\$ 1,038,051	\$ 1,038,051
Contributions in Relation to Actuarially Determined Contributions	(82,401)	-	-	(218,723)	(218,723)	(218,723)	(847,799)	(500,000)	(500,000)
Contribution Deficiency (Excess)	\$ -	\$ 82,401	\$ 218,723	\$ -	\$ -	\$ 625,777	\$ (3,299)	\$ 538,051	\$ 538,051
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule:

Valuation Date: June 30, 2022
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll (Closed) Used Amortization Method
Discount Rate 3.76%
Cost of Living Increase 3%
Inflation Assumed at 2.50%
Investment Rate of Returns set at 5%
Mortality based on assumption for Public Safety members published in Dec. 2021 CalPERS Study

** Fiscal year 2015 was the first year of implementation, therefore only nine 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, 2023

Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability									
Interest	\$ 774,708	\$ 667,736	\$ 689,200	\$ 556,000	\$ 563,799	\$ 542,063	\$ 595,964	\$ 358,560	\$ 281,291
Differences between expected and actual experience	-	1,348,531	-	-	(627,406)	-	611,422	-	9,206
Changes of assumptions	945,018	499,219	1,228,156	(377,454)	1,667,884	(1,012,401)	2,635,181	557,381	(1,923,515)
Benefit payments	(1,384,481)	(1,411,164)	(1,351,708)	(1,283,577)	(1,279,564)	(1,257,130)	(1,279,094)	(1,274,381)	(1,184,209)
Net change in total pension liability	335,245	1,104,322	565,648	(1,105,031)	324,713	(1,727,468)	2,563,473	(358,440)	(2,817,227)
Total pension liability - beginning	12,158,089	12,493,334	13,597,656	14,163,304	13,058,273	13,382,986	11,655,518	14,218,991	13,860,551
Total pension liability - ending	\$ 12,493,334	\$ 13,597,656	\$ 14,163,304	\$ 13,058,273	\$ 13,382,986	\$ 11,655,518	\$ 14,218,991	\$ 13,860,551	\$ 11,043,324
Plan fiduciary net position									
Employer contributions	\$ 82,401	\$ -	\$ -	\$ 218,723	\$ 218,723	\$ 218,723	\$ 218,723	\$ 847,799	\$ 500,000
Net investment income	1,287,597	131,946	(103,177)	887,945	313,712	242,600	(102,606)	833,000	(301,233)
Benefit payments	(1,384,481)	(1,411,164)	(1,351,708)	(1,283,577)	(1,279,564)	(1,257,130)	(1,279,094)	(1,274,381)	(1,184,209)
Other	-	-	-	-	(92,454)	284	-	(8,032)	-
Administrative expense	-	-	-	-	(101,709)	(42,623)	(20,921)	(23,054)	(27,434)
Net change in plan fiduciary net position	(14,483)	(1,279,218)	(1,454,885)	(176,909)	(941,292)	(838,146)	(1,183,898)	375,332	(1,012,876)
Plan fiduciary net position - beginning	9,591,843	9,577,360	8,298,142	6,843,257	6,666,348	5,725,056	4,886,910	3,703,012	4,078,344
Plan fiduciary net position - ending	\$ 9,577,360	\$ 8,298,142	\$ 6,843,257	\$ 6,666,348	\$ 5,725,056	\$ 4,886,910	\$ 3,703,012	\$ 4,078,344	\$ 3,065,468
Net pension liability	2,915,974	5,299,514	7,320,047	6,391,925	7,657,930	6,768,608	10,515,979	9,782,207	7,977,856
Plan fiduciary net position as a percentage of the total pension liability	76.66%	61.03%	48.32%	51.05%	42.78%	41.93%	26.04%	29.42%	27.76%

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, and back to 2.5% in FY22.

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; 2.64% in FY21; and 3.76% in FY22.

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, 2023

Miscellaneous and Safety Plans									
Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contributions	\$ 1,231,831	\$ 1,498,446	\$ 1,570,862	\$ 1,814,405	\$ 2,590,176	\$ 2,737,400	\$ 3,590,703	\$ 4,523,986	\$ 4,348,674
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	4,523,986	4,348,674
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	\$ 10,910,711	\$ 12,218,775
Contributions as a % of Covered Payroll	13.95%	15.99%	16.28%	18.26%	25.30%	25.56%	32.63%	41.46%	35.59%

Notes to Schedule:

Valuation Date: June 30, 2021
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Period no more than 29 years
Inflation Assumed at 2.30%
Investment Rate of Returns set at 6.8%
The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.
The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2023.

City of Albany
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
CalPERS Cost Sharing Plans
June 30, 2023

Miscellaneous and Safety Plans									
Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of Net Pension Liability (Safety and Misc)	0.26355%	0.26297%	0.27660%	0.27976%	0.28894%	0.29645%	0.30699%	0.35421%	0.32823%
Proportion of Net Pension Liability (Misc Plan Only)	0.66354%	0.65793%	0.68899%	0.70381%	0.73879%	0.75858%	0.79187%	1.00888%	0.25211%
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	\$ 19,156,683	\$ 37,913,337
Covered Payroll	\$ 8,553,930	\$ 8,831,933	\$ 9,368,339	\$ 9,649,389	\$ 9,938,871	\$ 10,237,037	\$ 10,710,822	\$ 11,005,370	\$ 10,910,711
Proportionate Share of NPL as a % of Covered Payroll	191.72%	204.37%	255.48%	287.52%	280.14%	296.74%	311.85%	174.07%	347.49%
Plan's Fiduciary Net Position as a % of the TPL	79.56%	76.73%	75.75%	74.21%	75.37%	74.68%	73.55%	85.54%	73.27%

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.
The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2023.

City of Albany
Required Supplementary Information
Schedule of Changes in Total OPEB Liability
June 30, 2023

Fiscal Year Ended	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 244,341	\$ 260,164	\$ 266,060	\$ 192,622	\$ 354,902	\$ 258,942
Interest	119,827	129,175	139,035	112,740	103,102	167,901
Differences between expected and actual experience	-	54	(1,170,009)	1,460,599	(13,089)	202,359
Changes of assumptions	-	10,072	188,223	359,665	(968,217)	10,948
Benefit payments	(28,742)	(42,942)	(45,742)	(51,143)	(70,363)	(75,156)
Implicit subsidy fulfilled	(72,983)	(78,092)	(83,558)	(27,217)	(124,320)	(132,875)
Net change in Total OPEB Liability	262,443	278,431	(705,991)	2,047,266	(717,985)	432,119
Total OPEB Liability - beginning	3,230,136	3,492,579	3,771,010	3,065,019	5,112,285	4,394,300
Total OPEB Liability - ending	\$ 3,492,579	\$ 3,771,010	\$ 3,065,019	\$ 5,112,285	\$ 4,394,300	\$ 4,826,419
Plan fiduciary net position						
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset)	\$ 3,492,579	\$ 3,771,010	\$ 3,065,019	\$ 5,112,285	\$ 4,394,300	\$ 4,826,419
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 11,107,696	\$ 11,421,795	\$ 11,735,894	\$ 9,156,822	\$ 8,516,912	\$ 9,034,749
Net OPEB liability as a percentage of covered employee payroll	31.44%	33.02%	26.12%	55.83%	51.59%	53.42%
Total OPEB liability as a percentage of covered employee payroll	31.44%	33.02%	26.12%	55.83%	51.59%	53.42%

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, 1.92% in 2021, and 3.69 in 2022.

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

The inflation rate changed from 9.25% to 2.4% in 2023.

The payroll growth rate changed from 2.75% to 2.80% in 2023.

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.



OTHER SUPPLEMENTARY INFORMATION

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COMBINING NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR 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.

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects 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.

NONMAJOR DEBT SERVICE FUNDS

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

City of Albany
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 17,836,404	\$ 5,961,518	\$ 180,556	\$ 23,978,478
Accounts receivable	55,720	-	-	55,720
Due from other governments	370,067	-	-	370,067
Total assets	\$ 18,262,191	\$ 5,961,518	\$ 180,556	\$ 24,404,265
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,215,580	\$ 200,046	\$ -	\$ 1,415,626
Deposits and other liabilities	1,014	-	-	1,014
Due to other funds	740,194	547,519	-	1,287,713
Total liabilities	1,956,788	747,565	-	2,704,353
Fund Balances:				
Restricted:				
Police and Fire pension and retirement benefits	888,041	-	-	888,041
Law enforcement and training	1,252,402	-	-	1,252,402
Transportation projects	6,528,719	-	-	6,528,719
Recreation playfields, open space and creek restoration	1,344,373	1,347,481	-	2,691,854
Lighting and landscape projects	798,425	-	-	798,425
Sidewalks	506,492	-	-	506,492
COVID-19 recovery	3,110,141	-	-	3,110,141
Library	928,614	-	-	928,614
Collision response and Extrication	12	-	-	12
Prevention of nonpoint source pollution	1,609,646	-	-	1,609,646
Waste reduction and management	56,582	-	-	56,582
Transition improvement plan	3,398	-	-	3,398
Other restrictions	23,076	-	-	23,076
Public art promotion	-	180,456	-	180,456
Community capital improvements	-	695,378	-	695,378
Debt service	-	-	180,556	180,556
Assigned:				
Economic development and land use	-	230,277	-	230,277
Police vehicles and equipment	-	258,975	-	258,975
Emergency medical services equipment	-	212,250	-	212,250
Fire operations equipment	-	345,599	-	345,599
Information technology equipment replacement	-	491,517	-	491,517
Public works and park equipment	-	759,469	-	759,469
General city projects	-	499,082	-	499,082
Climate and adaptation plan	-	143,469	-	143,469
KALB equipment replacement	-	50,000	-	50,000
Unassigned	(744,518)	-	-	(744,518)
Total fund balances	16,305,403	5,213,953	180,556	21,699,912
Total liabilities and fund balances	\$ 18,262,191	\$ 5,961,518	\$ 180,556	\$ 24,404,265

City of Albany

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 6,813,567	\$ -	\$ 1,058,473	\$ 7,872,040
Investment earnings	330,159	-	-	330,159
Intergovernmental revenues	5,904,130	-	-	5,904,130
Developer fees	-	341,312	-	341,312
Charges for services	1,520,584	30,058	-	1,550,642
Other revenues	20,000	13,740	-	33,740
Total Revenues	14,588,440	385,110	1,058,473	16,032,023
EXPENDITURES				
Current:				
General Government	15,267	-	-	15,267
Police	293,651	-	-	293,651
Fire and emergency medical services	2,976,412	-	-	2,976,412
Community development and environmental services	499,263	-	-	499,263
Recreation and community services	2,260,088	6,199	-	2,266,287
Capital outlay	3,628,974	542,779	-	4,171,753
Debt service:				
Principal	-	-	630,000	630,000
Interest and fiscal charges	-	-	352,613	352,613
Total Expenditures	9,673,655	548,978	982,613	11,205,246
Excess (Deficiency) of Revenues over Expenditures	4,914,785	(163,868)	75,860	4,826,777
OTHER FINANCING SOURCES (USES)				
Transfers in	432,759	1,543,469	-	1,976,228
Transfers out	(3,551,767)	-	-	(3,551,767)
Total Other Financing Sources (Uses)	(3,119,008)	1,543,469	-	(1,575,539)
Net Change in Fund Balances	1,795,777	1,379,601	75,860	3,251,238
Fund Balances Beginning	14,314,987	3,834,352	104,696	18,254,035
Prior Period Adjustments	194,639	-	-	194,639
Fund Balances Beginning, as Adjusted	14,509,626	3,834,352	104,696	18,448,674
Fund Balances Ending	\$ 16,305,403	\$ 5,213,953	\$ 180,556	\$ 21,699,912

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NONMAJOR SPECIAL REVENUE FUNDS

The City's Nonmajor Special Revenue Funds are:

Pension Property Tax Fund accounts for revenues, expenditures and balances 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 Fund accounts for assets forfeited by someone convicted of drug sales or manufacturing charges. These funds are restricted to law enforcement and/or training related expenses.

Alameda County Measure B Local Streets and Roads Fund accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes. Measure B collections sunsetted on March 30, 2022.

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. Measure B collections sunsetted on March 30, 2022.

Alameda County Measure B Paratransit Fund accounts for the City's share of a one-half cent sales tax which is restricted for paratransit transportation services. Measure B collections sunsetted on March 30, 2022.

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.

California State Highway Users Tax Account (HUTA) Gas Tax Fund accounts for revenues received and expended under the State of California, Street and Highways Code Sections 2103, 2105, 2106, 2107, and 2107.5. These revenues must be expended for street maintenance or construction.

Traffic Congestion Relief Fund accounts for revenue the City receives from the state for public transportation purposes.

Transportation Development Act (TDA) Article 3 Fund accounts for revenue received to fund eligible projects under Article 3 of the Transportation Development Act. These funds are restricted to projects with bicycle and pedestrian safety considerations.

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

State Active Transportation Program Grant Fund accounts for grant revenues from the California Department of Transportation (CALTrans) Active Transportation Program. These funds are restricted to specific transportation projects as awarded.

Alameda County Measure BB Local Streets and Roads Fund accounts for the City's share of a one-half cent sales tax, updated in 2022 to a one-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, updated in 2022 to a one-cent sales tax, which is restricted for transportation purposes.

Alameda County Measure B Paratransit Fund accounts for the City's share of a one-half cent sales tax, updated in 2022 to a one-cent sales tax, which is restricted for paratransit 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 1988-1 (LLAD 88-1) accounts for assessments levied on district property and is restricted for use for landscaping, parks, trees, lighting, and related activities.

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 (EBRPD) 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 (CARES) Act through the U.S. Department of Treasury 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 Fund 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 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.

Opioid Settlement Fund accounts for funds received according to the Opioid Settlement Agreement and any amendments between California Cities and Counties with Pharmaceutical companies and Distributors dated July 21, 2021. All settlement funds will be used for opioid remediation, and a minimum of 70% of the settlement funds received are required to be used for future opioid remediation.

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, 2023

	Pension Property Tax Fund	Emergency Medical Services Fund	Asset Forfeiture Fund	Alameda County Measure B Local Streets and Roads Fund	Alameda County Measure B Bike & Ped. Fund
ASSETS					
Cash and investments	\$ 888,041	\$ -	\$ 59,239	\$ 939,013	\$ 111,854
Accounts receivable	-	3,051	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 888,041	\$ 3,051	\$ 59,239	\$ 939,013	\$ 111,854
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 35,256	\$ -	\$ 165,431	\$ 12,728
Deposits and other liabilities	-	-	1,014	-	-
Due to other funds	-	50,033	-	-	-
Total liabilities	-	85,289	1,014	165,431	12,728
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	888,041	-	-	-	-
Law enforcement and training	-	-	58,225	-	-
Transportation projects	-	-	-	773,582	99,126
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Other restrictions	-	-	-	-	-
Unassigned	-	(82,238)	-	-	-
Total fund balances	888,041	(82,238)	58,225	773,582	99,126
Total liabilities and fund balances	\$ 888,041	\$ 3,051	\$ 59,239	\$ 939,013	\$ 111,854

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2023

	Alameda County Measure B Paratransit Fund	Alameda County VRF Fund	California State Highway Users Tax Account (HUTA) Gas Tax Fund	Traffic Congestion Relief Fund	Transportation Development Act (TDA) Article 3 Fund
ASSETS					
Cash and investments	\$ -	\$ 367,000	\$ 1,008,507	\$ -	\$ 367,516
Accounts receivable	-	-	-	-	-
Due from other governments	-	16,127	49,281	-	-
Total assets	\$ -	\$ 383,127	\$ 1,057,788	\$ -	\$ 367,516
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 41,059	\$ 469	\$ 5,454
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	24,063	-
Total liabilities	-	-	41,059	24,532	5,454
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	-	383,127	1,016,729	-	362,062
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Other restrictions	-	-	-	-	-
Unassigned	-	-	-	(24,532)	-
Total fund balances	-	383,127	1,016,729	(24,532)	362,062
Total liabilities and fund balances	\$ -	\$ 383,127	\$ 1,057,788	\$ -	\$ 367,516

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2023

	Safe Routes to School Fund	State Active Transportation Program Grant Fund	Alameda County Measure BB Local Streets and Roads Fund	Alameda County Measure BB Bike and Pedestrian Fund	Alameda County Measure BB Paratransit Fund
ASSETS					
Cash and investments	\$ 88,037	\$ 233,380	\$ 2,878,509	\$ 244,550	\$ 162,400
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	261,895	26,463	16,301
Total assets	\$ 88,037	\$ 233,380	\$ 3,140,404	\$ 271,013	\$ 178,701
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 97,260	\$ 85,947	\$ 4,822	\$ 701
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	97,260	85,947	4,822	701
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	88,037	136,120	3,054,457	266,191	178,000
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Other restrictions	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	88,037	136,120	3,054,457	266,191	178,000
Total liabilities and fund balances	\$ 88,037	\$ 233,380	\$ 3,140,404	\$ 271,013	\$ 178,701

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2023

	L&LAD 1996-1 Open Space Fund	L&LAD 1996-1 Recreational Playfields Fund	L&LAD 1996-1 Creek Restoration Fund	Lighting and Landscape District Fund 1988-1 (LLAD 88-1)	Sidewalk Parcel Tax Fund
ASSETS					
Cash and investments	\$ 121,200	\$ 82,961	\$ 152,614	\$ 802,044	\$ 505,916
Accounts receivable	-	-	-	1,589	576
Due from other governments	-	-	-	-	-
Total assets	\$ 121,200	\$ 82,961	\$ 152,614	\$ 803,633	\$ 506,492
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 5,208	\$ -
Deposits and other liabilities	-	-	-	-	-
Due to other funds	128,792	67,595	-	-	-
Total liabilities	128,792	67,595	-	5,208	-
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	-	15,366	152,614	-	-
Lighting and landscape projects	-	-	-	798,425	-
Sidewalks	-	-	-	-	506,492
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Other restrictions	-	-	-	-	-
Unassigned	(7,592)	-	-	-	-
Total fund balances	(7,592)	15,366	152,614	798,425	506,492
Total liabilities and fund balances	\$ 121,200	\$ 82,961	\$ 152,614	\$ 803,633	\$ 506,492

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2023

	Parks Open Space Fund	Library Operations Fund	Measure WW Extended EBRPD Bond Fund	CDBG Fund	Federal CARES Act Fund
ASSETS					
Cash and investments	\$ 1,174,840	\$ 1,292,375	\$ -	\$ -	\$ 3,217,844
Accounts receivable	1,553	2,531	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 1,176,393	\$ 1,294,906	\$ -	\$ -	\$ 3,217,844
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 366,292	\$ 1,183	\$ 18,694	\$ 107,703
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	18,323	33,713	-
Total liabilities	-	366,292	19,506	52,407	107,703
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	1,176,393	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	3,110,141
Library	-	928,614	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Other restrictions	-	-	-	-	-
Unassigned	-	-	(19,506)	(52,407)	-
Total fund balances	1,176,393	928,614	(19,506)	(52,407)	3,110,141
Total liabilities and fund balances	\$ 1,176,393	\$ 1,294,906	\$ -	\$ -	\$ 3,217,844

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2023

	Law Enforcement Grants Fund	Fire Grant Fund	Operating Grants Fund	Miscellaneous Grants Fund	Storm Drain Fund
ASSETS					
Cash and investments	\$ 1,194,843	\$ 12	\$ 741	\$ -	\$ 1,639,659
Accounts receivable	-	-	-	-	1,515
Due from other governments	-	-	-	-	-
Total assets	\$ 1,194,843	\$ 12	\$ 741	\$ -	\$ 1,641,174
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 666	\$ -	\$ -	140,568	\$ 31,528
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	417,675	-
Total liabilities	666	-	-	558,243	31,528
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	1,194,177	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	12	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	1,609,646
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Other restrictions	-	-	741	-	-
Unassigned	-	-	-	(558,243)	-
Total fund balances	1,194,177	12	741	(558,243)	1,609,646
Total liabilities and fund balances	\$ 1,194,843	\$ 12	\$ 741	\$ -	\$ 1,641,174

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2023

	Waste Management Fund	Waterfront Fund	Opioid Settlement Fund	SB1 Fund	Total Special Revenue Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 66,684	\$ 3,398	\$ 22,335	\$ 210,892	\$ 17,836,404
Accounts receivable	-	-	-	44,905	55,720
Due from other governments	-	-	-	-	370,067
Total assets	\$ 66,684	\$ 3,398	\$ 22,335	\$ 255,797	\$ 18,262,191
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 10,102	\$ -	\$ -	\$ 84,509	\$ 1,215,580
Deposits and other liabilities	-	-	-	-	1,014
Due to other funds	-	-	-	-	740,194
Total liabilities	10,102	-	-	84,509	1,956,788
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	888,041
Law enforcement and training	-	-	-	-	1,252,402
Transportation projects	-	-	-	171,288	6,528,719
Recreation playfields, open space and creek restoration	-	-	-	-	1,344,373
Lighting and landscape projects	-	-	-	-	798,425
Sidewalks	-	-	-	-	506,492
COVID-19 recovery	-	-	-	-	3,110,141
Library	-	-	-	-	928,614
Collision response and Extrication	-	-	-	-	12
Prevention of nonpoint source pollution	-	-	-	-	1,609,646
Waste reduction and management	56,582	-	-	-	56,582
Transition improvement plan	-	3,398	-	-	3,398
Other restrictions	-	-	22,335	-	23,076
Unassigned	-	-	-	-	(744,518)
Total fund balances	56,582	3,398	22,335	171,288	16,305,403
Total liabilities and fund balances	\$ 66,684	\$ 3,398	\$ 22,335	\$ 255,797	\$ 18,262,191

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, 2023

	Pension Property Tax Fund	Emergency Medical Services Fund	Asset Forfeiture Fund	Alameda County Measure B Local Streets and Roads Fund	Alameda County Measure B Bike & Ped. Fund
REVENUES					
Property taxes	\$ 3,603,601	\$ 938,130	\$ -	\$ -	\$ -
Investment earnings	-	-	-	26,434	3,180
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	1,336,444	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	3,603,601	2,274,574	-	26,434	3,180
EXPENDITURES					
Current:					
General Government	-	-	-	400	-
Police	250,000	-	-	-	-
Fire and emergency medical services	250,000	2,726,412	-	-	-
Community development and environmental services	-	-	-	83,788	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	20,775	-	528,210	148,721
Total Expenditures	500,000	2,747,187	-	612,398	148,721
Excess (Deficiency) of Revenues over Expenditures	3,103,601	(472,613)	-	(585,964)	(145,541)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	432,249	-	-	-
Transfers out	(2,607,061)	-	-	-	-
Total Other Financing Sources (Uses)	(2,607,061)	432,249	-	-	-
Net Change in Fund Balances	496,540	(40,364)	-	(585,964)	(145,541)
Fund Balances Beginning	391,501	(41,874)	58,225	1,408,093	250,926
Prior Period Adjustments	-	-	-	(48,547)	(6,259)
Fund Balances Beginning, as Adjusted	391,501	(41,874)	58,225	1,359,546	244,667
Fund Balances Ending	\$ 888,041	\$ (82,238)	\$ 58,225	\$ 773,582	\$ 99,126

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, 2023

	Alameda County Measure B Paratransit Fund	Alameda County VRF Fund	California State Highway Users Tax Account (HUTA) Gas Tax Fund	Traffic Congestion Relief Fund	Transportation Development Act (TDA) Article 3 Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	10,362	28,392	-	-
Intergovernmental revenues	-	87,921	606,871	-	109,083
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	-	98,283	635,263	-	109,083
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	-	-	-
Recreation and community services	12,582	-	-	-	-
Capital outlay	-	82,831	32,374	24,532	109,083
Total Expenditures	12,582	82,831	32,374	24,532	109,083
Excess (Deficiency) of Revenues over Expenditures	(12,582)	15,452	602,889	(24,532)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(394,000)	-	-
Total Other Financing Sources (Uses)	-	-	(394,000)	-	-
Net Change in Fund Balances	(12,582)	15,452	208,889	(24,532)	-
Fund Balances Beginning	15,864	356,335	807,840	-	362,062
Prior Period Adjustments	(3,282)	11,340	-	-	-
Fund Balances Beginning, as Adjusted	12,582	367,675	807,840	-	362,062
Fund Balances Ending	\$ -	\$ 383,127	\$ 1,016,729	\$ (24,532)	\$ 362,062

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, 2023

	Safe Routes to School Fund	State Active Transportation Program Grant Fund	Alameda County Measure BB Local Streets and Roads Fund	Alameda County Measure BB Bike and Pedestrian Fund	Alameda County Measure BB Paratransit Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	81,097	6,853	4,569
Intergovernmental revenues	-	-	1,476,952	149,246	91,928
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	-	-	1,558,049	156,099	96,497
EXPENDITURES					
Current:					
General Government	-	-	400	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	5,110	0	-
Recreation and community services	-	-	-	-	52,847
Capital outlay	-	597	938,097	197,347	-
Total Expenditures	-	597	943,607	197,347	52,847
Excess (Deficiency) of Revenues over Expenditures	-	(597)	614,442	(41,248)	43,650
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	(597)	614,442	(41,248)	43,650
Fund Balances Beginning	88,037	136,717	2,234,939	284,006	117,676
Prior Period Adjustments	-	-	205,076	23,433	16,674
Fund Balances Beginning, as Adjusted	88,037	136,717	2,440,015	307,439	134,350
Fund Balances Ending	\$ 88,037	\$ 136,120	\$ 3,054,457	\$ 266,191	\$ 178,000

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, 2023

	L&LAD 1996-1 Open Space Fund	L&LAD 1996-1 Recreational Playfields Fund	L&LAD 1996-1 Creek Restoration Fund	Lighting and Landscape District Fund 1988-1 (LLAD 88-1)	Sidewalk Parcel Tax Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ 529,545	\$ 218,742
Investment earnings	19,654	9,827	9,827	-	14,277
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	19,654	9,827	9,827	529,545	233,019
EXPENDITURES					
Current:					
General Government	-	-	-	4,463	1,862
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	-	6,691	5,672
Recreation and community services	-	-	-	-	-
Capital outlay	-	-	-	-	372,128
Total Expenditures	-	-	-	11,154	379,662
Excess (Deficiency) of Revenues over Expenditures	19,654	9,827	9,827	518,391	(146,643)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(89,266)	(19,727)	(44,633)	(234,212)	-
Total Other Financing Sources (Uses)	(89,266)	(19,727)	(44,633)	(234,212)	-
Net Change in Fund Balances	(69,612)	(9,900)	(34,806)	284,179	(146,643)
Fund Balances Beginning	65,816	25,266	187,420	514,246	653,135
Prior Period Adjustments	(3,796)	-	-	-	-
Fund Balances Beginning, as Adjusted	62,020	25,266	187,420	514,246	653,135
Fund Balances Ending	\$ (7,592)	\$ 15,366	\$ 152,614	\$ 798,425	\$ 506,492

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, 2023

	Parks Open Space Fund	Library Operations Fund	Measure WW Extended EBRPD Bond Fund	CDBG Fund	Federal CARES Act Fund
REVENUES					
Property taxes	\$ 480,268	\$ 744,118	\$ -	\$ -	\$ -
Investment earnings	33,122	36,386	-	-	-
Intergovernmental revenues	-	41,508	-	45,000	2,355,851
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	513,390	822,012	-	45,000	2,355,851
EXPENDITURES					
Current:					
General Government	8,142	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	49,004	-	-	-	-
Recreation and community services	-	784,148	-	46,266	1,356,152
Capital outlay	11,718	-	-	515	30,000
Total Expenditures	68,864	784,148	-	46,781	1,386,152
Excess (Deficiency) of Revenues over Expenditures	444,526	37,864	-	(1,781)	969,699
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(84,679)	-	-	-	-
Total Other Financing Sources (Uses)	(84,679)	-	-	-	-
Net Change in Fund Balances	359,847	37,864	-	(1,781)	969,699
Fund Balances Beginning	816,546	890,750	(19,506)	(50,626)	2,140,442
Prior Period Adjustments	-	-	-	-	-
Fund Balances Beginning, as Adjusted	816,546	890,750	(19,506)	(50,626)	2,140,442
Fund Balances Ending	\$ 1,176,393	\$ 928,614	\$ (19,506)	\$ (52,407)	\$ 3,110,141

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, 2023

	Law Enforcement Grants Fund	Fire Grant Fund	Operating Grants Fund	Miscellaneous Grants Fund	Storm Drain Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 299,163
Investment earnings	-	-	-	-	46,179
Intergovernmental revenues	165,272	-	5,741	174,042	-
Charges for services	-	-	-	-	161,805
Other revenues	-	-	-	20,000	-
Total Revenues	165,272	-	5,741	194,042	507,147
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Police	43,651	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	5,000	9,984	241,579
Recreation and community services	-	-	-	8,093	-
Capital outlay	5,794	-	-	410,000	-
Total Expenditures	49,445	-	5,000	428,077	241,579
Excess (Deficiency) of Revenues over Expenditures	115,827	-	741	(234,035)	265,568
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	115,827	-	741	(234,035)	265,568
Fund Balances Beginning	1,078,350	12	-	(324,208)	1,344,078
Prior Period Adjustments	-	-	-	-	-
Fund Balances Beginning, as Adjusted	1,078,350	12	-	(324,208)	1,344,078
Fund Balances Ending	\$ 1,194,177	\$ 12	\$ 741	\$ (558,243)	\$ 1,609,646

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, 2023

	Waste Management Fund	Waterfront Fund	Opioid Settlement Fund	SB1 Fund	Total Special Revenue Nonmajor Governmental Funds
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,813,567
Investment earnings	-	-	-	-	330,159
Intergovernmental revenues	59,108	-	-	535,607	5,904,130
Charges for services	-	-	22,335	-	1,520,584
Other revenues	-	-	-	-	20,000
Total Revenues	59,108	-	22,335	535,607	14,588,440
EXPENDITURES					
Current:					
General Government	-	-	-	-	15,267
Police	-	-	-	-	293,651
Fire and emergency medical services	-	-	-	-	2,976,412
Community development and environmental services	92,435	-	-	-	499,263
Recreation and community services	-	-	-	-	2,260,088
Capital outlay	6,252	-	-	710,000	3,628,974
Total Expenditures	98,687	-	-	710,000	9,673,655
Excess (Deficiency) of Revenues over Expenditures	(39,579)	-	22,335	(174,393)	4,914,785
OTHER FINANCING SOURCES (USES)					
Transfers in	510	-	-	-	432,759
Transfers out	(78,189)	-	-	-	(3,551,767)
Total Other Financing Sources (Uses)	(77,679)	-	-	-	(3,119,008)
Net Change in Fund Balances	(117,258)	-	22,335	(174,393)	1,795,777
Fund Balances Beginning	173,840	3,398	-	345,681	14,314,987
Prior Period Adjustments	-	-	-	-	194,639
Fund Balances Beginning, as Adjusted	173,840	3,398	-	345,681	14,509,626
Fund Balances Ending	\$ 56,582	\$ 3,398	\$ 22,335	\$ 171,288	\$ 16,305,403

Concluded

NONMAJOR CAPITAL PROJECTS FUNDS

The City's Nonmajor Capital Projects Funds are:

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

Public Arts Fee 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 Fund is used to accumulate resources for replacement of police vehicles and equipment.

Fire Equipment Fund is used to accumulate resources for the replacement of Fire vehicles and equipment.

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

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

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.

Climate and Adaption Plan Reserve Fund is used to fund programs and projects to reduce emissions from building and energy use, transportation and the local economy while also prioritizing adaptation to climate risks.

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.

Land Developer Fee SAHA Fund is used to account for land developer fees paid for capital improvements in the community.

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2023

	Major Planning Fund	Public Arts Fee Fund	City Capital Projects Fund	Police Equipment Fund
ASSETS				
Cash and investments	\$ 230,277	\$ 180,456	\$ 567,687	\$ 258,975
Total assets	\$ 230,277	\$ 180,456	\$ 567,687	\$ 258,975
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 68,605	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	68,605	-
Fund Balances:				
Restricted:				
Recreation playfields, open space and creek restoration	-	-	-	-
Public art promotion	-	180,456	-	-
Community capital improvements	-	-	-	-
Assigned:				
Economic development and land use	230,277	-	-	-
Police vehicles and equipment	-	-	-	258,975
Emergency medical services equipment	-	-	-	-
Fire operations equipment	-	-	-	-
Information technology equipment replacement	-	-	-	-
Public works and park equipment	-	-	-	-
General city projects	-	-	499,082	-
Climate and adaptation plan	-	-	-	-
KALB equipment replacement	-	-	-	-
Total fund balances	230,277	180,456	499,082	258,975
Total liabilities and fund balances	\$ 230,277	\$ 180,456	\$ 567,687	\$ 258,975

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2023

	Fire Equipment Fund	EMS Equipment Fund	Fire Operations Equipment Fund	Equipment Replacement Reserve Fund
ASSETS				
Cash and investments	\$ 250,000	\$ 212,250	\$ 95,599	\$ 622,958
Total assets	\$ 250,000	\$ 212,250	\$ 95,599	\$ 622,958
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 131,441
Due to other funds	-	-	-	-
Total liabilities	-	-	-	131,441
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	-	212,250	-	-
Fire operations equipment	250,000	-	95,599	-
Information technology equipment replacement	-	-	-	491,517
Public works and park equipment	-	-	-	-
General city projects	-	-	-	-
Climate and adaptation plan	-	-	-	-
KALB equipment replacement	-	-	-	-
Total fund balances	250,000	212,250	95,599	491,517
Total liabilities and fund balances	\$ 250,000	\$ 212,250	\$ 95,599	\$ 622,958

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2023

	Community Development Equipment Reserve Fund	KALB Equipment Reserve Fund	Public Works Equipment Reserve Fund	Recreation Equipment Reserve Fund
ASSETS				
Cash and investments	\$ 133,626	\$ 50,000	\$ 350,000	\$ 275,843
Total assets	\$ 133,626	\$ 50,000	\$ 350,000	\$ 275,843
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
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	-	-	-	-
Information technology equipment replacement	-	-	-	-
Public works and park equipment	133,626	-	350,000	275,843
General city projects	-	-	-	-
Climate and adaptation plan	-	-	-	-
KALB equipment replacement	-	50,000	-	-
Total fund balances	133,626	50,000	350,000	275,843
Total liabilities and fund balances	\$ 133,626	\$ 50,000	\$ 350,000	\$ 275,843

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2023

	Climate and Adaptation Plan Reserve Fund	1996-1 Assessment Bond Fund	Capital Facilities Developer Fee Fund	Land Developer Fee SAHA Fund	Total Capital Projects Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 143,469	\$ 1,895,000	\$ 354,066	\$ 341,312	\$ 5,961,518
Total assets	\$ 143,469	\$ 1,895,000	\$ 354,066	\$ 341,312	\$ 5,961,518
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 200,046
Due to other funds	0	547,519	-	-	547,519
Total liabilities	-	547,519	-	-	747,565
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	1,347,481	-	-	1,347,481
Public art promotion	-	-	-	-	180,456
Community capital improvements	-	-	354,066	341,312	695,378
Assigned:					
Economic development and land use	-	-	-	-	230,277
Police vehicles and equipment	-	-	-	-	258,975
Emergency medical services equipment	-	-	-	-	212,250
Fire operations equipment	-	-	-	-	345,599
Information technology equipment replacement	-	-	-	-	491,517
Public works and park equipment	-	-	-	-	759,469
General city projects	-	-	-	-	499,082
Climate and adaptation plan	143,469	-	-	-	143,469
KALB equipment replacement	-	-	-	-	50,000
Total fund balances	143,469	1,347,481	354,066	341,312	5,213,953
Total liabilities and fund balances	\$ 143,469	\$ 1,895,000	\$ 354,066	\$ 341,312	\$ 5,961,518

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, 2023

	Major Planning Fund	Public Arts Fee Fund	City Capital Projects Fund	Police Equipment Fund
REVENUES				
Developer fees	\$ -	\$ -	\$ -	\$ -
Charges for services	6,832	-	-	-
Other revenues	-	-	-	1,163
Total Revenues	6,832	-	-	1,163
EXPENDITURES				
Current:				
Recreation and community services	-	-	-	-
Capital outlay	-	1,634	35,040	-
Total Expenditures	-	1,634	35,040	-
Excess (Deficiency) of Revenues over Expenditures	6,832	(1,634)	(35,040)	1,163
OTHER FINANCING SOURCES (USES)				
Transfers in	33,333	-	200,000	200,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	33,333	-	200,000	200,000
Net Change in Fund Balances	40,165	(1,634)	164,960	201,163
Fund Balances Beginning	190,112	182,090	334,122	57,812
Fund Balances Ending	<u>\$ 230,277</u>	<u>\$ 180,456</u>	<u>\$ 499,082</u>	<u>\$ 258,975</u>

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, 2023

	Fire Equipment Fund	EMS Equipment Fund	Fire Operations Equipment Fund	Equipment Replacement Reserve Fund
REVENUES				
Developer fees		\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Other revenues	-	-	701	-
Total Revenues	-	-	701	-
EXPENDITURES				
Current:				
Recreation and community services	-	-	-	-
Capital outlay	-	108,250	246,087	131,440
Total Expenditures	-	108,250	246,087	131,440
Excess (Deficiency) of Revenues over Expenditures	-	(108,250)	(245,386)	(131,440)
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	100,000	-	350,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	250,000	100,000	-	350,000
Net Change in Fund Balances	250,000	(8,250)	(245,386)	218,560
Fund Balances Beginning	-	220,500	340,985	272,957
Fund Balances Ending	<u>\$ 250,000</u>	<u>\$ 212,250</u>	<u>\$ 95,599</u>	<u>\$ 491,517</u>

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, 2023

	Community Development Equipment Reserve Fund	KALB Equipment Reserve Fund	Public Works Equipment Reserve Fund	Recreation Equipment Reserve Fund
REVENUES				
Developer fees	\$ -	\$ -	\$ -	\$ -
Charges for services	8,082	-	-	3,543
Other revenues	1,455	-	-	10,421
Total Revenues	9,537	-	-	13,964
EXPENDITURES				
Current:				
Recreation and community services	-	-	-	6,199
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	6,199
Excess (Deficiency) of Revenues over Expenditures	9,537	-	-	7,765
OTHER FINANCING SOURCES (USES)				
Transfers in	33,334	-	100,000	100,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	33,334	-	100,000	100,000
Net Change in Fund Balances	42,871	-	100,000	107,765
Fund Balances Beginning	90,755	50,000	250,000	168,078
Fund Balances Ending	<u>\$ 133,626</u>	<u>\$ 50,000</u>	<u>\$ 350,000</u>	<u>\$ 275,843</u>

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, 2023

	Climate and Adaptation Plan Reserve Fund	1996-1 Assessment Bond Fund	Capital Facilities Developer Fee Fund	Land Developer Fee SAHA Fund	Total Capital Projects Nonmajor Governmental Funds
REVENUES					
Developer fees	\$ -	\$ -	\$ -	\$ 341,312	\$ 341,312
Charges for services	-	-	11,601	-	30,058
Other revenues	-	-	-	-	13,740
Total Revenues	-	-	11,601	341,312	385,110
EXPENDITURES					
Current:					
Recreation and community services	-	-	-	-	6,199
Capital outlay	-	20,328	-	-	542,779
Total Expenditures	-	20,328	-	-	548,978
Excess (Deficiency) of Revenues over Expenditures	-	(20,328)	11,601	341,312	(163,868)
OTHER FINANCING SOURCES (USES)					
Transfers in	143,469	-	33,333	-	1,543,469
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	143,469	-	33,333	-	1,543,469
Net Change in Fund Balances	143,469	(20,328)	44,934	341,312	1,379,601
Fund Balances Beginning	-	1,367,809	309,132	-	3,834,352
Fund Balances Ending	<u>\$ 143,469</u>	<u>\$ 1,347,481</u>	<u>\$ 354,066</u>	<u>\$ 341,312</u>	<u>\$ 5,213,953</u>

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NONMAJOR DEBT SERVICE FUNDS

The City's Nonmajor Debt Service Funds are:

2003 G.O. Bond I Debt Service Fund 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 Fund 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, 2023

	2003 GO Bond I Debt Service Fund	2016 GO Refunding Bonds Fund	Total Debt Service Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 18,320	\$ 162,236	\$ 180,556
Total assets	<u>\$ 18,320</u>	<u>\$ 162,236</u>	<u>\$ 180,556</u>
FUND BALANCES			
Fund Balances:			
Restricted:			
Restricted for debt service	\$ 18,320	\$ 162,236	\$ 180,556
Total fund balances	<u>\$ 18,320</u>	<u>\$ 162,236</u>	<u>\$ 180,556</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, 2023

	2003 GO Bond I Debt Service Fund	2016 GO Refunding Bonds Fund	Total Debt Service Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ 10,013	\$ 1,048,460	\$ 1,058,473
Total Revenues	<u>10,013</u>	<u>1,048,460</u>	<u>1,058,473</u>
EXPENDITURES			
Debt service			
Principal retirement	-	630,000	630,000
Interest and fiscal charges	-	352,613	352,613
Total Expenditures	<u>-</u>	<u>982,613</u>	<u>982,613</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,013</u>	<u>65,847</u>	<u>75,860</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	10,013	65,847	75,860
Fund Balances Beginning	<u>8,307</u>	<u>96,389</u>	<u>104,696</u>
Fund Balances Ending	<u>\$ 18,320</u>	<u>\$ 162,236</u>	<u>\$ 180,556</u>

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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.

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City of Albany
Net Position by Component
Last Ten Fiscal Years

Table 1

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 30,508,000	\$ 30,511,000	\$ 29,375,000	\$ 27,814,000	\$ 27,004,000	\$ 35,219,000	\$ 35,590,000	\$ 37,381,000	\$ 36,275,000	\$ 41,064,000
Restricted	16,713,000	16,404,000	16,085,000	15,354,000	13,168,000	16,381,000	17,835,000	18,682,000	21,332,000	22,719,000
Unrestricted	10,311,000	(12,612,000)	(13,975,000)	(21,405,000)	(24,126,000)	(27,311,000)	(27,619,000)	(31,842,000)	(29,313,000)	(25,219,000)
Total net position	\$ 57,532,000	\$ 34,303,000	\$ 31,485,000	\$ 21,763,000	\$ 16,046,000	\$ 24,289,000	\$ 25,806,000	\$ 24,221,000	\$ 28,294,000	\$ 38,564,000

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Net investment in capital assets	\$ 10,171,000	\$ 10,154,000	\$ 11,729,000	\$ 11,975,000	\$ 12,022,000	\$ 18,977,000	\$ 23,477,000	\$ 25,657,000	\$ 27,707,000	\$ 30,779,000
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,079,000	6,725,000	7,125,000	7,263,000	9,094,000	8,278,000	5,826,000	6,206,000	5,988,000	6,930,000
Total net position	\$ 15,250,000	\$ 16,879,000	\$ 18,854,000	\$ 19,238,000	\$ 21,116,000	\$ 27,255,000	\$ 29,303,000	\$ 31,863,000	\$ 33,695,000	\$ 37,709,000

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government										
Net investment in capital assets	\$ 40,679,000	\$ 40,665,000	\$ 41,104,000	\$ 39,789,000	\$ 39,026,000	\$ 54,195,000	\$ 59,067,000	\$ 63,038,000	\$ 63,982,000	\$ 71,843,000
Restricted	16,713,000	16,404,000	16,085,000	15,354,000	13,168,000	16,381,000	17,835,000	18,618,000	21,331,000	22,719,000
Unrestricted	15,390,000	(5,887,000)	(6,822,000)	(14,143,000)	(15,032,000)	(19,033,000)	(21,793,000)	(25,572,000)	(23,324,000)	(18,289,000)
Total net position	\$ 72,782,000	\$ 51,182,000	\$ 50,367,000	\$ 41,000,000	\$ 37,162,000	\$ 51,543,000	\$ 55,109,000	\$ 56,084,000	\$ 61,989,000	\$ 76,273,000

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	\$ 2,814,000	\$ 3,169,000	\$ 4,701,000	\$ 14,533,000	\$ 14,896,000	\$ 7,693,000	\$ 8,602,000	\$ 10,414,000	\$ 10,292,000	\$ 11,422,000
Police	5,849,000	6,607,000	6,968,000	6,437,000	6,857,000	7,789,000	6,792,000	9,480,000	7,049,000	5,979,000
Fire and emergency medical services	4,679,000	5,511,000	5,474,000	4,786,000	5,301,000	6,712,000	5,551,000	8,228,000	5,688,000	4,447,000
Community dev. and environmental services	6,114,000	5,238,000	7,045,000	5,861,000	5,844,000	4,489,000	4,881,000	5,274,000	5,284,000	5,332,000
Recreation and community services	3,876,000	3,716,000	3,142,000	3,819,000	3,590,000	3,963,000	3,606,000	2,476,000	3,628,000	5,534,000
Interest and fiscal charges	833,000	827,000	800,000	619,000	558,000	538,000	585,000	536,000	516,000	518,000
Total governmental activities expenses	24,165,000	25,068,000	28,130,000	36,055,000	37,046,000	31,184,000	30,017,000	36,408,000	32,457,000	33,232,000
Business-type activities:										
Sewer	1,571,000	1,813,000	1,623,000	3,143,000	1,655,000	1,436,000	2,068,000	1,703,000	2,540,000	1,875,000
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	8,000	102,000	75,000	175,000	82,000	161,000	116,000	139,000	49,000	46,000
Police	214,000	423,000	340,000	282,000	192,000	206,000	263,000	205,000	345,000	347,000
Fire and emergency medical services	1,118,000	1,067,000	937,000	895,000	744,000	1,173,000	1,095,000	953,000	1,015,000	1,563,000
Community development and environmental services	617,000	575,000	1,300,000	792,000	762,000	877,000	733,000	1,056,000	1,006,000	1,036,000
Recreation and community services	976,000	1,214,000	1,304,000	1,211,000	1,618,000	1,105,000	693,000	485,000	902,000	1,145,000
Operating grants and contribution	717,000	1,121,000	894,000	1,145,000	744,000	660,000	547,000	1,349,000	3,215,000	3,080,000
Capital grants and contributions	1,570,000	1,121,000	987,000	1,529,000	1,647,000	4,447,000	2,200,000	3,012,000	2,063,000	3,290,000
Total governmental program revenues	5,220,000	5,623,000	5,837,000	6,029,000	5,789,000	8,629,000	5,647,000	7,199,000	8,595,000	10,507,000
Business-type activities:										
Charges for services:										
Sewer	3,268,000	3,437,000	3,620,000	3,498,000	3,533,000	3,785,000	3,884,000	4,214,000	4,358,000	4,578,000
Total primary government program revenues	8,488,000	9,060,000	9,457,000	9,527,000	9,322,000	12,414,000	9,531,000	11,413,000	12,953,000	15,085,000
Net revenues (expense)										
Governmental activities:	(18,945,000)	(19,445,000)	(22,293,000)	(30,026,000)	(31,257,000)	(22,555,000)	(24,370,000)	(29,209,000)	(23,862,000)	(22,725,000)
Business-type activities:	1,697,000	1,624,000	1,997,000	355,000	1,878,000	2,349,000	1,816,000	2,511,000	1,818,000	2,703,000
Total primary gov't net revenue (expense)	\$ (17,248,000)	\$ (17,821,000)	\$ (20,296,000)	\$ (29,671,000)	\$ (29,379,000)	\$ (20,206,000)	\$ (22,554,000)	\$ (26,698,000)	\$ (22,044,000)	\$ (20,022,000)

Source: Financial statements

Continued

City of Albany
Changes in Net Position
Last Ten Fiscal Years

Table 2

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and special items:										
Governmental activities:										
Taxes:										
Property taxes	\$ 12,511,000	\$ 10,459,000	\$ 9,229,000	\$ 10,837,000	\$ 12,416,000	\$ 13,850,000	\$ 15,915,000	\$ 17,100,000	\$ 17,615,000	\$ 18,613,000
Sales taxes	3,406,000	3,509,000	3,808,000	4,134,000	3,512,000	4,501,000	4,213,000	4,404,000	4,895,000	5,534,000
Franchise and other taxes	4,619,000	4,610,000	7,302,000	7,244,000	5,962,000	4,874,000	4,951,000	6,003,000	6,825,000	6,885,000
Developer fees	-	-	-	-	-	-	-	-	-	341,000
Investment earnings	59,000	17,000	126,000	90,000	277,000	581,000	418,000	122,000	54,000	1,022,000
Unrestricted revenues from other agencies	634,000	314,000	276,000	44,000	39,000	-	-	-	-	-
Other revenues	585,000	166,000	269,000	666,000	3,334,000	151,000	121,000	170,000	47,000	269,000
Special item - loan settlement	-	-	(1,536,000)	-	-	-	-	-	-	-
Total governmental activities	21,814,000	19,075,000	19,474,000	23,015,000	25,540,000	23,957,000	25,618,000	27,799,000	29,436,000	32,664,000
Business-type activities:										
Investment earnings	20,000	4,000	6,000	-	-	-	232,000	50,000	14,000	195,000
Total business-type activities:	20,000	4,000	6,000	-	-	-	232,000	50,000	14,000	195,000
Total primary government	\$ 21,834,000	\$ 19,079,000	\$ 19,480,000	\$ 23,015,000	\$ 25,540,000	\$ 23,957,000	\$ 25,850,000	\$ 27,849,000	\$ 29,450,000	\$ 32,859,000
Change in net position:										
Governmental activities:	\$ 2,869,000	\$ (370,000)	\$ (2,819,000)	\$ (7,011,000)	\$ (5,717,000)	\$ 1,402,000	\$ 1,248,000	\$ (1,410,000)	\$ 5,574,000	\$ 9,939,000
Business-type activities:	1,717,000	1,628,000	2,003,000	355,000	1,878,000	2,349,000	2,048,000	2,561,000	1,832,000	2,898,000
Total primary government	\$ 4,586,000	\$ 1,258,000	\$ (816,000)	\$ (6,656,000)	\$ (3,839,000)	\$ 3,751,000	\$ 3,296,000	\$ 1,151,000	\$ 7,406,000	\$ 12,837,000

Source: Financial statements

Concluded

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

Table 3

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	\$ 1,564,000	\$ 1,583,000	\$ 55,000	\$ 66,000	\$ 61,000	\$ 13,000	\$ 63,000	\$ 56,000	\$ 1,195,000	\$ 1,422,000
Restricted	210,000	-	-	-	-	-	-	-	-	-
Assigned	245,000	245,000	302,000	-	-	1,573,000	1,564,000	1,569,000	1,569,000	775,000
Unassigned	4,219,000	5,706,000	7,962,000	8,008,000	8,785,000	1,670,000	7,181,000	8,420,000	8,824,000	9,183,000
Total general fund	\$ 6,238,000	\$ 7,534,000	\$ 8,319,000	\$ 8,074,000	\$ 8,846,000	\$ 3,256,000	\$ 8,808,000	\$ 10,045,000	\$ 11,588,000	\$ 11,380,000
All other governmental funds:										
Restricted	\$ 16,959,000	\$ 16,553,000	\$ 16,273,000	\$ 15,685,000	\$ 15,049,000	\$ 16,380,000	\$ 17,494,000	\$ 18,682,000	\$ 21,332,000	\$ 22,719,000
Assigned	3,891,000	3,255,000	2,856,000	2,483,000	1,989,000	2,428,000	2,469,000	2,387,000	1,975,000	2,991,000
Unassigned	(245,000)	(166,000)	(101,000)	(708,000)	(2,479,000)	(502,000)	(860,000)	(750,000)	68,000	(745,000)
Total all other governmental funds	\$ 20,605,000	\$ 19,642,000	\$ 19,028,000	\$ 17,460,000	\$ 14,559,000	\$ 18,306,000	\$ 19,103,000	\$ 20,319,000	\$ 23,375,000	\$ 24,965,000

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes:										
Property taxes	\$ 12,511,000	\$ 10,459,000	\$ 10,916,000	\$ 12,486,000	\$ 13,142,000	\$ 13,850,000	\$ 15,915,000	\$ 17,100,000	\$ 17,615,000	\$ 18,613,000
Sales taxes	3,406,000	3,509,000	3,808,000	4,134,000	3,512,000	4,501,000	4,213,000	4,404,000	4,895,000	5,534,000
Franchise and other taxes	4,006,000	4,038,000	4,575,000	4,577,000	4,021,000	4,874,000	4,951,000	6,003,000	6,825,000	6,885,000
Licenses and permits	812,000	883,000	991,000	1,130,000	1,204,000	519,000	446,000	617,000	669,000	727,000
Fines and forfeitures	209,000	414,000	336,000	278,000	189,000	204,000	161,000	97,000	233,000	229,000
Investment earnings	59,000	17,000	126,000	86,000	277,000	539,000	418,000	187,000	54,000	1,022,000
Intergovernmental revenues	3,386,000	2,298,000	1,895,000	2,768,000	2,305,000	4,107,000	2,693,000	4,350,000	5,278,000	6,329,000
Developer fees	-	-	-	-	-	-	-	-	-	341,000
Charges for services	2,718,000	2,608,000	3,258,000	2,603,000	2,933,000	2,606,000	2,148,000	1,887,000	2,114,000	2,909,000
Rents and concessions	-	-	-	-	-	145,000	144,000	172,000	301,000	272,000
Other revenues	1,169,000	471,000	941,000	979,000	3,738,000	1,343,000	317,000	353,000	348,000	310,000
Total revenues	28,276,000	24,697,000	26,846,000	29,041,000	31,321,000	32,688,000	31,406,000	35,170,000	38,332,000	43,171,000
Expenditures:										
Current:										
General government	2,756,000	3,245,000	4,587,000	7,254,000	4,464,000	6,214,000	7,007,000	8,510,000	9,034,000	9,156,000
Police	5,643,000	5,982,000	5,931,000	6,330,000	6,755,000	6,300,000	6,030,000	6,886,000	7,475,000	7,672,000
Fire and emergency medical services	4,419,000	4,817,000	4,466,000	4,714,000	5,228,000	5,331,000	5,022,000	5,808,000	6,004,000	6,048,000
Community dev. and environ. services	3,779,000	3,656,000	3,740,000	4,125,000	4,176,000	3,985,000	4,183,000	4,635,000	5,369,000	5,346,000
Recreation and community services	3,689,000	3,533,000	2,931,000	3,608,000	3,375,000	3,172,000	2,748,000	1,775,000	3,198,000	4,995,000
Capital outlay	4,016,000	1,282,000	1,836,000	3,336,000	10,940,000	2,423,000	1,995,000	3,457,000	1,715,000	7,302,000
Principal	765,000	795,000	835,000	869,000	1,142,000	995,000	994,000	1,044,000	935,000	888,000
Interest and fiscal charges	875,000	843,000	814,000	619,000	555,000	681,000	635,000	587,000	543,000	577,000
Total expenditures	25,942,000	24,153,000	25,140,000	31,143,000	36,635,000	29,101,000	28,614,000	32,702,000	34,273,000	41,984,000
Revenue Over (Under) expenditures	2,334,000	544,000	1,706,000	(2,102,000)	(5,314,000)	3,587,000	2,792,000	2,468,000	4,059,000	1,187,000
Other Financing Sources (Uses):										
Debt Proceeds	-	-	-	14,750,000	-	-	-	-	838,000	-
Debt premiums	-	-	-	1,125,000	-	-	-	-	-	-
Payments to escrow	-	-	-	(15,587,000)	-	-	-	-	-	-
Transfer in	2,552,000	2,347,000	2,086,000	3,269,000	1,736,000	2,494,000	8,352,000	4,282,000	4,779,000	5,432,000
Transfer out	(3,702,000)	(2,347,000)	(2,086,000)	(3,269,000)	(1,736,000)	(2,494,000)	(4,571,000)	(4,282,000)	(4,779,000)	(5,432,000)
Total other financing sources (uses)	(1,150,000)	-	-	288,000	-	-	3,781,000	-	838,000	-
Special items:										
Loan settlement	-	-	(1,536,000)	-	-	-	-	-	-	-
Total extraordinary items	-	-	(1,536,000)	-	-	-	-	-	-	-
Net Change in fund balance	\$ 1,184,000	\$ 544,000	\$ 170,000	\$ (1,814,000)	\$ (5,314,000)	\$ 3,587,000	\$ 6,573,000	\$ 2,468,000	\$ 4,897,000	\$ 1,187,000
Debt service as a percentage of non-capital expenditures	7.5%	7.2%	7.1%	5.4%	6.6%	6.3%	6.1%	5.6%	4.5%	4.2%

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	Direct Tax Rate
	Net Assessed Market Value	Net Assessed Market Value	Net Assessed Market Value		
2014	2,034,540	26,914	2,061,454	5.7%	0.1577%
2015	2,119,745	25,834	2,145,579	4.1%	0.0563%
2016	2,294,593	23,237	2,317,830	8.0%	0.0526%
2017	2,469,850	22,007	2,491,857	7.5%	0.0930%
2018	2,623,291	56,966	2,680,257	7.6%	0.0816%
2019	2,806,297	24,549	2,830,846	5.6%	0.0796%
2020	2,852,160	91,914	2,944,074	4.0%	0.1150%
2021	2,994,333	89,435	3,083,768	4.7%	0.1320%
2022	3,103,002	85,103	3,188,105	3.4%	0.1303%
2023	3,320,975	88,919	3,409,894	7.0%	0.1303%

Source⁽¹⁾ County of Alameda Office of the Assessor
 Note: Assessed values are presented in thousands

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>
2014	3,934,253	3,982,513	101.2%
2015	4,175,074	4,048,711	97.0%
2016	4,478,779	4,247,060	94.8%
2017	4,706,559	4,645,298	98.7%
2018	5,087,302	5,031,515	98.9%
2019	5,372,611	5,317,906	99.0%
2020	5,716,700	5,645,508	98.8%
2021	6,239,440	6,177,663	99.0%
2022	6,687,889	6,608,586	98.8%
2023	7,016,422	6,913,044	98.5%

Notes:

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

City of Albany

Table 7

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	-	-	-	-	-	0.0112	0.0108	0.0036	0.0041	0.0103
Albany Unified School District	0.1591	0.1586	0.1440	0.2000	0.2500	0.2500	0.2250	0.2005	0.1950	0.1650
Peralta Community College	0.0419	0.0412	0.0337	0.0256	0.0310	0.0269	0.0257	0.0452	0.0407	0.0409
Bay Area Rapid Transit	0.0075	0.0045	0.0026	0.0080	0.0084	0.0070	0.0120	0.0139	0.0060	0.0140
East Bay Regional Park 1	0.0078	0.0085	0.0067	0.0032	0.0021	0.0057	0.0060	0.0014	0.0020	0.0058
East Bay Mud Special District 1	0.0066	0.0047	0.0034	0.0028	0.0011	-	-	-	-	-
City of Albany	0.1577	0.0563	0.0526	0.0930	0.0816	0.0796	0.1150	0.1320	0.1303	0.1285
Total Overlapping Tax Rates	1.3806	1.2738	1.2430	1.3326	1.3742	1.3804	1.3945	1.3966	1.3781	1.3645
Total Direct Rate	0.1577	0.0563	0.0526	0.0930	0.0816	0.0796	0.1150	0.1150	0.1303	0.1285

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

Table 8

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2023		2014	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Land Holdings LLC	\$ 57,342,817	1.68%	\$ 49,419,109	2.39%
Target Corporation	35,914,276	1.05%	30,951,559	1.49%
VR University Village A I LLC And A II LLC	28,862,803	0.85%		
1100 San Pablo Avenue LLC	28,094,257	0.82%		
ACI Real Estate Spe 118 LLC	16,875,642	0.49%		
Eichner Erik & Rose L Trs	10,590,305	0.31%	9,267,286	0.45%
ESMHT LLC	9,971,936	0.29%	9,733,420	0.47%
Cappo Real Estate Holdings LLC	8,899,950	0.26%		
Virk Dhian & Gurchan Trs	8,185,500	0.24%		
Albany View Properties LLC	7,540,669	0.22%		
Fire In The Hole LLC	6,520,980	0.19%	5,233,399	0.25%
Sorokin Samuel P Tr & Beckerman Craig Tr Etal	5,856,252	0.17%		
Eakins Gilbert R Tr & Austin Rebecca L & Eaki Etal	5,660,087	0.17%		
401 Park Plaza LLC	5,547,738	0.16%	4,786,826	0.23%
Farrokhtala Katy & Saye Trs Etal	5,145,205	0.15%	4,358,528	0.21%
Amitis LLC	5,070,526	0.15%		
Oak Hill Grove LLC	5,041,619	0.15%		
Alcatraz Premium Investments LLC	4,898,062	0.14%		
643 Kains LLC	4,833,600	0.14%		
Wendell C Smith Family Holdings LLC	4,799,049	0.14%		
Benattar Moshe	4,794,000	0.14%		
Albany Bowl Properties	4,550,288	0.13%	5,228,011	0.25%
Allen Dallas V Jr Tr & Satake Alvin T & Maxin Etal	4,320,050	0.13%	3,723,026	0.18%
Sutter Bay Medical Foundation	4,283,593	0.13%	3,628,239	0.18%
Nasser Adham Tr & Nasser William Etal	4,276,376	0.13%		
St Marys College Hgh Schl			36,486,586	1.76%
LA CHA Farrel LLC			6,885,000	0.33%
Safeway Inc.			4,981,718	0.24%
1001 Eastshore Partners			4,809,289	0.23%
Meier Charles L Friedman Sharo			4,328,445	0.21%
Biggs Edward F Sr			3,471,527	0.17%
Pacific Racing Assoc			3,423,355	0.17%
Solano Group			3,401,758	0.16%
Portland Gardens LLC			3,364,474	0.16%
Pakzad Faramarz Jaleh P			3,268,156	0.16%
Albany Steel Inc.			3,146,782	0.15%
Southwick 1025 Eastshore Highw			3,060,000	0.15%
Oak Tyler Investment Inc.			2942991	0.14%
Bodhaine Randall C Catherine I			2800731	0.14%
IJK Properties LLC			2719957	0.13%
Total Top 25 Taxpayers	287,875,580	8.44%	215,420,172	10.40%
Total Taxable Value	\$ 3,409,894,867	100.00%	\$ 2,071,973,004	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>
2014	18,472	\$ 2,061,454	\$ 16,110	0.75%	\$ 872
2015	18,893	\$ 2,145,579	\$ 15,630	0.67%	\$ 827
2016	18,565	\$ 2,317,830	\$ 14,750	0.59%	\$ 795
2017	18,587	\$ 2,491,857	\$ 15,120	0.56%	\$ 813
2018	18,867	\$ 2,680,257	\$ 14,492	0.51%	\$ 768
2019	18,961	\$ 2,830,846	\$ 13,480	0.46%	\$ 711
2020	18,937	\$ 2,944,074	\$ 12,940	0.42%	\$ 683
2021	17,055	\$ 3,083,768	\$ 12,370	0.39%	\$ 725
2022	21,648	\$ 3,188,105	\$ 11,770	0.35%	\$ 544
2023	21,401	\$ 3,409,894	\$ 11,140	0.33%	\$ 521

Notes:

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

**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>
2014	235,000	89,615	324,615	17,146,499	0.02
2015	255,000	77,141	332,141	18,233,584	0.02
2016	270,000	62,140	332,140	20,473,640	0.02
2017	290,000	224,610	514,610	18,983,316	0.03
2018	755,000	497,740	1,252,740	21,571,704	0.06
2019	515,000	465,990	980,990	25,001,378	0.04
2020	540,000	439,610	979,610	24,990,729	0.04
2021	570,000	412,613	982,613	29,245,732	0.03
2022	600,000	383,363	983,363	31,079,701	0.03
2023	630,000	352,613	982,613	33,216,834	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	Tax Refunding Bond	Lease Purchases	Other Debt	Total Primary Government	Percentage of Personal Income	Per Capita
2014	16,565,000	5,510,000	168,000	2,732,000	24,975,000	0.67%	1,352
2015	16,110,000	5,100,000	170,000	2,390,000	23,770,000	2.50%	1,258
2016	15,630,000	4,810,000	130,000	2,075,000	22,645,000	2.41%	1,220
2017	15,120,000	4,110,000	89,000	1,746,000	21,065,000	2.38%	1,133
2018	14,492,000	3,605,000	45,000	1,403,000	19,545,000	2.84%	1,036
2019	13,480,000	3,090,000	6,004,000	1,045,000	23,619,000	2.65%	1,246
2020	12,940,000	2,560,000	5,895,000	670,000	22,065,000	2.51%	1,165
2021	12,370,000	2,020,000	5,771,000	279,000	20,440,000	2.37%	1,198
2022	11,770,000	66,000	6,443,000	66,000	18,345,000	1.35%	847
2023	11,140,000	900,000	6,235,000	312,000	18,587,000	1.24%	869

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.

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
2014	2,061,454,000	309,218,100	16,110,000	77,304,525	20.84%
2015	2,145,579,000	321,836,850	15,630,000	80,459,213	19.43%
2016	2,317,830,000	347,674,500	14,750,000	86,918,625	16.97%
2017	2,491,857,000	373,778,550	15,120,000	93,444,638	16.18%
2018	2,680,257,000	402,038,550	14,492,000	100,509,638	14.42%
2019	2,830,846,000	424,626,900	13,480,000	106,156,725	12.70%
2020	2,944,074,000	441,611,100	12,940,000	110,402,775	11.72%
2021	3,083,768,000	462,565,200	12,370,000	115,641,300	10.70%
2022	3,188,105,000	478,215,750	11,770,000	119,553,938	9.84%
2023	3,409,894,000	511,484,100	11,140,000	127,871,025	8.71%

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, 2022

2022-23 Assessed Valuation \$ 3,433,099,867

Direct and Overlapping Tax and Assessment Debt	Total Debt	% Applicable ⁽¹⁾	City's Share
Bay Area Rapid Transit District	\$ 2,484,285,000	0.360%	\$ 8,943,426
Alameda County	515,890,000	0.916%	4,725,552
Peralta Community College District	478,490,000	2.468%	11,809,133
Albany Unified School District	95,470,000	100.000%	95,470,000
East Bay Regional Park District	175,955,000	0.571%	1,004,703
City of Albany General Obligation Bonds	11,140,000	100.000%	11,140,000
Total Direct and Overlapping Tax and Assessment Debt			\$ 133,092,815
Direct and Overlapping General Fund Obligation Debt:			
Alameda County General Fund Obligations	706,903,500	0.916%	\$ 6,475,236 ⁽²⁾
Peralta Community College District Pension Obligations	121,921,654	2.468%	3,009,026
Alameda-Contra Costa Transit District Certificates of Participation	11,220,000	1.081%	121,288
City of Albany General Fund Obligations	4,711,180	100.000%	4,711,180 ⁽³⁾
Total Direct and Overlapping General Fund Obligation Debt			\$ 14,316,731
Total Direct Debt			15,851,180
Total Overlapping Debt			131,558,365
COMBINED TOTAL DEBT			\$ 147,409,545 ⁽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 (\$44,288).

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

Ratios to 2022-23 Assessed Valuation:

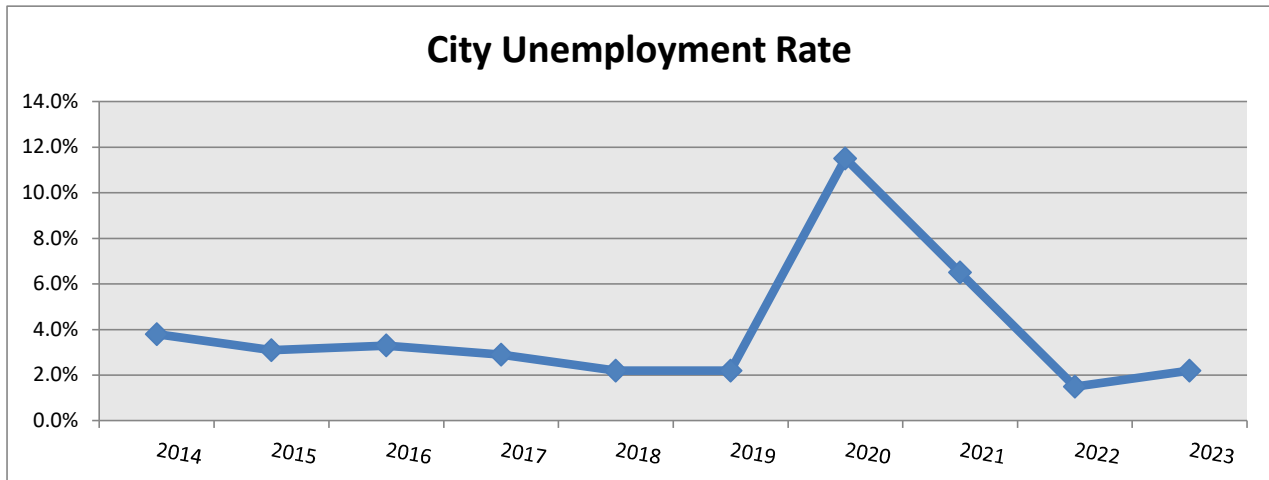
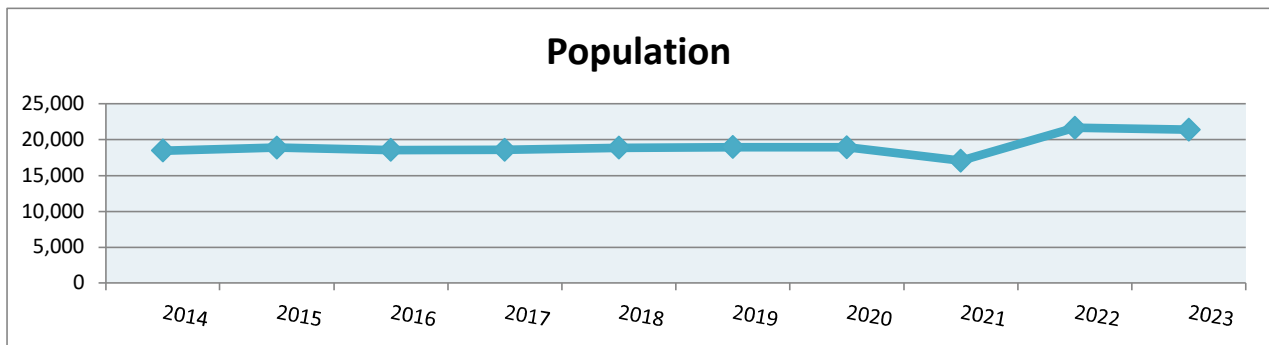
Direct Debt	\$ 11,140,000	0.37%
Total Direct and Overlapping Tax and Assessment Debt		4.11%
Total Direct Debt	\$ 15,851,180	0.54%
Combined Total Debt		4.61%

Source: Avenu Insights & Analytics, 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⁾
2014	18,472	90,631	56,261	36.1	3839	5.7%	3.8%
2015	18,893	101,370	61,879	35.5	3881	4.5%	3.1%
2016	18,565	-	-	35.3	3822	4.7%	3.3%
2017	18,587	-	-	35.5	3702	4.2%	2.9%
2018	18,867	-	-	35.4	3658	2.9%	2.2%
2019	18,961	-	-	35.7	3682	2.5%	2.2%
2020	18,937	916,616	48,403	35.7	3586	13.5%	11.5%
2021	17,055	891,053	52,246	36.5	3501	8.4%	6.5%
2022	21,648	1,299,115	60,011	36.2	3514	2.5%	1.5%
2023	21,401	1,498,001	69,997	36.6	3529	3.7%	2.2%



Source: MuniServices, LLC / Avenu Insights & Analytics, U.S. Census Bureau.

(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	2023		2014	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Albany Unified School District	401	4.22%	336	3.61%
United States Department of Agriculture	325	3.42%	339	3.65%
Golden Gate Fields	240	2.53%	195	2.10%
Target*	215	2.26%	238	2.56%
Sutter East Bay Medical Foundation	180	1.89%		
City of Albany	107	1.13%	86	0.92%
Sprouts Farmers Market*	90	0.95%		
St. Mary's College High School	78	0.82%	74	0.80%
Safeway Store*	71	0.75%	45	0.48%
Tilden Preparatory School	70	0.74%		
Albany Ford Subaru		0.00%	65	0.70%
Albany Bowl			50	0.54%
The Adhesive Products Inc.			31	0.33%
Total Top Employers	1,777	18.71%	1,459	15.69%
Total Labor Force ⁽¹⁾	9,500		9,300	

Source: MuniServices, LLC / Avenu Insights & Analytics
Source: 2013-14 previously published ACFR
Results based on direct correspondence with city's local businesses.
* Full-time and part-time employees
(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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	11	11	11	12	14	16	15	15	18	17
Public Safety	49	55	56	55	55	51	50	50	51	55
Public Works	11	13	13	13	13	13	14	14	14	16
Community Development	6	7	7	8	9	9	9	9	7	7
Recreation	9	10	10	7	6	11	13	13	12	13
Total	86	96	97	95	97	99	100	101	102	108

Source: City of Albany records.

City of Albany
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety - Police										
Arrests	646	665	682	457	333	277	135	202	183	145
Parking citations issued	2,741	11,583	8,717	6,028	5,556	5,742	1,518	7,662	7,546	3,858
Public Safety - Fire										
Number of emergency calls	1,823	1,785	1,881	1,917	1,967	1,984	1,872	1,910	2,114	2,216
Inspections	1,014	1,014	1,107	1,290	1,314	1,326	1,319	1,590	1,618	1,618
Culture and Recreation										
Number of recreation classes	1,766	1,903	2,139	434	413	413	750	52	181	486
Number of facility rentals	2,069	2,482	2,526	271	338	427	294	3,722	4,915	5,742

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
2014	1	16,500,000	28	5,010,489
2015	1	20,488	1	346,753
2016	2	174,475	37	12,034,351
2017	0	-	32	10,692,841
2018	1	750,000	4	1,507,514
2019	0	-	23	2,006,573
2020	0	-	13	1,590,836
2021	0	-	19	9,647,550
2022	0	-	87	9,566,100
2023	0	-	84	44,153,684

Notes:

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

City Type	Charter
Date of Incorporation	1908
Form of Government	Council/Manager
Population	21,401
Land Area	1.7 Square Miles
Police Protection	1 Station 24 Officers 5 Leased Patrol Vehicles 18 Patrol Vehicles (not leased)
Fire Protection	1 Station 19 Full-time Firefighters 8 Fire Apparatus
Assessed Valuation	3,409,894
Parks and Recreation	1 Community Center 1 Senior Center 7 Parks



OTHER INDEPENDENT AUDITOR'S REPORTS

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 18, 2024.

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) as a basis for designing 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 2023-001 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 financial statements. 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

January 18, 2024
Morgan Hill, California



SCHEDULE OF FINDINGS AND RESPONSES

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City of Albany
Schedule of Findings and Responses
June 30, 2023

Finding 2023-001: 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 reported in the City’s Long-Term Debt Account Group (fund 9101) were not reconciled and updated to match support. Adjustments to the general ledger should be made to agree balances to respective debt schedules.
2. 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 during the year.
3. The City’s capital assets workbooks did not properly calculate beginning accumulated depreciation and depreciation expense. In addition, sewer fund general ledger amounts were not updated to match supporting capital assets records.
4. Journal entries posted to reclassify negative cash balances in funds to interfund payables, increased cash in each fund with a negative balance but the entry decreasing cash in the corresponding fund(s) was not recorded, causing the interfund receivables and payables to not balance and overstating cash by almost \$600 thousand. Interfund payables should balance with the corresponding interfund receivables.

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 related to closing.

Recommendation: We recommend that the City continue to 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 continue to work on developing and implementing 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, 2023

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.

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