

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared by:

Derrick L. Brown  
Finance Director

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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## INTRODUCTORY SECTION

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**City of Albany**  
**Post Office Box 447**  
**Albany, Georgia**  
**31702-0447**

December 27, 2017

To the Honorable Mayor and Members  
Of the City Commission  
City of Albany, Georgia

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Albany, Georgia (the "City") for the fiscal year ended June 30, 2017. The Finance Department is responsible for preparing this report. Management is responsible for the content of the report, accuracy of the presented data, and completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, is accurate in all material respects. This belief is based on a comprehensive system of internal controls for this purpose. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Therefore, it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs.

Mauldin & Jenkins, LLC, Certified Public Accountants, have issued an unqualified opinion on the City of Albany's financial statements for the fiscal year ending June 30, 2017. The independent auditor's report is located at the beginning of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A will complement this letter of transmittal and should be read in conjunction with it.



## PROFILE OF GOVERNMENT

Situated in the Plantation Trace region, Albany is the primary trade center for Southwest Georgia. It is the county seat for Dougherty County, Georgia. Incorporated in 1853, the city lies at the head of the Flint River, 182 miles south of Atlanta and 95 miles north of Tallahassee, Florida. The city was laid out in 1836 by Alexander Shotwell and named for Albany, New York. As of the 2016 Census, the population of Albany was estimated at 73,801.<sup>1</sup>

Albany has developed a diversified industrial economy, which includes companies such as Proctor & Gamble, MillerCoors, and MasterFoods. Also, the Marine Corps Logistics Base (MCLB) has established itself as a leader in the adoption of private sector business strategies to accomplish its mission. The chief farm products are cotton, peanuts, corn, and tobacco, and to a lesser extent, paper-shell pecans and forest products.

The City of Albany was originally incorporated by an Act of the General Assembly of Georgia on December 27, 1838, and has operated under the Commission-Manager form of government since January 14, 1924. The seven-member commission consists of a Mayor elected at large and six Commissioners elected on a ward basis. The Commission appoints the City Manager, City Clerk, Assistant City Clerk, City Attorney, Assistant City Attorney, Municipal Court Judge, City Solicitor, and Public Defender. The City Manager is the Chief Executive Officer charged with the enforcement of the laws and ordinances passed by the Commission. The Commission also appoints members to various Boards, Authorities, and other Commissions.

This report includes all funds and account groups of the primary government (City of Albany), as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The Chehaw Park Authority is an independent entity whose financial stability relates to the City's financial health and, accordingly, it has been included as part of the City's reporting entity. The Albany Utility Board (previously known as Water, Gas and Light Commission of Albany), formerly a component unit of the City of Albany, is as of fiscal year ending June 30, 2014 and going forward, comprised of major enterprise funds of the City of Albany. The City provides a full range of services including police and fire protection, road maintenance, streets, recreational activities, cultural events, and utility services including storm and sanitary sewers, solid waste, water, gas, light, and telecommunications. In addition to these general governmental activities, the City has a transit system, cemetery, airport, civic center, and golf course.

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<sup>1</sup>Source: Census Bureau ([www.census.gov](http://www.census.gov))

## ECONOMIC CONDITION AND OUTLOOK

The City of Albany serves as the distribution, retail and wholesale trade, communication, and medical center for southwest Georgia, a seven county area. The City of Albany is served by 14 public elementary schools, 7 public secondary schools, 1 career academy, 1 public alternative school, and a number of private schools.<sup>2</sup> The City also offers a range of post-secondary education and adult-learning opportunities:

1. Albany State University is a proud member institution of the University System of Georgia. The university offers a broad array of graduate, baccalaureate, associate, and certificate programs at its main campuses in Albany as well as strategically-placed branch sites and online.<sup>2</sup>
2. Albany Technical College is a unit of the Georgia Department of Technical and Adult Education, offering more than 40 diploma, more than 25 degree, and over 70 technical certificate of credit programs. The college provides technical education and training support for the workforce development needs of Southwest Georgia.<sup>2</sup>
3. Turner Job Corps Center serves Albany as a no-cost education and career technical training program that helps young people ages 16 to 24 improve the quality of their lives through career technical and academic training.<sup>3</sup>
4. Troy University, with its satellite campus, offers 50 undergraduate and graduate degree programs fully online with a wide variety of concentrations. The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate, baccalaureate, master's, education specialist, and doctoral degrees.<sup>2</sup>

While there had been some signs of economic movement in Albany, some of this was delayed by two devastating tornadoes in January. This severely impacted many individuals, businesses, and the City itself, especially the Storm Water Fund. The City continues to aggressively pursue new revenue sources in the areas of Natural Gas and Telecommunications, while reducing expenditures wherever possible.

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<sup>2</sup>Source: Albany Chamber of Commerce ([www.albanyga.com](http://www.albanyga.com))

<sup>3</sup>Source: Turner Job Corps Center ([www.turner.jobcorps.gov](http://www.turner.jobcorps.gov))

Albany continues to work toward identifying and implementing innovative ways to rebuild and restore the community's economic condition. In an effort to inspire economic growth, the City of Albany has developed an attractive initiative program to promote the growth of new businesses in the area. The City's Long Term Financial Planning Committee (LTFPC) and the Albany-Dougherty Economic Development Commission (EDC) work closely together to implement this program. A Revolving Loan Fund has also been established to further encourage growth. This has resulted in a renewed enthusiasm and interest in our downtown area.

## **FIVE-YEAR STRATEGIC AND FINANCIAL PLAN**

The City of Albany is committed to continually improving the efficiency and effectiveness of the organization. Strategic Planning includes developing a vision and mission, identifying the organization's external opportunities and threats, determining internal strengths and weaknesses, establishing both long-term and annual objectives, and choosing particular strategies to pursue. This phase of strategic management is accomplished through the development of a strategic plan. The City has adopted the following vision and mission statements:

### **Vision Statement**

*The City of Albany is a collaborative regional leader delivering exceptional services and enhancing quality of life, while fostering an atmosphere where citizens and businesses can thrive.*

### **Mission Statement**

*The City of Albany delivers fiscally responsible, highly dependable services to the citizens in the community and the region with integrity and professionalism.*

The City Commission also outlined six priorities during its strategic plan update:

- *Safe, Sustainable & Business Friendly*
- *Economic Development and Jobs*
- *Infrastructure and Asset Management*
- *Fiscal Responsibility*
- *Effective and Excellent Service Delivery*
- *Promotion of the City of Albany as a great place to live, work and play*

One of the practices that has continued from the past strategic plan is staff performance measurement. The City Manager, as well as senior management, believes that every employee should know how their employer rates their performance. The City also affirms that every employee should make a positive contribution to the organization. Each staff member's performance is documented and monitored on a routine basis. During fiscal year 2018, the City is scheduled to adopt its updated five-year strategic plan.

Special Purpose Local Option Sales Tax V - The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2004, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (SPLOST). The amount to be collected from the sales and use tax between April 1, 2005 and March 31, 2011 was estimated to be \$108 million. Sixty-two percent, or \$65.9 million, of those funds was allocated for City administered projects and non-profit organizations. The City of Albany projects funded through SPLOST V included: \$6.7 million Civic Center debt retirement, \$2.5 million Civic Center infrastructure improvements, \$1.7 million Airport improvements, \$6.6 million upgrade to the 800 MHz radio and tower, \$6.7 million for road improvements, \$3.4 million Public Safety equipment and training facility, \$5.1 million for the Recreation Master Plan and facility renovations, \$2.5 million traffic improvements and GIS aerial photography, and disparity study for \$350,000. Also included are projects for community organizations and other capital purchases and improvements: \$2 million to the Chehaw Wild Animal Park Authority, \$3.9 million for the Thronateeska Heritage Center improvements, \$4.0 million to the Albany Civil Rights Institute, and \$5.1 million for Riverfront Park. Most projects for this SPLOST series are complete. Therefore, spending should decrease until the end of this SPLOST series.

Special Purpose Local Option Sales Tax VI - The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2010, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (SPLOST). The amount to be collected from the sales and use tax between April 1, 2011 and March 31, 2017 was estimated to be \$98 million. Sixty-four percent, or \$62.7 million, of those funds was to be used for City administered projects and non-profit organizations. The City of Albany projects to be funded through SPLOST VI included: \$4.3 million Airport improvements, \$8.5 million Pump Station and Sewer improvements, \$11.9 million Street and Storm Water improvements, \$1 million Sidewalk replacements, \$3.2 million Alley Paving and improvements, \$11.9 million Public Safety equipment and upgrades, \$4.48 million Transit improvements, and \$4.4 million Recreational improvements. Also included are projects for community organizations and other capital purchases and improvements: \$2.1 million to the Chehaw Wild Animal Park Authority, \$2.1 million for the Thronateeska Heritage Center improvements, and \$3.3 million for the Senior Citizens Center.

Special Purpose Local Option Sales Tax VII - The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2016, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (SPLOST). The amount to be collected from the sales and use tax between April 1, 2017 and March 31, 2023 is estimated to be \$92.5 million. Sixty-four percent, or \$59.2 million, of those funds are to be used for City administered projects and non-profit organizations. The City of Albany projects to be funded through SPLOST VII include: \$10 million Street resurfacing, \$4.5 million Alley Paving, \$2.5 million Sidewalks and Streetscape, \$5.9 million Sewer and Storm Water improvements, \$6 million Underground Cable installation and Street Light upgrades, \$5.9 million Public Safety equipment and Fire Station, \$4.7 million Recreational renovations, and \$4.8 million Aviation Terminal Building and Transportation Center. Also included are projects for community organizations and other capital purchases and improvements: \$1 million Chehaw Park Authority, \$650,000 Jefferson Street Pool renovations, and \$425,000 for Thronateeska Heritage Center improvements. A complete list of the projects and further details regarding the program are available at [www.albanyga.gov](http://www.albanyga.gov).

Total revenue generated for fiscal year 2017 for SPLOST programs was \$10.8 million with expenditures totaling \$7.2 million.

### **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **BUDGETARY CONTROL**

The City maintains budgetary controls, the objectives of which are to ensure compliance with Georgia law and administrative policy embodied in the annual appropriated budget duly approved by the City Commission in June of each year. Activities of the General Fund, Special Revenue Funds, Proprietary Funds, and Debt Service Fund are included in the annual appropriated budget. Long-range capital projects funded by SPLOST are included in the formal operating budget. Encumbrance accounting is used to maintain adequate cost controls, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded.

### **CASH MANAGEMENT**

Cash temporarily idle during the year was invested in interest-bearing demand deposits, certificates of deposits, and U.S. Government securities with the assistance of board-approved, certified investment advisors. All investments are collateralized as required by law. The Pension Fund assets are invested in common stocks, corporate bonds, and U.S. Government securities. The City's investments, exclusive of the Pension Fund investments, are classified in the categories of lower credit risk as defined by the Governmental Accounting Standards Board and as required by the State of Georgia. All of the Pension Fund investments are held in the name of the City's agents for the beneficial ownership of the City of Albany's Pension Plan.

### **OTHER INFORMATION**

Henry Gortatowsky willed to the City various properties from this estate in 1996. The funds remaining in the trust will go towards maintenance of these properties. The financial activity related to the Gortatowsky trust is reported as a special revenue fund.

## **INDEPENDENT AUDIT**

The financial statements have been prepared in compliance with governmental financial reporting guidelines issued by the Government Finance Officers Association of the United States and Canada and generally accepted accounting principles applicable to governmental entities. The City requires an annual audit of all financial records and transactions of the City by an independent certified public accountant selected by the City's Mayor and Board of Commissioners. The accounting firm of Mauldin and Jenkins, LLC and their report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can also be found in this report.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany, Georgia for its comprehensive annual financial reports for twenty-five consecutive fiscal years from 1991 to 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate award.

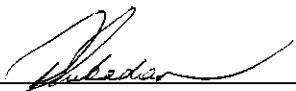
In addition, the City received the GFOA Distinguished Budget Award for the twenty-fifth consecutive year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

## **ACKNOWLEDGMENTS**

We wish to acknowledge the outstanding accomplishment of the Finance Department staff in the preparation of this report. This document is the culmination of months of hard work and dedication. Additionally, we would like to thank all City departments for their positive attitudes toward budgetary responsibility, as well as other related entities who maintain the daily financial records upon which this report is based. Finally, we would like to thank the Mayor and Board of City Commissioners for their valuable contribution in its guidance of the financial affairs and support of the financial operations of the City.

Most of all, we thank the citizens of Albany for their trust, unselfish community involvement, and belief in making Albany an exciting place to live, work and play.

Respectfully submitted,



Sharon D. Subadan, MPS, CPM, CPFP  
City Manager



Derrick L. Brown  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Albany**  
**Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



**CITY OF ALBANY, GEORGIA**

**PRINCIPAL OFFICIALS**

**JUNE 30, 2017**

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**ELECTED**

<b>Dorothy Hubbard</b>	<b>At Large</b>	<b>Mayor</b>
<b>Jon B. Howard</b>	<b>Ward I</b>	<b>Commissioner</b>
<b>Bobby Coleman</b>	<b>Ward II</b>	<b>Commissioner</b>
<b>BJ Fletcher</b>	<b>Ward III</b>	<b>Commissioner</b>
<b>Roger B. Marietta</b>	<b>Ward IV</b>	<b>Mayor Pro Tem/Commissioner</b>
<b>Robert B. Langstaff, Jr.</b>	<b>Ward V</b>	<b>Commissioner</b>
<b>Tommie Postell</b>	<b>Ward VI</b>	<b>Commissioner</b>

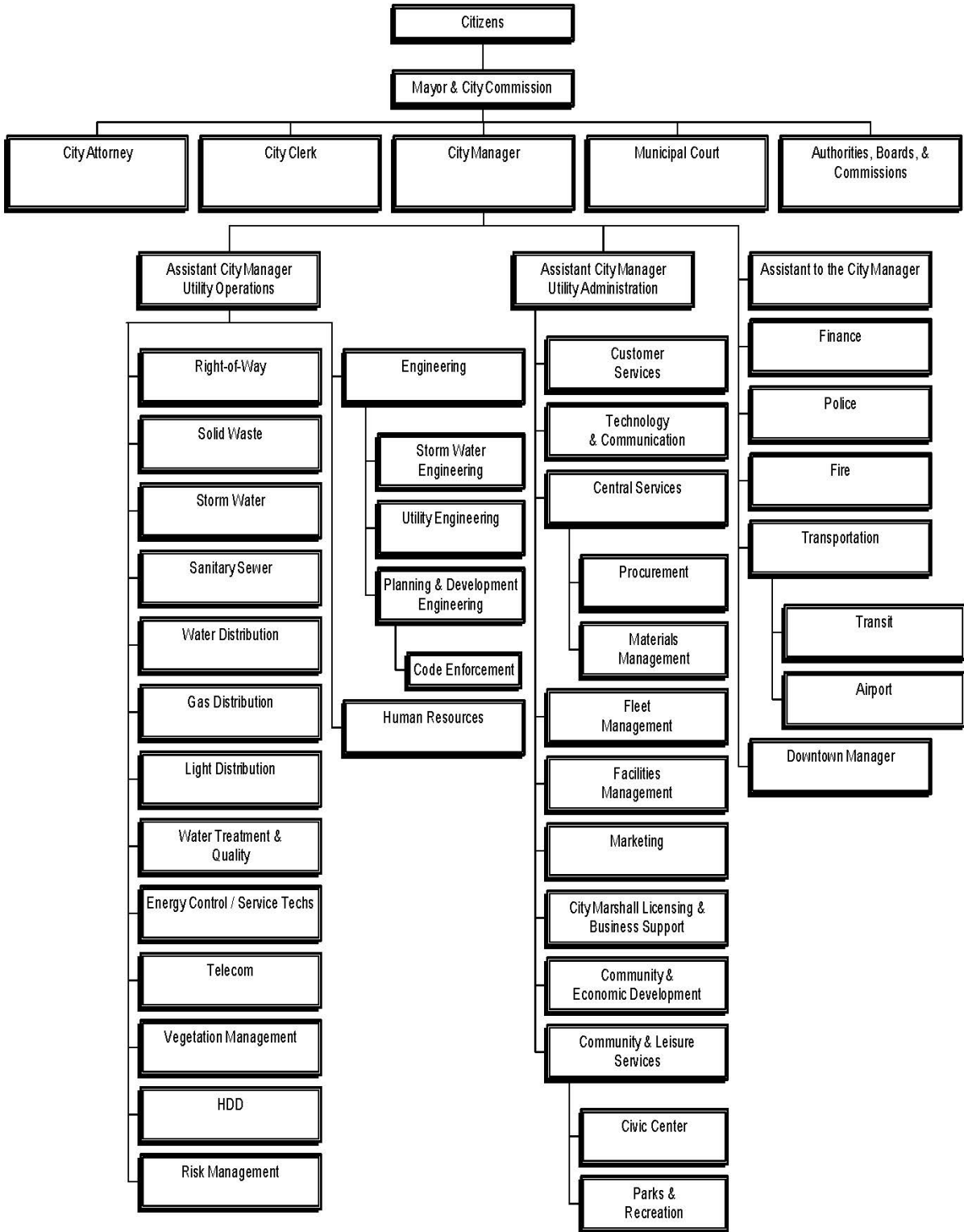
**STAFF**

<b>Sharon D. Subadan</b>	<b>City Manager</b>
<b>Derrick L. Brown</b>	<b>Finance Director</b>

# CITY OF ALBANY, GEORGIA

## ORGANIZATION CHART

JUNE 30, 2017



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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**To the Honorable Mayor and Members  
of the City Commission  
City of Albany, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Albany, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Albany, Georgia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Albany, Georgia as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Community Development Fund, and the Job Investment Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 24) and the Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Schedule of Investment Returns, and the Other Post-Employment Benefit Plan Schedules of Funding Progress and Employer Contributions (on pages 113 through 116) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Albany, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, on our consideration of the City of Albany, Georgia'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 of Albany, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 22, 2017

**CITY OF ALBANY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2017**

The City of Albany, Georgia's (the "City") Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the City's financial activity; (c) identify changes in the City's financial position; (d) identify any material deviations from the financial plan (the approved budget); and (e) identify individual fund issues or concerns.

Management's Discussion and Analysis ("The MD&A") is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; and GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and No. 34, and Statement No. 38 *Certain Financial Statement Disclosures*, effective July 1, 2002.

The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

## **FINANCIAL HIGHLIGHTS**

### Government wide Financial Statements

- At the close of the fiscal year, the assets of the City exceeded its liabilities by \$371,029,404. Of this amount, \$65,526,199 (17.7%) represents unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the net position of the City's *business-type activities* was \$211,855,508. This represented an increase of \$3,688,336 (1.8%) over the prior year's net position for business-type activities.
- At the close of the current fiscal year, the net position of the City's *governmental activities* was \$159,173,896. This represented an increase of \$15,357,426 (10.7%) from the prior year's net position for governmental activities.

### Fund Financial Statements

- The General Fund, the chief operating fund of the City, had a total fund balance of \$30,256,186 as of June 30, 2017. Of this amount, \$28,922,087 (95.6%) was unassigned.
- The General Fund had revenues of \$50,746,156 for the current fiscal year. Of this amount, \$15,809,985 (31.2%) was from property taxes, \$10,147,452 (20.0%) was from other taxes, and \$9,399,871 (18.5%) was from sales taxes.



## Debt Obligations

- Long-term debt obligations from primary governmental activities increased \$80,239 (0.1%) from \$68,537,555 at June 30, 2016, to \$68,617,794 at June 30, 2017.
- Long-term debt obligations from business type activities increased \$1,645,140 (3.4%), from \$47,877,960 at June 30, 2016, to \$49,523,100 at June 30, 2017.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: (1) Government-wide financial statements; (2) Fund financial statements; and (3) Notes to the financial statements.

**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.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two 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 in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government 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). The governmental activities of the City include general government, judicial, public safety, public works, parks and recreation, and community development. The business-type activities of the City include sanitary sewer, solid waste, transit, civic center, airport, workers compensation, utility internal service fund, R3M fund, self-administered insurance fund, public employee health plan, storm water, telecommunication, water, gas and light.

Component units are included in the basic financial statements and consist of legally separate entities for which the City is financially accountable and that have either the same governing board as the City or a governing board appointed by the City of Albany. The City has one discreetly presented component unit: the Chehaw Park Authority. This unit is excluded from any activities or amounts presented in the "Primary Government".

The government-wide financial statements can be found on pages 25 - 28 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. All of the funds of the City 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. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of the 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four (4) major governmental funds for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Development Fund, Job Investment Fund, and SPLOST Fund.

Other *non-major* governmental funds include: Seven (7) Special Revenue Funds (Hotel/Motel Tax Fund, Grant Fund, Downtown Development Authority, Computer Aided Dispatch, Albany-Dougherty Inner City Authority, Gortatowsky Fund, and Tax Allocation District Fund); and one (1) Capital Projects Fund (Public Improvement Fund). Data on these 8 non-major governmental funds is combined into a single, aggregated presentation in the financial statements. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

The City adopts an annual appropriated budget for its general, special revenue, debt service and enterprise funds. The report contains a "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget Basis and Actual" for the General and Major Special Revenue Funds. However, additional budget information on the non-major funds is contained in the supplementary information. Note that capital additions that are not a part of a separate fund are budgeted for in the General Fund.

The governmental funds financial statements can be found on pages 29 - 36 of this report.

**Proprietary Funds.** Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for major proprietary funds: Sanitary Sewer, Airport, Water, Light, and Storm Water.

The City maintains ten (10) non-major proprietary funds. Five (5) of the nonmajor proprietary funds are enterprise funds (Transit, Civic Center, Solid Waste, Gas, and Telecommunications). These five enterprise funds collectively are reflected as “Nonmajor Enterprise Funds” on the Proprietary Funds financial statements. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

The remaining five (5) non-major proprietary funds are internal service funds (Self-Administered Insurance Fund, Public Employees Group Health Plan (PEGHP) Fund, Workers’ Compensation Fund, R3M Fund, and the Utility Internal Service Fund). These five internal service funds collectively are reflected as “Internal Service Funds” on the Proprietary Funds financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City’s various functions. Individual fund data for both the enterprise funds and the internal service funds is provided in the supplementary information section of this report.

The proprietary funds financial statements can be found at pages 37 - 43 of this report.

**Fiduciary Funds.** Fiduciary funds, which consist solely of trust and agency funds, are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* included in the government-wide financial statements because the resources are *not* available to support the City’s operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

Details of the City’s Pension Fund, a fiduciary fund, can be found on pages 44 and 45 of the report.

**Notes to the Basic Financial Statements.** The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 46 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City of Albany has presents its financial statements under the reporting model required by GASB Statement No. 34. Under this statement, the City is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of government-wide information for fiscal years ending June 30, 2016 and June 30, 2017, are included in the MD&A.

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$371,029,404 as of June 30, 2017.

As shown on Table 1, the largest portion of the City's net position, \$273.7 million (73.8%), reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. An additional portion of the City's net position, \$31.8 million (8.5%), represents resources that are subject to external restrictions on how they may be used. The major restrictions on net position are funding source restrictions. The remaining balance of total net position of \$65.5 million (17.7%) is unrestricted and may be used to meet the City's obligations to citizens and creditors in accordance with the finance-related legal requirements reflected in the City's fund structure.

At the end of the fiscal year ended June 30, 2017, the City reported positive balances in all three categories of net assets, both for the City as a whole as well as for its separate governmental and business-type activities.

**TABLE 1**

**City of Albany  
Statement of Net Position - Primary Government**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>
Current and Other Assets	\$ 129,930,073	\$ 123,702,574	\$ 75,928,115	\$ 69,825,647	\$ 205,858,188	\$ 193,528,221
Capital Assets	102,453,530	95,144,946	193,852,423	196,196,793	296,305,953	291,341,739
<b>TOTAL ASSETS</b>	<b>232,383,603</b>	<b>218,847,520</b>	<b>269,780,538</b>	<b>266,022,440</b>	<b>502,164,141</b>	<b>484,869,960</b>
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>11,721,532</b>	<b>6,293,779</b>	<b>6,934,284</b>	<b>3,377,088</b>	<b>18,655,816</b>	<b>9,670,867</b>
Current and Other Liabilities	15,194,251	17,019,443	23,627,110	19,946,728	38,821,361	36,966,171
Long Term Liabilities	65,025,245	60,354,396	41,232,204	41,168,146	106,257,449	101,522,542
<b>TOTAL LIABILITIES</b>	<b>80,219,496</b>	<b>77,373,839</b>	<b>64,859,314</b>	<b>61,114,874</b>	<b>145,078,810</b>	<b>138,488,713</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>4,711,743</b>	<b>3,950,990</b>	<b>-</b>	<b>117,482</b>	<b>4,711,743</b>	<b>4,068,472</b>
Net Position:						
Invested in capital assets, net of related debt	97,680,943	83,974,584	176,006,160	173,637,702	273,687,103	257,612,286
Restricted	22,747,421	31,967,383	9,068,681	9,006,514	31,816,102	40,973,897
Unrestricted	38,745,532	27,874,503	26,780,667	25,522,956	65,526,199	53,397,459
<b>TOTAL NET POSITION</b>	<b>\$ 159,173,896</b>	<b>\$ 143,816,470</b>	<b>\$ 211,855,508</b>	<b>\$ 208,167,172</b>	<b>\$ 371,029,404</b>	<b>\$ 351,983,642</b>

In Table 1(a), the 2017 Statement of Net Position is compared to the results for the prior fiscal year. In Table 2(a), the 2017 and 2016 Statement of Activities for the primary government is compared. Revenues increased by \$25.5 million from 2016 to 2017, the total expenses for the same period increased by \$30.3 million.

**TABLE 1 (a)**

<b>CITY OF ALBANY</b>			
<b>Comparison of Net Position for Primary Government</b>			
<b>Fiscal Years 2017 and 2016</b>			
	<b>Total Primary Government FY 2017</b>	<b>Total Primary Government FY 2016</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 205,858,188	\$ 193,528,221	\$ 12,329,967
Capital Assets	296,305,953	291,341,739	4,964,214
<b>TOTAL ASSETS</b>	<b>502,164,141</b>	<b>484,869,960</b>	<b>17,294,181</b>
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>18,655,816</b>	<b>9,670,867</b>	<b>8,984,949</b>
Current and Other Liabilities	38,821,361	36,966,171	1,855,190
Long Term Liabilities	106,257,449	101,522,542	4,734,907
<b>TOTAL LIABILITIES</b>	<b>145,078,810</b>	<b>138,488,713</b>	<b>6,590,097</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>4,711,743</b>	<b>4,068,472</b>	<b>643,271</b>
Net Investment in Capital Assets	273,687,103	257,612,286	16,074,817
Restricted	31,816,102	40,973,897	(9,157,795)
Unrestricted	65,526,199	53,397,459	12,128,740
<b>TOTAL NET POSITION</b>	<b>\$ 371,029,404</b>	<b>\$ 351,983,642</b>	<b>\$ 19,045,762</b>

**TABLE 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
<b>Revenues:</b>						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,405,018	\$ 6,542,703	\$ 169,051,310	\$ 167,614,716	\$ 175,456,328	\$ 174,157,419
Operating Grants and Contributions	13,183,329	12,658,215	15,709,353	1,239,904	28,892,682	13,898,119
Capital Grants and Contributions	23,981,989	12,356,837	965,708	1,989,102	24,947,697	14,345,939
<u>General Revenues:</u>						
Property taxes	16,085,219	16,315,586	-	-	16,085,219	16,315,586
Sales taxes	9,399,871	9,683,370	-	-	9,399,871	9,683,370
Other taxes	12,483,351	11,842,816	-	-	12,483,351	11,842,816
Investment income	38,620	1,331,409	63,633	401,121	102,253	1,732,530
Gain (loss) on sale or disposal of capital assets	-	-	120,068	52,237	120,068	52,237
<b>TOTAL REVENUES</b>	<b>81,577,397</b>	<b>70,730,936</b>	<b>185,910,072</b>	<b>171,297,080</b>	<b>267,487,469</b>	<b>242,028,016</b>
<b>Expenses:</b>						
General government	13,907,384	13,149,259	-	-	13,907,384	13,149,259
Judicial	1,150,395	1,142,848	-	-	1,150,395	1,142,848
Public safety	36,615,202	33,992,566	-	-	36,615,202	33,992,566
Public works	9,360,884	9,022,331	-	-	9,360,884	9,022,331
Parks and recreation	7,578,570	7,750,411	-	-	7,578,570	7,750,411
Community development	6,812,076	3,743,861	-	-	6,812,076	3,743,861
Community service	493,093	379,747	-	-	493,093	379,747
Interest on long-term debt	682,044	648,357	-	-	682,044	648,357
Sewer	-	-	13,478,400	12,094,253	13,478,400	12,094,253
Solid waste	-	-	10,079,015	8,908,087	10,079,015	8,908,087
Airport	-	-	3,635,803	3,494,862	3,635,803	3,494,862
Water	-	-	11,350,093	9,511,549	11,350,093	9,511,549
Gas	-	-	15,726,147	11,191,545	15,726,147	11,191,545
Light	-	-	95,011,447	88,893,351	95,011,447	88,893,351
Telecommunication	-	-	3,212,149	3,101,115	3,212,149	3,101,115
Transit	-	-	4,074,127	3,822,213	4,074,127	3,822,213
Storm water	-	-	13,389,437	5,477,062	13,389,437	5,477,062
Civic Center	-	-	1,885,441	1,813,508	1,885,441	1,813,508
<b>TOTAL EXPENSES</b>	<b>76,599,648</b>	<b>69,829,380</b>	<b>171,842,059</b>	<b>148,307,545</b>	<b>248,441,707</b>	<b>218,136,925</b>
<b>Increase Before Transfers</b>	<b>4,977,749</b>	<b>901,556</b>	<b>14,068,013</b>	<b>22,989,535</b>	<b>19,045,762</b>	<b>23,891,091</b>
Transfers	10,379,677	12,064,620	(10,379,677)	(12,064,620)	-	-
<b>CHANGE IN NET POSITION</b>	<b>15,357,426</b>	<b>12,966,176</b>	<b>3,688,336</b>	<b>10,924,915</b>	<b>19,045,762</b>	<b>23,891,091</b>
<b>Net Position - Beg. Of Year</b>	<b>143,816,470</b>	<b>130,850,294</b>	<b>208,167,172</b>	<b>197,242,257</b>	<b>351,983,642</b>	<b>328,092,551</b>
<b>Net Position - End Of Year</b>	<b>\$ 159,173,896</b>	<b>\$ 143,816,470</b>	<b>\$ 211,855,508</b>	<b>\$ 208,167,172</b>	<b>\$ 371,029,404</b>	<b>\$ 351,983,642</b>

TABLE 2 (a)

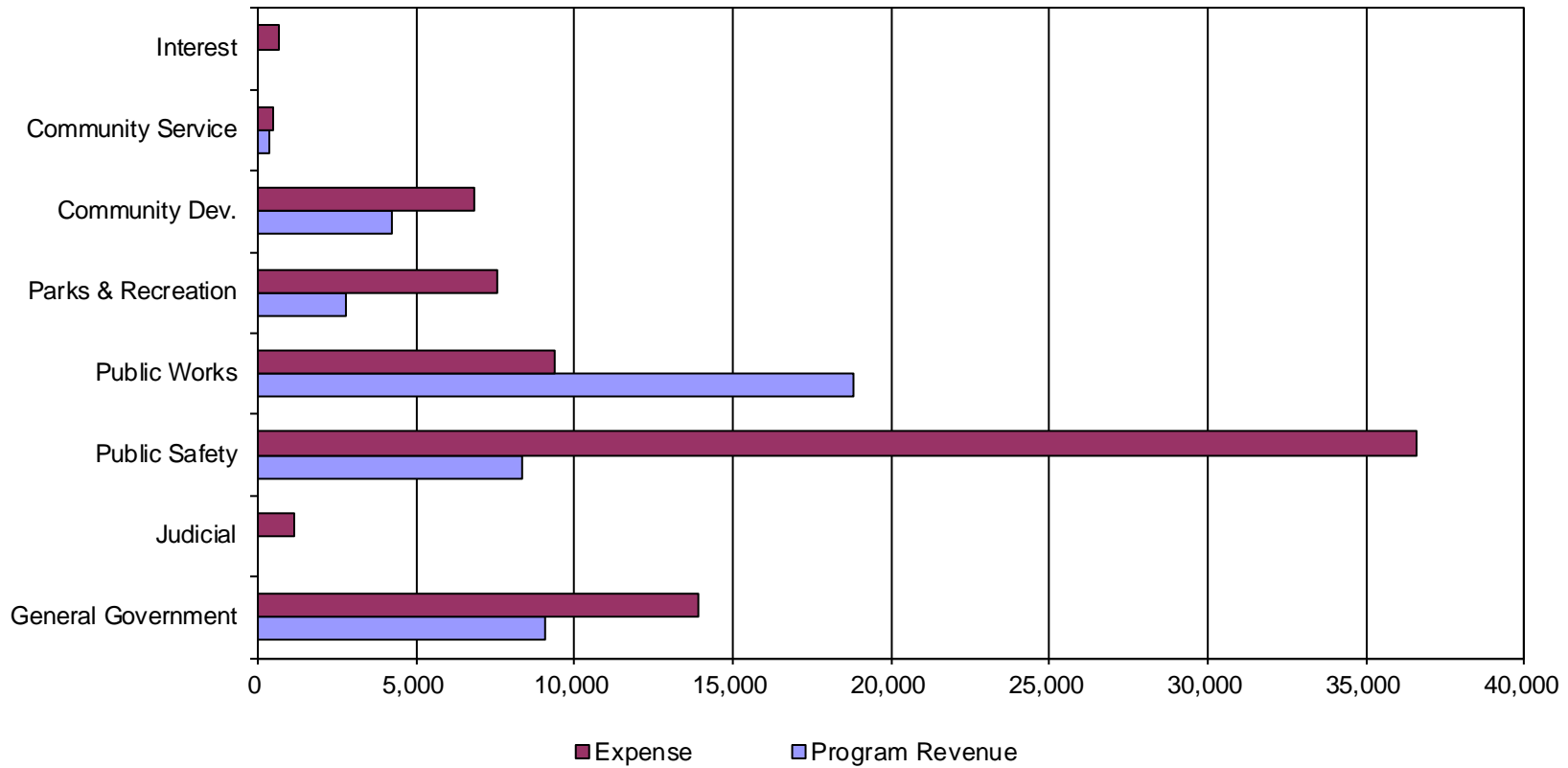
**CITY OF ALBANY**  
**Comparison of Statement of Activities for Primary Government**  
**Fiscal Years 2017 and 2016**

	<b>Total Primary Government Activities - 2016</b>	<b>Total Primary Government Activities - 2015</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
<u>Program Revenues:</u>			
Charges for Services	\$ 175,456,328	\$ 174,157,419	\$ 1,298,909
Operating Grants and Contributions	28,892,682	13,898,119	14,994,563
Capital Grants and Contributions	24,947,697	14,345,939	10,601,758
<u>General Revenues:</u>			
Property taxes	16,085,219	16,315,586	(230,367)
Sales taxes	9,399,871	9,683,370	(283,499)
Other taxes	12,483,351	11,842,816	640,535
Investment income	102,253	1,732,530	(1,630,277)
Gain (loss) on sale or disposal of capital assets	120,068	52,237	67,831
<b>TOTAL REVENUES</b>	<b>267,487,469</b>	<b>242,028,016</b>	<b>25,459,453</b>
<b>Expenses:</b>			
General government	13,907,384	13,149,259	758,125
Judicial	1,150,395	1,142,848	7,547
Public safety	36,615,202	33,992,566	2,622,636
Public works	9,360,884	9,022,331	338,553
Parks and recreation	7,578,570	7,750,411	(171,841)
Community development	6,812,076	3,743,861	3,068,215
Community service	493,093	379,747	113,346
Interest on long-term debt	682,044	648,357	33,687
Sewer	13,478,400	12,094,253	1,384,147
Solid waste	10,079,015	8,908,087	1,170,928
Airport	3,635,803	3,494,862	140,941
Water	11,350,093	9,511,549	1,838,544
Gas	15,726,147	11,191,545	4,534,602
Light	95,011,447	88,893,351	6,118,096
Telecommunication	3,212,149	3,101,115	111,034
Transit	4,074,127	3,822,213	251,914
Storm water	13,389,437	5,477,062	7,912,375
Civic Center	1,885,441	1,813,508	71,933
<b>TOTAL EXPENSES</b>	<b>248,441,707</b>	<b>218,136,925</b>	<b>30,304,782</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 19,045,762</b>	<b>\$ 23,891,091</b>	<b>\$ (4,845,329)</b>

## Governmental Activities

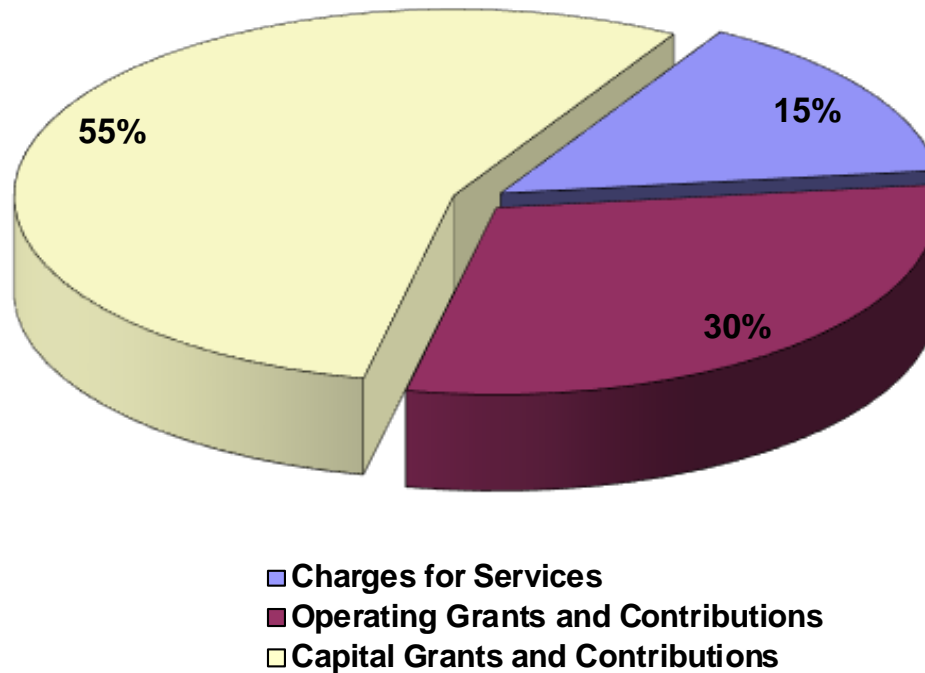
Governmental Activities increased the City of Albany's net position by \$15,357,426. Revenues from governmental activities totaled \$81,577,397; with operating grants (16.2%), capital grants and contributions (29.4%), property taxes (19.7%), other taxes (15.3%), sales taxes (11.5%), and charges for services (7.9%) contributing to the City's revenues. Expenses for governmental activities were \$76,599,648, of which 56.9% was supported from program revenues and 49.6% from general revenues. Expenses for Public Safety (47.8%), General Government (18.2%), Public Works Admin & Streets (12.2%) make-up of the total expense for governmental activities.

**Expenses and Program Revenues - Governmental Activities (in thousands)**





## Governmental Activities - Breakout of Program Revenue

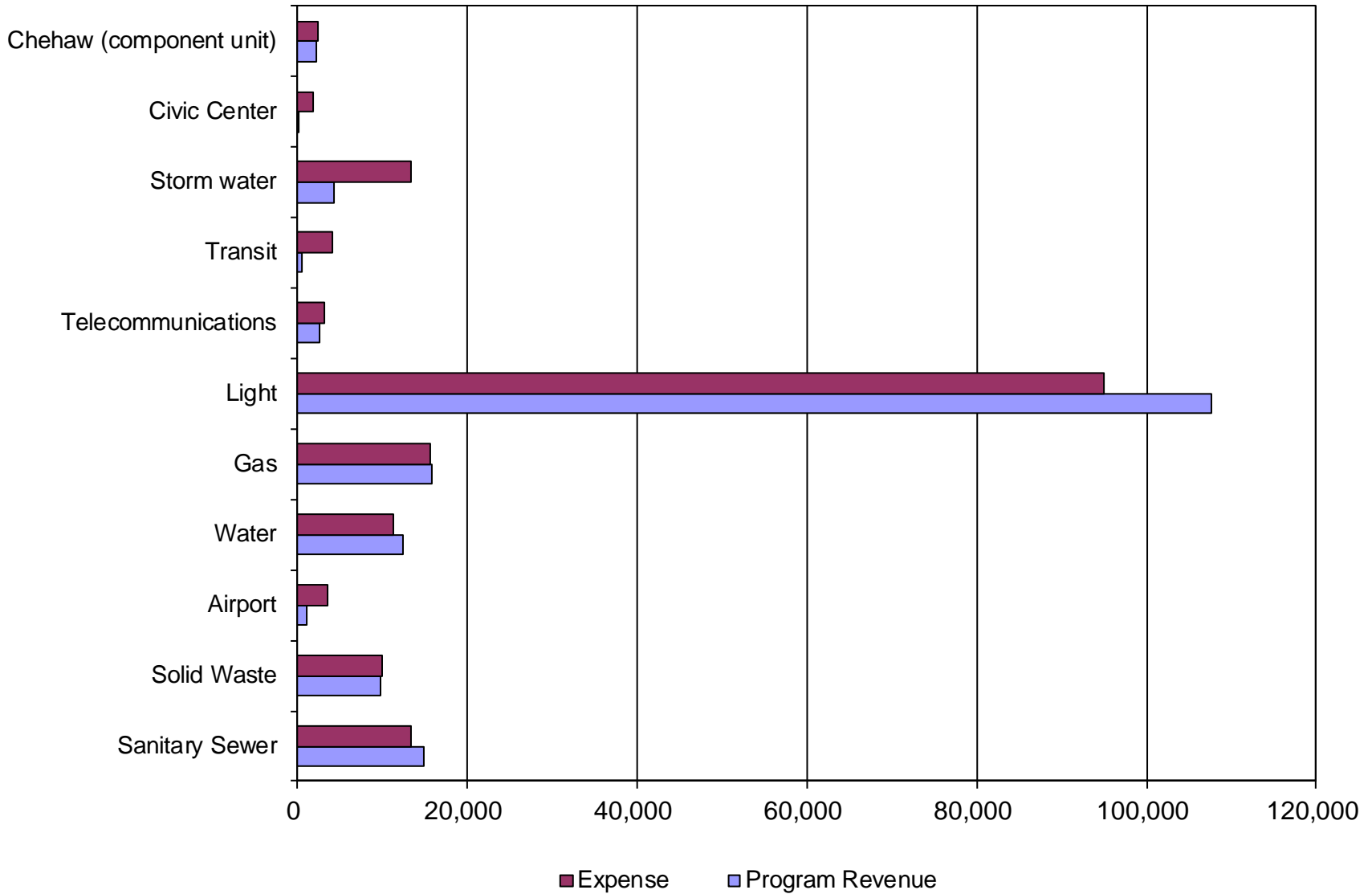


### Business-type Activities

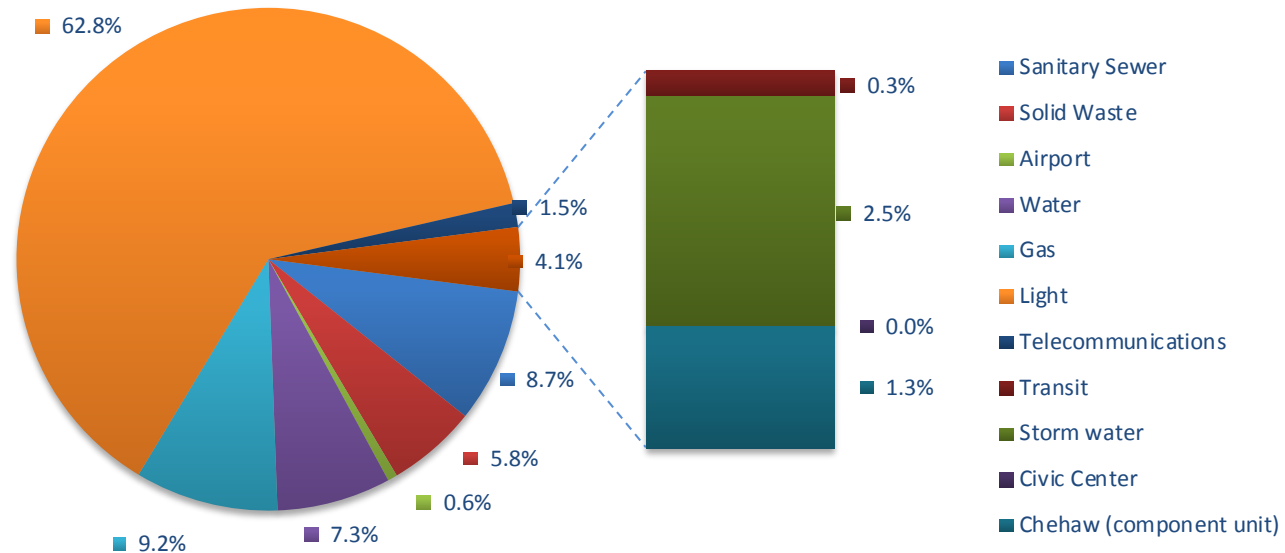
Business-type activities increased the City of Albany's net assets by \$3,688,336. As of June 30, 2017, total business-type net assets were \$211,855,508 of which \$176,006,160 was invested in capital assets; \$9,068,681 was restricted; and \$26,780,667 was unrestricted.

Revenues totaled \$185,910,072 with 99.9% of revenues coming from Program Revenues. (See chart "Business-Type Activities – Breakout by Revenues"). Total expenses were \$171,842,059. The largest expenses were Light (55.3%) and Gas (9.2%).

### Expenses and Program Revenues - Business Type Activities (in thousands)



## Business Type Activity - Breakout by Revenues



## FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

### Governmental Funds

The focus of the City of Albany'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 of Albany's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Albany's governmental funds reported combined ending fund balances of \$102,185,163 an increase of \$3,708,164 in comparison from the prior year. 26.4% (\$26,973,535) constituted unassigned fund balance, which is available for spending at the government's discretion. The remaining 73.6% of the fund balance (\$75,211,628) is divided as follows: \$478,845 is non-spendable due to being in a form such as, inventory or prepaid items; \$32,158,360 is legally restricted by an outside authority or a legal agreement, such as SPLOST or loans; and a combined total of \$42,574,423 is either assigned or committed for future use by the government.

The General Fund is the chief operating fund of the City. As of June 30, 2017, the *unassigned* fund balance in the general fund was \$28,922,087; the total fund balance was \$30,256,186, an increase of \$2,856,345 compared to 2016.

The General Fund's liquidity can be measured by comparing both the *fund balance available for spending (committed, assigned, and unassigned)* and total fund balance to *total fund expenditures*. Available fund balance represents 52.5% of the total general fund expenditures, while total fund balance represents 53.4% of that same amount. When *transfers out* are added to *expenditures*, the available fund balance represents 44.4% of expenditures plus transfers, while the total fund balance represents 45.2% of this amount.

The general fund had the following transfers in (increases) and transfers out (decreases):

Transfers in From Other funds (\$18,940,949) represent transfers from the Hotel/Motel Tax, Sewer, Solid Waste, Water, Gas, Telecommunications, and Light Funds.

Funding for component units (\$942,000) represents an agreed payment to Chehaw Park Authority, a separate component unit of the City. The funds are used by Chehaw Park Authority to subsidize the operation of the park. This amount is included as parks and recreation expenditures. Other transfers out represent General Fund support of the following funds during the fiscal year: Transit, Grant, R3M, Computer-Aided Dispatch, Civic Center, Airport, ADICA, Public Improvement, and Sewer Funds.

During the fiscal year ended June 30, 2017, the City's General Fund balance increased by \$2,856,345. The following contributed to the change:

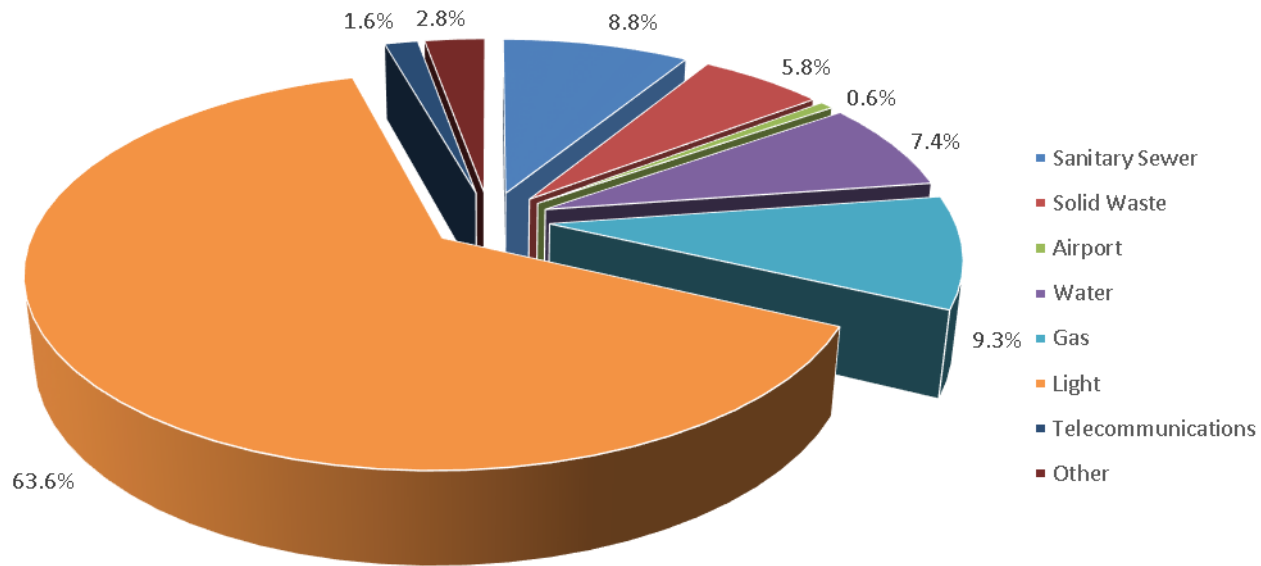
- ❑ Actual revenues were \$1,466,468 under budget, while expenditures were \$7,157,912 under budget.
- ❑ In FY 2016, the City of Albany established a new internal service fund, the R3M Fund. \$1 million was transferred into that fund from the General Fund from current year budget savings.
- ❑ The General Fund transferred \$1 Million into the Capital Improvement Fund for the future repayment of capital needs.
- ❑ The General Fund transferred \$2 Million into the Sewer Fund to reduce their interfund receivable.

During the fiscal year ended June 30, 2017, the City's Community Development and SPLOST Fund balances increased by \$676,315 and decreased by \$1,009,587, respectively.

## Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. For the fiscal year ended June 30, 2017, the proprietary funds had total operating revenues of \$169.1 million. Based on revenues, the largest proprietary fund is the Light Fund (63.6%) followed by the Gas Fund (9.3%). See chart below for an overview of revenue by proprietary fund.

Proprietary Funds - Analysis of Revenue by Fund



The change in net position for Proprietary Funds was \$3,688,336 representing a 1.8% increase from the prior year's adjusted net position balance of \$208,167,172. The net change was the result of the following:

<b>Proprietary funds</b>	<b>Change in Net Position</b>
Sanitary Sewer Fund	\$1,040,490
Airport Fund	-\$1,064,862
Water	\$488,271
Light	\$4,763,545
Storm Water	-\$3,055,200
Non major Enterprise Funds	\$2,756,085
Internal Service Funds	-\$1,913,682
GASB Adjustment	\$673,689
<b>Total Change in Net Position</b>	<b>\$3,688,336</b>

The Light Fund received a large MEAG refund during fiscal year 2017 in the amount of \$5 million. This refund is due to savings that the power supplier incurred throughout the year, as well as debt restructuring. This was not shown as a reduction in cost of goods sold, but instead was presented as unbudgeted revenue. In addition, the City of Albany has continued to exclude the MEAG Credits as a part of the budgeted operations. However, the MEAG Credit for the year that remained with the Light department is \$2 million. These unbudgeted revenues were offset by non-reimbursable storm expenses exceeding \$1.2 million. As mentioned previously, the R3M fund received a transfer at the end of fiscal year 2017 in the amount of \$1 million; this is presented in the net decrease to the Internal Service Funds. Other contributing factors to the fact that the Internal Service Funds had a net loss for the year was the adjustment to the Net Pension Liability in the Utility Internal Service Fund in the amount of \$826 thousand leading to a loss in the Utility Internal Service fund of \$773 thousand. The other loss was in the Self-Administered Insurance Fund (Risk Fund) in the amount of \$1.7 million due to an unusual rise in claims during the fiscal year. Storm Water Utility incurred a large loss during fiscal year 2017 due to the storm damage in January and the response from the City.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the budgeted revenues and expenditures equal the net effect of the transfers in and out between other funds. Because of the relatively flat economy, the City was conservative in estimating tax and license revenue. The City's revenues were 2.8% under the budgeted amount due to sale tax revenue that continues to decline and *unrealized* losses on investments. The City's expenditures were 11.2% under budget. This was the result of the City aggressively monitoring costs and a fair amount of vacant positions that remained unfilled during the year.

**TABLE 3**

**CITY OF ALBANY, GEORGIA  
GENERAL FUND  
Statement of Revenues and Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Property taxes	\$ 16,021,901	\$ 16,021,901	\$ 15,809,985	\$ (211,916)
Sales taxes	9,900,455	9,900,455	9,399,871	(500,584)
Other taxes	9,697,226	9,697,226	10,147,452	450,226
Licenses and permits	1,034,194	1,034,194	848,971	(185,223)
Intergovernmental	12,795,935	12,795,935	12,432,249	(363,686)
Charges for services	919,705	919,705	1,092,503	172,798
Fines and forfeitures	1,580,530	1,580,530	1,538,831	(41,699)
Interest income	157,948	157,948	(767,017)	(924,965)
Other	104,730	104,730	243,311	138,581
<b>TOTAL REVENUES</b>	<b>\$ 52,212,624</b>	<b>\$ 52,212,624</b>	<b>\$ 50,746,156</b>	<b>\$ (1,466,468)</b>
<b>Expenditures:</b>				
General government	15,572,767	15,565,517	11,696,791	3,868,726
Judicial	1,292,229	1,292,229	1,147,243	144,986
Public safety	32,480,937	32,488,187	30,668,204	1,819,983
Public works	6,277,421	6,277,421	5,957,589	319,832
Parks and recreation	7,662,399	7,662,399	6,666,921	995,478
Community svc(Subsidized agencies)	502,000	502,000	493,093	8,907
<b>TOTAL EXPENDITURES</b>	<b>\$ 63,787,753</b>	<b>\$ 63,787,753</b>	<b>\$ 56,629,841</b>	<b>\$ 7,157,912</b>

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$296,305,953 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and vehicles, infrastructure, and construction in progress. Additional information on the City's capital assets can be found in Note 5 on pages 71 - 74 of this report.

**TABLE 4**

<b>CITY OF ALBANY</b>			
<b>CAPITAL ASSETS (Net of Depreciation)</b>			
<b>JUNE 30, 2017</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets not being depreciated:			
Land	\$ 15,711,788	\$ 14,294,298	\$ 30,006,086
Construction in Progress	1,478,106	9,411,334	10,889,440
<b>Total assets not depreciated</b>	<b>17,189,894</b>	<b>23,705,632</b>	<b>40,895,526</b>
Capital assets being depreciated:			
Buildings and improvements	77,275,630	142,545,966	219,821,596
Equipment and vehicles	27,447,437	57,985,328	85,432,765
Infrastructure	84,317,642	155,846,747	240,164,389
<b>Total assets depreciated</b>	<b>189,040,709</b>	<b>356,378,041</b>	<b>545,418,750</b>
Less accumulated depreciation:			
Buildings and improvements	28,854,799	71,358,156	100,212,955
Equipment and vehicles	18,936,109	40,103,039	59,039,148
Infrastructure	55,986,165	74,770,055	130,756,220
<b>Total accumulated depreciation</b>	<b>103,777,073</b>	<b>186,231,250</b>	<b>290,008,323</b>
<b>Total assets depreciated, net</b>	<b>85,263,636</b>	<b>170,146,791</b>	<b>255,410,427</b>
<b>Capital assets, net</b>	<b>\$ 102,453,530</b>	<b>\$ 193,852,423</b>	<b>\$ 296,305,953</b>



**Long-term Debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is \$118.1 million – an increase of \$2.7 million over the previous year. Of this amount, \$10.6 million is due within one year. Net Pension Liability (60.9%), Certificates of Participation (8.5%) and Revenue Bonds (15.0%) make up \$99.6 Million of the total. The remaining \$18.5 million is comprised of notes payable, general obligation bonds, OPEB liability, manufactured gas plant, and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 75 - 89.

**TABLE 5**

**CITY OF ALBANY LONG TERM DEBT OBLIGATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance at June 30, 2017</b>	<b>Percentage of Total</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities</u></b>			
Bonds payable	\$ 2,110,000	1.8%	\$ 280,000
Notes payable	2,025,000	1.7%	300,000
Certificates of participation	10,000,000	8.5%	-
OPEB Liability	5,713,220	4.8%	-
Net Pension Liability	45,427,229	38.5%	-
Compensated absences	3,342,345	2.8%	3,008,111
	<u>\$ 68,617,794</u>		<u>\$ 3,588,111</u>
<b><u>Business-Type Activities</u></b>			
Bonds Payable:			
Revenue bonds	\$ 17,720,000		\$ 4,800,000
Add deferred amounts Unamoritized premium	27,464		-
Total bonds payable	17,747,464	15.0%	4,800,000
Notes Payable	1,659,427	1.4%	75,271
Manufactured gas plant	1,236,173	1.0%	-
Net Pension Liability	26,457,617	22.4%	-
Compensated absences	2,422,419	2.1%	2,179,452
	<u>49,523,100</u>		<u>7,054,723</u>
<b>Total primary government liabilities</b>	<b><u>\$ 118,140,894</u></b>		<b><u>\$ 10,642,834</u></b>

The General Obligation Bonds relate to bonds issued for the Albany-Dougherty Inner City Authority (ADICA). The Revenue Bonds relate to sewer system revenue bonds issued in 2007 and 2011 and Water bonds issued in 2005 and 2010. The Certificates of Participation represent the City's purchase of equipment and vehicles from the Georgia Municipal Association Pooled Bond Funds. The Notes Payable represents the City's obligations to the US Department of Housing and Urban Development for the development of the Hilton Garden Inn and Conference Center. Compensated absences represent the City's obligation for accrued vacation and sick leave.

**Bond Ratings**

The following are the financial strength ratings the City has received from Moody's Investors Service, Inc. and S&P (if available):

	<u>Moody's</u>	<u>S&amp;P</u>
Sewer Revenue Bonds	Aaa	AAA
ADICA Bonds	A-3	-
Water Revenue Bonds	A-3	-

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The attached report provides a variety of economic data that can be used to assess the current and long-term expected economic health of the City. Specifically, the report includes data related to property tax values; property tax rates; property tax levies and collections; special assessment billings and collections; commercial and residential construction activity; bank deposits; principal manufacturing and non-manufacturing employers; assessed and actual real property values; and similar information.

The City is affected by the same economic conditions that influence the State of Georgia and the nation as a whole. Even though the rest of the country has begun to recover from the recession, Southwest Georgia continues to experience a slower rate of recovery. Economic conditions were taken into account in developing the City's prior year budget. However, a review of the detailed economic information is useful in assessing specific aspects of the City's economy.

Since 2009, the City of Albany has been receiving a temporary revenue stream in the form of the "MEAG Credit". This revenue stream will discontinue in 2018. Beginning in fiscal year 2016 the City is no longer relying on this revenue source to balance the budget.

As a method of providing partial relief to its citizens, the City of Albany has been able to balance the budget with an included rollback of the millage rate for the past 3 years. The City has been able to realize substantial savings through the economies of scale with regards to the utilization of similar roles in the Utility departments. As the City moved forward into the current year emphasis was placed on expansion of all Utility Funds to offset the decrease in property and sales tax revenues.

These are all positive steps which will prepare the city to be ready for the loss of the temporary revenue stream in 2018; however, there is still more to do beforehand. These efforts are not yet enough to replace the estimated future decrease in revenues when the MEAG Credit ceases. The City expects to adopt a five-year strategic plan and update its financial policies in 2018 to assist with its long-term success.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Albany's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Albany, Director of Finance, 222 Pine Avenue, Room 460, Albany, Georgia 31701.

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,417,394	\$ 20,425,938	\$ 41,843,332	\$ 12,977
Investments	75,186,405	19,269,154	94,455,559	-
Taxes receivable	183,205	-	183,205	-
Accounts receivable, net of allowances	2,161,767	22,891,668	25,053,435	3,511
Notes receivable	9,569,413	-	9,569,413	-
Inventories	450,352	3,507,212	3,957,564	6,529
Internal balances	13,401,708	(13,401,708)	-	-
Due from other governments	2,679,479	14,167,170	16,846,649	-
Due from component unit	52,000	-	52,000	-
Prepaid expenses	116,607	-	116,607	9,535
Restricted assets:				
Investments	-	9,068,681	9,068,681	-
Fair value of interest rate swap agreement	4,711,743	-	4,711,743	-
Capital assets:				
Non-depreciable	17,189,894	23,705,632	40,895,526	2,545,110
Depreciable, net of accumulated depreciation	85,263,636	170,146,791	255,410,427	6,049,971
Total assets	232,383,603	269,780,538	502,164,141	8,627,633
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	75,703	151,548	227,251	-
Differences between expected and actual experience of economic/demographic (gains)/losses	1,213,103	706,533	1,919,636	-
Net difference between projected and actual earnings on pension plan investments	5,516,359	3,212,825	8,729,184	-
City contributions subsequent to the measurement date	4,916,367	2,863,378	7,779,745	-
Total deferred outflows of resources	11,721,532	6,934,284	18,655,816	-

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>LIABILITIES</b>				
Accounts payable	\$ 2,843,181	\$ 10,968,611	\$ 13,811,792	\$ 146,187
Retainage payable	124,229	23,528	147,757	-
Accrued expenses	2,881,729	756,711	3,638,440	54,645
Claims payable	5,398,132	-	5,398,132	-
Due to primary government	-	-	-	52,000
Due to other governments	7,813	-	7,813	-
Unearned revenues	346,618	1,117,721	1,464,339	-
Line of credit	-	-	-	69,847
Advance payments and customer deposits	-	96,393	96,393	24,660
Payable from restricted assets:				
Current maturities of long-term debt	-	4,800,000	4,800,000	-
Customer deposits	-	2,373,250	2,373,250	-
Certificates of participation, due in more than one year	10,000,000	-	10,000,000	-
Bonds payable, due within one year	280,000	-	280,000	-
Bonds payable, due in more than one year	1,830,000	12,947,464	14,777,464	-
Notes payable, due within one year	300,000	75,271	375,271	-
Notes payable, due in more than one year	1,725,000	1,584,156	3,309,156	-
Compensated absences payable, due within one year	3,008,111	2,179,452	5,187,563	-
Compensated absences payable, due in more than one year	334,234	242,967	577,201	-
Other long-term liabilities - manufactured gas plant	-	1,236,173	1,236,173	-
Other long-term liabilities - net pension liability	45,427,229	26,457,617	71,884,846	-
Other long-term liabilities - OPEB	5,713,220	-	5,713,220	-
Total liabilities	80,219,496	64,859,314	145,078,810	347,339

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Accumulated increase in fair value of hedging derivative	\$ 4,711,743	\$ -	\$ 4,711,743	\$ -
Total deferred inflows of resources	4,711,743	-	4,711,743	-
<b>NET POSITION</b>				
Net investment in capital assets	97,680,943	176,006,160	273,687,103	8,595,081
Restricted for:				
Federal programs	2,838,967	-	2,838,967	-
Public safety	37,996	-	37,996	-
Gortatowsky endowment	51,364	-	51,364	-
Capital projects	19,819,094	-	19,819,094	-
Debt service	-	9,068,681	9,068,681	-
Unrestricted (deficit)	38,745,532	26,780,667	65,526,199	(314,787)
Total net position	\$ 159,173,896	\$ 211,855,508	\$ 371,029,404	\$ 8,280,294

The notes to the financial statements are an integral part of this statement.

# CITY OF ALBANY, GEORGIA

## STATEMENT OF ACTIVITIES

JUNE 30, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Chehaw Park Authority
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General government	\$ 13,907,384	\$ 978,011	\$ 7,977,132	\$ 123,053	\$ (4,829,188)	\$ -	\$ (4,829,188)	\$ -
Judicial	1,150,395	-	-	-	(1,150,395)	-	(1,150,395)	-
Public safety	36,434,952	3,051,168	4,244,011	1,073,248	(28,066,525)	-	(28,066,525)	-
Public works	9,360,884	986,544	370,231	17,433,027	9,428,918	-	9,428,918	-
Parks and recreation	7,578,570	125,869	180,700	2,484,269	(4,787,732)	-	(4,787,732)	-
Community development	6,999,183	1,263,426	408,972	2,538,184	(2,788,601)	-	(2,788,601)	-
Community service	493,093	-	9,140	330,208	(153,745)	-	(153,745)	-
Interest on long-term debt	682,044	-	-	-	(682,044)	-	(682,044)	-
Total governmental activities	<u>76,606,505</u>	<u>6,405,018</u>	<u>13,190,186</u>	<u>23,981,989</u>	<u>(33,029,312)</u>	<u>-</u>	<u>(33,029,312)</u>	<u>-</u>
Business-type Activities:								
Sanitary sewer	13,478,400	14,844,008	-	139,242	-	1,504,850	1,504,850	-
Solid waste	10,079,015	9,875,694	-	7,179	-	(196,142)	(196,142)	-
Airport	3,635,803	1,055,894	-	489,264	-	(2,090,645)	(2,090,645)	-
Water	11,350,093	12,535,266	74,179	-	-	1,259,352	1,259,352	-
Gas	15,726,147	15,765,267	194,934	-	-	234,054	234,054	-
Light	95,011,447	107,560,618	5,631,002	-	-	18,180,173	18,180,173	-
Telecommunication	3,212,149	2,630,955	-	-	-	(581,194)	(581,194)	-
Transit	4,074,127	493,657	4,764,978	274,485	-	1,458,993	1,458,993	-
Storm water	13,389,437	4,281,447	5,044,260	55,538	-	(4,008,192)	(4,008,192)	-
Civic center	2,214,111	337,174	-	-	-	(1,876,937)	(1,876,937)	-
Total business-type activities	<u>172,170,729</u>	<u>169,379,980</u>	<u>15,709,353</u>	<u>965,708</u>	<u>-</u>	<u>13,884,312</u>	<u>13,884,312</u>	<u>-</u>
Total primary government	<u>\$ 248,777,234</u>	<u>\$ 175,784,998</u>	<u>\$ 28,899,539</u>	<u>\$ 24,947,697</u>	<u>\$ (33,029,312)</u>	<u>\$ 13,884,312</u>	<u>\$ (19,145,000)</u>	<u>\$ -</u>
Component Unit:								
Chehaw Park Authority	\$ 2,476,961	\$ 1,187,964	\$ 1,065,413	\$ -	\$ -	\$ -	\$ -	\$ (223,584)
Total component unit	<u>\$ 2,476,961</u>	<u>\$ 1,187,964</u>	<u>\$ 1,065,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (223,584)</u>
General revenues:								
Property taxes					\$ 16,085,219	\$ -	\$ 16,085,219	\$ -
Sales taxes					9,399,871	-	9,399,871	-
Franchise taxes					1,786,847	-	1,786,847	-
Business taxes					1,677,600	-	1,677,600	-
Insurance premium tax					4,832,976	-	4,832,976	-
Alcoholic beverage tax					1,361,278	-	1,361,278	-
Hotel/Motel tax					2,335,898	-	2,335,898	-
Other taxes					488,752	-	488,752	-
Investment income					38,620	63,633	102,253	2
Gain on sale of assets					-	120,068	120,068	-
Transfers					10,379,677	(10,379,677)	-	-
Total general revenues and transfers					<u>48,386,738</u>	<u>(10,195,976)</u>	<u>38,190,762</u>	<u>2</u>
Change in net position					15,357,426	3,688,336	19,045,762	(223,582)
Net position, beginning of year					143,816,470	208,167,172	351,983,642	8,503,876
Net position, end of year					<u>\$ 159,173,896</u>	<u>\$ 211,855,508</u>	<u>\$ 371,029,404</u>	<u>\$ 8,280,294</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF ALBANY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2017

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,559,949	\$ 2,870,847	\$ 80,318	\$ 6,730,806	\$ 864,532	\$ 18,106,452
Investments	8,421,970	-	20,681,363	22,266,375	17,547,779	68,917,487
Receivables, net of allowance:						
Taxes	179,756	-	-	-	3,449	183,205
Accounts	1,157,800	100,930	50,533	-	362,668	1,671,931
Notes	-	9,569,413	-	-	-	9,569,413
Due from other funds	20,964,350	-	1,871,147	-	1,000,001	23,835,498
Due from other governments	1,569,839	226,995	-	750,274	132,371	2,679,479
Due from component units	52,000	-	-	-	-	52,000
Inventories	450,352	-	-	-	-	450,352
Prepaid items	28,493	-	-	-	-	28,493
Total assets	\$ 40,384,509	\$ 12,768,185	\$ 22,683,361	\$ 29,747,455	\$ 19,910,800	\$ 125,494,310
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,578,109	\$ 169,927	\$ -	\$ 554,681	\$ 27,500	\$ 2,330,217
Accrued liabilities	2,763,381	101,033	-	-	-	2,864,414
Due to other funds	5,494,576	88,845	-	100	2,482,922	8,066,443
Due to other governments	955	-	-	-	6,858	7,813
Unearned revenues	291,302	9,569,413	-	-	55,316	9,916,031
Total liabilities	10,128,323	9,929,218	-	679,010	2,572,596	23,309,147

(Continued)



# CITY OF ALBANY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2017

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	\$ 450,352	\$ -	\$ -	\$ -	\$ -	\$ 450,352
Prepaid items	28,493	-	-	-	-	28,493
Restricted						
Federal programs	-	2,838,967	-	-	-	2,838,967
Public safety	37,996	-	-	-	-	37,996
Gortatowsky endowment	-	-	-	-	51,364	51,364
Capital projects	-	-	-	29,068,445	161,588	29,230,033
Committed						
Inner city development	-	-	22,683,361	-	381,260	23,064,621
Capital projects	-	-	-	-	18,692,544	18,692,544
Assigned						
City cemetery	607,302	-	-	-	-	607,302
Keep Albany-Dougherty Beautiful	209,956	-	-	-	-	209,956
Unassigned	28,922,087	-	-	-	(1,948,552)	26,973,535
Total fund balances	30,256,186	2,838,967	22,683,361	29,068,445	17,338,204	102,185,163
Total liabilities, deferred inflows of resources, and fund balances	\$ 40,384,509	\$ 12,768,185	\$ 22,683,361	\$ 29,747,455	\$ 19,910,800	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	102,453,530
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	9,569,413
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	11,627,547
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,826,335
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(23,132,177)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(45,355,915)
Net position of governmental activities	\$ 159,173,896

The notes to the financial statements are an integral part of this statement.

# CITY OF ALBANY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 15,809,985	\$ -	\$ -	\$ -	\$ 275,235	\$ 16,085,220
Sales taxes	9,399,871	-	-	-	-	9,399,871
Other taxes	10,147,452	-	-	-	2,335,898	12,483,350
Licenses and permits	848,971	-	-	-	-	848,971
Intergovernmental	12,432,249	1,345,882	-	10,521,506	348,965	24,648,602
Charges for services	1,092,503	812,366	-	-	1,421,116	3,325,985
Fines and forfeitures	1,538,831	-	-	-	-	1,538,831
Investment income (loss)	(767,017)	1,157	4,541	311,123	724,161	273,965
Other	243,311	969,047	-	-	57,460	1,269,818
Total revenues	50,746,156	3,128,452	4,541	10,832,629	5,162,835	69,874,613
<b>Expenditures:</b>						
Current:						
General government	11,696,791	-	-	-	-	11,696,791
Judicial	1,147,243	-	-	-	-	1,147,243
Public safety	30,668,204	-	-	-	2,205,273	32,873,477
Public works	5,957,589	-	-	-	28,820	5,986,409
Parks and recreation	6,666,921	-	-	-	-	6,666,921
Community development	-	3,211,161	800,500	-	2,784,319	6,795,980
Community service	493,093	-	-	-	-	493,093
Capital outlay	-	-	-	7,057,866	668,949	7,726,815
Debt service:						
Principal	-	300,000	-	4,645,000	270,000	5,215,000
Interest	-	40,976	-	139,350	584,430	764,756
Total expenditures	56,629,841	3,552,137	800,500	11,842,216	6,541,791	79,366,485
Excess (deficiency) of revenues over (under) expenditures	(5,883,685)	(423,685)	(795,959)	(1,009,587)	(1,378,956)	(9,491,872)

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Other financing sources (uses):</b>						
Proceeds from sale of assets	\$ 77,059	\$ 1,100,000	\$ -	\$ -	\$ -	\$ 1,177,059
Transfers in	18,940,949	-	1,956,272	-	3,015,088	23,912,309
Transfers out	<u>(10,277,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,610,898)</u>	<u>(11,888,876)</u>
Total other financing sources, net	<u>8,740,030</u>	<u>1,100,000</u>	<u>1,956,272</u>	<u>-</u>	<u>1,403,734</u>	<u>13,200,036</u>
Net change in fund balances	2,856,345	676,315	1,160,313	(1,009,587)	24,778	3,708,164
<b>Fund balances, beginning of year</b>	<u>27,399,841</u>	<u>2,162,652</u>	<u>21,523,048</u>	<u>30,078,032</u>	<u>17,313,426</u>	<u>98,476,999</u>
<b>Fund balances, end of year</b>	<u>\$ 30,256,186</u>	<u>\$ 2,838,967</u>	<u>\$ 22,683,361</u>	<u>\$ 29,068,445</u>	<u>\$ 17,338,204</u>	<u>\$ 102,185,163</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ALBANY, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	3,708,164
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(909,420)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		8,218,004
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(578,587)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		5,290,774
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		302,184
Internal service funds are used by management to charge the costs of insurance to individual funds.		(925,607)
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>251,914</u>
Change in net position of governmental activities	\$	<u><u>15,357,426</u></u>

**The notes to the financial statements are an integral part of this statement.**

**CITY OF ALBANY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund				Community Development Fund				Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>											
Property taxes	\$ 16,021,901	\$ 16,021,901	\$ 15,809,985	\$ (211,916)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	9,900,455	9,900,455	9,399,871	(500,584)	-	-	-	-	-	-	-
Other taxes	9,697,226	9,697,226	10,147,452	450,226	-	-	-	-	-	-	-
Licenses and permits	1,034,194	1,034,194	848,971	(185,223)	-	-	-	-	-	-	-
Intergovernmental	12,795,935	12,795,935	12,432,249	(363,686)	887,744	1,301,987	1,345,882	43,895	-	-	-
Charges for services	919,705	919,705	1,092,503	172,798	841,400	841,400	812,366	(29,034)	-	-	-
Fines and forfeitures	1,580,530	1,580,530	1,538,831	(41,699)	-	-	-	-	-	-	-
Investment income	157,948	157,948	(767,017)	(924,965)	-	-	1,157	1,157	-	4,541	4,541
Other	104,730	104,730	243,311	138,581	829,560	829,560	969,047	139,487	-	-	-
Total revenues	52,212,624	52,212,624	50,746,156	(1,466,468)	2,558,704	2,972,947	3,128,452	155,505	-	4,541	4,541
<b>Expenditures:</b>											
<b>Current:</b>											
General government:											
Legislative	666,566	666,566	634,562	32,004	-	-	-	-	-	-	-
Administrative	1,410,384	1,410,384	1,166,352	244,032	-	-	-	-	-	-	-
Human resources	1,911,351	1,911,351	1,754,531	156,820	-	-	-	-	-	-	-
Procurement and materials	510,038	510,038	510,031	7	-	-	-	-	-	-	-
Materials management	355,143	355,143	351,347	3,796	-	-	-	-	-	-	-
Finance	4,470,000	4,470,000	1,995,442	2,474,558	-	-	-	-	-	-	-
Fleet management	1,792,730	1,792,730	1,622,816	169,914	-	-	-	-	-	-	-
Treasury	244,249	238,399	237,368	1,031	-	-	-	-	-	-	-
Small business program	156,412	155,012	153,543	1,469	-	-	-	-	-	-	-
Information technology	3,326,180	3,326,180	2,624,389	701,791	-	-	-	-	-	-	-
Risk management	540,032	540,032	488,627	51,405	-	-	-	-	-	-	-
311 Customer response	189,682	189,682	157,783	31,899	-	-	-	-	-	-	-
Total general government	15,572,767	15,565,517	11,696,791	3,868,726	-	-	-	-	-	-	-
Judicial:											
Municipal court	727,629	727,629	715,307	12,322	-	-	-	-	-	-	-
City attorney	564,600	564,600	431,936	132,664	-	-	-	-	-	-	-
Total judicial	1,292,229	1,292,229	1,147,243	144,986	-	-	-	-	-	-	-

**CITY OF ALBANY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund				Community Development Fund				Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Expenditures:</b>											
Current:											
Public safety:											
Police	\$ 17,359,123	\$ 17,359,123	\$ 16,203,973	\$ 1,155,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	13,565,485	13,565,485	12,990,679	574,806	-	-	-	-	-	-	-
Planning and development services	1,178,839	1,178,839	1,102,428	76,411	-	-	-	-	-	-	-
Marshal division	342,239	349,489	349,484	5	-	-	-	-	-	-	-
SWAT Team	35,251	35,251	21,640	13,611	-	-	-	-	-	-	-
Total public safety	<u>32,480,937</u>	<u>32,488,187</u>	<u>30,668,204</u>	<u>1,819,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public works:											
Engineering	4,303,635	4,303,635	4,014,525	289,110	-	-	-	-	-	-	-
Code enforcement	1,124,648	1,124,648	1,167,096	(42,448)	-	-	-	-	-	-	-
Street maintenance	849,138	849,138	775,968	73,170	-	-	-	-	-	-	-
Total public works	<u>6,277,421</u>	<u>6,277,421</u>	<u>5,957,589</u>	<u>319,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks and recreation:											
Administration	709,897	709,897	539,412	170,485	-	-	-	-	-	-	-
Parks	3,734,714	3,720,634	3,270,976	449,658	-	-	-	-	-	-	-
Park development and management	2,608,852	2,647,852	2,298,729	349,123	-	-	-	-	-	-	-
Turner Golf Course	608,936	584,016	557,804	26,212	-	-	-	-	-	-	-
Total parks and recreation	<u>7,662,399</u>	<u>7,662,399</u>	<u>6,666,921</u>	<u>995,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community development	-	-	-	-	3,427,473	4,865,032	3,211,161	1,653,871	1,989,375	800,500	1,188,875
Community service, various subsidized agencies	502,000	502,000	493,093	8,907	-	-	-	-	-	-	-
Debt service:											
Principal	-	-	-	-	300,000	300,000	300,000	-	-	-	-
Interest	-	-	-	-	40,973	40,977	40,976	1	-	-	-
Total expenditures	<u>63,787,753</u>	<u>63,787,753</u>	<u>56,629,841</u>	<u>7,157,912</u>	<u>3,768,446</u>	<u>5,206,009</u>	<u>3,552,137</u>	<u>1,653,872</u>	<u>1,989,375</u>	<u>800,500</u>	<u>1,188,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,575,129)</u>	<u>(11,575,129)</u>	<u>(5,883,685)</u>	<u>5,691,444</u>	<u>(1,209,742)</u>	<u>(2,233,062)</u>	<u>(423,685)</u>	<u>1,809,377</u>	<u>(1,989,375)</u>	<u>(795,959)</u>	<u>1,193,416</u>

(Continued)

**CITY OF ALBANY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund				Community Development Fund				Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Other financing sources (uses):</b>											
Proceeds from sale of assets	\$ -	\$ -	\$ 77,059	\$ 77,059	\$ 45,000	\$ 45,000	\$ 1,100,000	\$ 1,055,000	\$ -	\$ -	\$ -
Transfers in	17,705,360	17,705,360	18,940,949	1,235,589	-	-	-	-	1,989,375	1,956,272	(33,103)
Transfers out	(6,130,231)	(6,130,231)	(10,277,978)	(4,147,747)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>11,575,129</u>	<u>11,575,129</u>	<u>8,740,030</u>	<u>(2,835,099)</u>	<u>45,000</u>	<u>45,000</u>	<u>1,100,000</u>	<u>1,055,000</u>	<u>1,989,375</u>	<u>1,956,272</u>	<u>(33,103)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,856,345</u>	<u>\$ 2,856,345</u>	<u>\$ (1,164,742)</u>	<u>\$ (2,188,062)</u>	<u>676,315</u>	<u>\$ 2,864,377</u>	<u>\$ -</u>	<u>1,160,313</u>	<u>\$ 1,160,313</u>
Fund balance, beginning of year			<u>27,399,841</u>				<u>2,162,652</u>			<u>21,523,048</u>	
Fund balance, end of year			<u>\$ 30,256,186</u>				<u>\$ 2,838,967</u>			<u>\$ 22,683,361</u>	

The notes to the financial statements are an integral part of this statement.

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash	\$ 4,300,870	\$ 1,256,875	\$ 2,868,715	\$ 5,062,543	\$ 1,176,884	\$ 3,927,991	\$ 18,593,878	\$ 5,143,002
Investments	2,307,960	-	1,562,334	8,455,469	-	3,433,377	15,759,140	9,778,932
Restricted investments	9,068,681	-	-	-	-	-	9,068,681	-
Accounts receivable, net of allowances	2,185,476	140,083	1,653,249	14,538,921	577,940	2,972,282	22,067,951	1,313,553
Inventories	23,759	-	595,531	2,185,173	-	702,749	3,507,212	-
Due from other governments	-	-	74,179	5,631,002	5,045,692	3,416,297	14,167,170	-
Due from other funds	-	203,978	-	-	-	393,355	597,333	2,026,096
Total current assets	<u>17,886,746</u>	<u>1,600,936</u>	<u>6,754,008</u>	<u>35,873,108</u>	<u>6,800,516</u>	<u>14,846,051</u>	<u>83,761,365</u>	<u>18,349,697</u>
<b>NONCURRENT ASSETS</b>								
Capital assets:								
Non-depreciable	80,300	5,414,869	841,011	286,613	6,038,366	8,110,673	20,771,832	2,933,800
Depreciable, net of accumulated depreciation	46,303,116	32,103,577	25,876,934	23,232,146	16,705,371	24,231,935	168,453,079	1,693,712
Total noncurrent assets	<u>46,383,416</u>	<u>37,518,446</u>	<u>26,717,945</u>	<u>23,518,759</u>	<u>22,743,737</u>	<u>32,342,608</u>	<u>189,224,911</u>	<u>4,627,512</u>
Total assets	<u>64,270,162</u>	<u>39,119,382</u>	<u>33,471,953</u>	<u>59,391,867</u>	<u>29,544,253</u>	<u>47,188,659</u>	<u>272,986,276</u>	<u>22,977,209</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred charge on refunding	151,548	-	-	-	-	-	151,548	-
Differences between expected and actual experience of economic/demographic (gains)/losses	100,933	26,662	66,654	53,323	60,941	188,536	497,049	211,388
Net difference between projected and actual earnings on pension plan investments	458,975	121,239	303,097	242,477	277,117	857,330	2,260,235	961,250
City contributions subsequent to the measurement date	409,054	108,052	270,130	216,104	246,976	764,082	2,014,398	856,698
Total deferred outflows of resources	<u>1,120,510</u>	<u>255,953</u>	<u>639,881</u>	<u>511,904</u>	<u>585,034</u>	<u>1,809,948</u>	<u>4,923,230</u>	<u>2,029,336</u>

(Continued)



# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Payable from current assets:								
Accounts payable	\$ 156,054	\$ 85,793	\$ 138,225	\$ 6,307,731	\$ 1,785,541	\$ 1,640,609	\$ 10,113,953	\$ 1,367,620
Retainage payable	23,528	-	-	-	-	-	23,528	-
Accrued liabilities	256,181	-	20,961	-	-	-	277,142	479,569
Due to other funds	2,715,594	-	319,830	1,842,687	5,160,184	8,110,575	18,148,870	243,612
Claims payable	-	-	-	-	-	-	-	5,398,132
Current portion - notes payable	-	-	75,271	-	-	-	75,271	-
Current portion - compensated absences	270,446	43,200	161,279	273,432	203,832	435,841	1,388,030	791,422
Advance payments and customer deposits	-	-	-	-	-	96,393	96,393	-
Unearned revenue	-	1,061,536	-	-	-	56,185	1,117,721	-
	<u>3,421,803</u>	<u>1,190,529</u>	<u>715,566</u>	<u>8,423,850</u>	<u>7,149,557</u>	<u>10,339,603</u>	<u>31,240,908</u>	<u>8,280,355</u>
Payable from restricted assets:								
Revenue bonds payable, current	3,365,000	-	1,435,000	-	-	-	4,800,000	-
Total current liabilities	<u>6,786,803</u>	<u>1,190,529</u>	<u>2,150,566</u>	<u>8,423,850</u>	<u>7,149,557</u>	<u>10,339,603</u>	<u>36,040,908</u>	<u>8,280,355</u>
<b>NONCURRENT LIABILITIES</b>								
Revenue bonds payable, net of current portion	8,035,000	-	4,912,464	-	-	-	12,947,464	-
Compensated absences, net of current portion	30,050	5,635	17,920	30,381	22,648	48,427	155,061	87,906
Customer deposits	-	-	-	-	-	-	-	2,373,250
Notes payable	-	-	1,584,156	-	-	-	1,584,156	-
Other long-term liabilities	-	-	-	-	-	1,236,173	1,236,173	-
Net pension liability	3,779,660	998,401	2,496,002	1,996,801	2,282,059	7,060,118	18,613,041	7,915,890
Total long-term liabilities	<u>11,844,710</u>	<u>1,004,036</u>	<u>9,010,542</u>	<u>2,027,182</u>	<u>2,304,707</u>	<u>8,344,718</u>	<u>34,535,895</u>	<u>10,377,046</u>
Total liabilities	<u>18,631,513</u>	<u>2,194,565</u>	<u>11,161,108</u>	<u>10,451,032</u>	<u>9,454,264</u>	<u>18,684,321</u>	<u>70,576,803</u>	<u>18,657,401</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>NET POSITION</b>								
Net investment in capital assets	\$ 34,959,888	\$ 37,518,446	\$ 20,295,210	\$ 23,518,759	\$ 22,743,737	\$ 32,342,608	\$ 171,378,648	\$ 4,627,512
Restricted for:								
Debt service	9,068,681	-	-	-	-	-	9,068,681	-
Unrestricted (deficit)	<u>2,730,590</u>	<u>(337,676)</u>	<u>2,655,516</u>	<u>25,933,980</u>	<u>(2,068,714)</u>	<u>(2,028,322)</u>	<u>26,885,374</u>	<u>1,721,632</u>
Total net position	<u>\$ 46,759,159</u>	<u>\$ 37,180,770</u>	<u>\$ 22,950,726</u>	<u>\$ 49,452,739</u>	<u>\$ 20,675,023</u>	<u>\$ 30,314,286</u>	207,332,703	<u>\$ 6,349,144</u>
							4,522,809	
							<u>\$ 211,855,508</u>	

Adjustment to reflect consolidation of internal service fund activities  
related to enterprise funds  
Net position of business type activities

The notes to the financial statements are an integral part of this statement.

# CITY OF ALBANY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>Operating revenues:</b>								
Charges for services	\$ 14,840,937	\$ 1,055,894	\$ 12,406,052	\$ 95,846,451	\$ 4,280,015	\$ 28,243,789	\$ 156,673,138	\$ 31,285,533
Other	3,071	-	129,214	11,714,167	1,432	858,958	12,706,842	79,521
Total operating revenues	<u>14,844,008</u>	<u>1,055,894</u>	<u>12,535,266</u>	<u>107,560,618</u>	<u>4,281,447</u>	<u>29,102,747</u>	<u>169,379,980</u>	<u>31,365,054</u>
<b>Operating expenses:</b>								
Personnel costs	3,916,069	1,073,723	2,493,204	2,588,387	2,344,565	6,518,077	18,934,025	8,376,011
General and administrative	-	-	-	-	-	-	-	3,998,598
Supplies	145,435	16,581	741,310	1,453,120	179,365	613,263	3,149,074	324,027
Operating services and charges	5,320,709	956,663	5,385,919	88,641,783	9,328,242	22,826,650	132,459,966	5,022,256
Maintenance and repairs	994,493	220,179	128,387	214,305	330,811	1,367,848	3,256,023	234,540
Depreciation and amortization	2,487,791	1,351,537	2,070,288	1,684,735	932,445	2,308,694	10,835,490	784,819
Claims and damages	-	-	-	-	-	-	-	15,810,028
Total operating expenses	<u>12,864,497</u>	<u>3,618,683</u>	<u>10,819,108</u>	<u>94,582,330</u>	<u>13,115,428</u>	<u>33,634,532</u>	<u>168,634,578</u>	<u>34,550,279</u>
Operating income (loss)	<u>1,979,511</u>	<u>(2,562,789)</u>	<u>1,716,158</u>	<u>12,978,288</u>	<u>(8,833,981)</u>	<u>(4,531,785)</u>	<u>745,402</u>	<u>(3,185,225)</u>
<b>Nonoperating revenues (expenses):</b>								
Investment income (loss)	(63,131)	2,539	11,098	43,134	-	46,759	40,399	99,014
Interest expense and fiscal charges	(512,362)	-	(280,764)	-	-	-	(793,126)	-
Intergovernmental - operating grants	-	-	74,179	5,631,002	5,044,260	4,959,912	15,709,353	-
Gain (loss) on sale of capital assets	1,333	(9,104)	21,245	81,164	(214,889)	(248,582)	(368,833)	(3,605)
Total nonoperating revenues (expenses)	<u>(574,160)</u>	<u>(6,565)</u>	<u>(174,242)</u>	<u>5,755,300</u>	<u>4,829,371</u>	<u>4,758,089</u>	<u>14,587,793</u>	<u>95,409</u>
Income (loss) before capital contributions and transfers	<u>1,405,351</u>	<u>(2,569,354)</u>	<u>1,541,916</u>	<u>18,733,588</u>	<u>(4,004,610)</u>	<u>226,304</u>	<u>15,333,195</u>	<u>(3,089,816)</u>
<b>Capital contributions</b>								
Intergovernmental - capital grants	-	489,264	-	-	-	-	489,264	-
Other capital contributions	139,242	-	-	6,380	70,588	2,089,229	2,305,439	-
Total capital contributions	<u>139,242</u>	<u>489,264</u>	<u>-</u>	<u>6,380</u>	<u>70,588</u>	<u>2,089,229</u>	<u>2,794,703</u>	<u>-</u>
<b>Transfers</b>								
Transfers in	2,000,000	1,015,228	-	-	1,358,058	3,071,528	7,444,814	1,176,134
Transfers out	(2,504,103)	-	(1,053,645)	(13,976,423)	(479,236)	(2,630,976)	(20,644,383)	-
Total transfers	<u>(504,103)</u>	<u>1,015,228</u>	<u>(1,053,645)</u>	<u>(13,976,423)</u>	<u>878,822</u>	<u>440,552</u>	<u>(13,199,569)</u>	<u>1,176,134</u>
Change in net position	1,040,490	(1,064,862)	488,271	4,763,545	(3,055,200)	2,756,085	4,928,329	(1,913,682)
<b>Net position, beginning of year</b>	<u>45,718,669</u>	<u>38,245,632</u>	<u>22,462,455</u>	<u>44,689,194</u>	<u>23,730,223</u>	<u>27,558,201</u>	<u>8,262,826</u>	<u>8,262,826</u>
<b>Net position, end of year</b>	<u>\$ 46,759,159</u>	<u>\$ 37,180,770</u>	<u>\$ 22,950,726</u>	<u>\$ 49,452,739</u>	<u>\$ 20,675,023</u>	<u>\$ 30,314,286</u>	<u>\$ 6,349,144</u>	<u>\$ 6,349,144</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds							(1,239,993)	
Change in net position of business type activities							<u>\$ 3,688,336</u>	

The notes to the financial statements are an integral part of this statement.

# CITY OF ALBANY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 14,232,912	\$ 616,159	\$ 12,421,002	\$ 106,130,882	\$ 4,096,149	\$ 28,086,068	\$ 165,583,172	\$ 13,431,057
Receipts from other funds	-	-	-	-	-	-	-	16,533,214
Payments to suppliers	(6,395,719)	(1,225,916)	(2,167,137)	(2,633,544)	(2,131,227)	(22,987,687)	(37,541,230)	(4,770,527)
Payments to employees	(3,516,363)	(787,004)	(7,132,357)	(91,897,994)	(3,101,462)	(5,862,046)	(112,297,226)	(7,411,753)
Claims paid	-	-	-	-	-	-	-	(13,477,106)
Premiums paid	-	-	-	-	-	-	-	(3,570,874)
Net cash provided by (used in) operating activities	<u>4,320,830</u>	<u>(1,396,761)</u>	<u>3,121,508</u>	<u>11,599,344</u>	<u>(1,136,540)</u>	<u>(763,665)</u>	<u>15,744,716</u>	<u>734,011</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>								
Transfers in	2,000,000	1,015,228	-	-	1,358,058	3,071,528	7,444,814	1,176,134
Transfers out	(2,504,103)	-	(1,053,645)	(13,976,423)	(479,236)	(2,630,976)	(20,644,383)	-
Payments for environmental remediation obligation	-	-	-	-	-	(62,692)	(62,692)	-
Operating grants received	-	-	-	-	-	4,959,912	4,959,912	-
Net cash provided by (used in) noncapital financing activities	<u>(504,103)</u>	<u>1,015,228</u>	<u>(1,053,645)</u>	<u>(13,976,423)</u>	<u>878,822</u>	<u>5,337,772</u>	<u>(8,302,349)</u>	<u>1,176,134</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets	(56,964)	(245,752)	(457,952)	(767,586)	(250,182)	(4,383,093)	(6,161,529)	(1,459,531)
Proceeds from note payable	-	-	296,493	-	-	-	296,493	-
Principal paid on bonds	(3,240,000)	-	(1,395,000)	-	-	-	(4,635,000)	-
Principal paid on notes payable	-	-	(49,599)	-	-	-	(49,599)	-
Interest paid	(575,195)	-	(303,751)	-	-	-	(878,946)	-
Advance from other funds	-	-	-	(71,942)	-	-	(71,942)	-
Capital grants received	-	608,556	-	-	-	-	608,556	-
Proceeds from sale of capital assets	-	-	21,245	81,164	108,097	150,514	361,020	-
Net cash provided by (used in) capital and related financing activities	<u>(3,872,159)</u>	<u>362,804</u>	<u>(1,888,564)</u>	<u>(758,364)</u>	<u>(142,085)</u>	<u>(4,232,579)</u>	<u>(10,530,947)</u>	<u>(1,459,531)</u>

(Continued)

**CITY OF ALBANY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sales of investments	\$ 6,512,810	\$ -	\$ 1,630,757	\$ 1,941,506	\$ -	\$ 387,039	\$ 10,472,112	\$ (19,836)
Purchases of investments	(7,689,167)	-	(1,634,933)	(1,971,716)	-	(431,645)	(11,727,461)	-
Interest on investments	(63,131)	2,539	11,098	43,134	-	46,759	40,399	99,014
Net cash provided by (used in) investing activities	<u>(1,239,488)</u>	<u>2,539</u>	<u>6,922</u>	<u>12,924</u>	<u>-</u>	<u>2,153</u>	<u>(1,214,950)</u>	<u>79,178</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(1,294,920)	(16,190)	186,221	(3,122,519)	(399,803)	343,681	(4,303,530)	529,792
<b>Cash and cash equivalents:</b>								
Beginning of year	<u>5,595,790</u>	<u>1,273,065</u>	<u>2,682,494</u>	<u>8,185,062</u>	<u>1,576,687</u>	<u>3,584,310</u>	<u>22,897,408</u>	<u>4,613,210</u>
End of year	<u>\$ 4,300,870</u>	<u>\$ 1,256,875</u>	<u>\$ 2,868,715</u>	<u>\$ 5,062,543</u>	<u>\$ 1,176,884</u>	<u>\$ 3,927,991</u>	<u>\$ 18,593,878</u>	<u>\$ 5,143,002</u>
<b>Classified as:</b>								
Cash	<u>\$ 4,300,870</u>	<u>\$ 1,256,875</u>	<u>\$ 2,868,715</u>	<u>\$ 5,062,543</u>	<u>\$ 1,176,884</u>	<u>\$ 3,927,991</u>	<u>\$ 18,593,878</u>	<u>\$ 5,143,002</u>
	<u>\$ 4,300,870</u>	<u>\$ 1,256,875</u>	<u>\$ 2,868,715</u>	<u>\$ 5,062,543</u>	<u>\$ 1,176,884</u>	<u>\$ 3,927,991</u>	<u>\$ 18,593,878</u>	<u>\$ 5,143,002</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>								
Contributions of capital assets from outside sources	\$ 139,242	\$ -	\$ -	\$ 6,380	\$ 55,538	\$ -	\$ 201,160	\$ -
Contributions of capital assets from governmental activities	-	-	-	-	15,050	2,089,229	2,104,279	-
	<u>\$ 139,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,380</u>	<u>\$ 70,588</u>	<u>\$ 2,089,229</u>	<u>\$ 2,305,439</u>	<u>\$ -</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>								
Operating income (loss)	\$ 1,979,511	\$ (2,562,789)	\$ 1,716,158	\$ 12,978,288	\$ (8,833,981)	\$ (4,531,785)	\$ 745,402	\$ (3,185,225)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	2,487,791	1,351,537	2,070,288	1,684,735	932,445	2,308,694	10,835,490	784,819
Increase in internal investment pool	-	-	-	-	-	-	-	(1,256,267)
Increase in account receivable	(611,096)	(78,300)	(114,264)	(1,370,467)	(185,298)	(367,790)	(2,727,215)	(364,803)
(Increase) decrease in inventories	(1,902)	-	(33,767)	(294,117)	-	56,108	(273,678)	-
Increase in due from other governments	-	-	-	-	-	(1,958,014)	(1,958,014)	-
(Increase) decrease in due from other funds	-	-	-	-	(189,256)	(999,674)	(1,188,930)	275,250
(Increase) decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	19,791	(3,446)	9,959	23,290	13,351	62,198	125,143	41,668
Increase in contributions subsequent to the measurement date	(95,355)	(47,725)	(71,052)	(17,026)	(53,931)	(112,555)	(397,644)	(199,137)
Increase (decrease) in accounts payable and other liabilities	(84,370)	(24,569)	(313,246)	(443,728)	1,766,028	699,013	1,599,128	671,964
Increase in claims payable	-	-	-	-	-	-	-	2,820,032
Increase (decrease) in due to other funds	127,662	(315,699)	(529,728)	(850,941)	5,160,184	3,713,924	7,305,402	243,612
Increase (decrease) in unearned revenues	-	(45,736)	-	(59,269)	-	73,136	(31,869)	-
Increase in net pension liability	950,492	454,330	700,568	201,367	541,033	1,184,155	4,031,945	1,985,519
Increase in net difference between projected and actual earnings on pension plan investments	(475,222)	(124,364)	(313,408)	(252,788)	(287,115)	(891,075)	(2,343,972)	(995,307)
 Net cash provided by (used in) operating activities	 <u>\$ 4,320,830</u>	 <u>\$ (1,396,761)</u>	 <u>\$ 3,121,508</u>	 <u>\$ 11,599,344</u>	 <u>\$ (1,136,540)</u>	 <u>\$ (763,665)</u>	 <u>\$ 15,744,716</u>	 <u>\$ 734,011</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ALBANY, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION FUND**  
**JUNE 30, 2017**

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**ASSETS**

Cash	\$ 3,199,726
Investments at fair value:	
Equity securities	67,306,575
Government securities	10,731,869
Corporate bonds	21,159,096
Other	10,469,590
Total investments	<u>109,667,130</u>
Interest receivable	<u>314,786</u>
Total assets	<u>113,181,642</u>

**LIABILITIES**

Accrued expenses	<u>-</u>
Total liabilities	<u>-</u>

**NET POSITION**

Restricted for pension benefits	<u><u>\$ 113,181,642</u></u>
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The notes to the financial statements are an integral part of this statement.

**CITY OF ALBANY, GEORGIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**ADDITIONS:**

Employer contributions	\$ 7,779,745
Investment earnings	
Interest and dividends	2,735,669
Net increase in fair value of investments	<u>10,844,663</u>
	13,580,332
Less investment expense	<u>757,000</u>
Net investment loss	<u>12,823,332</u>
Total additions	<u>20,603,077</u>

**DEDUCTIONS:**

Benefit payments	13,765,703
Administrative expense	<u>28,460</u>
Total deductions	<u>13,794,163</u>
Change in net position	6,808,914

**NET POSITION, BEGINNING OF YEAR** 106,372,728

**NET POSITION, END OF YEAR** \$ 113,181,642

The notes to the financial statements are an integral part of this statement.



**CITY OF ALBANY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Albany, Georgia (the "City") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. The Financial Reporting Entity**

The City was created by a legislative act of the State of Georgia in 1838. The City is a municipal corporation which operates under the mayor-commission form of government with an appointed City Manager. The City provides the following services and operations as authorized by its charter: public safety (police and fire); public works; airport; civic center, municipal auditorium; transit system; recreation; parks; cemetery; animal control; emergency management; sanitary sewer; water; gas and light; and solid waste.

The City is authorized to own, use and operate a system of water works, electric lights and gas works. The City, through an act of the Georgia Legislature, provides for a Board of Water, Gas and Light Commissioners (the "Board") answerable to and directly supervised by the City Manager. The Mayor of the City of Albany has a voice in all proceedings before the Board, and has a vote in all matters and proceedings, but no veto. The Board consists of four (4) members appointed by the City of Albany Commission from the citizens of the City of Albany. Citizen members of the Board are appointed for a term of two (2) years.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. The Financial Reporting Entity (Continued)

##### Blended Component Units

**Albany Dougherty Inner City Authority (“ADICA”)** – ADICA’s public purpose is to finance and provide capital projects and services to promote improvements and redevelopment of the City of Albany and Dougherty County. The City Commission appoints the seven members of ADICA’s Board of Directors. Budget requests for ADICA are submitted to the Commission for approval, with the City Commission possessing authority to revise ADICA’s budget. ADICA’s primary purpose is to provide financing for the City’s construction projects. The City, however, does not participate in the selection or monitoring of management. Separate financial statements are not prepared for ADICA.

**Albany Downtown Development Authority (DDA)** – The DDA is charged with the responsibility of revitalizing and redeveloping the Central Business District by financing projects to promote trade, commerce, industry and employment opportunities. The City Commission appoints the seven members of the DDA’s Board of Directors and the members of the Board must be taxpayers residing in Dougherty County and at least four directors must be owners or operators of downtown businesses. A member of the County Board of Commissioners can also be appointed to serve on the DDA. The Downtown Development Authority is bound on the north by Roosevelt Avenue, the western bank of the Flint River, on the south by Whitney Avenue, and on the west by Madison Street. Separate financial statements are not prepared for the DDA.

##### Discretely Presented Component Unit

**Chehaw Park Authority (“Chehaw Park”)** - Chehaw Park provides a variety of family oriented activities including a wild animal park and other exhibits to the citizens of Albany, Georgia. The City Commission appoints all members of the Chehaw Park Board of Directors. The City provides a significant operating subsidy to Chehaw Park, primarily to finance the operations of the park. Complete financial statements for the Chehaw Park Authority can be obtained from Chehaw Park, 105 Chehaw Park Road, Albany, Georgia 31701.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund 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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's proprietary funds and various other functions of the government. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. *Governmental activities*, which are normally 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. Likewise, the *primary government* is reported separately from the *discretely presented component unit*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, sales taxes, franchise taxes, charges for services, fines, forfeitures, and investment income. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Community Development Fund** (special revenue fund) accounts for the financial resources received from the Department of Housing and Urban Development and loan programs which are restricted and committed to be used for the operations of various community development grant programs.

The **Job Investment Fund** (special revenue fund) accounts for revenues received from Municipal Electric Authority of Georgia committed for expenditures related to inner city development.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The **SPLOST Fund** (capital projects fund) accounts for construction or acquisition of major capital facilities financed by Special Purpose Local Option Sales Tax proceeds.

The City reports the following major proprietary funds:

The **Sanitary Sewer Fund** accounts for the provision of sewer services to the residents of the City.

The **Airport Fund** accounts for the construction, operations, and maintenance of the Albany-Dougherty County Airport and runways.

The **Water Fund** accounts for the water utility operations provided to the residents of the City.

The **Light Fund** accounts for the electricity operations provided to the residents of the City.

The **Storm Water Fund** accounts for the storm water operations provided to the residents of the City.

The City also reports the following fund types:

**Special Revenue Funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

**Capital Project Funds** account for resources provided for acquisition, construction or renovation of major capital facilities.

**Internal Service Funds** account for general liability, group health, and workers' compensation claims.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Pension Trust Funds* account for the activities of the City of Albany Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the enterprise funds and internal service funds are charges for goods and services provided. Operating expenses of the enterprise funds and internal service funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are completed in March of each year.
2. Proposed budgets are reviewed and prepared by the City Manager and the Finance Committee for submission to the Mayor and the City Commission in May.
3. Public hearings on the proposed budget are held in May. Individual amendments were not material in relation to the original appropriations.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Budgets and Budgetary Accounting (Continued)

4. The budget is legally adopted by the Mayor and City Commission in June of each year.
5. The City of Albany's budget amendment/budget transfer process is regulated by the official code of Georgia and local policies. The legal level of budgetary control (the level at which expenditures may not exceed appropriations) for annual budgets is at the fund/department level. Any increase in appropriation in any fund or department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. The City Commission made no supplemental budget appropriations during the year.

The City's Budget Officer can approve budget transfers up to \$10,000 without the City Manager's approval, except that no transfers can be made between the salaries budget and the operations budget. Budget transfers in excess of \$10,000 must be approved by the City Manager.

6. Annual appropriated budgets are legally adopted on a basis consistent with generally accepted accounting principles ("GAAP") for the General Fund and Special Revenue Funds, except that for the current year, a budget was not adopted for the Gortatowsky Fund, as no expenditures were anticipated. Sufficient budgetary control is achieved through restrictions included in the various grant agreements. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes.
7. Revenues and expenditures of the Capital Projects Funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Budgets and Budgetary Accounting (Continued)

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances outstanding at year-end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Project Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2017, there were no encumbrances outstanding.

The Tax Allocation District Fund reported deficit fund balance of \$1,948,552 at June 30, 2017. This deficit is intended to be eliminated through future tax revenues.

#### E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. All cash and investments reported in the proprietary funds, including restricted cash and investments, meet this definition and are therefore considered to be cash equivalents.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. Investments

The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value.

The City only invests in repurchase agreements when collateralized by U.S. Government or agency obligations.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national securities market are valued at the last reported sales price on the last business day of the City's fiscal year. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

In accordance with authorized investment laws, investments in the Pension Trust Fund consist of common stocks, mutual funds, corporate bonds, and U.S. Government securities. Investments in the Pension Trust Fund are reported at fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

#### G. Inventory

Inventory in Proprietary Funds is valued at the lower of cost (first-in, first-out method) or market. Inventory in the General Fund, which is valued at cost (first-in, first-out method) consists of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

#### I. Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

#### J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, dams, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, The City has elected to include infrastructure acquired or constructed prior to June 30, 1980. Governmental (general) capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statement of net position. The City's capitalization threshold is \$5,000 for all assets other than infrastructure. The capitalization threshold for infrastructure assets (roads, bridges, etc.) is \$100,000.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets is included as part of the capitalized value of assets constructed. No interest was capitalized during the fiscal year ended June 30, 2017.

Capital assets of the primary government and component units are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20-50 years
Infrastructure	15-50 years
Plant facilities	20-50 years
Equipment and vehicles	5-20 years

#### K. Compensated Absences

City employees accrue vacation in different amounts, according to whether they work 40-hour weeks or 56-hour weeks. Employees can accrue a maximum of 69 days of vacation, depending on whether the employee works a 40-hour or 56-hour week and whether the employee is exempt or nonexempt. These days can be taken either through time off or by payment upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Employees earn sick leave in proportion to actual hours worked. Sick leave, however, is not paid upon termination if termination is by manner other than death or retirement. Maximum accumulation of sick leave is 135 working days or 1,008 hours.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

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 and premiums on the issue are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### M. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has a deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from notes receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. An *effective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

The City also has items related to the City's Retirement Plan which are reported in the government-wide and proprietary fund statements of net position. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Finally, any contribution made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City Manager to assign fund balances.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

**Net Position** – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Tax Abatement Agreements**

During the year ended June 30, 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of June 30, 2017, the City did not have any such agreements, either entered into by the City or by other governments that exceeded the quantitative threshold for disclosure.

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Notes payable	\$ (2,025,000)
Bonds payable	(2,110,000)
Unamortized refunding charge	75,703
Certificates of participation	(10,000,000)
Compensated absences	(3,342,345)
Other post-employment benefit obligation	(5,713,220)
Accrued interest payable	(17,315)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at net position - governmental activities	\$ (23,132,177)



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)**

Another element of that reconciliation explains that “deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this difference are as follows:

City contributions subsequent to the measurement date	\$ 4,908,649
Differences between expected and actual experience of economic/ demographic (gains)/losses	1,211,199
Difference in expected and actual earnings on investments	<u>5,507,699</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	<u>\$ 11,627,547</u>

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this difference are as follows:

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)**

Capital outlay	\$ 5,444,117
Depreciation expense	(6,353,537)
Net adjustment to decrease <i>net changes in fund balances - total</i>	
governmental funds to arrive at changes in net position of	
governmental activities	<u>\$ (909,420)</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.” The details of this differences are as follows:

Donations of capital assets	\$ 12,212,450
Transfers of capital assets to business-type activities	(1,819,892)
Disposals of capital assets	<u>(2,174,554)</u>
Net adjustment to increase <i>net changes in fund balances - total</i>	
governmental funds to arrive at changes in net position of	
governmental activities	<u>\$ 8,218,004</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)**

Another element of that reconciliation explains that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Principal repayment - general obligation bonds	\$ 4,915,000
Principal repayment - notes payable	300,000
Amortization of premium on bonds	94,973
Amortization of loss on defeasance of bonds	<u>(19,199)</u>
Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 5,290,774</u></u>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (44,390)
Accrued interest	6,938
Other post-employment benefit obligation	(288,644)
Change in net pension and related deferred inflows and outflows of resources	628,280
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	<u>\$ 302,184</u>

### NOTE 3. DEPOSITS AND INVESTMENTS

**Credit risk.** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no formal credit risk policy other than to only invest in obligations authorized by state statutes.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

**Interest rate risk** – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial credit risk (deposits)** – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At June 30, 2017, the City did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

**Custodial credit risk (investments)** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

**Fair Value Measurements** – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Investments classified in Level 1 of the fair value hierarchy are valued using process quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

The City has the following recurring fair value measurements at June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. treasuries and agencies	\$ 44,183,033	\$ 38,450,693	\$ -	\$ 82,633,726
Mortgage backed securities	-	11,479,574	-	11,479,574
Commercial mortgage backed securities	-	-	-	-
	<u>\$ 44,183,033</u>	<u>\$ 49,930,267</u>	<u>\$ -</u>	<u>\$ 94,113,300</u>
Investments recorded at cost:				
Guaranteed Investment Contract				9,410,940
				<u>\$ 103,524,240</u>

The City's pension plan has the following recurring fair value measurements at June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. treasuries and agencies	\$ 3,869,215	\$ -	\$ -	\$ 3,869,215
Mortgage backed securities	-	6,862,654	-	6,862,654
Equity securities	67,306,575	-	-	67,306,575
Mutual funds	10,469,590	-	-	10,469,590
Corporate bonds	3,452,887	17,706,209	-	21,159,096
	<u>\$ 85,098,267</u>	<u>\$ 24,568,863</u>	<u>\$ -</u>	<u>\$ 109,667,130</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

At June 30, 2017, the City had the following investments (in thousands):

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>									<b>Rating</b>	
		<b>Less than 1</b>	<b>1 - 5</b>	<b>6 - 10</b>	<b>11 - 15</b>	<b>16 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>	<b>31 - 35</b>	<b>36 - 40</b>		
Entity wide:												
Government securities	\$ 51,756	\$ 7,885	\$ 28,426	\$ 15,445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	AA+
Government securities	21,685	8,050	13,635	-	-	-	-	-	-	-	-	AAA
Government securities	20,672	1,209	6,675	4,033	118	2,810	4,361	1,466	-	-	-	NR
Guaranteed Inv. Contract	9,411	-	-	-	9,411	-	-	-	-	-	-	AA-
	<u>103,524</u>	<u>17,144</u>	<u>48,736</u>	<u>19,478</u>	<u>9,529</u>	<u>2,810</u>	<u>4,361</u>	<u>1,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Pension Trust Fund:												
Government securities	3,869	-	2,044	521	-	-	-	1,304	-	-	-	AAA
Common stock	63,591	-	-	-	-	-	-	-	-	-	-	N/A
Preferred stock	3,716	-	-	-	-	-	-	-	-	-	-	N/A
Mutual funds	10,470	-	-	-	-	-	-	-	-	-	-	N/A
Corporate bonds	2,183	493	1,231	-	459	-	-	-	-	-	-	BBB+
Corporate bonds	2,669	329	2,340	-	-	-	-	-	-	-	-	BBB
Corporate bonds	1,598	642	-	956	-	-	-	-	-	-	-	BBB-
Corporate bonds	1,114	244	870	-	-	-	-	-	-	-	-	BB+
Corporate bonds	1,103	1,103	-	-	-	-	-	-	-	-	-	BB
Corporate bonds	1,187	-	630	557	-	-	-	-	-	-	-	BB-
Corporate bonds	1,100	-	746	354	-	-	-	-	-	-	-	B+
Corporate bonds	1,271	-	1,271	-	-	-	-	-	-	-	-	B-
Corporate bonds	15,185	2,792	5,257	1,804	212	89	396	3,658	977	-	-	NR
	<u>109,667</u>	<u>5,603</u>	<u>14,389</u>	<u>4,192</u>	<u>671</u>	<u>89</u>	<u>1,007</u>	<u>4,962</u>	<u>977</u>	<u>-</u>	<u>-</u>	
	<u>\$ 213,191</u>	<u>\$ 22,747</u>	<u>\$ 63,125</u>	<u>\$ 23,670</u>	<u>\$ 10,200</u>	<u>\$ 2,899</u>	<u>\$ 5,368</u>	<u>\$ 6,428</u>	<u>\$ 977</u>	<u>\$ -</u>	<u>\$ -</u>	

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 4. RECEIVABLES

#### A. Property Taxes

Property taxes were levied on August 1, 2016 on the January 1, 2016 assessed value of all real and personal property including mobile homes and motor vehicles located within the City. Tax bills were mailed on October 18, 2016, and payable before December 20, 2016. The lien date for unpaid taxes was April 26, 2017. After that date, an interest penalty of 18% applies. Property tax revenues are recognized when levied to the extent they result in current receivables.

The City is permitted by the Municipal Finance Law of the state to levy taxes up to \$20.00 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. A tax rate of 9.808 mills was levied during fiscal year 2017 for the City (mill equals \$1 per thousand dollars of assessed value).

Gross property taxes receivable at June 30, 2017 are \$1,149,766. An allowance of \$966,561 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2017, resulting in a net receivable for property taxes of \$183,205.

#### B. Sales Taxes

The City and Dougherty County jointly levy a 1% local option sales tax, of which the proceeds are split, 60% City and 40% Dougherty County. The proceeds are collected by the State of Georgia and remitted to the City. The tax law requires an offsetting reduction in property tax during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year. In addition, there is an additional 1% Special Purpose Local Option Sales Tax Program ("SPLOST") which was passed by referendums in 2004 (SPLOST V), 2010 (SPLOST VI), and 2016 (SPLOST VII). The proceeds from these sales tax programs are used to finance various capital projects. The City administers its own programs. SPLOST taxes due from other governments at June 30, 2017 are \$750,274.



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 4. RECEIVABLES (CONTINUED)**

**C. Accounts Receivable**

Accounts receivable of the primary government consisted of the following at June 30, 2017:

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Job Investment Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>
Gross receivables	\$ 1,210,963	\$ 100,930	\$ 50,533	\$ 397,667	\$ 2,185,476	\$ 140,083
Less allowance for doubtful accounts	<u>(53,163)</u>	<u>-</u>	<u>-</u>	<u>(34,999)</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 1,157,800</u>	<u>\$ 100,930</u>	<u>\$ 50,533</u>	<u>\$ 362,668</u>	<u>\$ 2,185,476</u>	<u>\$ 140,083</u>
	<u>Water Fund</u>	<u>Light Fund</u>	<u>Storm Water Fund</u>	<u>Nonmajor Business-type Funds</u>	<u>Internal Service Funds</u>	
Gross receivables	\$ 1,779,933	\$ 15,249,870	\$ 664,429	\$ 3,164,715	\$ 1,678,206	
Less allowance for doubtful accounts	<u>(126,684)</u>	<u>(710,949)</u>	<u>(86,489)</u>	<u>(192,433)</u>	<u>(364,653)</u>	
Net receivables	<u>\$ 1,653,249</u>	<u>\$ 14,538,921</u>	<u>\$ 577,940</u>	<u>\$ 2,972,282</u>	<u>\$ 1,313,553</u>	

**D. Notes Receivable**

Notes receivable of the primary government consist of community development loans to individuals and businesses. Financing has been provided by various federal and state grants.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 5. CAPITAL ASSETS**

The City's capital asset activity for the fiscal year ended June 30, 2017, was as follows:

**A. Primary Government**

	<b>Balance June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2017</b>
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 16,021,097	\$ 21,040	\$ (343,419)	\$ 13,070	\$ 15,711,788
Construction in progress	4,793,827	2,759,781	(5,658)	(6,069,844)	1,478,106
Total assets not depreciated	<u>20,814,924</u>	<u>2,780,821</u>	<u>(349,077)</u>	<u>(6,056,774)</u>	<u>17,189,894</u>
Capital assets being depreciated:					
Buildings and improvements	75,502,208	1,462,550	(1,620,731)	1,931,603	77,275,630
Equipment and vehicles	25,577,981	1,143,418	(1,376,430)	2,102,468	27,447,437
Infrastructure	71,797,353	12,269,780	-	250,509	84,317,642
Total assets depreciated	<u>172,877,542</u>	<u>14,875,748</u>	<u>(2,997,161)</u>	<u>4,284,580</u>	<u>189,040,709</u>
Less accumulated depreciation:					
Buildings and improvements	(26,789,020)	(2,208,762)	142,983	-	(28,854,799)
Equipment and vehicles	(16,666,393)	(3,247,900)	1,025,882	(47,698)	(18,936,109)
Infrastructure	(55,092,109)	(896,875)	2,819	-	(55,986,165)
Total accumulated depreciation	<u>(98,547,522)</u>	<u>(6,353,537)</u>	<u>1,171,684</u>	<u>(47,698)</u>	<u>(103,777,073)</u>
Total assets depreciated, net	<u>74,330,020</u>	<u>8,522,211</u>	<u>(1,825,477)</u>	<u>4,236,882</u>	<u>85,263,636</u>
Governmental activities capital assets, net	<u>\$ 95,144,944</u>	<u>\$ 11,303,032</u>	<u>\$ (2,174,554)</u>	<u>\$ (1,819,892)</u>	<u>\$ 102,453,530</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 5. CAPITAL ASSETS (CONTINUED)**

**A. Primary Government (Continued)**

	<b>Balance June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2017</b>
<b><u>Business-type activities</u></b>					
Capital assets not being depreciated:					
Land	\$ 14,270,368	\$ -	\$ -	\$ 23,930	\$ 14,294,298
Construction in progress	7,615,879	3,575,623	(1,068,525)	(711,643)	9,411,334
Total assets not depreciated	<u>21,886,247</u>	<u>3,575,623</u>	<u>(1,068,525)</u>	<u>(687,713)</u>	<u>23,705,632</u>
Capital assets being depreciated:					
Buildings and improvements	142,446,920	249,621	(193,246)	42,671	142,545,966
Equipment and vehicles	57,147,980	4,094,478	(4,305,503)	1,048,373	57,985,328
Infrastructure	154,085,690	3,180,333	(841,863)	(577,413)	155,846,747
Total assets depreciated	<u>353,680,590</u>	<u>7,524,432</u>	<u>(5,340,612)</u>	<u>513,631</u>	<u>356,378,041</u>
Less accumulated depreciation:					
Buildings and improvements	(68,357,146)	(3,132,476)	148,301	(16,835)	(71,358,156)
Equipment and vehicles	(40,633,738)	(3,171,410)	3,637,575	64,534	(40,103,039)
Infrastructure	(70,379,160)	(5,232,758)	841,863	-	(74,770,055)
Total accumulated depreciation	<u>(179,370,044)</u>	<u>(11,536,644)</u>	<u>4,627,739</u>	<u>47,699</u>	<u>(186,231,250)</u>
Total assets depreciated, net	<u>174,310,546</u>	<u>(4,012,212)</u>	<u>(712,873)</u>	<u>561,330</u>	<u>170,146,791</u>
Business-type activities capital assets, net	<u>\$ 196,196,793</u>	<u>\$ (436,589)</u>	<u>\$ (1,781,398)</u>	<u>\$ (126,383)</u>	<u>\$ 193,852,423</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 5. CAPITAL ASSETS (CONTINUED)**

**A. Primary Government (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 672,330
Public safety	3,330,936
Public works	1,118,673
Culture and recreation	819,920
Community development	411,678
Total depreciation expense - governmental activities	<u>\$ 6,353,537</u>
Business-type activities:	
Sanitary sewer	\$ 2,404,126
Solid waste	452,256
Airport	1,351,537
Water	2,070,288
Gas	233,323
Light	1,684,735
Telecommuication	533,707
Transit	605,815
Storm water	932,445
Civic Center	483,593
Utility Internal Service Fund	784,819
Total depreciation expense - business-type activities	<u>\$ 11,536,644</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 5. CAPITAL ASSETS (CONTINUED)**

**B. Discretely Presented Component Unit – Chehaw Park Authority**

Activity for Chehaw Park Authority for the fiscal year ended June 30, 2017, was as follows:

Capital assets not being depreciated:

Land	\$ 1,283,104	\$ -	\$ -	\$ -	\$ 1,283,104
Construction in progress	1,252,582	9,424	-	-	1,262,006
Total assets not depreciated	<u>2,535,686</u>	<u>9,424</u>	<u>-</u>	<u>-</u>	<u>2,545,110</u>

Capital assets being depreciated:

Buildings and improvements	10,410,296	67,292	-	-	10,477,588
Equipment and vehicles	867,439	86,849	-	-	954,288
Total assets depreciated	<u>11,277,735</u>	<u>154,141</u>	<u>-</u>	<u>-</u>	<u>11,431,876</u>

Less accumulated depreciation:

Buildings and improvements	(4,270,453)	(258,628)	-	-	(4,529,081)
Equipment and vehicles	(808,403)	(44,421)	-	-	(852,824)
Total accumulated depreciation	<u>(5,078,856)</u>	<u>(303,049)</u>	<u>-</u>	<u>-</u>	<u>(5,381,905)</u>
Total assets depreciated, net	<u>6,198,879</u>	<u>(148,908)</u>	<u>-</u>	<u>-</u>	<u>6,049,971</u>
Chehaw Park Authority assets, net	<u>\$ 8,734,565</u>	<u>\$ (139,484)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,595,081</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT**

**A. Primary Government**

The following is a summary of long-term debt activity for the fiscal year ended June 30, 2017:

	<u>Balance, June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
General obligation bonds	\$ 7,025,000	\$ -	\$ 4,915,000	\$ 2,110,000	\$ 280,000
Add deferred amounts					
Unamortized premium	94,973	-	94,973	-	-
Total bonds payable	7,119,973	-	5,009,973	2,110,000	280,000
Notes payable	2,325,000	-	300,000	2,025,000	300,000
Certificates of participation	10,000,000	-	-	10,000,000	-
OPEB liability	5,424,576	288,644	-	5,713,220	-
Compensated absences	3,297,955	3,012,549	2,968,159	3,342,345	3,008,111
Net pension liability	40,370,051	11,211,677	6,154,499	45,427,229	-
Governmental activity long-term liabilities	<u>\$ 68,537,555</u>	<u>\$ 14,512,870</u>	<u>\$ 14,432,631</u>	<u>\$ 68,617,794</u>	<u>\$ 3,588,111</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 22,355,000	\$ -	\$ 4,635,000	\$ 17,720,000	\$ 4,800,000
Add deferred amounts					
Unamortized premium	46,656	-	19,192	27,464	-
Total bonds payable	22,401,656	-	4,654,192	17,747,464	4,800,000
Notes payable	1,412,533	296,493	49,599	1,659,427	75,271
Manufactured gas plant liability	1,298,865	-	62,692	1,236,173	-
Compensated absences	2,307,846	2,191,081	2,076,508	2,422,419	2,179,452
Net pension liability	20,457,060	6,584,635	584,078	26,457,617	-
Business-type activity long-term liabilities	<u>\$ 47,877,960</u>	<u>\$ 9,072,209</u>	<u>\$ 7,427,069</u>	<u>\$ 49,523,100</u>	<u>\$ 7,054,723</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

The government-wide statement of net position includes \$4,800,000 of bonds payable due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$12,947,464 is displayed as bonds payable, due in more than one year, on that same statement.

For governmental activities, compensated absences are liquidated by the General, Computer Aided Dispatch, Community Development and Grant Funds. For governmental activities, the net pension liability and other postemployment benefit obligations are liquidated by the General Fund.

For business-type activities, compensated absences are liquidated by the Water, Gas, Stormwater, Telecommunications, Light, Solid Waste, Transit, Civic Center, Sanitary Sewer, and Airport Funds.

**Governmental Activities Debt**

**Notes Payable**

The U.S. Department of Housing and Urban Development has issued to the City, two (2) Section 108 Guaranteed Loans for the purpose of providing subordinated debt financing for the development of the Albany Hilton Garden Inn Hotel and Conference Center. The City's Section 108 Guaranteed Loans outstanding at June 30, 2017, are as follows:

	<b>Original Amount</b>	<b>Interest Rates</b>	<b>Balance June 30, 2017</b>
HUD Section 108 Loan, B-02-MC-13-0001	\$ 5,500,000	2.00% - 5.00%	\$ 1,925,000
HUD Section 108 Loan, B-99-MC-13-0001	500,000	2.00% - 5.00%	100,000
Total			\$ 2,025,000

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

**Governmental Activities Debt (Continued)**

**Notes Payable (Continued)**

Notes payable debt service requirements to maturity, including interest of \$408,673, are as follows:

Fiscal Year Ending June 30,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 300,000	\$ 109,693	\$ 409,693
2019	300,000	92,576	392,576
2020	300,000	75,212	375,212
2021	300,000	57,657	357,657
2022	275,000	40,769	315,769
2023 - 2026	550,000	32,766	582,766
	<u>\$ 2,025,000</u>	<u>\$ 408,673</u>	<u>\$ 2,433,673</u>



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

**Governmental Activities Debt (Continued)**

**Certificates of Participation**

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$10,000,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation. Annual debt service requirements are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 475,000	\$ 475,000
2019	-	475,000	475,000
2020	-	475,000	475,000
2021	-	475,000	475,000
2022	-	475,000	475,000
2023 - 2027	-	2,375,000	2,375,000
2028	10,000,000	475,000	10,475,000
	<u>\$ 10,000,000</u>	<u>\$ 5,225,000</u>	<u>\$ 15,225,000</u>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

##### **Certificates of Participation (Continued)**

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (i) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

##### **Certificates of Participation (Continued)**

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa1 by Moody's. At June 30, 2017, the floating rate being paid by the City is 1.22%, and the market value of this agreement is \$2,600,065, a decrease of \$1,119,087 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2017 based on the derivative contract.

This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the statement of net position.

##### **General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds are direct and general obligations of the City either directly or through leases and/or intergovernmental agreements with Albany-Dougherty Inner City Authority (ADICA). General obligation bonds have been issued for general government activities and are reported in the governmental column of the government-wide statements.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

**Governmental Activities Debt (Continued)**

**General Obligation Bonds (Continued)**

General obligation bonds outstanding at June 30, 2017, are as follows:

	<b>Interest Rates</b>	<b>Balance June 30, 2017</b>
2012 ADICA Refunding Revenue Issue	2.00% - 3.125%	<u>\$ 2,110,000</u>

A description of this General obligation bond issue is provided below and on the following pages.

**Refunding Revenue Bonds, Series 2012, \$3,440,000 Principal (ADICA)**

During the fiscal year ended June 30, 2012, the City issued bonds through the Albany-Dougherty Inner City Authority (ADICA) in the amount of \$3,440,000. The bonds bear interest ranging from 2.00% to 3.125% with final maturity in 2024.

The proceeds from the sale of the bonds will be used for the purpose of (i) refunding all of the outstanding ADICA Revenue Bonds, Series 2009, (ii) the cost of acquiring, constructing, developing, and equipping various capital outlay projects located within the City of Albany, Georgia and (iii) paying all or a portion of the costs of issuance of the bonds.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

##### **General Obligation Bonds (Continued)**

##### Refunding Revenue Bonds, Series 2012, \$3,440,000 Principal (ADICA) (continued)

The bonds are limited obligations of ADICA, payable solely from payments to be made by the City of Albany, Georgia pursuant to an intergovernmental contract between ADICA and the City. The City's obligation under the contract to make payments to ADICA, at times and in amounts sufficient to enable ADICA to pay the principal of and interest on the bonds, is absolute and unconditional, is secured by a pledge of the City's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. The City intends to make its payments under the contract from the General Fund of the City and, to the extent such funds are insufficient, will levy an ad valorem tax on all property in the City subject to such tax in order to make such payments to ADICA; provided, however, that the tax for such purpose does not exceed three mills per dollar upon the assessed value of the taxable property of the City.

The difference between the requisition price and the net carrying amount of the old debt amounted to \$181,366. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2017, the unamortized balance was \$75,703.

The ADICA Series 2012 bonds maturing on or after March 1, 2016 may be redeemed prior to maturity, at ADICA's option in whole or in part on or after March 1, 2015, at a redemption price equal to the outstanding principal amount of the bonds to be redeemed plus accrued interest thereon to the date of redemption.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

**Governmental Activities Debt (Continued)**

**General Obligation Bonds (Continued)**

General obligation bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 280,000	\$ 55,593	\$ 335,593
2019	280,000	49,293	329,293
2020	290,000	42,993	332,993
2021	300,000	36,468	336,468
2022	310,000	28,593	338,593
2023 - 2024	650,000	30,226	680,226
	<u>\$ 2,110,000</u>	<u>\$ 243,166</u>	<u>\$ 2,353,166</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

**Business-type Activities Debt**

**Revenue Bonds**

The City also issues revenue bonds where the City pledges sanitary sewer and water revenues derived from acquired or constructed assets to pay for operations of the related activity and debt service. These revenues are pledged for to satisfy the debt service of the related obligation for the length of the outstanding balance. Revenue bonds have been issued for business-like activities and are reported in the business-type column of the government-wide statements. Principal and interest are payable from enterprise fund revenue. Revenue bonds outstanding at June 30, 2017, are as follows:

	<b>Interest Rates</b>	<b>Balance June 30, 2017</b>
2007 Sewerage System Revenue Bonds	4.00% - 5.00%	\$ 7,820,000
2011 Sewerage System Revenue Bonds	3.39%	3,580,000
2005 Water Revenue Bonds	3.97%	4,185,000
2010 Water Revenue Bonds	2.00% - 4.00%	2,135,000
		17,720,000
Add: Unamortized premium		27,464
		<b>\$ 17,747,464</b>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

##### Business-type Activities Debt (Continued)

##### \$27,745,000 Sewerage System Revenue Bonds, Series 2007

On April 17, 2007, the City issued \$27,745,000 in Sewerage System Revenue Bonds, Series 2007 with interest rates between 4.00% and 5.00%. The City issued the bonds for the purpose of 1) current refunding of \$30,040,000 outstanding Sewerage System Revenue Bonds, Series 1997 maturing on and after July 1, 2008, 2) purchasing a surety bond for the reserve account and a bond insurance policy and 3) paying the cost of issuing the Series 2007 bonds. The City used the net proceeds from the issuance of the revenue bonds to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 1997 issue were called.

The difference between the requisition price and the net carrying amount of the old debt amounted to \$641,133. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2017, the unamortized balance was \$40,812.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2017, was \$391,000. All interest incurred was expensed.

##### \$6,730,000 Sewerage System Revenue Bonds, Series 2011

On April 8, 2011, the City issued \$6,730,000 in Sewerage System Revenue Bonds, Series 2011 with an interest rate of 3.39% and final maturity in 2031. Proceeds of the bonds were used to 1) effect a current refunding of Sewerage System Revenue Bonds, Series 2001, and 2) pay expenses related to the issuance and sale of the Series 2011 bonds.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

##### Business-type Activities Debt (Continued)

##### \$6,730,000 Sewerage System Revenue Bonds, Series 2011 (Continued)

The difference between the requisition price and the net carrying amount of the old debt amounted to \$591,331. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2017, the unamortized balance was \$110,736.

Interest expense related to the Series 2011 Bonds for the year ended June 30, 2017, was \$121,362. All interest incurred was expensed.

##### \$6,410,000 Water Revenue Bonds, Series 2005

During the year ended June 30, 2006, the City and Commission issued \$6,410,000 of tax-exempt Water Revenue Bonds, Series 2005 (Series 2005 Bonds). The proceeds from the bonds were used to advance refund the City and Commission's Series 2000 water revenue bonds. The bonds are limited obligations of the City and the Commission and are payable solely from the net revenues of the Water System.

The Series 2005 Bonds maturing on December 1, 2025 and thereafter are subject to redemption prior to maturity, at the option of the City and the Commission, on or after December 1, 2024, in whole or in part (in any order of maturity and by lot within a maturity) at any time, at a price of par plus accrued interest to the redemption date.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**A. Primary Government (Continued)**

**Business-type Activities Debt (Continued)**

\$8,440,000 Water Revenue Bonds, Series 2010

The City issued Water Revenue Refunding Bonds, Series 2010 (Series 2010 Bonds) in the amount of \$8,440,000. The proceeds from the bonds were used to advance refund the City and Commission's Series 1998 water revenue bonds. The bonds are limited obligations of the City and the Commission and are payable solely from the net revenues of the Water System. The Series 2010 Bonds are due in annual installments through December 2018, with interest ranging from 2.00% to 4.00%. The Series 2010 Bonds maturing on December 1, 2018 and thereafter are subject to redemption prior to maturity, at the option of the City and the Commission, on or after December 1, 2018, in whole or in part (in any order of maturity and by lot within a maturity) at any time, at a price of par plus accrued interest to the redemption date.

Annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,800,000	\$ 656,493	\$ 5,456,493
2019	4,660,000	445,630	5,105,630
2020	3,780,000	255,625	4,035,625
2021	1,185,000	147,707	1,332,707
2022	1,230,000	104,163	1,334,163
2023 - 2026	2,065,000	168,229	2,233,229
	<u>17,720,000</u>	<u>\$ 1,777,847</u>	<u>\$ 19,497,847</u>
Add: Unamortized premium	27,464		
	<u>\$ 17,747,464</u>		

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

##### Business-type Activities Debt (Continued)

##### **Environmental Corrective Action Liability**

The City controls a real estate site formerly known as the Albany Manufactured Gas Plant (the "Plant"). The Plant previously used a method of manufacturing gas from coal that interfered with the environment. The City is therefore subject to environmental laws and regulations and is exposed to liabilities and compliance costs arising from the past disposal of hazardous waste from the past manufacturing of gas. The City has contracted with an engineering and construction firm to prepare a compliance status report for the Georgia Environmental Protection Division. The compliance status report was completed and filed with the Georgia Environmental Protection Division in June 2008.

The Georgia Environmental Protection Division approved the compliance status report and recommended corrective action to bring the Plant into compliance. During the fiscal year ended June 30, 2013, the City completed the requirements of the corrective action plan and is currently awaiting review by the Georgia Environmental Protection Division. The total cost of this corrective action is anticipated to range from \$2,000,000 to \$10,000,000. Management believes a cost estimate of \$4,000,000 to be probable. This estimate is subject to revision due to price increases or reductions, changes in technology, or changes in applicable laws or regulations. During the year June 30, 2017, the City incurred costs of \$62,691, with total incurred costs to date of \$1,263,827. The liability has been reduced by these costs, resulting in a liability of \$2,736,173 recorded on the statement of net position, with \$1,500,000 included in claims payable and \$1,236,173 reported as an other long-term liability. The City has recovered approximately \$874,000 from insurance to offset the liability. Additional recovery amounts, if any, are unknown.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 6. LONG-TERM DEBT (CONTINUED)**

**B. Component Unit – Albany Dougherty Inner City Authority (ADICA)**

**Conduit Debt**

From time to time, ADICA has issued revenue bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of commercial facilities deemed to be of public interest. ADICA is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Four (4) series of bond issuances have occurred from November 1, 2003 to June 30, 2017, totaling \$86,601,505. The total amount of bonds outstanding at June 30, 2017 is \$75,789,309.

**C. Component Unit – Chehaw Park Authority**

**Line of Credit**

Chehaw Park Authority has entered into a line of credit agreement with a financial institution for financing operations during certain periods of the year. The summary of the line of credit activity for the fiscal year ended June 30, 2017 is as follows:

	<b>June 30, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2017</b>	<b>One Year</b>
Line of credit	\$ 64,687	\$ 18,314	\$ 13,154	\$ 69,847	\$ 69,847

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 7. RETIREMENT PLANS

#### A. Defined Contribution Plan

The City of Albany maintains a defined contribution pension plan, the City of Albany Retirement Savings Plan (the "Savings Plan"), which was established by the City of Albany on January 1, 1998 to provide reasonable retirement security for its "Senior Management Employees". The Savings Plan is administered by Nationwide Retirement Solutions. At June 30, 2017, there were 10 active participants. The City is required to contribute 8.9% of each Savings Plan participant's compensation. Savings Plan participants may contribute 5% of their compensation. Savings Plan provisions and contribution requirements are established by and may be amended by the City of Albany Board of Commissioners. For the year ended June 30, 2017, the City contributed \$106,254 and employees contributed \$1,015.

#### B. Defined Benefit Plan

##### Plan Description

The City of Albany maintains a single-employer defined benefit pension plan, the City of Albany Pension Plan (the "Plan"). The funding methods and determination of benefits payable were established by the legislative acts creating the Plans, as amended, and in general, provide that pension funds are to be accumulated from City contributions and income from the investment of accumulated funds. The Plan is administered by a board of trustees, which includes the Mayor, the Chief Financial Officer, two members appointed by the Board of Commissioners, three members elected from active and retired employees and two members selected from the metropolitan Albany area. Separate financial statements are not issued for the City of Albany Pension Plan.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 7. RETIREMENT PLANS (CONTINUED)

#### B. Defined Benefit Plan (Continued)

##### Plan Description (Continued)

Individuals who were employed by the City prior to January 1, 1982, and who elected to remain in the Plan as then constituted are covered under the "old plan rules". All employees hired on or after January 1, 1982, are covered by the provisions of the "new plan rules". The Plan provides pension, death and disability benefits.

Under the "old plan rules", members may normally retire after obtaining 25 years of service or age 65 with at least five years of service. Early retirement is possible if the member is within five years of his or her Normal Retirement Date and has completed at least five years of service. For employees hired after April 1, 2010, the five years of service is replaced with 10 years of service. Benefits are calculated at 1.75% of the member's average monthly salary multiplied by the employee's years of service at normal retirement date. Additionally, the members received a 1.5% per year cost-of-living increase in their pensions each year through June 30, 2012. The Plan has been amended to discontinue the automatic annual post-retirement cost of living adjustment payment for all future and current retirees in the Plan. The change was effective for benefit payments commencing July 1, 2012. The average monthly salary is defined as the sum of the participants' reported total compensation in the three years of employment out of the last five years of employment that produce the highest average, divided by 36. Unless a joint and survivor annuity option is elected by the member, the pension benefits will continue for the lifetime of the member with no residual payments to any beneficiaries. For early retirement, the pension payment is reduced by 5% for each year early retirement precedes normal retirement. Vesting changes from 100% after 10 years to 50% after five years, increasing 10% per year to 100% after 10 years of participation.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 7. RETIREMENT PLANS (CONTINUED)**

**B. Defined Benefit Plan (Continued)**

**Plan Description (Continued)**

Under the “new plan rules”, members may retire after obtaining 30 years of service or the attainment of age 60 with five years of service. Early retirement is possible if members are within five years of their Normal Retirement Date, and have completed at least five years of service. For employees hired after April 1, 2010, the five years of service is replaced with 10 years of service. Benefits are calculated in the same manner as under the old plan, but at 1.5%. Additionally, the members can receive a cost-of-living increase, subject to Pension Board approval. All other provisions of the old plan are applicable to the new plan. All modifications to the Plan must be supported by actuarial analysis and must be adopted by at least five members of the Board of Trustees.

**Participant Data**

Membership in the Plan as of June 30, 2015, the most recent actuarial valuation date, is as follows:

Inactive plan members (or beneficiary) currently receiving benefits	939
Inactive plan members entitled to but not yet receiving benefits	238
Active plan members	974
Total membership	<u><u>2,151</u></u>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 7. RETIREMENT PLANS (CONTINUED)

#### B. Defined Benefit Plan (Continued)

##### Summary of Significant Accounting Policies

The financial statements of the Plan are prepared on the accrual basis of accounting. Contributions from the employers are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized by the Plan when earned. Gains and losses on sales and exchanges are recognized on the trade date.

There are no investments in, loans to, or leases with parties related to the Plan.

##### Contribution Requirements

The City's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Effective July 1, 2007, employees were required to make contributions to the Plan as follows: General Employees – 4% of annual covered payroll; Safety Employees – 7% of annual covered payroll. The participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payroll. Administrative costs of the Plan are financed through investment income. Actual contributions to the plan were \$7,779,745.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 7. RETIREMENT PLANS (CONTINUED)

#### B. Defined Benefit Plan (Continued)

##### Net Pension Liability

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

The total pension liability was determined by an actuarial valuation as of June 30, 2015.

**Actuarial assumptions** - The following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases, including inflation	4%, including inflation
Investment rate of return	8.50%, net of investment expense, including inflation

Mortality rates were based on the GAM 1994 Mortality Table for Annuitants and beneficiaries of Annuitants, set forward two years for males and females for the period after service retirement. For disabled annuitants, mortality rates were based on the RP-2000 Mortality Table set forward three years for males and females.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### NOTE 7. RETIREMENT PLANS (CONTINUED)

#### B. Defined Benefit Plan (Continued)

##### Net Pension Liability (Continued)

**Long-term expected rate of return** - The long-term expected rate of return on Plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and most recent best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Growth Equity Managers	14.5%	9.9%
Core Equity Managers	14.5%	9.6%
Value Equity Managers	14.5%	9.5%
International Equity Managers	11.5%	9.7%
Convertible Security Managers	22.5%	7.3%
Investment Grade Fixed Income	22.5%	4.3%
	100.0%	

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 7. RETIREMENT PLANS (CONTINUED)**

**B. Defined Benefit Plan (Continued)**

**Net Pension Liability (Continued)**

**Discount rate** - The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2112. Based on those assumptions, the fiduciary net position of the City's pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and a municipal bond rate was not used in determining the discount rate.

**Sensitivity of the net pension liability to changes in the discount rate** - The following table presents the net pension liability of the Plan, calculated using the discount rate of 8.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
City's Net Pension Liability	\$ 90,229,344	\$ 71,884,846	\$ 56,252,742

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 7. RETIREMENT PLANS (CONTINUED)**

**B. Defined Benefit Plan (Continued)**

**Net Pension Liability (Continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2017 and the current sharing pattern of costs between employer and employee.

***Changes in the net pension liability of the City*** - The changes in the components of the net pension liability of the City for the year ended June 30, 2016 were as follows:

	<b>Total Pension Liability (TPL)</b>	<b>Fiduciary Net Position (FNP)</b>	<b>Net Pension Liability (NPL)</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at June 30, 2015	\$ 175,702,339	\$ 114,837,182	\$ 60,865,157
Changes for the year:			
Service cost	2,072,533	-	2,072,533
Interest	14,514,514	-	14,514,514
Contributions - employer	-	4,481,018	(4,481,018)
Contributions - employee	-	2,295,605	(2,295,605)
Net investment income	-	(1,140,321)	1,140,321
Benefit payments, including refunds of employee contributions	(14,031,788)	(14,031,788)	-
Administrative expense	-	(68,944)	68,944
Other changes	-	-	-
Net changes	<u>2,555,259</u>	<u>(8,464,430)</u>	<u>11,019,689</u>
Balances at June 30, 2016	<u>\$ 178,257,598</u>	<u>\$ 106,372,752</u>	<u>\$ 71,884,846</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 7. RETIREMENT PLANS (CONTINUED)**

**B. Defined Benefit Plan (Continued)**

**Net Pension Liability (Continued)**

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of the Plan's assets is increasing or decreasing over time relative to the total pension liability.

**Pension Expense and Deferred Inflows and Outflows of Resources Related to Pensions**

For the year ended June 30, 2017, the City recognized pension expense of \$4,074,726. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 8,729,184	\$ -
Difference in projected and actual experience	1,919,636	-
City contributions subsequent to the measurement date	7,779,745	-
Total	\$ 18,428,565	\$ -

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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**NOTE 7. RETIREMENT PLANS (CONTINUED)**

**B. Defined Benefit Plan (Continued)**

**Pension Expense and Deferred Inflows and Outflows of Resources Related to Pensions (Continued)**

City contributions subsequent to the measurement date of \$7,779,745 for the Plan are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2017	\$ 2,187,631
2018	2,187,630
2019	4,155,517
2020	2,118,042

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 88,845
General Fund	SPLOST Fund	100
General Fund	Nonmajor Governmental Funds	2,482,922
General Fund	Sanitary Sewer Fund	2,715,594
General Fund	Water Fund	319,830
General Fund	Light Fund	1,842,687
General Fund	Storm Water Fund	5,160,184
General Fund	Nonmajor Enterprise Funds	8,110,575
General Fund	Internal Service Fund - Public Employee Deposit	243,612
Job Investment Fund	General Fund	1,871,147
Airport Fund	General Fund	203,978
Nonmajor Governmental Funds	General Fund	1,000,001
Nonmajor Enterprise Funds	General Fund	393,355
Internal Service Fund - Utility	General Fund	171,531
Internal Service Fund - R3M	General Fund	1,854,565
		\$ 26,458,926

The outstanding balances between funds result mainly from the time-lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Chehaw Park Authority	<u>\$ 52,000</u>

The composition of interfund transfers during the fiscal year ended June 30, 2017, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>								<u>Total</u>
	<u>General Fund</u>	<u>Job Investment Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Airport Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Nonmajor Enterprise Fund</u>	<u>Internal Service Fund</u>	
General Fund	\$ -	\$ -	\$ 3,015,088	\$ 1,015,228	\$ 2,000,000	\$ -	\$ 3,071,528	\$ 1,176,134	\$ 10,277,978
Nonmajor Governmental Funds	1,610,898	-	-	-	-	-	-	-	1,610,898
Sanitary Sewer Fund	1,146,045	-	-	-	-	1,358,058	-	-	2,504,103
Water Fund	1,053,645	-	-	-	-	-	-	-	1,053,645
Light Fund	12,020,149	1,956,272	-	-	-	-	-	-	13,976,421
Storm Water Fund	479,236	-	-	-	-	-	-	-	479,236
Nonmajor Enterprise Funds	2,630,976	-	-	-	-	-	-	-	2,630,976
<b>Total</b>	<u>\$ 18,940,949</u>	<u>\$ 1,956,272</u>	<u>\$ 3,015,088</u>	<u>\$ 1,015,228</u>	<u>\$ 2,000,000</u>	<u>\$ 1,358,058</u>	<u>\$ 3,071,528</u>	<u>\$ 1,176,134</u>	<u>\$ 32,533,257</u>

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 9. CONTINGENT LIABILITIES

The City is involved in a number of legal matters, which either have or could result in litigation. The nature of the lawsuits varies considerably. The City has accrued amounts related to litigation where an outcome unfavorable to the City is probable and the amount can be estimated.

The City is contingently liable for a \$1,300,000 loan from a local financial institution to the Payroll Development Authority. The outstanding balance of this loan at June 30, 2017, is \$911,780.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Additionally, the City is an electric utility participant in the Municipal Electric Authority of Georgia (MEAG). MEAG is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of June 30, 2017, the City is obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, the participants have guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$70,877,642 in 2017.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### NOTE 9. CONTINGENT LIABILITIES (CONTINUED)

At June 30, 2017, the outstanding debt of MEAG was approximately \$4.5 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$401 million at June 30, 2017.

### NOTE 10. 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; injuries to employees; and natural disasters. It is the policy of the City not to purchase commercial insurance for the risks of losses to which it is exposed for long-term disability claims. The City does purchase commercial insurance for claims in excess of coverage provided by its self-insurance for risks of losses to which it is exposed for workmen's compensation and group accident, health, dental and major medical coverage. Settled claims in the past three years have not exceeded the coverages.

The Workers' Compensation Fund (an Internal Service Fund) was established to account for and finance uninsured risks of loss for workers' compensation. This fund provides coverage for up to a maximum claim of \$400,000. The City purchases commercial coinsurance for claims in excess of coverage provided by the fund and for all other risks of loss up to \$3,000,000. Unpaid claims are expected to be paid within one year, therefore, considered current obligations of the City.

Changes in the balances of workers' compensation claims liabilities during the past two years are as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Unpaid claims, beginning of year	\$ 1,007,600	\$ 921,808
Incurred claims and changes in estimates	1,633,839	790,013
Claim payments	(637,307)	(704,221)
Unpaid claims, end of year	\$ 2,004,132	\$ 1,007,600

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 10. RISK MANAGEMENT (CONTINUED)**

The Public Employees Deposit Fund (an Internal Service Fund) was established to account for and finance its uninsured risks of loss for group health and major medical insurance. Participants include the primary government. The Public Employee Deposit Fund provides coverage for up to a maximum claim of \$200,000. The City purchases commercial coinsurance for claims in excess of coverage provided by this fund and for all other risks of loss. Unpaid claims are expected to be paid within one year and, therefore, the entire balance is considered a current liability.

Changes in the balances of the group health and major medical claims liabilities during the past two years are as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Unpaid claims, beginning of year	\$ 505,000	\$ 740,000
Incurred claims and changes in estimates	10,461,513	8,264,570
Claim payments	(10,316,513)	(8,499,570)
Unpaid claims, end of year	\$ 650,000	\$ 505,000

The City is accounting for and financing its uninsured risks of loss for all claims liability for which the City is exposed through the Self-Administered Insurance Fund (an Internal Service Fund). Changes in the balances of the claims liability during the past two years are as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Unpaid claims, beginning of year	\$ 1,065,500	\$ 1,422,750
Incurred claims and changes in estimates	3,714,676	1,354,541
Claim payments	(2,036,176)	(1,711,791)
Unpaid claims, end of year	\$ 2,744,000	\$ 1,065,500

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### **NOTE 10. RISK MANAGEMENT (CONTINUED)**

Operations are charged for estimated claims as incurred for medical insurance. Estimated losses on claims of other self-insurance are charged to expense in the period the loss is determinable. The City does not currently utilize an actuary in estimating claims in the areas of general liability or long-term disability. Actual estimates for incurred but not reported claims are recorded as expenses in the Public Employee Deposit Fund, Self-Administered Insurance Fund, and Workers' Compensation Fund. These are the only areas in which the City feels claims can be reasonably estimated. Unpaid claims are expected to be paid within one year, therefore, considered current obligations of the City.

### **NOTE 11. RELATED ORGANIZATION**

The City's governing board is responsible for all of the board appointments of the Albany Housing Authority. However, the City has no further accountability for this organization.

### **NOTE 12. HOTEL/MOTEL LODGING TAX**

The City has levied an 8% lodging tax. Of this percentage, 3.5% is allocated each year to the Chamber of Commerce for use in the promotion of the City. For the fiscal year ended June 30, 2017, \$2,335,898 of hotel/motel tax was collected, and \$725,000, or 31% of the amount collected, was remitted to the Chamber of Commerce. The remaining balance was used by the City for the promotion of tourism.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Southwest Georgia Regional Commission (“RC”) and is required to pay annual dues thereto. During its year ended June 30, 2017, the City paid \$45,209 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission  
P. O. Box 346  
Camilla, Georgia 31730

### NOTE 14. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

The City of Albany maintains a single employer defined benefit other post-employment benefit plan which was required by GASB 45 and implemented prospectively. The City of Albany Other Post-Employment Benefits Plan (the “OPEB Plan”), which includes retirees from the City of Albany is administered by a board of trustees, which includes the Mayor, the Chief Financial Officer, two members appointed by the Board of Commissioners, three members elected from active and retired employees and two members selected from the metropolitan Albany area. In accordance with a City ordinance, the City’s personnel policy provides that all employees who retire under early, normal or disability retirement provisions are eligible for confirmed health care benefits provided by the City. A separate, audited GAAP-basis postemployment benefit plan report is not available for the OPEB Plan.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### Plan Description (Continued)

Retirees under age 65 participate in the self-insured, Pre-65 Retiree Plan. Retirees pay 50% of the rate which is set by the City. At age 65, retired employees are removed from the City's group Health plan. Retirees who both retired before January 1, 2013 and became Medicare eligible before January 1, 2013 will be reimbursed a portion of their Medicare Part B premium (known as the "Medicare Part B Stipend"). Retirees who cover their dependents will pay 50% of the rate which is set by the City for the dependent coverage. Spouse coverage in the Pre-65 Retiree Plan ends when the spouse attains age 65. Spouses covered as dependents during the retiree's lifetime are not eligible for the Medicare Part B Stipend. Upon the retiree's death, a surviving spouse may continue coverage in the Pre-65 Retiree Plan until age 65. Upon the death of a retiree who was receiving the Medicare Part B Stipend, the surviving spouse will receive the Medicare Part B Stipend after the retiree's death.

Retirees also receive life insurance benefits from the City. Effective January 1, 2009, retirees receive life insurance coverage equal to the amount provided to them by the City as an active employee. This amount remains in effect until the retiree reaches age 65. At age 65, the amount is reduced to 65% of the pre-65 amount and is further reduced at age 70 to 50% of the pre-65 amount. For retirees who retired prior to January 1, 2009, the amount of coverage in effect at the time of the plan change was grandfathered and does not change as the retiree ages. Spouses of retirees receive \$10,000 of life insurance from the City. For the surviving spouses of retirees who retired prior to January 1, 2009, the amount of coverage in effect at the time of the plan change was grandfathered. The amount of coverage provided to the spouse does not change and remains in effect after the retiree's death.

The General Fund pays the total monthly cost of post-retirement coverage, but is reimbursed for that portion of the premium deemed to be the retired employee's share. For the year ended June 30, 2017, the General Fund's net share of the premiums paid for its 631 retired employees and 68 retired employee's spouses/dependents was \$1,112,121. There were no significant changes in the coverage provided.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Plan Description (Continued)**

Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2015) is as follows:

Active employees	979
Retired participants receiving benefits	631
Spouse/dependent of retired participants receiving benefits	68
Total membership	<u>1,678</u>

The City contributed \$1,112,121 to the OPEB Plan in the year ended June 30, 2017. The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Commission. The City Commission establishes and may amend the funding policy for the OPEB Plan. The calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan member to that point. The other post-employment benefit obligation is liquidated by the General Fund.

Annual required employer contribution	\$ 1,391,070
Interest on net OPEB obligation	216,983
Adjustment to annual required contribution	<u>(207,287)</u>
Annual OPEB cost	1,400,766
Employer contributions for the period ended June 30, 2017	<u>1,112,121</u>
Increase in net OPEB obligation	288,645
Net OPEB obligation beginning of year	5,424,575
Net OPEB obligation end of year	<u>\$ 5,713,220</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Trend Information**

**TREND INFORMATION**

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2015	\$ 1,816,552	63%	\$ 4,773,786
6/30/2016	1,817,755	64%	5,424,575
6/30/2017	1,407,766	79%	5,713,220

As of June 30, 2015, the most recent valuation date, the funded status of the OPEB plan is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as a Percentage of Covered</b>
7/1/2015	\$ -	\$ 21,906,066	\$ 21,906,066	-	\$ 41,045,764	53.37%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net position is increasing or decreasing over time relative to the actuarial accrued liability.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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### NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amount and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2015. The assumptions used in the July 1, 2015 actuarial valuation are as follows:

Valuation date	7/1/2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay
Amortization period	30 years (Open)
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return (includes inflation)	4%
Inflation	3%
Health Care Trend Rate (pre65)	7.5%
Ultimate Health Care Trend Rate	5%
Year of Ultimate Trend Rate	2020

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

**DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability - Beginning of Year</b>	\$ 175,702,339	\$ 169,373,602	\$ 165,074,003
Service Cost	2,072,533	2,012,167	2,215,323
Interest on the Total Pension Liability	14,514,514	14,016,505	13,724,868
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	3,271,492	-
Changes of Assumptions	-	-	-
Benefit Payments	(13,312,191)	(12,142,282)	(11,114,494)
Refunds of Contributions	(719,597)	(829,146)	(526,098)
Net Change in Total Pension Liability	<u>2,555,259</u>	<u>6,328,736</u>	<u>4,299,599</u>
<b>(a) Total Pension Liability - End of Year</b>	178,257,598	175,702,338	169,373,602
<b>Plan Fiduciary Net Position - Beginning of Year</b>	114,837,182	118,681,219	104,280,508
Contributions - Employer	4,481,018	4,413,592	4,714,664
Contributions - Employee	2,295,605	2,270,553	2,332,768
Net Investment Income	(1,140,321)	2,471,086	19,395,817
Benefit Payments, including refund of contributions	(14,031,788)	(12,971,428)	(11,990,923)
Administrative Expenses	(68,944)	(28,956)	(51,615)
Other	-	39,161	-
Net Change in Plan Fiduciary Net Position	<u>(8,464,430)</u>	<u>(3,805,992)</u>	<u>14,400,711</u>
<b>(b) Plan Fiduciary Net Position - End of Year</b>	106,372,752	114,875,227	118,681,219
<b>City's Net Pension Liability (a) - (b)</b>	71,884,846	60,827,111	50,692,383
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	59.67%	65.38%	70.07%
<b>Covered-Employee Payroll</b>	44,071,111	44,376,707	43,658,122
<b>Net Pension Liability as a Percentage of the Covered-Employee Payroll</b>	163.11%	137.07%	116.11%

*\*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

**DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined employer contribution	\$ 5,437,013	\$ 4,481,018	\$ 4,413,592	\$ 4,339,414	\$ 4,520,878	\$ 4,372,222	\$ 4,338,767	\$ 4,231,004
Actual employer contributions	5,437,013	4,481,018	4,413,592	4,339,414	4,520,878	4,372,222	4,338,767	4,231,004
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 46,654,894	\$ 44,071,111	\$ 44,376,707	\$ 43,658,122	\$ 43,647,641	\$ 43,482,571	\$ 45,257,183	\$ 43,737,217
Actual contributions as a percentage of employee payroll	11.65%	10.17%	9.95%	9.94%	10.36%	10.06%	9.59%	9.67%

**Notes to the Schedule of Employer Contributions**

**Methods and Assumptions for Actuarially Determined Contribution:**

Valuation Date	July 1, 2015
Actuarial Cost Method	Entry Age Norm
Actuarial Asset Valuation Method	10 Year Smooth
Amortization Method	Level Percent of
Single Equivalent Amortization Period	27 Year Closed
Actuarial Assumptions:	
Investment rate of return	8.50% net of exp
Projected salary increases	4.00%
Expected annual inflation	3.00%
Cost of living adjustments	None

*\*Schedule above is intended to show information for 10 years. Additional years will be displayed as they become available.*

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

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**DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF INVESTMENT RETURNS**

<b>Fiscal Year</b>	<b>Annual Money-Weighted Rate of Return</b>
2017	12.29%
2016	-1.03%
2015	2.13%
2014	18.60%

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

**OTHER POST-EMPLOYMENT BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
7/1/2008	\$ -	\$ 16,546,482	\$ 16,546,482	-	\$ 42,570,855	39%
7/1/2010	-	17,064,694	17,064,694	-	44,078,327	39%
7/1/2012	-	25,928,078	25,928,078	-	46,905,285	55%
7/1/2013	-	26,535,955	26,535,955	-	44,663,159	59%
7/1/2015	-	21,906,066	21,906,066	-	41,045,764	53%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage of ARC Contributed</u>
2013	\$ 1,668,951	61.0 %
2014	1,809,222	61.5
2015	1,809,222	63.2
2016	1,391,070	83.9
2017	1,391,070	63.0

# CITY OF ALBANY, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### **Special Revenue Funds:**

#### **Hotel/Motel Tax Fund**

- To account for the collection and disbursement of hotel-motel tax revenue.

#### **Grant Fund**

- To account for grant revenues and expenditures related to various short lived projects.

#### **Downtown Development Authority**

- To account for the activities of the Albany Downtown Development Authority related to downtown projects in the central business district.

#### **Computer Aided Dispatch Fund**

- To account for activities related to enhanced "911" services. Financing is provided from program charges. Revenues are expended for capital assets and system operations.

#### **ADICA**

- To account for the activities of the Albany-Dougherty Inner City Authority related to inner city development.

#### **Gortatowsky Fund**

- To account for resources provided by the estate of Henry Gortatowsky which are to be used for permanent improvements of a municipal park and/or recreation center.

#### **Tax Allocation District Fund**

- To account for revenues and expenditures related to the City tax allocation district.

### **Capital Projects Funds:**

#### **Public Improvement Fund**

- To account for the construction and financing of public improvements and services from general governmental resources and GMA lease activity.

**CITY OF ALBANY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Special Revenue Funds							Capital Projects Fund	Total
	Hotel/ Motel Tax	Grant Fund	Downtown Development Authority	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund	Public Improvement Fund	
<b>ASSETS</b>									
Cash	\$ -	\$ 41,272	\$ 21,902	\$ 102,754	\$ 515,233	\$ -	\$ -	\$ 183,371	\$ 864,532
Investments	-	-	-	-	-	51,364	-	17,496,415	17,547,779
Receivables, net of allowance:									
Taxes	-	-	-	-	-	-	3,449	-	3,449
Accounts	187,860	-	-	174,808	-	-	-	-	362,668
Due from other funds	-	-	-	-	-	-	-	1,000,001	1,000,001
Due from other governments	-	132,371	-	-	-	-	-	-	132,371
<b>Total assets</b>	<b>\$ 187,860</b>	<b>\$ 173,643</b>	<b>\$ 21,902</b>	<b>\$ 277,562</b>	<b>\$ 515,233</b>	<b>\$ 51,364</b>	<b>\$ 3,449</b>	<b>\$ 18,679,787</b>	<b>\$ 19,910,800</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ 6,538	\$ -	\$ 2,823	\$ -	\$ -	\$ -	\$ 18,139	\$ 27,500
Due to other funds	187,860	120,475	-	222,586	-	-	1,952,001	-	2,482,922
Due to other governments	-	6,858	-	-	-	-	-	-	6,858
Deferred revenues	-	39,772	-	-	-	-	-	15,544	55,316
<b>Total liabilities</b>	<b>187,860</b>	<b>173,643</b>	<b>-</b>	<b>225,409</b>	<b>-</b>	<b>-</b>	<b>1,952,001</b>	<b>33,683</b>	<b>2,572,596</b>
<b>FUND BALANCES (DEFICIT)</b>									
Restricted:									
Gortatowsky endowment	-	-	-	-	-	51,364	-	-	51,364
Capital projects	-	-	-	-	155,875	-	-	5,713	161,588
Committed:									
Inner city projects	-	-	21,902	-	359,358	-	-	-	381,260
Capital projects	-	-	-	52,153	-	-	-	18,640,391	18,692,544
Unassigned	-	-	-	-	-	-	(1,948,552)	-	(1,948,552)
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>-</b>	<b>21,902</b>	<b>52,153</b>	<b>515,233</b>	<b>51,364</b>	<b>(1,948,552)</b>	<b>18,646,104</b>	<b>17,338,204</b>
<b>Total liabilities and fund balances</b>	<b>\$ 187,860</b>	<b>\$ 173,643</b>	<b>\$ 21,902</b>	<b>\$ 277,562</b>	<b>\$ 515,233</b>	<b>\$ 51,364</b>	<b>\$ 3,449</b>	<b>\$ 18,679,787</b>	<b>\$ 19,910,800</b>

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue Funds						Capital Projects Fund	Total	
	Hotel/ Motel Tax	Grant Fund	Downtown Development Authority	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund		Public Improvement Fund
<b>Revenues:</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,235	\$ -	\$ 275,235
Other taxes	2,335,898	-	-	-	-	-	-	-	2,335,898
Intergovernmental	-	262,577	-	86,388	-	-	-	-	348,965
Charges for services	-	-	-	1,410,516	10,600	-	-	-	1,421,116
Other revenues:									
Investment income	-	-	-	12	1,465	668	-	722,016	724,161
Other income	-	-	50,000	7,460	-	-	-	-	57,460
Total revenues	<u>2,335,898</u>	<u>262,577</u>	<u>50,000</u>	<u>1,504,376</u>	<u>12,065</u>	<u>668</u>	<u>275,235</u>	<u>722,016</u>	<u>5,162,835</u>
<b>Expenditures:</b>									
Current:									
Public safety	-	66,055	-	2,139,218	-	-	-	-	2,205,273
Public works	-	28,820	-	-	-	-	-	-	28,820
Community development	725,000	198,598	28,098	-	563,079	-	1,269,544	-	2,784,319
Capital outlay	-	-	-	-	-	-	-	668,949	668,949
Debt service:									
Principal	-	-	-	-	-	-	270,000	-	270,000
Interest	-	-	-	-	-	-	61,750	522,680	584,430
Total expenditures	<u>725,000</u>	<u>293,473</u>	<u>28,098</u>	<u>2,139,218</u>	<u>563,079</u>	<u>-</u>	<u>1,601,294</u>	<u>1,191,629</u>	<u>6,541,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,610,898</u>	<u>(30,896)</u>	<u>21,902</u>	<u>(634,842)</u>	<u>(551,014)</u>	<u>668</u>	<u>(1,326,059)</u>	<u>(469,613)</u>	<u>(1,378,956)</u>
<b>Other financing sources (uses):</b>									
Transfers in	-	30,896	-	686,995	350,000	-	-	1,947,197	3,015,088
Transfers out	<u>(1,610,898)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,610,898)</u>
Total other financing sources (uses)	<u>(1,610,898)</u>	<u>30,896</u>	<u>-</u>	<u>686,995</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>1,946,741</u>	<u>1,403,734</u>
Net change in fund balances	-	-	21,902	52,153	(201,014)	668	(1,326,059)	1,477,128	24,778
<b>Fund balances (deficit), beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716,247</u>	<u>50,696</u>	<u>(622,493)</u>	<u>17,168,976</u>	<u>17,313,426</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,902</u>	<u>\$ 52,153</u>	<u>\$ 515,233</u>	<u>\$ 51,364</u>	<u>\$ (1,948,552)</u>	<u>\$ 18,646,104</u>	<u>\$ 17,338,204</u>



# CITY OF ALBANY, GEORGIA

## BUDGETARY COMPLIANCE

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### Special Revenue Funds

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

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					
	Hotel/Motel Tax Fund			Computer Aided Dispatch Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 2,000,000	\$ 2,335,898	\$ 335,898	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	122,456	86,388	(36,068)
Charges for services	-	-	-	1,853,842	1,410,516	(443,326)
Investment income	-	-	-	-	12	12
Other income	-	-	-	4,200	7,460	3,260
Total revenues	<u>2,000,000</u>	<u>2,335,898</u>	<u>335,898</u>	<u>1,980,498</u>	<u>1,504,376</u>	<u>(476,122)</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	2,667,493	2,139,218	528,275
Public works	-	-	-	-	-	-
Community development	725,000	725,000	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>725,000</u>	<u>725,000</u>	<u>-</u>	<u>2,667,493</u>	<u>2,139,218</u>	<u>528,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,275,000</u>	<u>1,610,898</u>	<u>335,898</u>	<u>(686,995)</u>	<u>(634,842)</u>	<u>52,153</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	686,995	686,995	-
Transfers out	(1,275,000)	(1,610,898)	335,898	-	-	-
Total other financing sources (uses)	<u>(1,275,000)</u>	<u>(1,610,898)</u>	<u>335,898</u>	<u>686,995</u>	<u>686,995</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>52,153</u>	<u>\$ 52,153</u>
<b>Fund balances (deficit), beginning of year</b>		-			-	
<b>Fund balances (deficit), end of year</b>		<u>\$ -</u>			<u>\$ 52,153</u>	

(Continued)

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					
	Grant Fund			Downtown Development Authority		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	384,758	262,577	(122,181)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other income	-	-	-	28,940	50,000	21,060
Total revenues	<u>384,758</u>	<u>262,577</u>	<u>(122,181)</u>	<u>28,940</u>	<u>50,000</u>	<u>21,060</u>
<b>Expenditures:</b>						
Current:						
Public safety	113,837	66,055	47,782	-	-	-
Public works	28,820	28,820	-	-	-	-
Community development	288,536	198,598	89,938	28,940	28,098	842
Debt service	-	-	-	-	-	-
Total expenditures	<u>431,193</u>	<u>293,473</u>	<u>137,720</u>	<u>28,940</u>	<u>28,098</u>	<u>842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,435)</u>	<u>(30,896)</u>	<u>15,539</u>	<u>-</u>	<u>21,902</u>	<u>21,902</u>
<b>Other financing sources (uses):</b>						
Transfers in	46,435	30,896	(15,539)	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>46,435</u>	<u>30,896</u>	<u>(15,539)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>21,902</u>	<u>\$ 21,902</u>
<b>Fund balances (deficit), beginning of year</b>		<u>-</u>			<u>-</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ -</u>			<u>\$ 21,902</u>	

(Continued)

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					
	Tax Allocation District Fund			Gortatowsky Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 275,559	\$ 275,235	\$ (324)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	668	668
Other income	1,325,736	-	(1,325,736)	-	-	-
Total revenues	<u>1,601,295</u>	<u>275,235</u>	<u>(1,326,060)</u>	<u>-</u>	<u>668</u>	<u>668</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	1,269,545	1,269,544	1	-	-	-
Debt service	331,750	331,750	-	-	-	-
Total expenditures	<u>1,601,295</u>	<u>1,601,294</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,326,059)</u>	<u>(1,326,059)</u>	<u>-</u>	<u>668</u>	<u>668</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(1,326,059)</u>	<u>\$ (1,326,059)</u>	<u>\$ -</u>	<u>668</u>	<u>\$ 668</u>
<b>Fund balances (deficit), beginning of year</b>		<u>(622,493)</u>			<u>50,696</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ (1,948,552)</u>			<u>\$ 51,364</u>	

(Continued)

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue Fund		
	ADICA		
	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	9,600	10,600	1,000
Investment income	150	1,465	1,315
Other income	582,300	-	(582,300)
Total revenues	<u>592,050</u>	<u>12,065</u>	<u>(579,985)</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	942,050	563,079	378,971
Debt service	-	-	-
Total expenditures	<u>942,050</u>	<u>563,079</u>	<u>378,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(350,000)</u>	<u>(551,014)</u>	<u>(201,014)</u>
<b>Other financing sources (uses):</b>			
Transfers in	350,000	350,000	-
Transfers out	-	-	-
Total other financing sources	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(201,014)</u>	<u>\$ (201,014)</u>
<b>Fund balances (deficit), beginning of year</b>		<u>716,247</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ 515,233</u>	

# CITY OF ALBANY, GEORGIA

## NONMAJOR ENTERPRISE FUNDS

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**Transit Fund**

- To account for the provision of transit service to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

**Civic Center Fund**

- To account for the operations of the James H. Gray Civic Center and the City's municipal auditorium. All activities necessary to provide such services are accounted for in this fund.

**Solid Waste Fund**

- To account for the provisions of solid waste collection and disposal services to the residents of the City.

**Gas Fund**

- To account for the provisions of gas services to the residents of the City.

**Telecommunications Fund**

- To finance and account for the cost of providing telecommunication services to customers of the City. All activities necessary to provide such services are accounted for in this fund.

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2017**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ -	\$ 7,964	\$ 2,219,440	\$ 1,535,946	\$ 164,641	\$ 3,927,991
Investments	-	-	1,407,051	2,026,326	-	3,433,377
Accounts receivable, net of allowances	-	22,895	1,476,682	1,376,042	96,663	2,972,282
Inventories	156,017	-	-	185,381	361,351	702,749
Due from other funds	-	393,355	-	-	-	393,355
Due from other governments	3,221,363	-	-	194,934	-	3,416,297
Total current assets	<u>3,377,380</u>	<u>424,214</u>	<u>5,103,173</u>	<u>5,318,629</u>	<u>622,655</u>	<u>14,846,051</u>
<b>NONCURRENT ASSETS</b>						
Capital assets						
Non-depreciable	2,415,867	2,849,761	907,035	406,632	1,531,378	8,110,673
Depreciable, net of accumulated depreciation	5,600,231	7,211,585	2,664,832	3,281,162	5,474,125	24,231,935
Total noncurrent assets	<u>8,016,098</u>	<u>10,061,346</u>	<u>3,571,867</u>	<u>3,687,794</u>	<u>7,005,503</u>	<u>32,342,608</u>
Total assets	<u>11,393,478</u>	<u>10,485,560</u>	<u>8,675,040</u>	<u>9,006,423</u>	<u>7,628,158</u>	<u>47,188,659</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Differences between expected and actual experience of economic/demographic (gains)/losses	57,133	20,948	57,132	43,801	9,522	188,536
Net difference between projected and actual earnings on pension plan investments	259,796	95,259	259,797	199,178	43,300	857,330
City contributions subsequent to the measurement date	231,540	84,898	231,540	177,514	38,590	764,082
Total deferred outflows of resources	<u>548,469</u>	<u>201,105</u>	<u>548,469</u>	<u>420,493</u>	<u>91,412</u>	<u>1,809,948</u>

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2017**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 234,407	\$ 37,078	\$ 553,753	\$ 764,943	\$ 50,428	\$ 1,640,609
Current portion - compensated absences	94,309	53,343	173,469	100,874	13,846	435,841
Due to other funds	3,054,837	-	1,569,112	205,431	3,281,195	8,110,575
Advanced payments and customer deposits	-	96,393	-	-	-	96,393
Unearned revenue	56,185	-	-	-	-	56,185
Total current liabilities	<u>3,439,738</u>	<u>186,814</u>	<u>2,296,334</u>	<u>1,071,248</u>	<u>3,345,469</u>	<u>10,339,603</u>
<b>LONG-TERM LIABILITIES</b>						
Compensated absences, net of current portion	10,479	5,927	19,274	11,208	1,539	48,427
Other long-term liabilities	-	-	-	1,236,173	-	1,236,173
Net pension liability	2,139,428	784,458	2,139,430	1,640,230	356,572	7,060,118
Total long-term liabilities	<u>2,149,907</u>	<u>790,385</u>	<u>2,158,704</u>	<u>2,887,611</u>	<u>358,111</u>	<u>8,344,718</u>
Total liabilities	<u>5,589,645</u>	<u>977,199</u>	<u>4,455,038</u>	<u>3,958,859</u>	<u>3,703,580</u>	<u>18,684,321</u>
<b>NET POSITION</b>						
Investment in capital assets	8,016,098	10,061,346	3,571,867	3,687,794	7,005,503	32,342,608
Unrestricted (deficit)	(1,663,796)	(351,880)	1,196,604	1,780,263	(2,989,513)	(2,028,322)
Total net position	<u>\$ 6,352,302</u>	<u>\$ 9,709,466</u>	<u>\$ 4,768,471</u>	<u>\$ 5,468,057</u>	<u>\$ 4,015,990</u>	<u>\$ 30,314,286</u>



# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 493,035	\$ 337,174	\$ 9,875,694	\$ 15,031,930	\$ 2,505,956	\$ 28,243,789
Other	622	-	-	733,337	124,999	858,958
Total operating revenues	493,657	337,174	9,875,694	15,765,267	2,630,955	29,102,747
<b>Operating expenses:</b>						
Personnel costs	1,550,005	637,719	2,118,906	1,789,254	422,193	6,518,077
Supplies	64,531	180,241	120,297	162,150	86,044	613,263
Operating services and charges	998,447	785,095	6,574,000	12,409,900	2,059,208	22,826,650
Maintenance and repairs	596,112	127,234	589,591	45,818	9,093	1,367,848
Depreciation	605,815	483,593	452,256	233,323	533,707	2,308,694
Total operating expenses	3,814,910	2,213,882	9,855,050	14,640,445	3,110,245	33,634,532
Operating income (loss)	(3,321,253)	(1,876,708)	20,644	1,124,822	(479,290)	(4,531,785)
<b>Nonoperating revenues (expenses):</b>						
Investment income	-	-	20,433	26,326	-	46,759
Intergovernmental - operating grants	4,764,978	-	-	194,934	-	4,959,912
Gain (loss) on sale of assets	(212,416)	(100)	7,228	-	(43,294)	(248,582)
Total nonoperating revenues (expenses)	4,552,562	(100)	27,661	221,260	(43,294)	4,758,089
Income (loss) before capital contributions and transfers	1,231,309	(1,876,808)	48,305	1,346,082	(522,584)	226,304
<b>Capital contributions</b>						
Other capital contributions	1,593,701	-	495,528	-	-	2,089,229
Total capital contributions	1,593,701	-	495,528	-	-	2,089,229
<b>Transfers</b>						
Transfers in	1,254,431	1,817,097	-	-	-	3,071,528
Transfers out	-	-	(839,617)	(1,578,353)	(213,006)	(2,630,976)
Total transfers	1,254,431	1,817,097	(839,617)	(1,578,353)	(213,006)	440,552
Change in net position	4,079,441	(59,711)	(295,784)	(232,271)	(735,590)	2,756,085
<b>Total net position, beginning of year</b>	2,272,861	9,769,177	5,064,255	5,700,328	4,751,580	27,558,201
<b>Total net position, end of year</b>	\$ 6,352,302	\$ 9,709,466	\$ 4,768,471	\$ 5,468,057	\$ 4,015,990	\$ 30,314,286

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 493,659	\$ (322,616)	\$ 9,681,739	\$ 15,592,737	\$ 2,640,549	\$ 28,086,068
Payments to suppliers	(1,756,126)	(1,035,158)	(6,016,348)	(12,982,950)	(1,197,105)	(22,987,687)
Payments to employees	(1,831,995)	(458,664)	(1,917,532)	(1,264,996)	(388,859)	(5,862,046)
Net cash provided by (used in) operating activities	<u>(3,094,462)</u>	<u>(1,816,438)</u>	<u>1,747,859</u>	<u>1,344,791</u>	<u>1,054,585</u>	<u>(763,665)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	1,254,431	1,817,097	-	-	-	3,071,528
Transfers out	-	-	(839,617)	(1,578,353)	(213,006)	(2,630,976)
Operating grants received	4,764,978	-	-	194,934	-	4,959,912
Payments for environmental remediation obligations	-	-	-	(62,692)	-	(62,692)
Net cash provided by (used in) noncapital financing activities	<u>6,019,409</u>	<u>1,817,097</u>	<u>(839,617)</u>	<u>(1,446,111)</u>	<u>(213,006)</u>	<u>5,337,772</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(2,953,493)	-	(241,899)	(342,243)	(845,458)	(4,383,093)
Proceeds from sale of capital assets	28,546	-	121,922	-	46	150,514
Net cash used in capital and related financing activities	<u>(2,924,947)</u>	<u>-</u>	<u>(119,977)</u>	<u>(342,243)</u>	<u>(845,412)</u>	<u>(4,232,579)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sales of investments	-	-	(939,201)	1,326,240	-	387,039
Purchase of investments	-	-	920,921	(1,352,566)	-	(431,645)
Interest on investments	-	-	20,433	26,326	-	46,759
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>2,153</u>	<u>-</u>	<u>-</u>	<u>2,153</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
<b>Increase (decrease) in cash and cash equivalents</b>	\$ -	\$ 659	\$ 790,418	\$ (443,563)	\$ (3,833)	\$ 343,681
<b>Cash and cash equivalents:</b>						
Beginning of year	-	7,305	1,429,022	1,979,509	168,474	3,584,310
End of year	<u>\$ -</u>	<u>\$ 7,964</u>	<u>\$ 2,219,440</u>	<u>\$ 1,535,946</u>	<u>\$ 164,641</u>	<u>\$ 3,927,991</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (3,321,253)	\$ (1,876,708)	\$ 20,644	\$ 1,124,822	\$ (479,290)	\$ (4,531,785)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	605,815	483,593	452,256	233,323	533,707	2,308,694
(Increase) decrease in accounts receivable	-	(10,899)	(193,955)	(172,530)	9,594	(367,790)
(Increase) decrease in inventories	69,490	-	-	(19,990)	6,608	56,108
Increase in due from other funds	-	(393,355)	-	(606,319)	-	(999,674)
Increase in due from other governments	(1,763,080)	-	-	(194,934)	-	(1,958,014)
(Increase) decrease in contributions subsequent to the measurement date	33,897	(441)	(50,560)	(87,024)	(8,427)	(112,555)
(Increase) decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	45,018	11,555	12,516	(8,977)	2,086	62,198
Increase (decrease) in accounts payable and other liabilities	167,122	(26,443)	260,285	250,730	47,319	699,013
Increase in due to other funds	1,596,554	-	1,008,626	205,431	903,313	3,713,924
Increase in unearned revenues	2	73,134	-	-	-	73,136
Increase (decrease) in net pension liability	(254,483)	22,759	507,218	824,124	84,537	1,184,155
Decrease in net difference between projected and actual earnings on pension plan investments	(273,544)	(99,633)	(269,171)	(203,865)	(44,862)	(891,075)
Net cash provided by (used in) operating activities	<u>\$ (3,094,462)</u>	<u>\$ (1,816,438)</u>	<u>\$ 1,747,859</u>	<u>\$ 1,344,791</u>	<u>\$ 1,054,585</u>	<u>\$ (763,665)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Contributions of capital assets from governmental activities	\$ 1,593,701	\$ -	\$ 495,528	\$ -	\$ -	\$ 2,089,229
Total noncash investing, capital and financing activities	<u>\$ 1,593,701</u>	<u>\$ -</u>	<u>\$ 495,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,089,229</u>

# CITY OF ALBANY, GEORGIA

## INTERNAL SERVICE FUNDS

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- Self-Administered Insurance Fund** - To account for the funding of self-insurance and payment of claims and judgments against the City.
- Public Employees' Deposit Fund** - To account for employer and employee contributions to be used for the payment of employee health claims.
- Workers' Compensation Fund** - To account for the accumulation of resources for future workers' compensation claims.
- Utility Fund** - To account for the accumulation of resources for administrative services related to utility activities of the City.
- R3M (Repair, Renovate, and Replace) Fund** - To account for the maintenance and long-term care of City-owned buildings and infrastructure that do not qualify as capital expenses.

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2017**

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 316,028	\$ 2,679,766	\$ 315,148	\$ -	\$ 1,832,060	\$ 5,143,002
Investments	4,635,106	-	1,633,812	1,013,163	2,496,851	9,778,932
Accounts receivable	15,806	417,398	56,632	-	823,717	1,313,553
Due from other funds	-	-	-	1,854,565	171,531	2,026,096
Due from other governments	88,114	-	-	-	-	88,114
	<u>5,055,054</u>	<u>3,097,164</u>	<u>2,005,592</u>	<u>2,867,728</u>	<u>5,324,159</u>	<u>18,349,697</u>
<b>NONCURRENT ASSETS</b>						
Capital assets						
Non-depreciable	-	-	-	-	2,933,800	2,933,800
Depreciable, net of accumulated depreciation	-	-	-	-	1,693,712	1,693,712
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,627,512</u>	<u>4,627,512</u>
Total assets	<u>5,055,054</u>	<u>3,097,164</u>	<u>2,005,592</u>	<u>2,867,728</u>	<u>9,951,671</u>	<u>22,977,209</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Differences between expected and actual experience of economic/demographic (gains)/losses	-	1,904	-	-	209,484	211,388
Net difference between projected and actual earnings on pension plan investments	-	8,660	-	-	952,590	961,250
City contributions subsequent to the measurement date	-	7,718	-	-	848,980	856,698
Total deferred outflows of resources	<u>-</u>	<u>18,282</u>	<u>-</u>	<u>-</u>	<u>2,011,054</u>	<u>2,029,336</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2017

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 179,478	\$ 332,026	\$ 1,460	\$ 41,332	\$ 813,324	\$ 1,367,620
Accrued liabilities	-	-	-	-	479,569	479,569
Claims payable	2,744,000	650,000	2,004,132	-	-	5,398,132
Current portion - compensated absences	-	-	-	-	791,422	791,422
Due to other funds	-	243,612	-	-	-	243,612
Total current liabilities	2,923,478	1,225,638	2,005,592	41,332	2,084,315	8,280,355
<b>NONCURRENT LIABILITIES</b>						
Compensated absences, net of current portion	-	-	-	-	87,906	87,906
Customer deposits	-	-	-	-	2,373,250	2,373,250
Net pension liability	-	71,314	-	-	7,844,576	7,915,890
Total long-term liabilities	-	71,314	-	-	10,305,732	10,377,046
Total liabilities	2,923,478	1,296,952	2,005,592	41,332	12,390,047	18,657,401
<b>NET POSITION</b>						
Investment in capital assets	-	-	-	-	4,627,512	4,627,512
Unrestricted (deficit)	2,131,576	1,818,494	-	2,826,396	(5,054,834)	1,721,632
Total net position	\$ 2,131,576	\$ 1,818,494	\$ -	\$ 2,826,396	\$ (427,322)	\$ 6,349,144

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 2,490,920	\$ 13,557,625	\$ 1,511,039	\$ -	\$ 13,725,949	\$ 31,285,533
Other	7,386	-	49,912	-	22,223	79,521
Total operating revenues	<u>2,498,306</u>	<u>13,557,625</u>	<u>1,560,951</u>	<u>-</u>	<u>13,748,172</u>	<u>31,365,054</u>
<b>Operating expenses:</b>						
Personnel costs	-	73,191	-	13,493	8,289,327	8,376,011
General and administrative	548,395	2,990,210	413,517	46,476	-	3,998,598
Supplies	-	-	-	-	324,027	324,027
Operating services and charges	-	-	-	126,798	4,895,458	5,022,256
Maintenance and repairs	-	-	-	-	234,540	234,540
Depreciation and amortization	-	-	-	-	784,819	784,819
Claims and damages	3,714,676	10,461,513	1,633,839	-	-	15,810,028
Total operating expenses	<u>4,263,071</u>	<u>13,524,914</u>	<u>2,047,356</u>	<u>186,767</u>	<u>14,528,171</u>	<u>34,550,279</u>
Operating income (loss)	(1,764,765)	32,711	(486,405)	(186,767)	(779,999)	(3,185,225)
<b>Nonoperating revenues (expenses):</b>						
Investment income	60,482	-	15,298	13,163	10,071	99,014
Loss on sale of assets	-	-	-	-	(3,605)	(3,605)
Total nonoperating revenues, net	<u>60,482</u>	<u>-</u>	<u>15,298</u>	<u>13,163</u>	<u>6,466</u>	<u>95,409</u>
Income (loss) before transfers	<u>(1,704,283)</u>	<u>32,711</u>	<u>(471,107)</u>	<u>(173,604)</u>	<u>(773,533)</u>	<u>(3,089,816)</u>
<b>Transfers</b>						
Transfers in	-	-	176,134	1,000,000	-	1,176,134
Total transfers	<u>-</u>	<u>-</u>	<u>176,134</u>	<u>1,000,000</u>	<u>-</u>	<u>1,176,134</u>
Change in net position	(1,704,283)	32,711	(294,973)	826,396	(773,533)	(1,913,682)
<b>Net position, beginning of year</b>	<u>3,835,859</u>	<u>1,785,783</u>	<u>294,973</u>	<u>2,000,000</u>	<u>346,211</u>	<u>8,262,826</u>
<b>Net position, end of year</b>	<u>\$ 2,131,576</u>	<u>\$ 1,818,494</u>	<u>\$ -</u>	<u>\$ 2,826,396</u>	<u>\$ (427,322)</u>	<u>\$ 6,349,144</u>

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from other funds	\$ 2,094,140	\$ 13,738,273	\$ 700,801	\$ -	\$ -	\$ 16,533,214
Receipts from customers	-	-	-	-	13,431,057	13,431,057
Payments to suppliers	-	-	-	(986,507)	(3,784,020)	(4,770,527)
Payments to employees	-	(66,523)	-	(13,493)	(7,331,737)	(7,411,753)
Claims paid	(2,124,290)	(10,301,992)	(1,050,824)	-	-	(13,477,106)
Premiums paid	(519,015)	(2,990,210)	(61,649)	-	-	(3,570,874)
Net cash provided by (used in) operating activities	(549,165)	379,548	(411,672)	(1,000,000)	2,315,300	734,011
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	-	-	176,134	1,000,000	-	1,176,134
Net cash provided by noncapital financing activities	-	-	176,134	1,000,000	-	1,176,134
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	-	-	-	-	(1,459,531)	(1,459,531)
Net cash used in capital and related financing activities	-	-	-	-	(1,459,531)	(1,459,531)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of investments	-	-	-	(13,163)	(6,673)	(19,836)
Investment income	60,482	-	15,298	13,163	10,071	99,014
Net cash provided by investing activities	60,482	-	15,298	-	3,398	79,178
Increase (decrease) in cash and cash equivalents	(488,683)	379,548	(220,240)	-	859,167	529,792
<b>Cash and cash equivalents:</b>						
Beginning of year	804,711	2,300,218	535,388	-	972,893	4,613,210
End of year	\$ 316,028	\$ 2,679,766	\$ 315,148	\$ -	\$ 1,832,060	\$ 5,143,002

(Continued)



**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Self-Administered Insurance Fund</u>	<u>Public Employees' Deposit Fund</u>	<u>Workers' Compensation Fund</u>	<u>R3M Fund</u>	<u>Utility Fund</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>						
<b>TO NET CASH PROVIDED BY (USED IN)</b>						
<b>OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (1,764,765)	\$ 32,711	\$ (486,405)	\$ (186,767)	\$ (779,999)	\$ (3,185,225)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	-	-	-	-	784,819	784,819
Changes in assets and liabilities:						
Increase in investment pool	(394,412)	-	(861,855)	-	-	(1,256,267)
(Increase) decrease in accounts receivable	(9,754)	(39,639)	1,705	-	(317,115)	(364,803)
(Increase) decrease in due from other funds	-	(23,325)	-	(854,565)	1,153,140	275,250
Increase in due from other governments	(88,114)	-	-	-	-	(88,114)
Decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	-	418	-	-	41,250	41,668
Increase in contributions subsequent to the measurement date	-	(1,685)	-	-	(197,452)	(199,137)
Increase (decrease) in accounts payable and other liabilities	29,380	14,521	(61,649)	41,332	648,380	671,964
Increase in claims payable	1,678,500	145,000	996,532	-	-	2,820,032
Increase in due to other funds	-	243,612	-	-	-	243,612
Increase in net pension liability	-	16,907	-	-	1,968,612	1,985,519
Decrease in net difference between projected and actual earnings on pension plan investments	-	(8,972)	-	-	(986,335)	(995,307)
Net cash provided by (used in) operating activities	<u>\$ (549,165)</u>	<u>\$ 379,548</u>	<u>\$ (411,672)</u>	<u>\$ (1,000,000)</u>	<u>\$ 2,315,300</u>	<u>\$ 734,011</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2010 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 3,992,000	\$ 4,272,378	\$ 4,272,378	\$ -	\$ 4,272,378
Civic Center Improvements	350,000	350,000	-	-	-
Sanitary and Storm Drainage Improvements	9,000,000	8,500,000	995,704	176,433	1,172,137
Broad Avenue Bridge	7,000,000	365,280	40,764	-	40,764
Roadway, Traffic Safety, & Sidewalk Improvements	11,501,500	14,079,050	8,207,976	1,649,017	9,856,993
Fire Department Improvements	3,198,184	5,341,291	5,313,883	27,408	5,341,291
911 Center Upgrade	2,850,000	2,281,074	2,177,684	35,209	2,212,893
Public Safety Improvements	487,100	1,942,592	1,478,433	48,390	1,526,823
APD Technology Project	2,551,000	2,380,542	1,460,582	-	1,460,582
Alley Paving Improvements	3,684,216	3,243,366	2,117,952	1,394,458	3,512,410
Technology and Communications Improvements	1,500,000	1,100,000	841,802	257,397	1,099,199
Riverfront Development Improvements	250,000	250,000	-	30,492	30,492
Transit System Improvements	4,380,000	4,380,000	1,103,540	1,588,701	2,692,241
Solid Waste Improvements	615,000	615,000	-	574,827	574,827
Historical and Cultural Improvements	276,000	250,000	-	-	-
Recreational Facility Improvements	2,750,000	2,977,880	365,280	1,088,205	1,453,485
City-Owned Facility Improvements	500,000	6,728	6,728	-	6,728
New Senior Center	3,000,000	3,292,382	3,292,382	-	3,292,382
Chehaw Park Improvements	1,750,000	2,080,078	1,578,185	(86,848)	1,491,337
Community Swimming Pool - East Albany	1,000,000	1,442,859	1,404,956	37,903	1,442,859
Thronateeska Improvements	2,000,000	2,099,377	2,099,377	-	2,099,377
Chamber of Commerce Improvements	85,000	85,000	85,000	-	85,000
Debt Service - Interest on SPLOST bonds	-	991,000	1,509,481	142,051	1,651,532
Total	<u>\$ 62,720,000</u>	<u>\$ 62,325,877</u>	<u>\$ 38,352,087</u>	<u>\$ 6,963,643</u>	<u>\$ 45,315,730</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2005 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 1,703,200	\$ 1,703,018	\$ 1,703,018	\$ -	\$ 1,703,018
Civic Center Improvements	2,560,000	2,523,271	2,523,271	-	2,523,271
Engineering	13,850,000	14,092,496	6,117,710	8,773	6,126,483
Civic Center Debt Retirement	5,500,000	6,669,376	6,669,376	-	6,669,376
Fire Department Equipment	1,500,000	1,497,428	1,497,428	-	1,497,428
Public Safety Communications and Equipment	150,000	145,757	145,756	-	145,756
Public Works	6,810,000	6,683,856	6,683,857	-	6,683,857
Recreation	5,000,000	5,091,062	5,091,062	-	5,091,062
800 MHZ Radio Upgrade, Tower	6,800,000	6,572,933	6,572,933	-	6,572,933
GPS/GIS Information Infrastructure Mapping	1,500,000	1,500,148	1,503,254	(3,106)	1,500,148
Fire Training Facility	1,500,000	1,727,629	1,727,629	-	1,727,629
GIS/Color Infrared Photos	750,000	750,000	692,783	-	692,783
Disparity Study	350,000	339,871	339,871	-	339,871
Riverfront Development Projects	8,650,000	5,054,082	5,054,082	-	5,054,082
Thronateeska Improvements	3,500,000	3,927,802	3,927,801	-	3,927,801
Civil Rights Museum Expansion	3,750,000	4,035,383	4,035,383	-	4,035,383
Chehaw Park Improvements	2,000,000	1,999,341	1,999,341	-	1,999,341
East Broad Lead Clean-up	-	1,559,747	1,293,769	130,294	1,424,063
Debt Service - Principal on SPLOST bonds	-	-	14,000,000	-	14,000,000
Debt Service - Interest on SPLOST bonds	-	-	2,220,374	24	2,220,398
Total	<u>\$ 65,873,200</u>	<u>\$ 65,873,200</u>	<u>\$ 73,798,698</u>	<u>\$ 135,985</u>	<u>\$ 73,934,683</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Law Enforcement Center	\$ 14,500,000	\$ 14,500,000	\$ 2,096,270	\$ -	\$ 2,096,270
Debt Retirement	6,811,094	6,811,094	7,037,929	-	7,037,929
Street Improvements	6,500,000	6,500,000	6,534,435	-	6,534,435
Recreation Improvements	3,150,000	3,150,000	1,349,918	-	1,349,918
Storm Drainage Improvements	3,000,000	3,000,000	1,191,646	-	1,191,646
Fire Station and Equipment	2,000,000	2,000,000	2,001,362	-	2,001,362
Traffic Safety	725,000	725,000	725,000	-	725,000
Chehaw Park Improvements	700,000	700,000	193,809	-	193,809
Capital Improvement Project funded by Dougherty County	1,800,000	1,800,000	1,776,726	-	1,776,726
Total	<u>\$ 39,186,094</u>	<u>\$ 39,186,094</u>	<u>\$ 22,907,095</u>	<u>\$ -</u>	<u>\$ 22,907,095</u>

**STATISTICAL SECTION  
(UNAUDITED)**

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## STATISTICAL SECTION (UNAUDITED)

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> .....	<b>134 - 138</b>
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	<b>139 - 143</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
<b>Debt Capacity</b> .....	<b>144 - 153</b>
<i>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.</i>	
<b>Demographic and Economic Information</b> .....	<b>154 and 155</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b> .....	<b>156 - 158</b>
<i>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.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year. The City implemented GASB 34 in 2003; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

Note: Unless otherwise noted, the financial information in these schedules do not include the City's discretely presented component units.

# CITY OF ALBANY, GEORGIA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 70,610,705	\$ 78,428,752	\$ 88,743,491	\$ 98,535,755	\$ 73,083,652	\$ 78,515,796	\$ 78,550,845	\$ 71,425,125	\$ 71,425,125	\$ 97,680,943
Restricted	21,328,367	16,456,922	13,177,567	25,826,583	47,176,694	38,807,274	38,366,853	36,560,923	36,560,923	22,747,421
Unrestricted	44,719,433	40,133,840	45,542,781	30,230,043	35,240,562	40,806,398	43,484,743	22,864,246	22,864,246	38,745,532
Total governmental activities net position	<u>\$ 136,658,505</u>	<u>\$ 135,019,514</u>	<u>\$ 147,463,839</u>	<u>\$ 154,592,381</u>	<u>\$ 155,500,908</u>	<u>\$ 158,129,468</u>	<u>\$ 160,402,441</u>	<u>\$ 130,850,294</u>	<u>\$ 130,850,294</u>	<u>\$ 159,173,896</u>
Business-type activities										
Net investment in capital assets	\$ 86,139,998	\$ 87,159,039	\$ 90,125,991	\$ 94,042,509	\$ 99,376,889	\$ 165,888,018	\$ 169,002,698	\$ 172,427,764	\$ 172,427,764	\$ 176,006,160
Restricted	575,157	3,009,678	2,667,647	9,036,399	8,768,406	9,593,844	6,077,401	8,944,173	8,944,173	9,068,681
Unrestricted	20,104,218	19,368,954	12,927,651	9,762,737	10,043,897	14,979,263	21,348,097	15,870,320	15,870,320	26,780,667
Total business-type activities net position	<u>\$ 106,819,373</u>	<u>\$ 109,537,671</u>	<u>\$ 105,721,289</u>	<u>\$ 112,841,645</u>	<u>\$ 118,189,192</u>	<u>\$ 190,461,125</u>	<u>\$ 196,428,196</u>	<u>\$ 197,242,257</u>	<u>\$ 197,242,257</u>	<u>\$ 211,855,508</u>
Primary government										
Net investment in capital assets	\$ 156,750,703	\$ 165,587,791	\$ 178,869,482	\$ 192,578,264	\$ 172,460,541	\$ 244,403,814	\$ 247,553,543	\$ 243,852,889	\$ 243,852,889	\$ 273,687,103
Restricted	21,903,524	19,466,600	15,845,214	34,862,982	55,945,100	48,401,118	44,444,254	45,505,096	45,505,096	31,816,102
Unrestricted	64,823,651	59,502,794	58,470,432	39,992,780	45,284,459	55,785,661	64,832,840	38,734,566	38,734,566	65,526,199
Total primary government net position	<u>\$ 243,477,878</u>	<u>\$ 244,557,185</u>	<u>\$ 253,185,128</u>	<u>\$ 267,434,026</u>	<u>\$ 273,690,100</u>	<u>\$ 348,590,593</u>	<u>\$ 356,830,637</u>	<u>\$ 328,092,551</u>	<u>\$ 328,092,551</u>	<u>\$ 371,029,404</u>

### NOTES

The City retroactively reported its major general infrastructure assets in fiscal year 2007.

The amounts presented for fiscal years 2008 - 2009 have been restated for a change in accounting policy.

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 13,063,421	\$ 12,215,564	\$ 10,854,334	\$ 12,988,647	\$ 15,659,577	\$ 11,850,540	\$ 11,676,280	\$ 11,676,280	\$ 7,580,735	\$ 13,907,384
Judicial	910,240	952,323	1,057,836	1,016,422	1,092,438	1,105,206	1,161,891	1,161,891	1,114,238	1,150,395
Public safety	30,268,106	31,206,297	31,544,927	33,541,721	36,274,636	34,446,708	35,504,804	35,504,804	34,819,323	36,434,952
Public works	8,306,157	7,695,464	7,393,923	6,981,385	8,562,916	11,763,774	12,075,120	12,075,120	8,154,192	9,360,884
Parks and recreation	12,818,108	9,079,385	6,684,312	7,031,469	6,572,226	9,134,107	7,174,684	7,174,684	5,796,910	7,578,570
Community development	7,497,726	5,591,053	7,447,371	5,851,434	8,866,465	4,788,597	5,680,377	5,680,377	7,202,674	6,999,183
Community service	336,411	399,347	398,458	396,531	413,150	383,794	434,420	434,420	232,364	493,093
Interest and fiscal changes	1,515,177	1,549,738	1,166,548	1,079,261	737,496	908,094	914,022	914,022	901,640	682,044
Total governmental activities expenses	<u>74,715,346</u>	<u>68,689,171</u>	<u>66,547,709</u>	<u>68,886,870</u>	<u>78,178,904</u>	<u>74,380,820</u>	<u>74,621,598</u>	<u>74,621,598</u>	<u>65,802,076</u>	<u>76,606,505</u>
Business-type activities:										
Sanitary sewer	13,503,253	14,402,906	14,569,098	12,838,068	13,802,498	13,510,612	12,822,696	12,822,696	12,268,460	13,478,400
Solid waste	8,206,745	8,499,616	8,092,385	7,963,262	8,336,517	8,303,044	8,116,940	8,116,940	8,946,091	10,079,015
Airport	2,195,398	2,415,280	2,626,279	2,643,741	2,632,485	2,873,052	2,626,374	2,626,374	2,966,447	3,635,803
Water, gas and light	-	-	-	-	-	103,961,719	106,533,670	106,533,670	-	-
Water	-	-	-	-	-	-	-	-	10,223,707	11,350,093
Light	-	-	-	-	-	-	-	-	96,684,785	95,011,447
Gas	-	-	-	-	-	-	-	-	11,112,701	15,726,147
Telecommunications	-	-	-	-	-	-	-	-	3,621,346	3,212,149
Storm water	-	-	-	-	-	-	-	-	5,470,230	13,389,437
Public employees' deposit	19,935,572	13,042,126	12,036,183	13,286,117	14,435,555	13,561,049	-	-	-	-
Transit	3,435,890	2,902,980	3,092,032	3,034,292	3,511,901	3,608,070	3,717,068	3,717,068	4,534,919	4,074,127
Civic Center	1,807,638	1,603,124	1,913,705	1,885,466	2,197,236	2,079,981	1,779,313	1,779,313	2,308,789	1,885,441
Municipal Auditorium	160,829	192,119	161,184	54,971	-	-	-	-	-	-
Total business-type activities expenses	<u>49,245,325</u>	<u>43,058,151</u>	<u>42,490,866</u>	<u>41,705,917</u>	<u>44,916,192</u>	<u>147,897,527</u>	<u>135,596,061</u>	<u>135,596,061</u>	<u>158,137,475</u>	<u>171,842,059</u>
Total primary government expenses	<u>123,960,671</u>	<u>111,747,322</u>	<u>109,038,575</u>	<u>110,592,787</u>	<u>123,095,096</u>	<u>222,278,347</u>	<u>210,217,659</u>	<u>210,217,659</u>	<u>223,939,551</u>	<u>248,448,564</u>

(Continued)



# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$ 2,676,493	\$ 2,466,315	\$ 2,415,222	\$ 2,596,447	\$ 2,640,527	\$ 931,310	\$ 1,082,203	\$ 1,082,203	\$ 1,188,303	\$ 978,011
Judicial	999,810	1,109,205	1,297,694	1,251,773	1,203,831	22,784	-	-	-	-
Public safety	1,691,284	1,715,042	1,731,747	1,556,068	1,520,217	3,037,017	3,135,111	3,135,111	2,966,355	3,051,168
Public works	806,260	792,786	940,648	984,194	981,413	995,027	793,518	793,518	775,990	986,544
Parks and recreation	437,344	335,993	290,619	204,102	203,342	180,876	148,160	148,160	130,937	125,869
Community development	2,961,169	481,049	1,403,145	1,285,180	1,097,442	1,579,390	(978,163)	(978,163)	1,383,430	1,263,426
Operating grants and contributions	15,310,571	18,090,264	21,613,472	22,392,721	23,495,445	8,219,946	7,789,779	7,789,779	11,377,521	13,190,186
Capital grants and contributions	15,916,286	2,033,058	14,719,811	15,615,908	17,027,629	16,646,062	12,863,878	12,863,878	12,565,452	23,981,989
Total governmental activities program revenues	40,799,217	27,023,712	44,412,358	45,886,393	48,169,846	31,612,412	24,834,486	24,834,486	30,387,988	43,577,193
Business-type activities:										
Charges for services:										
Sanitary sewer	15,184,281	15,111,550	14,725,910	15,301,208	14,554,746	14,303,532	14,311,708	14,311,708	12,873,459	14,844,008
Solid waste	8,262,522	8,412,723	8,844,741	9,033,593	9,105,594	9,135,850	9,454,958	9,454,958	9,854,717	9,875,694
Airport	812,117	728,191	878,643	762,688	834,146	841,426	822,283	822,283	835,299	1,055,894
Water, gas and light	-	-	-	-	-	118,441,492	124,653,672	124,653,672	-	-
Water	-	-	-	-	-	-	-	-	11,934,909	12,535,266
Light	-	-	-	-	-	-	-	-	116,439,184	107,560,618
Gas	-	-	-	-	-	-	-	-	15,453,714	15,765,267
Telecommunications	-	-	-	-	-	-	-	-	2,737,692	2,630,955
Public employees' deposit	19,927,744	13,034,004	12,042,502	13,801,791	13,971,380	13,540,775	-	-	-	-
Transit	429,695	495,279	476,251	525,469	557,583	559,691	577,991	577,991	581,488	493,657
Storm water	-	-	-	-	-	-	723,807	723,807	3,606,753	4,281,447
Civic Center	282,776	255,803	404,489	360,583	444,135	342,773	311,474	311,474	307,969	8,504
Municipal Auditorium	42,388	52,565	61,862	60,769	-	-	-	-	-	-
Operating grants and contributions	2,321,938	1,678,305	1,175,803	1,254,198	1,228,886	871,411	1,023,046	1,023,046	1,049,408	15,709,353
Capital grants and contributions	5,818,085	2,872,902	3,114,877	-	3,790,551	7,724,576	2,691,726	2,691,726	3,673,081	965,708
Total business-type activities program revenues	53,081,546	42,641,322	41,725,078	41,100,299	44,487,021	165,761,526	154,570,665	154,570,665	179,347,673	185,726,371
Total primary government program revenues	93,880,763	69,665,034	86,137,436	86,986,692	92,656,867	197,373,938	179,405,151	179,405,151	209,735,661	229,303,564

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Taxes	\$ 47,569,215	\$ 41,747,300	\$ 33,658,616	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965	\$ 36,525,275	\$ 36,525,275	\$ 37,984,905	\$ 37,968,441
Investment earnings	2,255,534	1,163,072	874,098	1,009,368	1,750,706	356,766	1,649,063	1,649,063	770,805	38,620
Gain on sale of assets	-	-	-	-	-	-	-	-	215,122	-
Transfers	(2,543,171)	(2,883,904)	46,962	(4,316,622)	(4,680,629)	13,338,381	13,885,747	13,885,747	3,142,238	10,379,677
Total governmental activities general revenues and other changes in net position	<u>47,281,578</u>	<u>40,026,468</u>	<u>34,579,676</u>	<u>28,266,660</u>	<u>28,909,355</u>	<u>49,264,112</u>	<u>52,060,085</u>	<u>52,060,085</u>	<u>42,113,070</u>	<u>48,386,738</u>
Business-type activities:										
Investment earnings	662,182	251,223	71,199	334,521	1,096,090	(129,346)	657,412	657,412	118,782	63,633
Gain on sale of assets	-	-	-	-	-	82,871	220,802	220,802	122,251	120,068
Transfers	2,543,171	2,883,904	(46,962)	4,316,622	4,680,629	(13,338,381)	(13,885,747)	(13,885,747)	(3,142,238)	(10,379,677)
Total business-type activities general revenues and other changes in net position	<u>3,205,353</u>	<u>3,135,127</u>	<u>24,237</u>	<u>4,651,143</u>	<u>5,776,719</u>	<u>(13,384,856)</u>	<u>(13,007,533)</u>	<u>(13,007,533)</u>	<u>(2,901,205)</u>	<u>(10,195,976)</u>
Total primary government general revenues and other changes in net assets	<u>50,486,931</u>	<u>43,161,595</u>	<u>34,603,913</u>	<u>32,917,803</u>	<u>34,686,074</u>	<u>35,879,256</u>	<u>39,052,552</u>	<u>39,052,552</u>	<u>39,211,865</u>	<u>38,190,762</u>
Change in net position:										
Governmental activities	13,365,449	(1,638,991)	12,444,325	5,266,183	(1,099,703)	6,495,704	2,272,973	2,272,973	6,698,982	15,357,426
Business-type activities	7,041,574	2,718,298	(741,551)	4,045,525	5,347,548	4,479,143	5,967,071	5,967,071	18,308,993	3,688,336
Total primary government change in net position	<u>\$ 20,407,023</u>	<u>\$ 1,079,307</u>	<u>\$ 11,702,774</u>	<u>\$ 9,311,708</u>	<u>\$ 4,247,845</u>	<u>\$ 10,974,847</u>	<u>\$ 8,240,044</u>	<u>\$ 8,240,044</u>	<u>\$ 25,007,975</u>	<u>\$ 19,045,762</u>

**NOTES**

The increase in parks and recreation expense from 2007 to 2008 is due to a number of community projects undertaken by the City using SPLOST funding. Projects include the Civil Rights Museum, Riverfront Development and Thronateeska.

The decrease in the Public Employees' Deposit Fund from 2008 to 2009 is due to the County no longer participating in the City's self insurance plan.

Effective July 1, 2011, the activities of the Municipal Auditorium are accounted for in the Civic Center Fund.

Effective July 1, 2012, the activities of the water, gas and light are accounted for in the primary government. Previously, the Commission was reported as a discretely presented component unit.

Effective July 1, 2013, the activities of the Public Employees' Deposit are accounted for as an Internal Service Fund.

# CITY OF ALBANY, GEORGIA

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (Accrual Basis of Accounting) JUNE 30, 2017

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Taxes	Other Taxes	Total
2008	\$ 14,776,748	\$ 23,380,560	\$ 1,378,411	\$ 2,184,755	\$ 4,218,975	\$ 1,457,124	\$ 172,642	\$ 47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300
2010	15,324,267	8,932,040	1,271,433	2,290,921	4,279,238	1,434,095	126,622	33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	2,054,972	35,568,965
2014	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2015	16,875,088	9,572,282	1,936,155	1,884,155	4,176,385	1,365,006	2,175,834	37,984,905
2016	16,315,586	9,683,370	1,994,981	1,915,178	4,461,781	1,339,383	2,131,493	37,841,772
2017	16,085,219	9,399,871	2,335,898	1,786,847	4,832,976	1,361,278	2,166,352	37,968,441

### NOTES

The decrease in sales tax in fiscal year 2010 is due to the City accounting for its Special Purpose Local Option Sales Tax as an intergovernmental revenue.

# CITY OF ALBANY, GEORGIA

## FUND BALANCE OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 395,504	\$ 573,383	\$ 287,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,117,285	18,627,452	22,402,480	-	-	-	-	-	-	-
Nonspendable	-	-	-	2,963,309	752,155	259,934	235,771	239,125	239,125	478,845
Restricted	-	-	-	-	-	-	38,470	72,016	72,016	37,996
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	703,259	724,897	741,304	755,119	764,879	764,879	817,258
Unassigned	-	-	-	20,112,553	20,869,545	13,568,156	16,461,430	20,403,856	20,403,856	28,922,087
<b>Total General Fund</b>	<b><u>\$ 22,512,789</u></b>	<b><u>\$ 19,200,835</u></b>	<b><u>\$ 22,690,114</u></b>	<b><u>\$ 23,779,121</u></b>	<b><u>\$ 22,346,597</u></b>	<b><u>\$ 14,569,394</u></b>	<b><u>\$ 17,490,790</u></b>	<b><u>\$ 21,479,876</u></b>	<b><u>\$ 21,479,876</u></b>	<b><u>\$ 30,256,186</u></b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 2,081,497	\$ 2,945,507	\$ 1,191,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,513,089	5,676,146	5,663,995	-	-	-	-	-	-	-
Capital projects funds	25,705,739	18,333,452	22,374,566	-	-	-	-	-	-	-
Nonspendable, reported in:										
Capital projects funds	-	-	-	443,898	1,765,798	1,152,423	666,092	436,596	436,596	-
Restricted, reported in:										
Special revenue funds	-	-	-	5,358,579	7,724,921	5,935,517	4,593,080	3,625,897	3,625,897	3,046,206
Capital projects funds	-	-	-	20,461,190	39,451,773	38,693,602	40,803,181	40,811,186	40,811,186	29,074,158
Debt service fund	-	-	-	6,814	-	-	-	-	-	-
Committed, reported in:										
Special revenue funds	-	-	-	182,129	75,241	12,665,396	16,003,179	19,220,954	19,220,954	23,064,621
Capital projects funds	-	-	-	-	-	6,260,070	6,484,444	6,656,593	6,656,593	18,692,544
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	26,214	-	-	-
Capital projects funds	-	-	-	2,295,702	3,653,585	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	(134,125)	(58,726)	(175,948)	(289,994)	(346,297)	(346,297)	(1,948,552)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b><u>\$ 33,300,325</u></b>	<b><u>\$ 26,955,105</u></b>	<b><u>\$ 29,229,918</u></b>	<b><u>\$ 28,614,187</u></b>	<b><u>\$ 52,612,592</u></b>	<b><u>\$ 64,531,060</u></b>	<b><u>\$ 68,286,196</u></b>	<b><u>\$ 70,404,929</u></b>	<b><u>\$ 70,404,929</u></b>	<b><u>\$ 71,928,977</u></b>
<b>Total Governmental Funds</b>	<b><u>\$ 55,813,114</u></b>	<b><u>\$ 46,155,940</u></b>	<b><u>\$ 51,920,032</u></b>	<b><u>\$ 52,393,308</u></b>	<b><u>\$ 74,959,189</u></b>	<b><u>\$ 79,100,454</u></b>	<b><u>\$ 85,776,986</u></b>	<b><u>\$ 91,884,805</u></b>	<b><u>\$ 91,884,805</u></b>	<b><u>\$ 102,185,163</u></b>

**NOTES**

**Note:** GASB 54 was implemented during fiscal year 2011.

# CITY OF ALBANY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Taxes	\$ 47,271,610	\$ 41,461,664	\$ 33,346,229	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965	\$ 36,525,275	\$ 37,984,905	\$ 37,841,772	\$ 37,968,441
Licenses and permits	2,434,916	2,258,362	2,171,589	2,235,513	2,191,504	857,746	783,927	1,077,712	926,040	848,971
Intergovernmental	16,756,831	20,123,322	36,333,283	37,074,560	40,104,059	22,879,021	20,363,265	23,637,097	24,600,285	24,648,602
Charges for services	2,324,102	2,233,114	2,966,563	2,922,091	2,713,766	3,664,906	3,263,308	3,134,717	3,032,948	3,325,985
Fines and forfeitures	901,009	1,025,445	1,191,454	1,170,763	1,203,831	1,486,133	1,579,801	1,493,362	1,425,005	1,538,831
Rental and other fees	297,605	-	-	-	-	-	-	-	-	-
Interest revenues	2,041,946	1,087,289	863,763	1,286,227	1,973,131	462,117	1,895,678	1,012,185	1,523,845	273,965
Other revenues	3,166,757	2,738,209	2,284,159	2,434,456	2,374,099	1,521,086	1,610,391	1,049,143	1,694,374	1,269,818
<b>Total revenues</b>	<b>75,194,776</b>	<b>70,927,405</b>	<b>79,157,040</b>	<b>78,697,524</b>	<b>82,399,668</b>	<b>66,439,974</b>	<b>66,021,645</b>	<b>69,389,121</b>	<b>71,044,269</b>	<b>69,874,613</b>
<b>Expenditures:</b>										
Current:										
General government	11,875,762	8,976,530	9,936,581	11,160,607	10,485,134	9,341,745	8,894,145	9,986,311	11,160,530	11,696,791
Judicial	907,934	986,359	1,056,504	1,007,860	1,100,137	1,104,040	1,161,195	1,133,837	1,144,699	1,147,243
Public safety	28,732,159	28,655,558	30,425,483	31,606,457	32,883,304	31,683,702	33,231,203	33,290,879	32,054,789	32,873,477
Public works	6,781,237	6,990,544	7,068,801	8,614,550	8,780,714	8,501,889	7,917,956	5,168,600	4,485,266	5,986,409
Parks and recreation	4,341,644	4,542,627	5,051,465	5,434,481	5,547,493	4,980,249	4,938,351	5,175,991	7,316,238	6,666,921
Community development	6,036,774	5,018,810	6,996,464	7,335,418	8,237,696	5,407,316	5,956,369	6,107,922	5,025,042	6,795,980
Community service	336,411	399,347	398,458	396,531	413,150	383,794	433,840	416,319	379,747	493,093
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	13,814,675	11,114,264	9,636,181	7,831,838	6,082,301	15,132,363	10,466,590	8,539,367	10,057,359	7,726,815
Debt service:										
Principal	1,450,000	6,000,000	6,205,000	6,433,750	905,409	600,000	585,000	4,391,250	5,640,000	5,215,000
Interest and fiscal charges	1,558,994	1,501,459	1,256,775	1,018,321	1,045,416	1,119,453	1,127,246	1,097,687	897,328	764,756
<b>Total expenditures</b>	<b>75,835,590</b>	<b>74,185,498</b>	<b>78,031,712</b>	<b>80,839,813</b>	<b>75,480,754</b>	<b>78,254,551</b>	<b>74,711,895</b>	<b>75,308,163</b>	<b>78,160,998</b>	<b>79,366,485</b>
Excess of revenues over (under) expenditures	(640,814)	(3,258,093)	1,125,328	(2,142,289)	6,918,914	(11,814,577)	(8,690,250)	(5,919,042)	(7,116,729)	(9,491,872)

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS JUNE 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Other financing sources (uses)</b>										
Transfers in	\$ 4,327,235	\$ 2,270,397	\$ 8,729,408	\$ 2,840,088	\$ 2,059,524	\$ 32,456,832	\$ 19,936,864	\$ 20,056,046	\$ 24,018,135	\$ 23,912,309
Transfers out	(6,870,406)	(5,154,301)	(6,348,501)	(3,328,467)	(4,707,660)	(16,539,382)	(5,210,378)	(8,484,926)	(10,410,077)	(11,888,876)
Investment fees	-	-	-	-	-	-	-	-	-	(456)
Change in fair market value of investments	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	295,079	17,625,914	-	-	-	-	-
Sale of capital assets	653,457	206,758	546,340	698,447	669,189	38,392	640,296	455,741	100,865	1,177,059
Total other financing sources (uses)	<u>(1,889,714)</u>	<u>(2,677,146)</u>	<u>2,927,247</u>	<u>505,147</u>	<u>15,646,967</u>	<u>15,955,842</u>	<u>15,366,782</u>	<u>12,026,861</u>	<u>13,708,923</u>	<u>13,200,036</u>
Net change in fund balances	<u>\$ (2,530,528)</u>	<u>\$ (5,935,239)</u>	<u>\$ 4,052,575</u>	<u>\$ (1,637,142)</u>	<u>\$ 22,565,881</u>	<u>\$ 4,141,265</u>	<u>\$ 6,676,532</u>	<u>\$ 6,107,819</u>	<u>\$ 6,592,194</u>	<u>\$ 3,708,164</u>
Debt service as a percentage of noncapital expenditures	4.13%	11.25%	10.57%	10.15%	2.65%	2.25%	2.35%	7.86%	9.13%	8.15%

**NOTES**

The increase in taxes in fiscal year 2006 is due to the new SPLOST commencing April 2005.

The increase in interest revenues in 2005 and 2006 is due to improved interest rates.

The nondepartmental category of expenditures was eliminated after fiscal year 2005 in accordance with the State Uniform Chart of Accounts.

The increase in debt service as a percentage of noncapital expenditures in 2009 is due to the City beginning payments on the 2007 Revenue Bonds.

The decrease in debt service as a percentage of noncapital expenditures in 2012 is due to final payment on the 2007 Revenue Bonds being paid in 2011.

# CITY OF ALBANY, GEORGIA

## GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting) JUNE 30, 2017

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2008	\$ 14,776,748	\$ 23,380,560	\$ 1,378,411	\$ 2,184,755	\$ 4,218,975	\$ 1,457,124	\$ 172,642	\$ 47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300
2010	15,324,267	8,932,040	1,271,433	2,290,921	4,279,238	1,434,095	126,622	33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	2,054,972	35,568,965
2014	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2015	16,875,088	9,572,282	1,936,155	1,884,155	4,176,385	1,365,006	2,175,834	37,984,905
2016	16,315,585	9,683,370	1,994,981	1,915,178	4,461,781	1,339,383	2,131,493	37,841,771
2017	16,085,220	9,399,871	2,335,898	1,786,847	4,832,976	1,361,278	2,166,352	37,968,442

**NOTES**

The decrease in sales tax in fiscal year 2009 is due to the national downturn in the economy.

The decrease in sales tax in fiscal year 2010 is due to the City accounting for its Special Purpose Local Option Sales Tax as an intergovernmental revenue.

# CITY OF ALBANY, GEORGIA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (Dollar Amounts Expressed in Thousands) JUNE 30, 2017

Fiscal Year	Real Property		Personal Property		Exemptions	Total		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	
2008	\$ 1,225,531	\$ 2,404,593	\$ 478,728	\$ 1,169,327	\$ 103,518	\$ 1,600,741	\$ 3,359,070	10.80
2009	1,218,665	2,453,374	501,002	1,167,227	110,843	1,608,824	3,620,601	10.79
2010	1,179,054	3,063,828	503,796	1,196,820	102,145	1,580,705	4,001,853	10.78
2011	1,167,412	3,046,663	528,971	1,252,505	197,853	1,498,530	4,022,060	9.16
2012	1,197,135	2,987,528	396,685	1,327,833	106,590	1,487,230	4,063,003	9.16
2013	1,202,887	3,007,218	448,969	1,122,423	133,086	1,518,770	3,796,925	8.66
2014	1,185,778	2,964,445	472,394	1,180,985	133,147	1,525,025	3,812,563	9.99
2015	1,178,638	2,946,595	473,333	1,183,333	133,575	1,518,396	3,795,990	9.99
2016	1,205,452	3,013,630	434,038	1,085,095	114,956	1,524,534	3,811,335	9.85
2017	1,196,942	2,992,355	311,787	779,468	108,671	1,400,058	3,500,145	9.81

**SOURCE**

Dougherty County Tax Department

**NOTES**

Property is assessed at 40 percent of actual value. Actual taxable value is calculated by dividing assessed value by 40 percent. Tax rates are per \$1,000 of assessed value.



**CITY OF ALBANY, GEORGIA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
JUNE 30, 2017**

Fiscal Year	City of Albany Millage			Dougherty County Millage			Board of Education Millage			Other (State of Georgia)	Total
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	Operating	Debt Service	Total School		
2008	9.159	0.000	9.159	11.897	0.000	11.897	18.450	0.000	18.450	0.25	39.756
2009	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746
2010	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746
2011	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
2012	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
2013	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.20	39.199
2014	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.15	40.479
2015	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.10	40.429
2016	9.853	0.000	9.853	12.594	0.000	12.594	18.445	0.000	18.445	0.05	40.942
2017	9.808	0.000	9.808	12.577	0.000	12.577	18.445	0.000	18.445	0.00	40.83

**SOURCE**

Dougherty County Tax Department

**NOTE**

Tax rates are per \$1,000 of assessed value.

# CITY OF ALBANY, GEORGIA

## TAXABLE SALES TAX DISTRIBUTION BY CATEGORY LAST TEN CALENDAR YEARS (1) JUNE 30, 2017

By Category	2007	2008	2009 (2)	2010	2011	2012	2013	2014	2015	2016
Food	\$ 3,923,148	\$ 3,677,474	\$ 1,351,385 (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apparel	688,235	683,128	310,058 (3)	-	-	-	-	-	-	-
General	2,448,008	2,402,603	1,082,402 (3)	-	-	-	-	-	-	-
Automotive	3,030,301	3,377,416	974,961 (3)	-	-	-	-	-	-	-
Home	982,259	916,640	345,110 (3)	-	-	-	-	-	-	-
Lumber	1,237,612	1,078,029	317,181 (3)	-	-	-	-	-	-	-
Miscellaneous Service	930,366	1,006,135	375,623 (3)	-	-	-	-	-	-	-
Manufacturers	1,551,973	1,718,753	475,704 (3)	-	-	-	-	-	-	-
Utilities	1,480,452	1,594,512	555,468 (3)	-	-	-	-	-	-	-
Miscellaneous	1,997,795	1,619,727	452,693 (3)	-	-	-	-	-	-	-
Accommodations	-	-	151,098 (4)	183,530	178,114	175,258	150,647	212,981	252,666	254,119
Auto	-	-	947,706 (4)	1,532,920	1,532,212	1,584,304	809,709	405,402	457,114	492,916
Construction	-	-	56,446 (4)	90,776	84,097	81,167	111,938	124,959	124,552	141,705
Food/bars	-	-	1,789,221 (4)	2,814,970	2,704,550	2,657,049	2,635,805	2,728,280	2,752,437	2,802,077
General Merch	-	-	1,535,625 (4)	2,588,585	2,686,581	2,885,661	2,813,640	2,706,866	2,908,392	2,683,989
Home Furnishing	-	-	684,002 (4)	1,093,541	945,631	909,372	882,216	905,995	894,054	848,016
Manufacturing	-	-	255,361 (4)	1,396,801	1,515,298	1,267,861	1,291,861	1,109,267	827,389	765,754
Miscellaneous Service	-	-	615,245 (4)	1,140,412	1,188,675	1,109,417	1,142,772	1,502,431	2,382,097	2,363,478
Other Retail	-	-	1,161,684 (4)	2,238,762	2,478,609	2,428,037	2,496,712	2,536,673	2,341,056	2,352,372
Other Services	-	-	205,957 (4)	344,919	527,492	711,202	484,220	480,088	418,623	489,180
Utility	-	-	857,090 (4)	1,097,536	1,177,576	1,121,740	1,174,936	852,254	347,382	345,023
Wholesale	-	-	1,060,109 (4)	2,102,658	2,235,969	2,177,739	2,035,087	2,115,907	1,793,744	1,513,759
	<u>\$ 18,270,149</u>	<u>\$ 18,074,417</u>	<u>\$ 15,560,129</u>	<u>\$ 16,625,410</u>	<u>\$ 17,254,804</u>	<u>\$ 17,108,807</u>	<u>\$ 16,029,543</u>	<u>\$ 15,681,103</u>	<u>\$ 15,499,506</u>	<u>\$ 15,052,388</u>

**SOURCE**

Georgia Department of Revenue, Local Government Services Division

**NOTES**

(1) Information only available for Dougherty County

(2) State changed the grouping of the categories. The (3) is related to January through May 2009 and (4) is for May through December 2009.

**CITY OF ALBANY, GEORGIA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**JUNE 30, 2017**

Taxpayer	Type of Business	Fiscal Year 2017			Fiscal Year 2008		
		2016 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2007 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mars Chocolate	Confectioner	\$ 13,654,447	1	0.87 %	\$ 16,935,046	2	1.18 %
Albany Mall HP LLC	Mall developer	10,480,000	2	0.67	12,461,940	6	0.87
Georgia Power Co	Utility	8,807,769	3	0.56	-		-
BellSouth Communications, Inc	Telecommunications	8,055,410	4	0.51	16,758,195	3	1.17
Flint River Albany RE LLC	Warehousing	7,201,080	5	0.46	-		-
Yancey Bros Company	Machinery Retailer	6,046,781	6	0.38	6,070,812	10	0.42
Mediacom	Telecommunications	5,317,522	7	0.34	-		-
Home Depot	Hardware Retailer	4,480,053	8	0.28	-		-
Strategic Equipment	Equipment Wholesaler	4,332,797	9	0.28	-		-
Coats and Clark	Textiles	18,063,518	10	1.15	15,473,864	4	1.08
MillerCoors (1)	Brewery	-		-	57,588,673	1	4.03
Palmyra Medical Center (2)	Hospital	-		-	15,243,966	5	1.07
Walmart/Sam's Club	Retailer	-		-	9,086,519	7	0.64
BFS North American Tire	Retailer	-		-	8,087,273	8	0.57
Lowe's Home Center	Building Supplies	-		-	6,677,838	9	0.47
		<u>\$ 86,439,377</u>		<u>5.50 %</u>	<u>\$ 164,384,126</u>		<u>11.50 %</u>

**SOURCE**

Dougherty County Tax Department

**NOTES**

- (1) FY2013 first year under P.I.L.O.T. (payment in lieu of taxes)
- (2) FY2013 became tax-exempt

2008 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.

**CITY OF ALBANY, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(Dollar Amounts Expressed in Thousands)**  
**JUNE 30, 2017**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 13,164	\$ 12,872	97.78 %	\$ 272	\$ 13,144	99.85 %
2009	13,400	12,329	92.01	1,037	13,366	99.75
2010	13,540	13,105	96.79	401	13,506	99.75
2011	12,388	12,168	98.22	188	12,356	99.74
2012	12,428	12,131	97.61	266	12,397	99.75
2013	13,758	13,494	98.08	220	13,714	99.68
2014	13,745	13,480	98.07	219	13,699	99.66
2015	13,834	13,496	97.56	255	13,751	99.40
2016	13,741	13,520	98.39	122	13,642	99.28
2017	13,741	13,520	98.39	-	13,520	98.39

**SOURCE**

Dougherty County Tax Department

# CITY OF ALBANY, GEORGIA

## RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS JUNE 30, 2017

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Notes Payable	Revenue Bonds	Notes Payable	Capital Leases	Intergovernmental Agreement			
2008	\$ 17,720,000	\$ 10,000,000	\$ 5,525,000	\$ 39,650,000	\$ 120,054	\$ 58,681	\$ -	\$ 73,073,735	4.28%	\$ 963.72
2009	12,020,000	10,000,000	4,925,000	39,110,000	51,586	-	-	66,106,586	3.71%	871.76
2010	6,425,330	10,000,000	4,625,000	36,670,000	10,421	-	-	57,730,751	3.86%	763.47
2011	605,409	10,000,000	4,325,000	34,145,000	-	-	-	49,075,409	3.21%	633.77
2012	16,585,000	10,000,000	3,981,250	28,575,000	-	-	1,017,111	60,158,361	4.32%	776.90
2013	16,310,000	10,000,000	3,656,250	26,315,000	-	1,682,591	299,150	58,262,991	3.47%	752.45
2014	16,578,912	10,000,000	3,331,250	35,332,348	-	412,137	-	65,654,647	4.51%	861.78
2015	12,276,044	10,000,000	3,000,000	26,880,135	-	-	-	52,156,179	3.43%	688.36
2016	7,119,973	10,000,000	2,325,000	22,401,656	1,412,533	-	-	43,259,162	2.70%	578.00
2017	2,110,000	10,000,000	2,025,000	17,747,464	1,659,427	-	-	33,541,891	2.12%	454.49

### NOTES

Details regarding the City of Albany's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

# CITY OF ALBANY, GEORGIA

## RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS JUNE 30, 2017

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	\$ 17,720,000	\$ 6,782	\$ 17,713,218	0.53 %	\$ 234
2009	12,020,000	6,808	12,013,192	0.33	158
2010	6,425,330	6,811	6,418,519	0.16	85
2011	605,409	6,814	598,595	0.01	8
2012	16,585,000	6,814	16,578,186	0.41	214
2013	16,310,000	-	16,310,000	0.43	211
2014	16,578,912	-	16,578,912	0.43	218
2015	12,276,044	-	12,276,044	0.32	162
2016	7,119,973	-	7,119,973	0.19	95
2017	2,110,000	-	2,110,000	0.06	29

### NOTES

Details regarding the City of Albany's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

See the Schedule of Assessed Value and Estimated Value of Taxable Property for property value data.

In fiscal year 2012, the City issued \$13,145,000 of SPLOST bonds, and \$3,440,000 of revenue refunding bonds were issued by ADICA.

# CITY OF ALBANY, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2017

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Albany	Amount Applicable to City of Albany
Direct, City of Albany	\$ 14,135,000	100 %	\$ 14,135,000
Overlapping, Dougherty County Board of Education	14,900,000	82 %	12,218,000
	\$ 29,035,000		\$ 26,353,000

**SOURCE**

Dougherty County Board of Education information provided by the Dougherty County Board of Education.

**NOTES**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Albany. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

# CITY OF ALBANY, GEORGIA

## LEGAL DEBT MARGIN LAST TEN FISCAL YEARS (Dollar Amounts Expressed in Thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>LEGAL DEBT MARGIN</b>										
Debt limit	\$ 170,426	\$ 171,967	\$ 168,285	\$ 169,638	\$ 159,382	\$ 159,382	\$ 165,186	\$ 165,817	\$ 163,949	\$ 150,873
Total net debt applicable to limit	<u>17,713</u>	<u>12,013</u>	<u>6,418</u>	<u>598</u>	<u>16,585</u>	<u>16,310</u>	<u>16,579</u>	<u>12,276</u>	<u>7,120</u>	<u>2,110</u>
Legal debt margin	<u>\$ 152,713</u>	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 143,072</u>	<u>\$ 148,607</u>	<u>\$ 153,541</u>	<u>\$ 156,829</u>	<u>\$ 148,763</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.39%</u>	<u>6.99%</u>	<u>3.81%</u>	<u>0.35%</u>	<u>10.41%</u>	<u>10.23%</u>	<u>10.04%</u>	<u>7.40%</u>	<u>4.34%</u>	<u>1.40%</u>
<b>LEGAL DEBT MARGIN CALCULATION</b>										
Assessed value	\$ 1,600,741	\$ 1,608,824	\$ 1,580,705	\$ 1,498,530	\$ 1,487,230	\$ 1,518,770	\$ 1,525,025	\$ 1,518,396	\$ 1,524,534	\$ 1,400,058
Add back exempt property	<u>103,518</u>	<u>110,843</u>	<u>102,145</u>	<u>197,853</u>	<u>106,590</u>	<u>133,086</u>	<u>133,147</u>	<u>133,575</u>	<u>114,956</u>	<u>108,671</u>
Total assessed value	<u>1,704,259</u>	<u>1,719,667</u>	<u>1,682,850</u>	<u>1,696,383</u>	<u>1,593,820</u>	<u>1,651,856</u>	<u>1,658,172</u>	<u>1,651,971</u>	<u>1,639,490</u>	<u>1,508,729</u>
Debt limit (10% of total assessed value)	170,426	171,967	168,285	169,638	159,382	165,186	165,817	165,197	163,949	150,873
Debt applicable to limit										
General obligation bonds	17,720	12,020	6,425	605	16,585	16,310	16,579	12,276	7,120	2,110
Less amount set aside for repayment of general obligation debt	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net debt applicable to limit	<u>17,713</u>	<u>12,013</u>	<u>6,418</u>	<u>598</u>	<u>16,585</u>	<u>16,310</u>	<u>16,579</u>	<u>12,276</u>	<u>7,120</u>	<u>2,110</u>
Legal debt margin	<u>\$ 152,713</u>	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>	<u>\$ 149,238</u>	<u>\$ 152,921</u>	<u>\$ 156,829</u>	<u>\$ 148,763</u>

**NOTES**

Under State of Georgia law, the City of Albany's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

The legal debt margin is the difference between the debt limit and the City's net general obligation debt outstanding applicable to the limit, and represents the City's legal borrowing authority.



# CITY OF ALBANY, GEORGIA

## PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS JUNE 30, 2017

Fiscal Year	Water, Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 15,722,157	\$ 8,266,328	\$ 7,455,829	\$ 2,440,000	\$ 1,732,081	1.79
2009	15,247,206	9,116,960	6,130,246	2,525,000	1,632,087	1.47
2010	14,787,711	9,597,229	5,190,482	2,620,000	1,581,234	1.24
2011	15,633,183	8,428,403	7,204,780	2,260,000	1,296,950	2.03
2012	15,648,637	8,897,425	6,751,212	2,745,000	1,204,413	1.71
2013	132,612,979	106,301,246	26,311,733	3,970,000	1,045,428	5.25
2014	139,614,025	109,790,886	29,823,139	7,085,000	1,313,021	3.55
2015	24,653,467	16,250,850	8,402,617	4,455,000	1,023,688	1.53
2016	26,051,295	16,718,819	9,332,476	4,635,000	849,507	1.70
2017	27,327,241	19,125,526	8,201,715	4,800,000	656,493	1.50

**NOTES**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Water/Sewer Charges and Other includes investment earnings.

Operating expenses do not include depreciation and amortization.

The increase in 2013 is due to the City changing the reporting entity to include Water, Gas and Light, which had been previously reported as a discretely presented component unit.

The decrease in 2015 is due to the City separating Water, Gas and Light into individual funds. The above amounts include only those funds with bonded obligations.

# CITY OF ALBANY, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS JUNE 30, 2017

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<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Formal Schooling (1)</u>	<u>School Enrollment (2)</u>	<u>(%) Unemployment Rate (3)</u>
2008	75,825	\$ 1,707,958	\$ 22,525 (1)	33.5	12.5	16,436	4.9
2009	75,831	1,783,014	23,513 (1)	33.1	12.5	16,222	7.5
2010	75,616	1,495,533	19,778 (1)	31.1	12.5	15,960	9.8
2011	77,434	1,530,948	19,771 (1)	31.4	12.0	15,628	10.8
2012	77,434	1,392,341	17,981 (1)	31.5	12.0	15,765	10.1
2013	77,431	1,680,098	21,698 (1)	31.4	12.6	15,676	10.2
2014	76,185	1,457,114	19,126 (1)	31.1	12.8	15,439	8.4
2015	75,769	1,522,351	20,092 (1)	31.4	12.8	15,157	7.8
2016	74,843	1,601,116	21,393 (1)	31.4	12.7	15,001	6.5
2017	73,801	1,578,825	21,393 (1)	31.4	12.7	14,818	6.1

**SOURCES**

- (1) Bureau of Census, Bureau of Economic Analysis - Per Capita from deptofnumbers.com - USA.com for Education Level
- (2) Georgia Department of Education website
- (3) Bureau of Labor Statistics/State of Georgia - Department of Human Resources

**CITY OF ALBANY, GEORGIA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**JUNE 30, 2017**

Employer (1)	Fiscal Year 2017			Fiscal Year 2008		
	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Phoebe Putney Health System	4,367	1	6.98 %	3,500	1	5.39 %
USMC Logistic Base (Civilian)	4,300	2	6.88	3,081	2	4.75
Dougherty County Board of Education	2,675	3	4.28	2,880	3	4.44
City of Albany	1,172	4	1.87	1,210	6	1.86
Albany State University and Darton College	1,144	5	1.83	650	9	1.00
Proctor and Gamble	996	6	1.59	1,300	4	2.00
Dougherty County	652	7	1.04	722	7	1.11
Teleperformance USA (Formerly CallTech Communications)	529	8	0.85			
MillerCoors	575	9	0.92	650	8	1.00
Thrush Aircraft	288	10	0.46			
Cooper Tire & Rubber Company				1,290	5	1.99
Merck & Company	-		-	519	10	0.80
Totals	<u>16,698</u>		<u>26.70 %</u>	<u>15,802</u>		<u>24.34 %</u>
Average number of employees (2)	<u>62,530</u>			<u>64,920</u>		

**SOURCES**

(1) Albany Chamber of Commerce / Economic Development Commission

(2) Bureau of Labor Statistics

2008 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.

For Fiscal Year 2008, Albany State University (ASU) had not combined with Darton College, therefore number of employees reflected were at ASU only.

# CITY OF ALBANY, GEORGIA

## FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS JUNE 30, 2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	145	147	152	154	147	147	136	141	165	165
Judicial	12	12	12	12	12	12	12	14	17	17
Public safety	466	466	484	470	479	479	478	480	463	463
Public works	42	36	45	45	45	45	49	80	63	60
Parks and recreation	60	63	63	63	63	63	55	55	52	52
Community development	12	12	12	12	12	12	15	13	12	12
Sanitary sewer	68	68	59	61	60	60	68	61	61	61
Solid waste	49	49	49	49	49	49	45	43	34	34
Airport	17	17	17	17	17	17	15	15	11	11
Transit	30	30	30	30	30	30	32	33	32	32
Civic Center	17	17	17	17	16	16	16	16	13	13
Auditorium	-	-	-	-	-	-	-	-	-	-
Albany Utility Board	299	305	300	295	295	286	251	233	252	252
	<u>1,217</u>	<u>1,222</u>	<u>1,240</u>	<u>1,225</u>	<u>1,225</u>	<u>1,216</u>	<u>1,172</u>	<u>1,184</u>	<u>1,175</u>	<u>1,172</u>

**SOURCE**

City of Albany Finance Department

**CITY OF ALBANY, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2017**

Function	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sanitary sewer										
Average daily treatment (thousands of gallons)	15,958	16,369	17,477	14,675	14,128	15,799	17,476	16,305	17,300	13,856
Airport										
Daily flights	4	3	3	3	3	3	3	3	3	3
Enplaned passengers	40,835	35,128	33,164	35,218	35,770	34,665	32,305	34,977	35,066	3,775
Deplaned passengers	39,226	34,499	32,668	33,805	34,617	33,682	31,888	34,018	34,040	36,983
Based aircraft	38	39	39	35	32	30	29	30	32	34
Police										
Citations issued	11,082	N/A	N/A	N/A	N/A	10,564	10,827	12,365	18,399	18,969
DUI citations issued	153	N/A	N/A	N/A	N/A	138	37	74	119	213
Warnings issued	3,151	N/A	N/A	N/A	N/A	2,974	3,121	4,139	10,222	10,376
Crime statistics:										
Aggravated assault	389	573	465	459	476	532	536	603	555	466
Auto theft	298	347	317	225	240	188	193	168	156	147
Murder	11	8	11	15	7	7	6	13	13	20
Rape	33	44	37	36	28	27	26	28	30	24
Robbery	207	247	230	168	205	193	186	167	207	113
Burglary	1,520	1,450	1,663	1,382	1,382	1,252	1,391	1,121	1,070	864
Theft	3,615	3,049	3,265	3,002	3,360	3,328	3,005	2,706	2,558	2,090
Fire										
Incident responses	3,511	2,234	3,588	4,017	3,673	3,465	3,392	3,529	3,834	4,704
Public Safety Education										
Events	103	1,264	172	228	205	553	161	207	226	191
Persons contacted	6,022	3,579	9,441	18,632	37,103	42,019	20,138	20,960	26,400	22,318

**SOURCE**

Various City departments.

**CITY OF ALBANY, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2017**

Function	Fiscal Year Ended June 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Public Safety											
Police											
Fleet size	170	170	171	171	171	165	219	211	222	181	
Fire stations	11	11	11	11	11	11	11	11	11	11	
Public Works											
Miles of streets	559	559	559	559	559	597	597	575	571	571	
Number of street lights	11,247	11,247	11,247	11,247	11,279	11,285	11,285	11,285	11,295	11,295	
Culture and Recreation											
Park acreage	400	400	400	400	400	400	400	400	400	400	
Parks	75	75	75	75	75	75	75	75	75	75	
Golf course	1	1	1	1	1	1	1	1	1	1	
Swimming pools	1	1	1	1	1	1	1	1	2	2	
Tennis courts	7	7	7	7	7	7	7	7	7	7	
Sewerage System											
Miles of sanitary sewer	350	350	350	350	350	350	351	351	351	351	
Miles of storm sewer	400	400	400	400	400	400	400	400	400	400	
Number of treatment plants	1	1	1	1	1	1	1	1	1	1	

**SOURCE**

Various City departments.

**NOTE**

Capital asset indicators are not available for the general government function.

**SINGLE AUDIT SECTION**

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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***

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**To the Honorable Mayor and Members  
of the City Commission  
City of Albany, Georgia**

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 governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Albany, Georgia (the "City") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Albany, Georgia's basic financial statements and have issued our report thereon dated December 22, 2017.

**Internal Control Over Financial Reporting**

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



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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 entity'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

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**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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 22, 2017



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**To the Honorable Mayor and Members  
of the City Commission  
City of Albany, Georgia**

**Report on Compliance for Each Major Federal Program**

We have audited the City of Albany, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Albany, Georgia's major federal programs for the fiscal year ended June 30, 2017. The City of Albany, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Albany, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above.

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We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Albany, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Albany, Georgia's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Albany, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2017.

**Report on Internal Control Over Compliance**

Management of the City of Albany, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

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In planning and performing our audit of compliance, we considered the City of Albany, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Albany, Georgia's internal control over compliance.

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

---

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 22, 2017

# CITY OF ALBANY, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Transportation</b>				
<b>Passed through State of Georgia</b>				
Federal Transit-Capital Investment Grants	20.500	T004480	\$ 36,892	\$ -
Federal Transit-Capital Investment Grants	20.500	T004894	318,271	-
Federal Transit-Capital Investment Grants	20.500	T005304	1,323,446	-
Federal Transit-Capital Investment Grants	20.500	T005498	628,226	-
Federal Transit-Capital Investment Grants	20.500	T004792	651,007	-
Federal Transit-Urban Transit Operating Assistance	20.507	T005830	409,269	-
Total Federal Transit Cluster			3,367,111	-
Federal Transit-Urban Transit Capital Assistance	20.509	T005830	968,913	-
Highway Planning and Construction Cluster	20.205	PL000-0012-00(100)	66,569	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GA-2016-002-02	81,771	-
Total U.S. Department of Transportation			4,484,364	-
<b>Federal Aviation Administration</b>				
<b>Direct Awards</b>				
Airport Improvement Program	20.106	3-13-0002-043-2013	41,975	-
Airport Improvement Program	20.106	3-13-0002-043-2016	127,494	-
Total Federal Aviation Administration			169,469	-
<b>U.S. Department of Interior</b>				
<b>Direct Awards</b>				
2015 Historic Preservation Fund CLG Survey & Planning Grant	15.904	N/A	1,658	-
Total U.S. Department of Interior			1,658	-

(Continued)

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Awards</b>				
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-13-0001	\$ 231,680	\$ -
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-13-0001	3,804	-
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-13-0001	701,427	146,873
Total CDBG - Entitlement Grants Cluster			936,911	146,873
HUD-Home Partnership Investment Title II Program	14.239	M-12-MC-13-0205	100	-
HUD-Home Partnership Investment Title II Program	14.239	M-13-MC-13-0205	23,982	-
HUD-Home Partnership Investment Title II Program	14.239	M-14-MC-13-0205	20,415	-
HUD-Home Partnership Investment Title II Program	14.239	M-15-MC-13-0205	167,575	-
HUD-Home Partnership Investment Title II Program	14.239	M-16-MC-13-0205	134,453	-
Total HUD-Home Partnership Investment Title II Program			346,525	-
<b>Passed-Through State of Georgia</b>				
Supportive Housing Program	14.235	2016 16E ER 16C012	62,447	-
Total Supportive Housing Program			62,447	-
Total U.S. Department of Housing and Urban Development			1,345,883	146,873
<b>U.S. Environmental Protection Agency</b>				
<b>Passed-Through Georgia Environmental Finance Authority</b>				
Capitalization Grant for Drinking Water State Revolving Fund	66.468	DWSRF 13-015 FY16	1,095,137	-
Capitalization Grant for Drinking Water State Revolving Fund	66.468	DWSRF 13-015 FY17	229,871	-
Total U.S. Environmental Protection Agency			1,325,008	-
<b>(Continued)</b>				



**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Justice</b>				
<b>Direct Awards</b>				
Bullet Proof Vest Partnership Program	16.607	2003-BU-BX-6439	\$ 17,588	\$ -
2014 Justice Assistance Grant	16.738	2014-DJ-BX-0927	19,998	
2016 Justice Assistance Grant	16.738	2016-DJ-BX-1043	26,388	-
			<u>46,386</u>	<u>-</u>
Total U.S. Department of Justice			<u>63,974</u>	<u>-</u>
<b>U.S. Department of Commerce</b>				
<b>Passed-Through State of Georgia</b>				
Economic Development Cluster - Economic Adjustment Assistance	11.307	N/A	612,947	-
Total U.S. Department of Commerce			<u>612,947</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>				
<b>Direct Awards</b>				
Emergency Management Performance Grants	97.042	OEM16-049	28,820	-
Disaster Grants - Public Assistance	97.036	N/A	10,108,418	
2015 GEMA Bomb Dog Grant	97.067	EMW-2015-SS-00065-S01	1,236	-
2016 GEMA Bomb Dog Grant	97.067	EMW-2016-SS-00007-S01	845	-
Total GEMA Bomb Dog Grant			<u>2,081</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>10,139,319</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 18,142,622</u>	<u>\$ 146,873</u>

See Notes to Schedule of Expenditures of Federal Awards

# CITY OF ALBANY, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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**NOTE 1. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes the federal grant activity of the City of Albany, Georgia (the "City") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2. MEASUREMENT FOCUS**

The determination of when an award is expended is based on when the activity related to the award occurred.

**NOTE 3. DE MINIMIS INDIRECT COST RATE**

The City chose not to use the ten percent de minimis cost rate for the year ended June 30, 2017.

**NOTE 4. LOANS OUTSTANDING**

The City previously used funds available under the EDA Program (Federal CFDA #11.307) to provide low-interest loans to eligible persons. Principal payments received are used to make additional loans as part of the revolving loan program. Disbursements of such loans are included as expenditures in the accompanying schedule of expenditures of federal awards in the year of disbursement. The outstanding balance of revolving loans under the EDA Program at June 30, 2017 is \$439,911.

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**SECTION I**  
**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

**Federal Awards**

Internal Control over major programs: Material weaknesses identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs	Unmodified

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**SECTION I**  
**SUMMARY OF AUDITOR'S RESULTS (Continued)**

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  yes  no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Funds
97.036	Disaster Grants – Public Assistance
20.509	Section 5311 – Formula Grants for Rural Areas
20.500, 20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

None reported

**SECTION III**  
**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported

**CITY OF ALBANY, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**2016 - 001. Management of Accounts Receivable**

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the City should review all revenue transactions to determine reporting in the proper period.

Condition: The City did not properly adjust accounts receivable for federal grants in the Airport Fund as of June 30, 2016.

Status: This finding was corrected during the fiscal year ended June 30, 2017.

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