

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Prepared by:

Derrick L. Brown  
Finance Director

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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## INTRODUCTORY SECTION

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

December 26, 2018

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, 2018. 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, 2018. 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 2017 Census, the population of Albany was estimated at 73,179.<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, municipal auditorium, 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 has been delayed by two devastating tornadoes in January 2017 and Hurricane Irma in September 2017. This severely impacted many individuals, businesses, and the City itself, especially the Storm Water and Light Funds. 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 adopted 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 \$425,00 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 2018 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 his 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-six consecutive fiscal years from 1991 to 2017. 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.

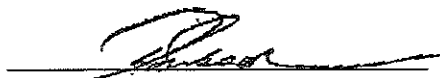
In addition, the City received the GFOA Distinguished Budget Award for the twenty-sixth consecutive year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

## **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,

A handwritten signature in black ink, appearing to read "Sharon D. Subadan", written over a horizontal line.

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

A handwritten signature in black ink, appearing to read "Derrick L. Brown", written over a horizontal line.

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, 2017**

*Christopher P. Morrill*

Executive Director/CEO



**CITY OF ALBANY, GEORGIA**

**PRINCIPAL OFFICIALS**

**JUNE 30, 2018**

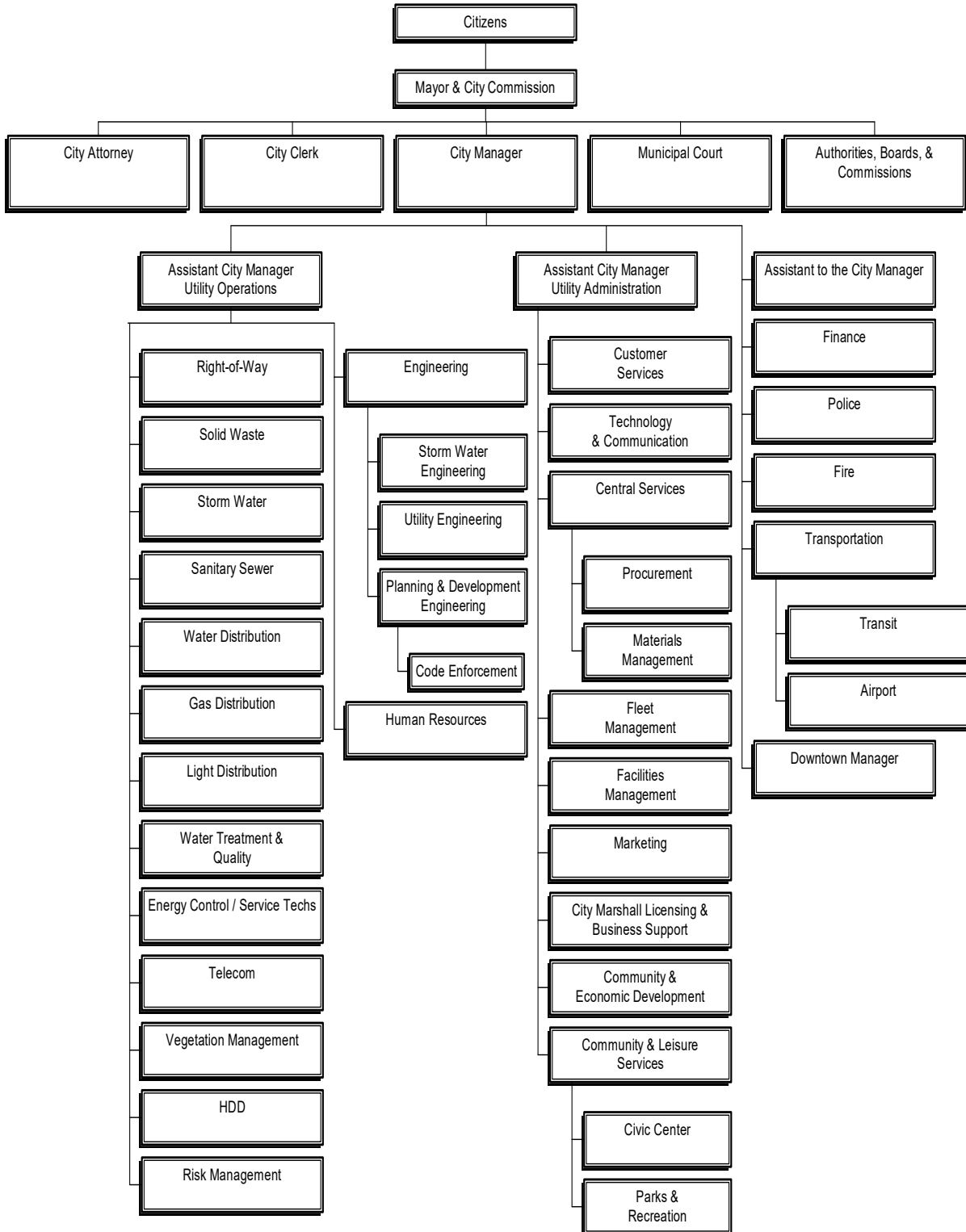
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**ELECTED**

<b>Dorothy Hubbard</b>	<b>At Large</b>	<b>Mayor</b>
<b>Jon B. Howard</b>	<b>Ward I</b>	<b>Commissioner</b>
<b>Matt Fuller</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>Commissioner</b>
<b>Robert B. Langstaff, Jr.</b>	<b>Ward V</b>	<b>Mayor Pro Tem / 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>



## **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, 2018, 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, 2018, 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.

### ***Emphasis of Matter***

As discussed in Notes 14 and 15, the City of Albany, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the City of Albany, Georgia's net other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

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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 Schedule of Changes in the City's Total OPEB Liability and Related Ratios (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 26, 2018, 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.

Macon, Georgia  
December 26, 2018

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

**CITY OF ALBANY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2018**

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 \$362,775,977. Of this amount, \$54,031,387 (14.9%) 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 \$221,216,238. This represented an increase of \$9,360,730 (4.4%) 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 \$141,559,739. This represented an increase of \$8,459,739 (6.4%) 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 \$32,472,650 as of June 30, 2018. Of this amount, \$31,482,500 (97.0%) was unassigned.
- ❑ The General Fund had revenues of \$49,940,357 for the current fiscal year. Of this amount, \$15,893,833 (31.8%) was from property taxes, \$10,277,462 (20.6%) was from other taxes, and \$9,271,522 (18.6%) was from sales taxes.



## Debt Obligations

- Long-term debt obligations from primary governmental activities increased \$4,317,236 (4.6%) from \$94,691,721 at June 30, 2017, to \$99,008,957 at June 30, 2018.
- Long-term debt obligations from business type activities increased \$1,338,853 (2.7%), from \$49,523,100 at June 30, 2017, to \$50,861,953 at June 30, 2018.

## 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 Gas.

The City maintains eleven (11) non-major proprietary funds. Five (5) of the nonmajor proprietary funds are enterprise funds (Transit, Civic Center, Solid Waste, Storm Water, and Telecommunications). These four 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 six (6) non-major proprietary funds are internal service funds (Self-Administered Insurance Fund, Public Employees’ Group Health Plan (PEGHP) Fund, Workers’ Compensation Fund, R3M Fund, Utility Internal Service Fund, and the Fleet Management 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 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, 2017 and June 30, 2018, 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 \$362,775,977 as of June 30, 2018.

As shown on Table 1, the largest portion of the City's net position, \$274.2 million (75.6%), 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, \$34.5 million (9.5%), 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 \$54 million (14.9%) 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, 2018, 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**

<b>CITY OF ALBANY</b>						
<b>Statement of Net Position - Primary Government</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Current and Other Assets	\$ 139,777,811	\$ 129,930,073	\$ 84,380,491	\$ 75,928,115	\$ 224,158,302	\$ 205,858,188
Capital Assets	100,382,414	102,453,530	190,978,665	193,852,423	291,361,079	296,305,953
<b>TOTAL ASSETS</b>	<b>240,160,225</b>	<b>232,383,603</b>	<b>275,359,156</b>	<b>269,780,538</b>	<b>515,519,381</b>	<b>502,164,141</b>
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>17,849,606</b>	<b>11,721,532</b>	<b>10,196,325</b>	<b>6,934,284</b>	<b>28,045,931</b>	<b>18,655,816</b>
Current and Other Liabilities	19,211,428	15,194,251	20,353,535	23,627,110	39,564,963	38,821,361
Long-Term Liabilities	95,250,975	91,099,172	43,985,708	41,232,204	139,236,683	132,331,376
<b>TOTAL LIABILITIES</b>	<b>114,462,403</b>	<b>106,293,423</b>	<b>64,339,243</b>	<b>64,859,314</b>	<b>178,801,646</b>	<b>171,152,737</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>1,987,689</b>	<b>4,711,743</b>	<b>-</b>	<b>-</b>	<b>1,987,689</b>	<b>4,711,743</b>
Net Investment in Capital Assets	96,269,861	97,680,943	177,969,653	176,006,160	274,239,514	273,687,103
Restricted	25,715,167	22,747,421	8,789,909	9,068,681	34,505,076	31,816,102
Unrestricted	19,574,711	12,671,605	34,456,676	26,780,667	54,031,387	39,452,272
<b>TOTAL NET POSITION</b>	<b>\$ 141,559,739</b>	<b>\$ 133,099,969</b>	<b>\$ 221,216,238</b>	<b>\$ 211,855,508</b>	<b>\$ 362,775,977</b>	<b>\$ 344,955,477</b>

In Table 1(a), the 2018 Statement of Net Position is compared to the results for the prior fiscal year. In Table 2(a), the 2017 and 2018 Statement of Activities for the primary government is compared. Revenues decreased by \$20 million from 2017 to 2018, the total expenses for the same period decreased by \$18.8 million.

**TABLE 1 (a)**

**CITY OF ALBANY**  
**Comparison of Net Position for Primary Government**  
**Fiscal Years 2018 and 2017**

	<b>Total Primary Government FY 2018</b>	<b>Total Primary Government FY 2017</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 224,158,302	\$ 205,858,188	\$ 18,300,114
Capital Assets	291,361,079	296,305,953	(4,944,874)
<b>TOTAL ASSETS</b>	<b>515,519,381</b>	<b>502,164,141</b>	<b>13,355,240</b>
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>28,045,931</b>	<b>18,655,816</b>	<b>9,390,115</b>
Current and Other Liabilities	39,564,963	38,821,361	743,602
Long-Term Liabilities	139,236,683	132,331,376	6,905,307
<b>TOTAL LIABILITIES</b>	<b>178,801,646</b>	<b>171,152,737</b>	<b>7,648,909</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>1,987,689</b>	<b>4,711,743</b>	<b>(2,724,054)</b>
Net Investment in Capital Assets	274,239,514	273,687,103	552,411
Restricted	34,505,076	31,816,102	2,688,974
Unrestricted	54,031,387	39,452,272	14,579,115
<b>TOTAL NET POSITION</b>	<b>\$ 362,775,977</b>	<b>\$ 344,955,477</b>	<b>\$ 17,820,500</b>

**TABLE 2**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
<b>Revenues:</b>						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,973,497	\$ 6,405,018	\$ 171,332,413	\$ 169,051,310	\$ 178,305,910	\$ 175,456,328
Operating Grants and Contributions	12,963,827	13,183,329	2,638,205	15,709,353	15,602,032	28,892,682
Capital Grants and Contributions	11,476,443	23,981,989	3,149,058	965,708	14,625,501	24,947,697
<u>General Revenues:</u>						
Property taxes	16,202,550	16,085,219	-	-	16,202,550	16,085,219
Sales taxes	9,271,522	9,399,871	-	-	9,271,522	9,399,871
Other taxes	12,547,925	12,483,351	-	-	12,547,925	12,483,351
Investment income	55,045	38,620	193,372	63,633	248,417	102,253
Gain (loss) on sale or disposal of capital assets	-	-	113,944	120,068	113,944	120,068
<b>TOTAL REVENUES</b>	<b>69,490,809</b>	<b>81,577,397</b>	<b>177,426,992</b>	<b>185,910,072</b>	<b>246,917,801</b>	<b>267,487,469</b>
<b>Expenses:</b>						
General government	10,182,547	13,907,384	-	-	10,182,547	13,907,384
Judicial	1,207,165	1,150,395	-	-	1,207,165	1,150,395
Public safety	34,632,491	36,615,202	-	-	34,632,491	36,615,202
Public works	11,225,072	9,360,884	-	-	11,225,072	9,360,884
Parks and recreation	7,473,268	7,578,570	-	-	7,473,268	7,578,570
Community development	6,301,517	6,812,076	-	-	6,301,517	6,812,076
Community service	495,647	493,093	-	-	495,647	493,093
Interest on long-term debt	627,757	682,044	-	-	627,757	682,044
Sewer	-	-	12,874,269	13,478,400	12,874,269	13,478,400
Solid waste	-	-	11,290,932	10,079,015	11,290,932	10,079,015
Airport	-	-	3,993,128	3,635,803	3,993,128	3,635,803
Water	-	-	11,156,709	11,350,093	11,156,709	11,350,093
Gas	-	-	14,822,635	15,726,147	14,822,635	15,726,147
Light	-	-	86,150,688	95,011,447	86,150,688	95,011,447
Telecommunication	-	-	2,973,103	3,212,149	2,973,103	3,212,149
Transit	-	-	6,416,909	4,074,127	6,416,909	4,074,127
Storm water	-	-	5,791,487	13,389,437	5,791,487	13,389,437
Civic Center	-	-	1,481,977	1,885,441	1,481,977	1,885,441
<b>TOTAL EXPENSES</b>	<b>72,145,464</b>	<b>76,599,648</b>	<b>156,951,837</b>	<b>171,842,059</b>	<b>229,097,301</b>	<b>248,441,707</b>
<b>Increase (Decrease) Before Transfers</b>	<b>(2,654,655)</b>	<b>4,977,749</b>	<b>20,475,155</b>	<b>14,068,013</b>	<b>17,820,500</b>	<b>19,045,762</b>
Transfers	11,114,425	10,379,677	(11,114,425)	(10,379,677)	-	-
<b>CHANGE IN NET POSITION</b>	<b>8,459,770</b>	<b>15,357,426</b>	<b>9,360,730</b>	<b>3,688,336</b>	<b>17,820,500</b>	<b>19,045,762</b>
<b>Net Position - Beg. Of Year, Restated</b>	<b>133,099,969</b>	<b>117,742,543</b>	<b>211,855,508</b>	<b>208,167,172</b>	<b>344,955,477</b>	<b>325,909,715</b>
<b>Net Position - End Of Year</b>	<b>\$ 141,559,739</b>	<b>\$ 133,099,969</b>	<b>\$ 221,216,238</b>	<b>\$ 211,855,508</b>	<b>\$ 362,775,977</b>	<b>\$ 344,955,477</b>

TABLE 2 (a)

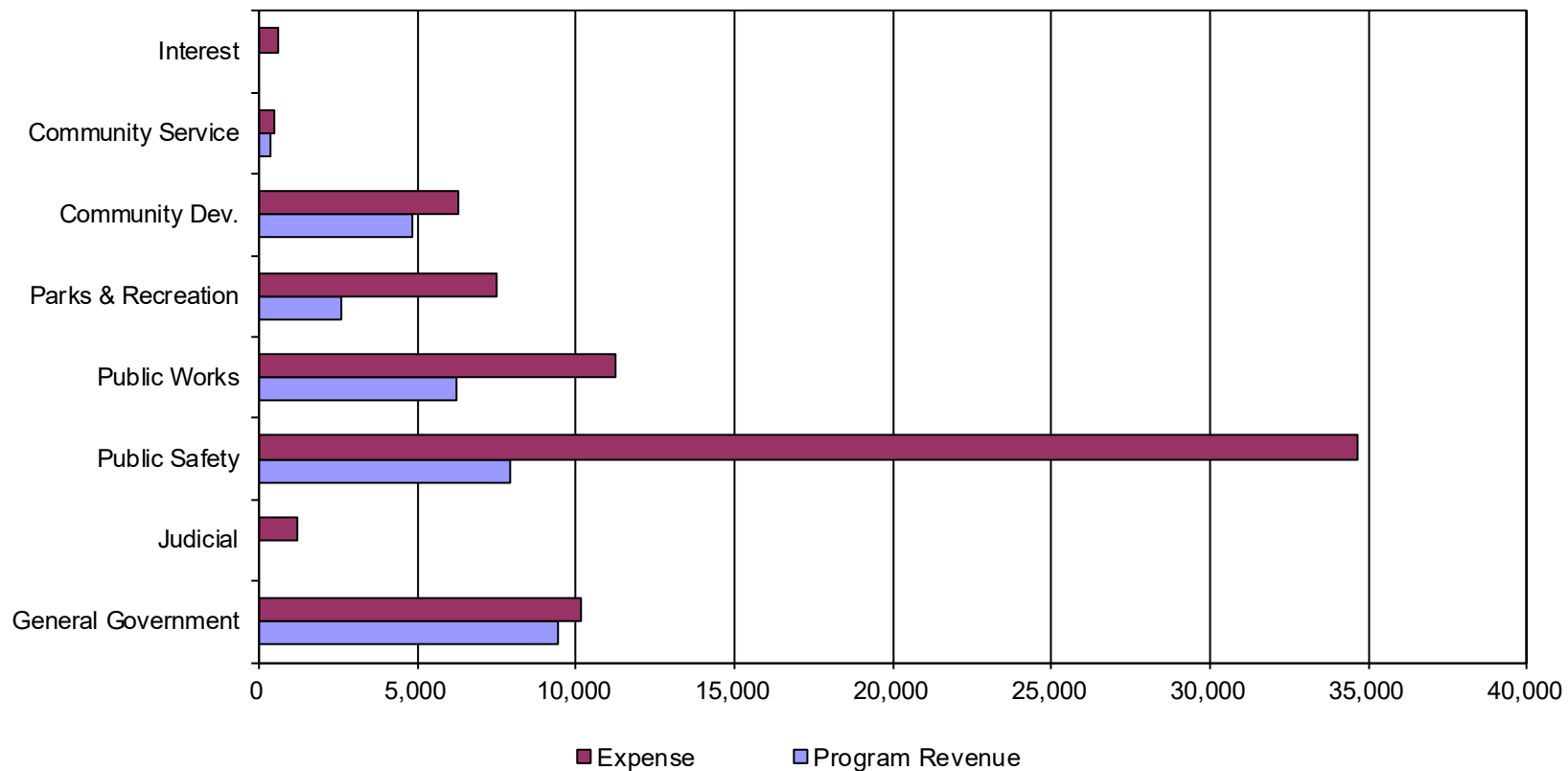
**CITY OF ALBANY**  
**Comparison of Statement of Activities for Primary Government**  
**Fiscal Years 2018 and 2017**

	<b>Total Primary Government Activities - 2018</b>	<b>Total Primary Government Activities - 2017</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
<u>Program Revenues:</u>			
Charges for Services	\$ 178,305,910	\$ 175,456,328	\$ 2,849,582
Operating Grants and Contributions	15,602,032	28,892,682	(13,290,650)
Capital Grants and Contributions	14,625,501	24,947,697	(10,322,196)
<u>General Revenues:</u>			
Property taxes	16,202,550	16,085,219	117,331
Sales taxes	9,271,522	9,399,871	(128,349)
Other taxes	12,547,925	12,483,351	64,574
Investment income	248,417	102,253	146,164
Gain (loss) on sale or disposal of capital assets	113,944	120,068	(6,124)
<b>TOTAL REVENUES</b>	<b>246,917,801</b>	<b>267,487,469</b>	<b>(20,569,668)</b>
<u>Expenses:</u>			
General government	10,182,547	13,907,384	(3,724,837)
Judicial	1,207,165	1,150,395	56,770
Public safety	34,632,491	36,615,202	(1,982,711)
Public works	11,225,072	9,360,884	1,864,188
Parks and recreation	7,473,268	7,578,570	(105,302)
Community development	6,301,517	6,812,076	(510,559)
Community service	495,647	493,093	2,554
Interest on long-term debt	627,757	682,044	(54,287)
Sewer	12,874,269	13,478,400	(604,131)
Solid waste	11,290,932	10,079,015	1,211,917
Airport	3,993,128	3,635,803	357,325
Water	11,156,709	11,350,093	(193,384)
Gas	14,822,635	15,726,147	(903,512)
Light	86,150,688	95,011,447	(8,860,759)
Telecommunication	2,973,103	3,212,149	(239,046)
Transit	6,416,909	4,074,127	2,342,782
Storm water	5,791,487	13,389,437	(7,597,950)
Civic Center	1,481,977	1,885,441	(403,464)
<b>TOTAL EXPENSES</b>	<b>229,097,301</b>	<b>248,441,707</b>	<b>(19,344,406)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 17,820,500</b>	<b>\$ 19,045,762</b>	<b>\$ (1,225,262)</b>

## Governmental Activities

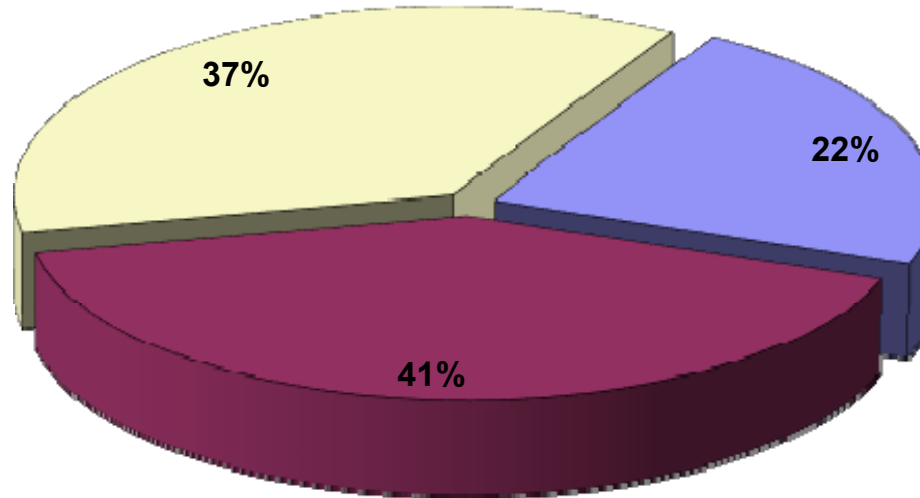
Governmental Activities increased the City of Albany's net position by \$8,459,770. Revenues from governmental activities totaled \$69,490,809; with operating grants (18.7%), capital grants and contributions (16.5%), property taxes (23.3%), other taxes (18.1%), sales taxes (13.3%), and charges for services (10.0%) contributing to the City's revenues. Expenses for governmental activities were \$72,145,464, of which 43.6% was supported from program revenues and 52.8% from general revenues. Expenses for Public Safety (48.0%), General Government (14.1%), Public Works Admin & Streets (15.6%) make-up 77.7% of the total expense for governmental activities.

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





## Governmental Activities - Breakout of Program Revenue



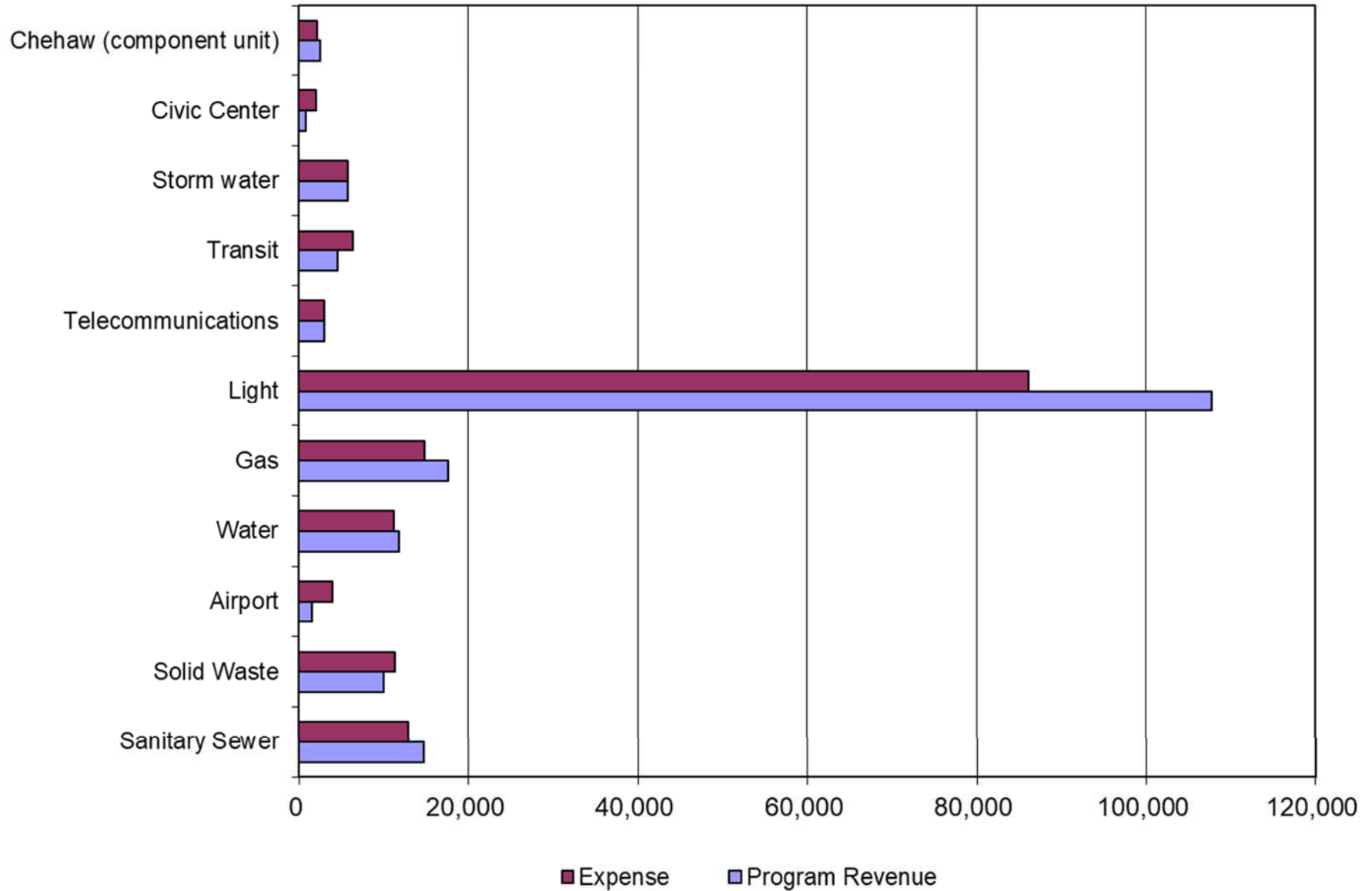
- Charges for Services
- Operating Grants and Contributions
- Capital Grants and Contributions

### Business-type Activities

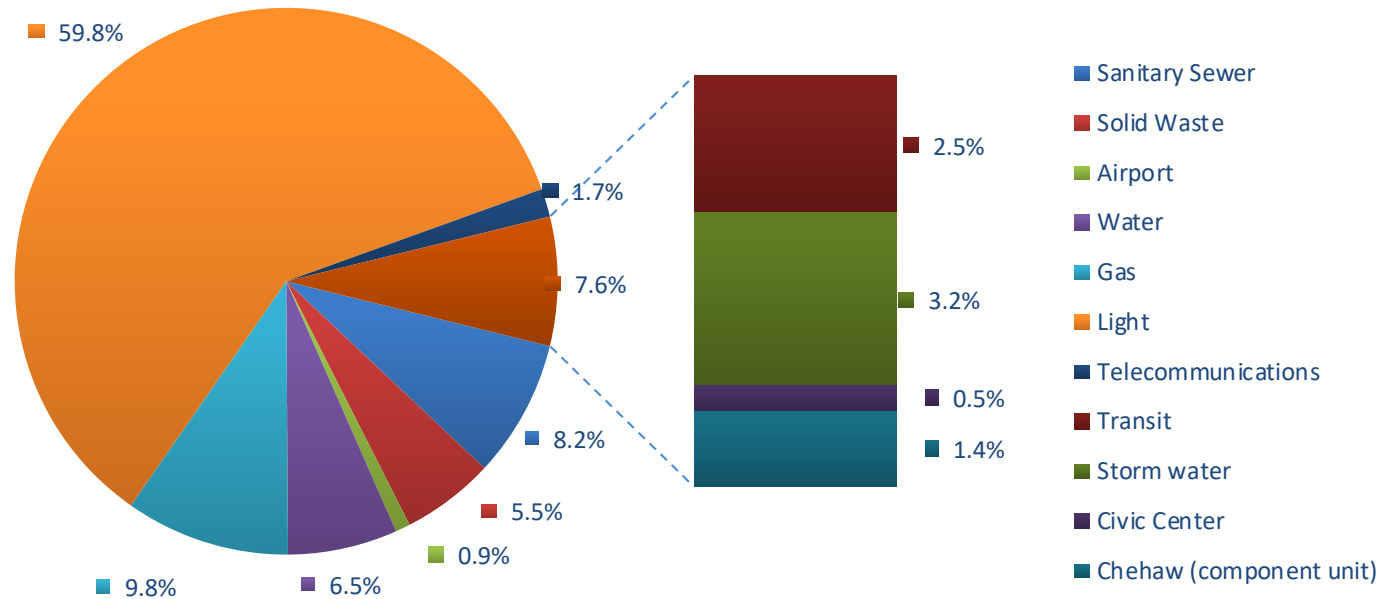
Business-type activities increased the City of Albany's net assets by \$9,360,730. As of June 30, 2018, total business-type net assets were \$221,216,238 of which \$177,969,653 was invested in capital assets; \$8,789,909 was restricted; and \$34,456,676 was unrestricted.

Revenues totaled \$178,010,345 with 99.8% of revenues coming from Program Revenues. (See chart "Business-Type Activities – Breakout by Revenues"). Total expenses were \$157,535,190. The largest expenses were Light (54.7%) and Gas (9.4%).

### 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 \$109,049,115 an increase of \$6,863,952 in comparison from the prior year. 27.1% (\$29,507,073) constituted unassigned fund balance, which is available for spending at the government's discretion. The remaining 72.9% of the fund balance (\$79,556,945) is divided as follows: \$137,298 is non-spendable due to being in a form such as, inventory or prepaid items; \$35,131,441 is legally restricted by an outside authority or a legal agreement, such as SPLOST or loans; and a combined total of \$44,273,303 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, 2018, the *unassigned* fund balance in the general fund was \$31,482,500; the total fund balance was \$32,472,650, an increase of \$2,216,464 compared to 2017.

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 57.2% of the total general fund expenditures, while total fund balance represents 57.5% of that same amount. When *transfers out* are added to *expenditures*, the available fund balance represents 48.5% of expenditures plus transfers, while the total fund balance represents 48.7% of this amount.

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

Transfers in From Other funds (\$18,834,043) represent transfers from the Hotel/Motel Tax, Sewer, Storm Water, Solid Waste, Water, Gas, Telecommunications, and Light Funds.

Funding for component units (\$912,000) 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, DDA, Public Improvement, and Sewer Funds.

During the fiscal year ended June 30, 2018, the City's General Fund balance increased by \$2,216,464. The following contributed to the change:

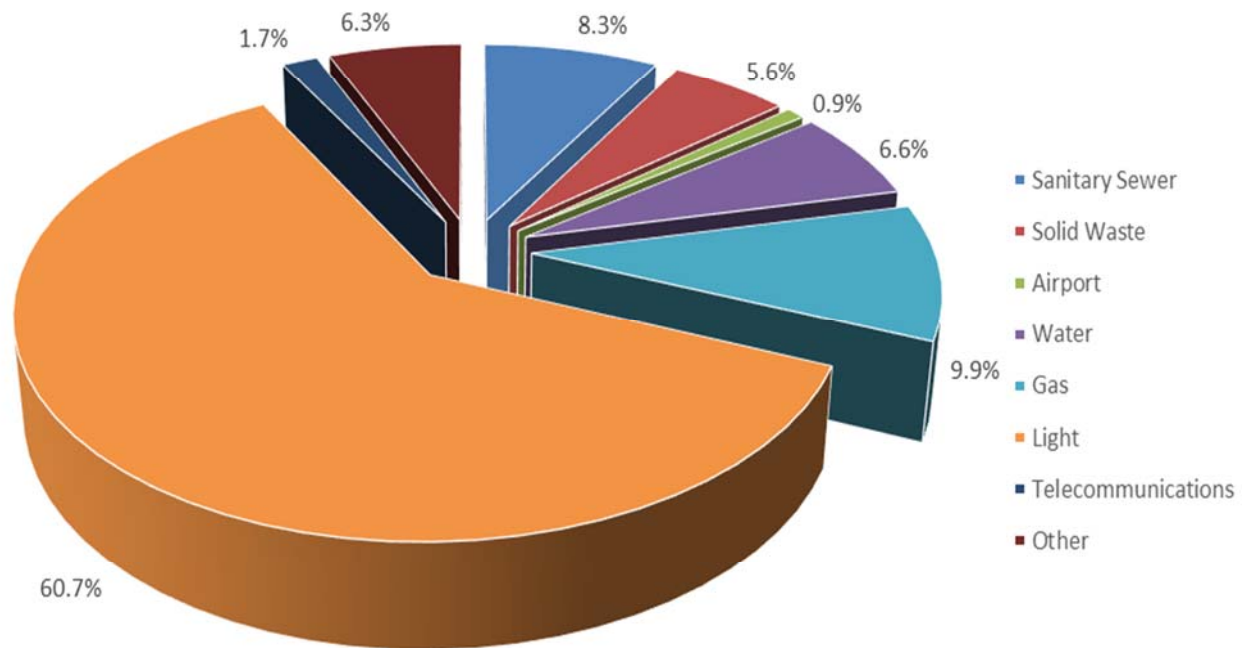
- Actual revenues were \$736,086 under budget, while expenditures were \$4,516,301 under budget.
- The General Fund transferred \$1 Million into the R3M Fund for the future building needs that do not meet capital threshold.
- The General Fund transferred \$1 Million into the Capital Improvement Fund for the future repayment of capital needs.
- The General Fund transferred \$1 Million into the Sewer Fund to reduce their interfund receivable.

During the fiscal year ended June 30, 2018, the City's Community Development and SPLOST Fund balances decreased by \$394,092 and increased by \$3,553,355, 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, 2018, the proprietary funds had total operating revenues of \$177.7 million. Based on revenues, the largest proprietary fund is the Light Fund (60.7%) followed by the Gas Fund (9.9%). 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 \$9,360,730 representing an 4.4% increase from the prior year's adjusted net position balance of \$211,855,508. The net change was the result of the following:

	<u><b>Change in Net Position</b></u>
Sanitary Sewer Fund	\$ 856,942
Airport Fund	(1,194,683)
Water Fund	78,829
Light Fund	7,801,697
Gas Fund	1,375,178
Non-major Enterprise Funds	1,211,793
GASB 34 Adjustment - Internal Service Funds	(769,026)
<b>Total Change in Net Position</b>	<u><u><b>\$ 9,360,730</b></u></u>

The Light Fund received a large MEAG refund during fiscal year 2018 in the amount of \$3 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 \$1.2 million. The power supply costs came in over \$5 million under budget due to the decrease on consumption and the off-system sales.

**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 1.5% under the budgeted amount due to sale tax revenue that continues to decline and *unrealized* losses on investments. The City’s expenditures were 7.4% 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, 2018**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 16,023,684	\$ 16,023,684	\$ 15,893,833	\$ (129,851)
Sales taxes	9,584,718	9,584,718	9,271,522	(313,196)
Other taxes	9,987,890	9,987,890	10,277,462	289,572
Licenses and permits	1,089,086	1,089,085	889,910	(199,175)
Intergovernmental	12,013,527	12,013,527	11,888,198	(125,329)
Charges for services	316,157	316,157	339,865	23,708
Fines and forfeitures	1,526,005	1,526,005	1,163,545	(362,460)
Interest income	-	-	(912,380)	(912,380)
Other	135,376	135,376	1,128,402	993,026
<b>TOTAL REVENUES</b>	<b>\$ 50,676,443</b>	<b>\$ 50,676,442</b>	<b>\$ 49,940,357</b>	<b>\$ (736,085)</b>
<b>Expenditures:</b>				
General government	12,097,241	12,097,241	10,627,987	1,469,254
Judicial	1,354,021	1,354,021	1,205,406	148,615
Public safety	33,260,187	33,260,187	31,774,546	1,485,641
Public works	6,235,396	6,235,396	6,097,887	137,509
Parks and recreation	7,579,858	7,579,858	6,310,929	1,268,929
Community svc(Subsidized agencies)	502,000	502,000	495,647	6,353
<b>TOTAL EXPENDITURES</b>	<b>\$ 61,028,703</b>	<b>\$ 61,028,703</b>	<b>\$ 56,512,402</b>	<b>\$ 4,516,301</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, 2018, amounts to \$291,364,082, (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**

**CITY OF ALBANY**  
**Capital Assets (Net of Depreciation)**  
**June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets not being depreciated:			
Land	\$ 15,738,532	\$ 14,294,298	\$ 30,032,830
Construction in Progress	2,048,355	8,987,746	11,036,101
<b>Total assets not depreciated</b>	<b>17,786,887</b>	<b>23,282,044</b>	<b>41,068,931</b>
Capital assets being depreciated:			
Buildings and improvements	76,104,447	145,264,183	221,368,630
Equipment and vehicles	26,087,285	59,694,629	85,781,914
Infrastructure	86,388,996	160,053,004	246,442,000
<b>Total assets depreciated</b>	<b>188,580,728</b>	<b>365,011,816</b>	<b>553,592,544</b>
Less accumulated depreciation:			
Buildings and improvements	30,024,742	75,142,236	105,166,978
Equipment and vehicles	18,926,733	42,139,641	61,066,374
Infrastructure	57,030,723	80,033,318	137,064,041
<b>Total accumulated depreciation</b>	<b>105,982,198</b>	<b>197,315,195</b>	<b>303,297,393</b>
<b>Total assets depreciated, net</b>	<b>82,598,530</b>	<b>167,696,621</b>	<b>250,295,151</b>
<b>Capital assets, net</b>	<b>\$ 100,385,417</b>	<b>\$ 190,978,665</b>	<b>\$ 291,364,082</b>



**Long-term Debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is \$149.9 million – an increase of \$5.6 million over the previous year. Of this amount, \$10.6 million is due within one year. Net Pension Liability (56.7%), OPEB Liabilities (19.9%), Certificates of Participation (6.7%) and Revenue Bonds (8.6%) make up \$137.6 Million of the total. The remaining \$12.2 million is comprised of notes payable, general obligation bonds, 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, 2018**

	Balance at June 30, 2018	Percentage of Total	Due Within One Year
<b><u>Governmental Activities</u></b>			
Bonds payable	\$ 1,830,000	1.2%	\$ 280,000
Notes payable	1,725,000	1.2%	300,000
Certificates of participation	10,000,000	6.7%	-
OPEB Liability	29,754,318	19.9%	-
Net pension liability	52,168,548	34.8%	-
Compensated absences	<u>3,531,091</u>	2.4%	<u>3,177,982</u>
Governmental long-term liabilities	<u>\$ 99,008,957</u>		<u>\$ 3,757,982</u>
<b><u>Business-Type Activities</u></b>			
Bonds Payable:			
Revenue bonds	\$ 12,920,000		\$ 4,660,000
Add deferred amounts Unamoritized premium	<u>12,680</u>		<u>-</u>
Total bonds payable	12,932,680	8.6%	4,660,000
Notes payable	1,584,156	1.1%	76,332
Manufactured gas plant	1,198,524	0.8%	-
Net pension liability	32,769,190	21.9%	-
Compensated absences	<u>2,377,403</u>	1.6%	<u>2,139,913</u>
Business-Type long-term liabilities	<u>50,861,953</u>		<u>6,876,245</u>
<b>Total primary government liabilities</b>	<u>\$ 149,870,910</u>		<u>\$ 10,634,227</u>

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.

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 adopted a five-year strategic plan and updated 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, 2018

	Primary Government			Component Unit Chehaw Park Authority
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 34,804,864	\$ 31,676,309	\$ 66,481,173	\$ 51,890
Investments	76,338,991	20,186,342	96,525,333	-
Taxes receivable	312,294	-	312,294	-
Accounts receivable, net of allowances	2,070,910	26,055,859	28,126,769	115,274
Notes receivable	8,938,321	-	8,938,321	-
Inventories	127,319	3,911,359	4,038,678	7,877
Internal balances	11,873,923	(11,873,923)	-	-
Due from other governments	3,283,521	5,634,636	8,918,157	-
Due from component unit	30,000	-	30,000	-
Prepaid expenses	9,979	-	9,979	-
Restricted assets:				
Investments	-	8,789,909	8,789,909	-
Fair value of interest rate swap agreement	1,987,689	-	1,987,689	-
Capital assets:				
Non-depreciable	17,786,887	23,282,044	41,068,931	2,797,684
Depreciable, net of accumulated depreciation	82,595,527	167,696,621	250,292,148	6,026,300
Total assets	240,160,225	275,359,156	515,519,381	8,999,025
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	58,396	85,476	143,872	-
Differences between expected and actual experience of economic/demographic (gains)/losses	1,535,076	964,244	2,499,320	-
Net difference between projected and actual earnings on pension plan investments - Pension	2,449,218	1,538,452	3,987,670	-
Change in assumptions	7,503,218	4,716,133	12,219,351	-
Net difference between projected and actual earnings on pension plan investments - OPEB	1,694,739	-	1,694,739	-
City contributions subsequent to the measurement date	4,608,959	2,892,020	7,500,979	-
Total deferred outflows of resources	17,849,606	10,196,325	28,045,931	-

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>LIABILITIES</b>				
Accounts payable	\$ 7,577,305	\$ 9,032,695	\$ 16,610,000	\$ 209,494
Retainage payable	32,223	-	32,223	-
Accrued expenses	2,735,393	646,804	3,382,197	52,444
Claims payable	4,710,931	-	4,710,931	-
Due to primary government	-	-	-	30,000
Due to other governments	61,649	-	61,649	-
Unearned revenues	335,945	1,268,589	1,604,534	-
Line of credit	-	-	-	64,003
Advance payments and customer deposits	-	39,382	39,382	18,579
Payable from restricted assets:				
Current maturities of long-term debt	-	4,660,000	4,660,000	-
Customer deposits	-	2,489,820	2,489,820	-
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	1,550,000	8,272,680	9,822,680	-
Notes payable, due within one year	300,000	76,332	376,332	-
Notes payable, due in more than one year	1,425,000	1,507,824	2,932,824	-
Compensated absences payable, due within one year	3,177,982	2,139,913	5,317,895	-
Compensated absences payable, due in more than one year	353,109	237,490	590,599	-
Other long-term liabilities - manufactured gas plant	-	1,198,524	1,198,524	-
Other long-term liabilities - net pension liability	52,168,548	32,769,190	84,937,738	-
Other long-term liabilities - OPEB	29,754,318	-	29,754,318	-
Total liabilities	114,462,403	64,339,243	178,801,646	374,520

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2018

	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	\$ 1,987,689	\$ -	\$ 1,987,689	\$ -
Total deferred inflows of resources	1,987,689	-	1,987,689	-
<b>NET POSITION</b>				
Net investment in capital assets	96,269,861	177,969,653	274,239,514	8,823,984
Restricted for:				
Federal programs	2,444,875	-	2,444,875	-
Public safety	12,599	-	12,599	-
Gortatowsky endowment	52,167	-	52,167	-
Capital projects	23,205,526	-	23,205,526	-
Debt service	-	8,789,909	8,789,909	-
Unrestricted (deficit)	19,574,711	34,456,676	54,031,387	(199,479)
Total net position	\$ 141,559,739	\$ 221,216,238	\$ 362,775,977	\$ 8,624,505

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

# CITY OF ALBANY, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Unit Chehaw Park Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
General government	\$ 10,182,547	\$ 1,968,719	\$ 7,353,015	\$ 109,678	\$ (751,135)	\$ -	\$ (751,135)	\$ -
Judicial	1,207,165	-	-	-	(1,207,165)	-	(1,207,165)	-
Public safety	34,632,491	2,596,832	4,375,397	973,049	(26,687,213)	-	(26,687,213)	-
Public works	11,225,072	1,113,623	346,896	4,778,252	(4,986,301)	-	(4,986,301)	-
Parks and recreation	7,473,268	221,683	180,700	2,225,216	(4,845,669)	-	(4,845,669)	-
Community development	6,301,517	1,072,640	668,547	3,088,668	(1,471,662)	-	(1,471,662)	-
Community service	495,647	-	39,272	301,580	(154,795)	-	(154,795)	-
Interest on long-term debt	627,757	-	-	-	(627,757)	-	(627,757)	-
Total governmental activities	<u>72,145,464</u>	<u>6,973,497</u>	<u>12,963,827</u>	<u>11,476,443</u>	<u>(40,731,697)</u>	<u>-</u>	<u>(40,731,697)</u>	<u>-</u>
<b>Business-type Activities:</b>								
Sanitary sewer	12,874,269	14,681,041	-	28,220	-	1,834,992	1,834,992	-
Solid waste	11,290,932	9,958,217	-	-	-	(1,332,715)	(1,332,715)	-
Airport	3,993,128	1,070,668	-	492,618	-	(2,429,842)	(2,429,842)	-
Water	11,156,709	11,768,730	-	-	-	612,021	612,021	-
Gas	14,822,635	17,661,084	-	-	-	2,838,449	2,838,449	-
Light	86,150,688	107,846,750	-	-	-	21,696,062	21,696,062	-
Telecommunication	2,973,103	2,996,914	-	-	-	23,811	23,811	-
Transit	6,416,909	810,498	1,110,723	2,622,234	-	(1,873,454)	(1,873,454)	-
Storm water	5,791,487	4,267,102	1,527,482	-	-	3,097	3,097	-
Civic center	1,481,977	271,409	-	5,986	-	(1,204,582)	(1,204,582)	-
Total business-type activities	<u>156,951,838</u>	<u>171,332,413</u>	<u>2,638,205</u>	<u>3,149,058</u>	<u>-</u>	<u>20,167,838</u>	<u>20,167,838</u>	<u>-</u>
Total primary government	<u>\$ 229,097,302</u>	<u>\$ 178,305,910</u>	<u>\$ 15,602,032</u>	<u>\$ 14,625,501</u>	<u>(40,731,697)</u>	<u>20,167,838</u>	<u>(20,563,859)</u>	<u>-</u>
<b>Component Unit:</b>								
Chehaw Park Authority	<u>\$ 2,194,217</u>	<u>\$ 1,128,542</u>	<u>\$ 1,402,929</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,254</u>
Total component unit	<u>\$ 2,194,217</u>	<u>\$ 1,128,542</u>	<u>\$ 1,402,929</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,254</u>
<b>General revenues:</b>								
					16,202,550	-	16,202,550	-
					9,271,522	-	9,271,522	-
					1,675,797	-	1,675,797	-
					1,660,169	-	1,660,169	-
					5,146,339	-	5,146,339	-
					1,310,153	-	1,310,153	-
					2,270,461	-	2,270,461	-
					485,006	-	485,006	-
					55,045	193,373	248,418	-
					-	113,944	113,944	6,955
					11,114,425	(11,114,425)	-	-
					<u>49,191,467</u>	<u>(10,807,108)</u>	<u>38,384,359</u>	<u>6,955</u>
					8,459,770	9,360,730	17,820,500	344,209
					133,099,969	211,855,508	344,955,477	8,280,296
					<u>\$ 141,559,739</u>	<u>\$ 221,216,238</u>	<u>\$ 362,775,977</u>	<u>\$ 8,624,505</u>

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

# CITY OF ALBANY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2018

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,202,281	\$ 2,541,760	\$ -	\$ 18,657,395	\$ 597,522	\$ 29,998,958
Investments	14,007,222	-	21,961,125	15,705,034	19,345,336	71,018,717
Receivables, net of allowance:						
Taxes	312,260	-	-	-	34	312,294
Accounts	1,107,724	106,961	-	-	377,992	1,592,677
Notes	-	8,938,321	-	-	-	8,938,321
Due from other funds	18,037,913	-	1,750,000	-	1,000,000	20,787,913
Due from other governments	1,978,549	245,453	-	893,966	165,553	3,283,521
Due from component units	30,000	-	-	-	-	30,000
Inventories	127,319	-	-	-	-	127,319
Prepaid items	9,979	-	-	-	-	9,979
Total assets	<u>\$ 43,813,247</u>	<u>\$ 11,832,495</u>	<u>\$ 23,711,125</u>	<u>\$ 35,256,395</u>	<u>\$ 21,486,437</u>	<u>\$ 136,099,699</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 2,590,629	\$ 196,146	\$ -	\$ 2,573,039	\$ 1,189,464	\$ 6,549,278
Accrued liabilities	2,574,430	142,002	-	-	-	2,716,432
Retainage payable	-	-	-	32,223	-	32,223
Due to other funds	5,799,978	111,151	-	29,333	2,476,274	8,416,736
Due to other governments	61,649	-	-	-	-	61,649
Unearned revenues	313,911	8,938,321	-	-	22,034	9,274,266
Total liabilities	<u>11,340,597</u>	<u>9,387,620</u>	<u>-</u>	<u>2,634,595</u>	<u>3,687,772</u>	<u>27,050,584</u>

(Continued)



# CITY OF ALBANY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2018

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	\$ 127,319	\$ -	\$ -	\$ -	\$ -	\$ 127,319
Prepaid items	9,979	-	-	-	-	9,979
Restricted						
Federal programs	-	2,444,875	-	-	-	2,444,875
Public safety	12,599	-	-	-	-	12,599
Gortatowsky endowment	-	-	-	-	52,167	52,167
Capital projects	-	-	-	32,621,800	-	32,621,800
Committed						
Inner city development	-	-	23,711,125	-	90,275	23,801,400
Capital projects	-	-	-	-	19,631,650	19,631,650
Assigned						
City cemetery	630,297	-	-	-	-	630,297
Keep Albany-Dougherty Beautiful	209,956	-	-	-	-	209,956
Unassigned	31,482,500	-	-	-	(1,975,427)	29,507,073
Total fund balances	32,472,650	2,444,875	23,711,125	32,621,800	17,798,665	109,049,115
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,813,247	\$ 11,832,495	\$ 23,711,125	\$ 35,256,395	\$ 21,486,437	

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.	100,382,414
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	8,938,321
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	17,764,248
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.	4,307,778
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(46,800,974)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(52,081,163)
Net position of governmental activities	\$ 141,559,739

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, 2018

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Job Investment Fund</u>	<u>SPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Property taxes	\$ 15,893,833	\$ -	\$ -	\$ -	\$ 308,718	\$ 16,202,551
Sales taxes	9,271,522	-	-	-	-	9,271,522
Other taxes	10,277,462	-	-	-	2,270,461	12,547,923
Licenses and permits	889,910	-	-	-	-	889,910
Intergovernmental	11,888,198	2,308,708	-	9,424,351	479,127	24,100,384
Charges for services	339,865	650,053	-	-	1,382,146	2,372,064
Fines and forfeitures	1,163,545	-	-	-	-	1,163,545
Investment income (loss)	(912,380)	1,108	130,704	339,885	739,637	298,954
Other	1,128,402	1,044,333	-	996,245	10,090	3,179,070
Total revenues	<u>49,940,357</u>	<u>4,004,202</u>	<u>130,704</u>	<u>10,760,481</u>	<u>5,190,179</u>	<u>70,025,923</u>
<b>Expenditures:</b>						
Current:						
General government	10,627,987	-	-	-	-	10,627,987
Judicial	1,205,406	-	-	-	-	1,205,406
Public safety	31,774,546	-	-	-	2,162,021	33,936,567
Public works	6,097,887	-	-	-	57,681	6,155,568
Parks and recreation	6,310,929	-	-	-	-	6,310,929
Community development	-	4,060,468	401,854	-	1,754,270	6,216,592
Community service	495,647	-	-	-	-	495,647
Capital outlay	-	-	-	7,207,126	2,145,219	9,352,345
Debt service:						
Principal	-	300,000	-	-	280,000	580,000
Interest	-	38,211	-	-	570,593	608,804
Total expenditures	<u>56,512,402</u>	<u>4,398,679</u>	<u>401,854</u>	<u>7,207,126</u>	<u>6,969,784</u>	<u>75,489,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,572,045)</u>	<u>(394,477)</u>	<u>(271,150)</u>	<u>3,553,355</u>	<u>(1,779,605)</u>	<u>(5,463,922)</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	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	\$ 77,707	\$ 385	\$ -	\$ -	\$ -	\$ 78,092
Transfers in	18,834,043	-	1,298,914	-	4,285,527	24,418,484
Transfers out	(10,123,241)	-	-	-	(2,045,461)	(12,168,702)
Total other financing sources, net	8,788,509	385	1,298,914	-	2,240,066	12,327,874
 Net change in fund balances	2,216,464	(394,092)	1,027,764	3,553,355	460,461	6,863,952
<b>Fund balances, beginning of year</b>	30,256,186	2,838,967	22,683,361	29,068,445	17,338,204	102,185,163
<b>Fund balances, end of year</b>	\$ 32,472,650	\$ 2,444,875	\$ 23,711,125	\$ 32,621,800	\$ 17,798,665	\$ 109,049,115

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, 2018**

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

Net change in fund balances - total governmental funds	\$ 6,863,952
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.	(242,878)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	(1,828,238)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(631,092)
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.	562,693
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.	1,253,890
Internal service funds are used by management to charge the costs of insurance to individual funds.	2,385,465
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>95,978</u>
Change in net position of governmental activities	<u><u>\$ 8,459,770</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, 2018**

	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	\$ 16,023,684	\$ 16,023,684	\$ 15,893,833	\$ (129,851)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	9,584,718	9,584,718	9,271,522	(313,196)	-	-	-	-	-	-	-
Other taxes	9,987,890	9,987,890	10,277,462	289,572	-	-	-	-	-	-	-
Licenses and permits	1,089,086	1,089,085	889,910	(199,175)	-	-	-	-	-	-	-
Intergovernmental	12,013,527	12,013,527	11,888,198	(125,329)	2,222,046	2,222,046	2,308,708	86,662	-	-	-
Charges for services	316,157	316,157	339,865	23,708	571,400	571,400	650,053	78,653	-	-	-
Fines and forfeitures	1,526,005	1,526,005	1,163,545	(362,460)	-	-	-	-	-	-	-
Investment income	-	-	(912,380)	(912,380)	-	-	1,108	1,108	-	130,704	130,704
Other	135,376	135,376	1,128,402	993,026	930,000	930,000	1,044,333	114,333	-	-	-
Total revenues	<u>50,676,443</u>	<u>50,676,442</u>	<u>49,940,357</u>	<u>(736,085)</u>	<u>3,723,446</u>	<u>3,723,446</u>	<u>4,004,202</u>	<u>280,756</u>	<u>-</u>	<u>130,704</u>	<u>130,704</u>
<b>Expenditures:</b>											
Current:											
General government:											
Legislative	743,975	743,975	720,224	23,751	-	-	-	-	-	-	-
Administrative	1,324,748	1,324,748	1,136,224	188,524	-	-	-	-	-	-	-
Human resources	2,028,811	2,028,811	1,759,316	269,495	-	-	-	-	-	-	-
Procurement and materials	545,722	545,722	532,081	13,641	-	-	-	-	-	-	-
Materials management	357,934	357,934	334,779	23,155	-	-	-	-	-	-	-
Finance	2,916,983	2,916,983	2,648,296	268,687	-	-	-	-	-	-	-
Treasury	293,150	293,150	276,936	16,214	-	-	-	-	-	-	-
Information technology	3,330,450	3,330,450	2,724,017	606,433	-	-	-	-	-	-	-
Risk management	555,468	555,468	496,114	59,354	-	-	-	-	-	-	-
Total general government	<u>12,097,241</u>	<u>12,097,241</u>	<u>10,627,987</u>	<u>1,469,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Judicial:											
Municipal court	742,106	742,106	692,319	49,787	-	-	-	-	-	-	-
City attorney	611,915	611,915	513,087	98,828	-	-	-	-	-	-	-
Total judicial	<u>1,354,021</u>	<u>1,354,021</u>	<u>1,205,406</u>	<u>148,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2018**

	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	\$ 17,688,822	\$ 17,688,822	\$ 16,617,529	\$ 1,071,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	13,950,474	13,950,474	13,556,230	394,244	-	-	-	-	-	-	-
Planning and development services	1,189,488	1,189,488	1,189,050	438	-	-	-	-	-	-	-
Marshal division	387,857	387,857	385,907	1,950	-	-	-	-	-	-	-
SWAT Team	43,546	43,546	25,830	17,716	-	-	-	-	-	-	-
Total public safety	33,260,187	33,260,187	31,774,546	1,485,641	-	-	-	-	-	-	-
Public works:											
Engineering	4,207,453	4,207,453	4,162,374	45,079	-	-	-	-	-	-	-
Code enforcement	1,163,579	1,163,579	1,071,278	92,301	-	-	-	-	-	-	-
Street maintenance	864,364	864,363	864,235	128	-	-	-	-	-	-	-
Total public works	6,235,396	6,235,395	6,097,887	137,508	-	-	-	-	-	-	-
Parks and recreation:											
Administration	594,345	586,670	432,215	154,455	-	-	-	-	-	-	-
Parks	3,461,402	3,452,167	2,990,803	461,364	-	-	-	-	-	-	-
Park development and management	2,880,555	2,879,965	2,255,361	624,604	-	-	-	-	-	-	-
Turner Golf Course	643,556	661,056	632,550	28,506	-	-	-	-	-	-	-
Total parks and recreation	7,579,858	7,579,858	6,310,929	1,268,929	-	-	-	-	-	-	-
Community development	-	-	-	-	4,222,603	4,730,148	4,060,468	669,680	1,411,481	401,854	1,009,627
Community service, various subsidized agencies	502,000	502,000	495,647	6,353	-	-	-	-	-	-	-
Debt service:											
Principal	-	-	-	-	300,000	300,000	300,000	-	-	-	-
Interest	-	-	-	-	38,211	38,211	38,211	-	-	-	-
Total expenditures	61,028,703	61,028,702	56,512,402	4,516,300	4,560,814	5,068,359	4,398,679	669,680	1,411,481	401,854	1,009,627
Excess (deficiency) of revenues over (under) expenditures	(10,352,260)	(10,352,260)	(6,572,045)	3,780,215	(837,368)	(1,344,913)	(394,477)	950,436	(1,411,481)	(271,150)	1,140,331

(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, 2018**

	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	\$ -	\$ -	\$ 77,707	\$ 77,707	\$ -	\$ -	\$ 385	\$ 385	\$ -	\$ -	\$ -
Appropriation of fund balance	-	-	-	-	837,368	1,344,913	-	(1,344,913)	-	-	-
Transfers in	17,517,109	17,517,109	18,834,043	1,316,934	-	-	-	-	1,411,481	1,298,914	(112,567)
Transfers out	(7,164,849)	(7,164,849)	(10,123,241)	(2,958,392)	-	-	-	-	-	-	-
Total other financing sources (uses)	10,352,260	10,352,260	8,788,509	(1,563,751)	837,368	1,344,913	385	(1,344,528)	1,411,481	1,298,914	(112,567)
Net change in fund balances	\$ -	\$ -	2,216,464	\$ 2,216,464	\$ -	\$ -	(394,092)	\$ (394,092)	\$ -	1,027,764	\$ 1,027,764
<b>Fund balance, beginning of year</b>			30,256,186				2,838,967			22,683,361	
<b>Fund balance, end of year</b>			<u>\$ 32,472,650</u>				<u>\$ 2,444,875</u>			<u>\$ 23,711,125</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, 2018

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash	\$ 3,274,815	\$ 1,212,404	\$ 3,075,925	\$ 18,145,421	\$ 2,352,109	\$ 2,554,879	\$ 30,615,553	\$ 5,866,662
Investments	2,986,151	-	1,573,676	8,595,543	2,057,977	1,429,029	16,642,376	8,864,240
Restricted investments	8,789,909	-	-	-	-	-	8,789,909	-
Accounts receivable, net of allowances	2,077,687	193,084	1,583,616	17,558,217	1,394,364	2,257,150	25,064,118	1,469,974
Inventories	26,359	-	561,002	2,225,451	182,477	336,474	3,331,763	579,596
Due from other governments	-	-	-	-	48,733	5,585,903	5,634,636	-
Due from other funds	-	246,941	-	-	-	518,458	765,399	2,466,439
Total current assets	<u>17,154,921</u>	<u>1,652,429</u>	<u>6,794,219</u>	<u>46,524,632</u>	<u>6,035,660</u>	<u>12,681,893</u>	<u>90,843,754</u>	<u>19,246,911</u>
<b>NONCURRENT ASSETS</b>								
Capital assets:								
Non-depreciable	312,148	3,419,356	885,974	217,740	562,553	11,940,732	17,338,503	5,943,541
Depreciable, net of accumulated depreciation	44,234,007	33,306,583	24,553,117	22,238,785	3,420,431	38,155,031	165,907,954	1,788,667
Total noncurrent assets	<u>44,546,155</u>	<u>36,725,939</u>	<u>25,439,091</u>	<u>22,456,525</u>	<u>3,982,984</u>	<u>50,095,763</u>	<u>183,246,457</u>	<u>7,732,208</u>
Total assets	<u>61,701,076</u>	<u>38,378,368</u>	<u>32,233,310</u>	<u>68,981,157</u>	<u>10,018,644</u>	<u>62,777,656</u>	<u>274,090,211</u>	<u>26,979,119</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred charge on refunding	85,476	-	-	-	-	-	85,476	-
Differences between expected and actual experience of economic/demographic (gains)/losses	138,851	41,141	87,425	79,711	48,855	241,704	637,687	329,128
Net difference between projected and actual earnings on pension plan investments	221,537	65,641	139,486	127,179	77,948	385,638	1,017,429	525,126
Assumption changes	679,123	201,222	427,596	389,867	238,951	1,182,177	3,118,936	1,609,773
City contributions subsequent to the measurement date	416,451	123,393	262,210	239,074	146,529	724,932	1,912,589	987,143
Total deferred outflows of resources	<u>1,541,438</u>	<u>431,397</u>	<u>916,717</u>	<u>835,831</u>	<u>512,283</u>	<u>2,534,451</u>	<u>6,772,117</u>	<u>3,451,170</u>

(Continued)



# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2018

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Payable from current assets:								
Accounts payable	\$ 529,490	\$ 159,920	\$ 59,572	\$ 6,204,207	\$ 684,575	\$ 1,029,882	\$ 8,667,646	\$ 1,393,076
Accrued liabilities	177,409	-	16,188	-	-	-	193,597	453,207
Due to other funds	1,851,696	-	405,632	3,375,214	8,229	8,804,707	14,445,478	1,157,537
Claims payable	-	-	-	-	-	-	-	4,710,931
Current portion - notes payable	-	-	76,332	-	-	-	76,332	-
Current portion - compensated absences	282,816	47,965	167,554	246,790	122,452	391,286	1,258,863	881,050
Advance payments and customer deposits	-	-	-	-	-	39,382	39,382	-
Unearned revenue	-	1,212,404	-	-	-	56,185	1,268,589	-
	<u>2,841,411</u>	<u>1,420,289</u>	<u>725,278</u>	<u>9,826,211</u>	<u>815,256</u>	<u>10,321,442</u>	<u>25,949,887</u>	<u>8,595,801</u>
Payable from restricted assets:								
Revenue bonds payable, current	<u>3,165,000</u>	<u>-</u>	<u>1,495,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,660,000</u>	<u>-</u>
Total current liabilities	<u>6,006,411</u>	<u>1,420,289</u>	<u>2,220,278</u>	<u>9,826,211</u>	<u>815,256</u>	<u>10,321,442</u>	<u>30,609,887</u>	<u>8,595,801</u>
<b>NONCURRENT LIABILITIES</b>								
Revenue bonds payable, net of current portion	4,870,000	-	3,402,680	-	-	-	8,272,680	-
Compensated absences, net of current portion	31,239	5,237	18,617	27,421	13,606	43,476	139,596	97,894
Customer deposits	-	-	-	-	-	-	-	2,489,820
Notes payable	-	-	1,507,824	-	-	-	1,507,824	-
Other long-term liabilities	-	-	-	-	1,198,524	-	1,198,524	-
Net pension liability	4,718,763	1,398,152	2,971,073	2,708,920	1,660,306	8,214,144	21,671,358	11,185,217
Total long-term liabilities	<u>9,620,002</u>	<u>1,403,389</u>	<u>7,900,194</u>	<u>2,736,341</u>	<u>2,872,436</u>	<u>8,257,620</u>	<u>32,789,982</u>	<u>13,772,931</u>
Total liabilities	<u>15,626,413</u>	<u>2,823,678</u>	<u>10,120,472</u>	<u>12,562,552</u>	<u>3,687,692</u>	<u>18,579,062</u>	<u>63,399,869</u>	<u>22,368,732</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2018

	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>	<u>Water Fund</u>	<u>Light Fund</u>	<u>Gas Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>NET POSITION</b>								
Net investment in capital assets	\$ 36,511,155	\$ 36,725,939	\$ 20,465,079	\$ 22,456,525	\$ 3,982,984	\$ 50,095,763	\$ 170,237,445	\$ 7,732,208
Restricted for:								
Debt service	8,789,909	-	-	-	-	-	8,789,909	-
Unrestricted (deficit)	<u>2,315,037</u>	<u>(739,852)</u>	<u>2,564,476</u>	<u>34,797,911</u>	<u>2,860,251</u>	<u>(3,362,718)</u>	<u>38,435,105</u>	<u>329,349</u>
Total net position	<u>\$ 47,616,101</u>	<u>\$ 35,986,087</u>	<u>\$ 23,029,555</u>	<u>\$ 57,254,436</u>	<u>\$ 6,843,235</u>	<u>\$ 46,733,045</u>	217,462,459	<u>\$ 8,061,557</u>
							<u>3,753,779</u>	
							<u>\$ 221,216,238</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 JUNE 30, 2018

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>								
Charges for services	\$ 14,672,021	\$ 1,070,668	\$ 11,758,258	\$ 100,045,481	\$ 17,030,163	\$ 18,154,144	\$ 162,730,735	\$ 31,316,896
Other	9,020	-	10,472	7,801,269	630,921	149,996	8,601,678	1,035,655
Total operating revenues	<u>14,681,041</u>	<u>1,070,668</u>	<u>11,768,730</u>	<u>107,846,750</u>	<u>17,661,084</u>	<u>18,304,140</u>	<u>171,332,413</u>	<u>32,352,551</u>
<b>Operating expenses:</b>								
Personnel costs	4,087,012	1,332,059	2,171,376	3,044,844	1,267,389	7,532,580	19,435,260	10,731,321
General and administrative	-	-	-	-	-	-	-	3,829,276
Supplies	428,323	10,183	704,472	820,682	205,699	377,166	2,546,525	415,983
Operating services and charges	4,172,056	935,954	5,379,397	79,704,612	12,736,288	11,993,709	114,922,016	4,715,375
Maintenance and repairs	1,124,435	313,531	159,401	239,438	84,658	1,751,491	3,672,954	314,877
Depreciation and amortization	2,439,859	1,391,000	2,098,132	1,669,777	239,047	3,206,231	11,044,046	894,831
Claims and damages	-	-	-	-	-	-	-	13,397,708
Total operating expenses	<u>12,251,685</u>	<u>3,982,727</u>	<u>10,512,778</u>	<u>85,479,353</u>	<u>14,533,081</u>	<u>24,861,177</u>	<u>151,620,801</u>	<u>34,299,371</u>
Operating income (loss)	<u>2,429,356</u>	<u>(2,912,059)</u>	<u>1,255,952</u>	<u>22,367,397</u>	<u>3,128,003</u>	<u>(6,557,037)</u>	<u>19,711,612</u>	<u>(1,946,820)</u>
<b>Nonoperating revenues (expenses):</b>								
Investment income (loss)	(6,288)	2,498	15,718	86,971	31,651	24,809	155,359	134,335
Interest expense and fiscal charges	(354,819)	-	(230,472)	-	-	-	(585,291)	-
Intergovernmental - operating grants	-	-	-	-	-	2,638,205	2,638,205	-
Gain (loss) on sale of capital assets	-	50	35,489	38,321	3,691	(413,261)	(335,710)	35,849
Total nonoperating revenues (expenses)	<u>(361,107)</u>	<u>2,548</u>	<u>(179,265)</u>	<u>125,292</u>	<u>35,342</u>	<u>2,249,753</u>	<u>1,872,563</u>	<u>170,184</u>
Income (loss) before capital contributions and transfers	<u>2,068,249</u>	<u>(2,909,511)</u>	<u>1,076,687</u>	<u>22,492,689</u>	<u>3,163,345</u>	<u>(4,307,284)</u>	<u>21,584,175</u>	<u>(1,776,636)</u>
<b>Capital contributions</b>								
Intergovernmental - capital grants	-	492,618	-	-	-	2,511,434	3,004,052	-
Other capital contributions	189,734	-	-	28,518	-	189,965	408,217	872,143
Total capital contributions	<u>189,734</u>	<u>492,618</u>	<u>-</u>	<u>28,518</u>	<u>-</u>	<u>2,701,399</u>	<u>3,412,269</u>	<u>872,143</u>
<b>Transfers</b>								
Transfers in	1,000,000	1,222,210	-	-	-	4,376,244	6,598,454	2,616,906
Transfers out	(2,401,041)	-	(997,858)	(14,719,510)	(1,788,167)	(1,558,566)	(21,465,142)	-
Total transfers	<u>(1,401,041)</u>	<u>1,222,210</u>	<u>(997,858)</u>	<u>(14,719,510)</u>	<u>(1,788,167)</u>	<u>2,817,678</u>	<u>(14,866,688)</u>	<u>2,616,906</u>
Change in net position	856,942	(1,194,683)	78,829	7,801,697	1,375,178	1,211,793	10,129,756	1,712,413
<b>Net position, beginning of year</b>	<u>46,759,159</u>	<u>37,180,770</u>	<u>22,950,726</u>	<u>49,452,739</u>	<u>5,468,057</u>	<u>45,521,252</u>	<u>6,349,144</u>	<u>6,349,144</u>
<b>Net position, end of year</b>	<u>\$ 47,616,101</u>	<u>\$ 35,986,087</u>	<u>\$ 23,029,555</u>	<u>\$ 57,254,436</u>	<u>\$ 6,843,235</u>	<u>\$ 46,733,045</u>	<u>\$ 8,061,557</u>	<u>\$ 8,061,557</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds							(769,026)	
Change in net position of business-type activities							<u>\$ 9,360,730</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, 2018

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 14,788,830	\$ 1,125,571	\$ 11,838,363	\$ 104,827,454	\$ 17,642,762	\$ 18,039,058	\$ 168,262,038	\$ 12,831,964
Receipts from other funds	-	-	-	-	-	-	-	20,177,187
Payments to suppliers	(6,227,844)	(1,185,541)	(1,973,141)	(2,656,652)	(13,131,134)	(15,036,678)	(40,210,990)	(6,846,490)
Payments to employees	(3,634,909)	(1,103,385)	(6,120,441)	(79,405,609)	(1,339,103)	(9,859,840)	(101,463,287)	(8,908,783)
Claims paid	-	-	-	-	-	-	-	(13,949,001)
Premiums paid	-	-	-	-	-	-	-	(3,256,519)
Net cash provided by (used in) operating activities	<u>4,926,077</u>	<u>(1,163,355)</u>	<u>3,744,781</u>	<u>22,765,193</u>	<u>3,172,525</u>	<u>(6,857,460)</u>	<u>26,587,761</u>	<u>48,358</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers in	1,000,000	1,222,210	-	-	-	4,376,244	6,598,454	2,616,906
Transfers out	(2,401,041)	-	(997,858)	(14,719,510)	(1,788,167)	(1,530,508)	(21,437,084)	-
Payments for environmental remediation obligation	-	-	-	-	(37,649)	-	(37,649)	-
Operating grants received	-	-	-	5,631,002	-	2,638,205	8,269,207	-
Net cash provided by (used in) noncapital financing activities	<u>(1,401,041)</u>	<u>1,222,210</u>	<u>(997,858)</u>	<u>(9,088,508)</u>	<u>(1,825,816)</u>	<u>5,483,941</u>	<u>(6,607,072)</u>	<u>2,616,906</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets	(346,794)	(598,493)	(819,277)	(584,731)	(534,237)	(3,668,061)	(6,551,593)	(2,080,836)
Proceeds from note payable	-	-	-	-	-	-	-	-
Principal paid on bonds	(3,365,000)	-	(1,435,000)	-	-	-	(4,800,000)	-
Principal paid on notes payable	-	-	(75,271)	-	-	-	(75,271)	-
Interest paid	(433,591)	-	(250,029)	-	-	1,160,348	476,728	-
Advance from other funds	-	-	-	-	-	-	-	-
Capital grants received	-	492,618	-	-	-	2,511,434	3,004,052	-
Proceeds from sale of assets	-	51	35,488	44,027	3,691	352,917	436,174	38,849
Net cash provided by (used in) capital and related financing activities	<u>(4,145,385)</u>	<u>(105,824)</u>	<u>(2,544,089)</u>	<u>(540,704)</u>	<u>(530,546)</u>	<u>356,638</u>	<u>(7,509,910)</u>	<u>(2,041,987)</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sales of investments	\$ -	\$ -	\$ 1,004,174	\$ 5,484,876	\$ 1,313,210	\$ (933,851)	\$ 6,868,409	\$ (33,952)
Purchases of investments	(399,418)	-	(1,015,516)	(5,624,950)	(1,344,861)	911,873	(7,472,872)	-
Interest on investments	(6,288)	2,498	15,718	86,971	31,651	24,809	155,359	134,335
Net cash provided by (used in) investing activities	<u>(405,706)</u>	<u>2,498</u>	<u>4,376</u>	<u>(53,103)</u>	<u>-</u>	<u>2,831</u>	<u>(449,104)</u>	<u>100,383</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(1,026,055)	(44,471)	207,210	13,082,878	816,163	(1,014,050)	12,021,675	723,660
<b>Cash and cash equivalents:</b>								
Beginning of year	4,300,870	1,256,875	2,868,715	5,062,543	1,535,946	3,568,929	18,593,878	5,143,002
End of year	<u>\$ 3,274,815</u>	<u>\$ 1,212,404</u>	<u>\$ 3,075,925</u>	<u>\$ 18,145,421</u>	<u>\$ 2,352,109</u>	<u>\$ 2,554,879</u>	<u>\$ 30,615,553</u>	<u>\$ 5,866,662</u>
<b>Classified as:</b>								
Cash	\$ 3,274,815	\$ 1,212,404	\$ 3,075,925	\$ 18,145,421	\$ 2,352,109	\$ 2,554,879	\$ 30,615,553	\$ 5,866,662
	<u>\$ 3,274,815</u>	<u>\$ 1,212,404</u>	<u>\$ 3,075,925</u>	<u>\$ 18,145,421</u>	<u>\$ 2,352,109</u>	<u>\$ 2,554,879</u>	<u>\$ 30,615,553</u>	<u>\$ 5,866,662</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>								
Contributions of capital assets from outside sources	\$ 28,221	\$ -	\$ -	\$ -	\$ -	\$ 79,165	\$ 107,386	\$ -
Contributions of capital assets from governmental activities	161,513	-	-	28,518	-	110,800	300,831	872,143
Contributions of capital assets (to) from other proprietary funds	-	-	-	-	-	(28,058)	(28,058)	-
	<u>\$ 189,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,518</u>	<u>\$ -</u>	<u>\$ 161,907</u>	<u>\$ 380,159</u>	<u>\$ 872,143</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>								
<b>TO NET CASH PROVIDED BY (USED IN)</b>								
<b>OPERATING ACTIVITIES:</b>								
Operating income (loss)	\$ 2,429,356	\$ (2,912,059)	\$ 1,255,952	\$ 22,367,397	\$ 3,128,003	\$ (6,557,037)	\$ 19,711,612	\$ (1,946,820)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	2,439,859	1,391,000	2,098,132	1,669,777	239,047	3,206,231	11,044,046	894,831
Decrease in internal investment pool	-	-	-	-	-	-	-	948,644
(Increase) decrease in account receivable	107,789	(53,001)	69,633	(3,019,296)	(18,322)	(82,970)	(2,996,167)	(156,421)
(Increase) decrease in inventories	(2,600)	-	34,529	(40,278)	2,904	180,894	175,449	(579,596)
Decrease in other assets	-	-	-	-	-	-	-	88,114
Decrease in due from other governments	-	-	74,179	-	146,201	2,681,152	2,901,532	-
Increase in due from other funds	-	-	-	-	-	(125,103)	(125,103)	(440,343)
Increase in net difference between expected and actual experience of economic/demographic (gains)/loss	(37,918)	(14,479)	(20,771)	(26,388)	(5,054)	(36,029)	(140,639)	(117,740)
(Increase) decrease in contributions subsequent to the measurement date	(7,397)	(15,341)	7,920	(22,970)	30,985	108,612	101,809	(138,163)
Increase in assumption changes	(679,123)	(201,222)	(427,596)	(389,867)	(238,951)	(1,182,177)	(3,118,936)	(1,609,773)
Increase (decrease) in accounts payable and other liabilities	386,996	78,494	(71,681)	(133,126)	(56,392)	(1,795,230)	(1,590,939)	222,998
Decrease in retainage payable	(23,528)	-	-	-	-	-	(23,528)	-
Decrease in claims payable	-	-	-	-	-	-	-	(687,201)
Increase (decrease) in due to other funds	(863,898)	(42,964)	85,802	1,532,527	(197,202)	(4,260,621)	(3,746,356)	(135,623)
Increase (decrease) in unearned revenues	-	150,868	-	-	-	(57,009)	93,859	-
Increase in net pension liability	939,103	399,751	475,071	712,119	20,076	512,195	3,058,315	3,269,327
Increase in net difference between projected and actual earnings on pension plan investments	237,438	55,598	163,611	115,298	121,230	549,632	1,242,807	436,124
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 4,926,077</b>	<b>\$ (1,163,355)</b>	<b>\$ 3,744,781</b>	<b>\$ 22,765,193</b>	<b>\$ 3,172,525</b>	<b>\$ (6,857,460)</b>	<b>\$ 26,587,761</b>	<b>\$ 48,358</b>

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, 2018**

**ASSETS**

Cash	\$ 2,794,533
Investments at fair value:	
Equity securities	68,281,665
Government securities	10,731,869
Corporate bonds	21,159,096
Other	10,469,590
Total investments	110,642,220
 Interest receivable	 303,540
Total assets	113,740,293

**LIABILITIES**

Accounts payable	128
Total liabilities	128

**NET POSITION**

Restricted for pension benefits	\$ 113,740,165
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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, 2018**

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**ADDITIONS:**

Employer contributions	\$	7,496,114
Investment earnings		
Interest and dividends		3,341,389
Net increase in fair value of investments		<u>5,051,877</u>
		8,393,266
Less investment expense		<u>811,037</u>
Net investment loss		<u>7,582,229</u>
Total additions		<u>15,078,343</u>

**DEDUCTIONS:**

Benefit payments		14,494,953
Administrative expense		<u>24,867</u>
Total deductions		<u>14,519,820</u>

Change in net position		558,523
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<b>NET POSITION, BEGINNING OF YEAR</b>		<u>113,181,642</u>
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<b>NET POSITION, END OF YEAR</b>	\$	<u><u>113,740,165</u></u>
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The notes to the financial statements are an integral part of this statement.



# CITY OF ALBANY, GEORGIA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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 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 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, 2018

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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, 2018

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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, 2018

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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, 2018

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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 **Gas Fund** accounts for the gas 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, 2018

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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, 2018

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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, 2018

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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, 2018, there were no encumbrances outstanding.

The Tax Allocation District Fund reported deficit fund balance of \$1,975,427 at June 30, 2018. 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, 2018

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

#### F. Investments

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, 2018

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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. Donated works of art and similar items, as well as capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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, 2018.

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, 2018

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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, 2018

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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, 2018

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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, 2018

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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, 2018**

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

**P. Tax Abatement Agreements**

During the year ended June 30, 2017, the City implemented 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, 2018, 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	\$	(1,725,000)
Bonds payable		(1,830,000)
Unamortized refunding charge		58,396
Certificates of participation		(10,000,000)
Compensated absences		(3,531,091)
Other post-employment benefit obligation		(29,754,318)
Accrued interest payable		(18,961)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>		(46,800,974)
	\$	(46,800,974)



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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	\$ 4,596,383
Differences between expected and actual experience of economic/ demographic (gains)/losses	1,532,505
Difference in expected and actual earnings on investments - Pension	2,445,115
Assumption changes	7,495,506
Difference in expected and actual earnings on investments - OPEB	1,694,739
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 17,764,248

**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, 2018**

**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	\$ 4,551,191
Depreciation expense	(4,794,069)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (242,878)

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:

Transfers of capital assets to business-type activities	\$ (1,135,357)
Disposals of capital assets	(692,881)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (1,828,238)

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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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	\$ 280,000
Principal repayment - notes payable	300,000
Amortization of loss on defeasance of bonds	<u>(17,307)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 562,693</u></u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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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	\$ (188,746)
Accrued interest	(1,646)
Other post-employment benefit obligation	3,727,568
Change in net pension and related deferred inflows and outflows of resources	<u>(2,283,286)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 1,253,890</u></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, 2018

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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, 2018, 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, 2018**

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

The City has the following recurring fair value measurements at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. treasuries and agencies	\$ 42,105,608	\$ 44,167,580	\$ -	\$ 86,273,188
Mortgage backed securities	-	9,245,774	-	9,245,774
	<u>\$ 42,105,608</u>	<u>\$ 53,413,354</u>	<u>\$ -</u>	<u>95,518,962</u>
Investments recorded at cost:				
Guaranteed Investment Contract				9,796,274
				<u>\$ 105,315,236</u>

The City's pension plan has the following recurring fair value measurements at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. treasuries and agencies	\$ 4,151,325	\$ -	\$ -	\$ 4,151,325
Mortgage backed securities	-	7,412,588	-	7,412,588
Equity securities	62,107,318	-	-	62,107,318
Mutual funds	18,389,858	-	-	18,389,858
Corporate bonds	-	18,581,131	-	18,581,131
	<u>\$ 84,648,501</u>	<u>\$ 25,993,719</u>	<u>\$ -</u>	<u>\$ 110,642,220</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

At June 30, 2018, the City had the following investments (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)								Rating	
		Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	31 - 35		
Entity wide:											
Government securities	\$ 516	\$ -	\$ 516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	AAA
Government securities	56,495	8,646	37,672	10,177	-	-	-	-	-	-	AA+
Government securities	38,508	20,894	7,688	2,872	-	2,297	3,554	1,203	-	-	NR
Guaranteed Inv. Contract	9,796	-	-	9,796	-	-	-	-	-	-	AA-
	<u>105,315</u>	<u>29,540</u>	<u>45,876</u>	<u>22,845</u>	<u>-</u>	<u>2,297</u>	<u>3,554</u>	<u>1,203</u>	<u>-</u>	<u>-</u>	
Pension Trust Fund:											
Government securities	4,152	-	-	1,323	-	-	-	2,829	-	-	AAA
Common stock	59,729	-	-	-	-	-	-	-	-	-	N/A
Preferred stock	2,379	-	-	-	-	-	-	-	-	-	N/A
Mutual funds	18,390	-	-	-	-	-	-	-	-	-	N/A
Corporate bonds	658	-	-	-	-	-	658	-	-	-	A
Corporate bonds	962	-	962	-	-	-	-	-	-	-	A-
Corporate bonds	610	-	409	-	201	-	-	-	-	-	BBB+
Corporate bonds	2,343	1,003	855	-	-	485	-	-	-	-	BBB
Corporate bonds	955	-	321	634	-	-	-	-	-	-	BBB-
Corporate bonds	1,935	-	1,935	-	-	-	-	-	-	-	BB-
Corporate bonds	1,138	-	516	622	-	-	-	-	-	-	B+
Corporate bonds	170	-	170	-	-	-	-	-	-	-	B
Corporate bonds	1,153	-	1,153	-	-	-	-	-	-	-	B-
Corporate bonds	460	-	-	460	-	-	-	-	-	-	CCC+
Corporate bonds	15,608	2,191	4,296	2,894	664	70	316	4,974	203	-	NR
	<u>110,642</u>	<u>3,194</u>	<u>10,617</u>	<u>5,933</u>	<u>865</u>	<u>555</u>	<u>974</u>	<u>7,803</u>	<u>203</u>	<u>-</u>	
	<u>\$ 215,957</u>	<u>\$ 32,734</u>	<u>\$ 56,493</u>	<u>\$ 28,778</u>	<u>\$ 865</u>	<u>\$ 2,852</u>	<u>\$ 4,528</u>	<u>\$ 9,006</u>	<u>\$ 203</u>	<u>-</u>	

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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### NOTE 4. RECEIVABLES

#### A. Property Taxes

Property taxes were levied on July 31, 2017 on the January 1, 2017 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, 2017, and payable before December 20, 2017. The lien date for unpaid taxes was March 19, 2018. 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 9.804 mills was levied during fiscal year 2018 for the City (mill equals \$1 per thousand dollars of assessed value).

Gross property taxes receivable at June 30, 2018 are \$1,420,479. An allowance of \$1,108,185 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2018, resulting in a net receivable for property taxes of \$312,294.

#### 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, 2018, are \$893,966.



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 4. RECEIVABLES (CONTINUED)**

**C. Accounts Receivable**

Accounts receivable of the primary government consisted of the following at June 30, 2018:

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>
Gross receivables	\$ 1,141,090	\$ 106,961	\$ 412,991	\$ 2,156,011	\$ 193,084
Less allowance for doubtful accounts	<u>(33,366)</u>	<u>-</u>	<u>(34,999)</u>	<u>(78,324)</u>	<u>-</u>
Net receivables	<u>\$ 1,107,724</u>	<u>\$ 106,961</u>	<u>\$ 377,992</u>	<u>\$ 2,077,687</u>	<u>\$ 193,084</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	\$ 1,664,459	\$ 18,090,727	\$ 1,471,822	\$ 2,405,578	\$ 1,799,803
Less allowance for doubtful accounts	<u>(80,843)</u>	<u>(532,510)</u>	<u>(77,458)</u>	<u>(148,428)</u>	<u>(329,829)</u>
Net receivables	<u>\$ 1,583,616</u>	<u>\$ 17,558,217</u>	<u>\$ 1,394,364</u>	<u>\$ 2,257,150</u>	<u>\$ 1,469,974</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, 2018**

**NOTE 5. CAPITAL ASSETS**

The City's capital asset activity for the fiscal year ended June 30, 2018, was as follows:

**A. Primary Government**

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2018</b>
<b><u>Governmental activities</u></b>					
Capital assets not being depreciated:					
Land	\$ 15,711,788	\$ 122,340	\$ (75,582)	\$ (20,014)	\$ 15,738,532
Construction in progress	1,478,106	2,947,494	(8,626)	(2,368,619)	2,048,355
Total assets not depreciated	17,189,894	3,069,834	(84,208)	(2,388,633)	17,786,887
Capital assets being depreciated:					
Buildings and improvements	77,275,630	455,932	(598,657)	(1,028,458)	76,104,447
Equipment and vehicles	27,447,437	676,031	(1,356,377)	(679,806)	26,087,285
Infrastructure	84,317,642	349,394	(129,601)	1,851,561	86,388,996
Total assets depreciated	189,040,709	1,481,357	(2,084,635)	143,297	188,580,728
Less accumulated depreciation:					
Buildings and improvements	(28,854,799)	(2,116,844)	376,246	570,655	(30,024,742)
Equipment and vehicles	(18,936,109)	(1,636,906)	1,094,094	552,188	(18,926,733)
Infrastructure	(55,986,165)	(1,040,319)	5,622	(9,861)	(57,030,723)
Total accumulated depreciation	(103,777,073)	(4,794,069)	1,475,962	1,112,982	(105,982,198)
Total assets depreciated, net	85,263,636	(3,312,712)	(608,673)	1,256,279	82,598,530
Governmental activities capital assets, net	\$ 102,453,530	\$ (242,878)	\$ (692,881)	\$ (1,132,354)	\$ 100,385,417

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**A. Primary Government (Continued)**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2018</u>
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 14,294,298	\$ -	\$ -	\$ -	\$ 14,294,298
Construction in progress	9,411,334	3,144,303	(204,110)	(3,363,781)	8,987,746
Total assets not depreciated	<u>23,705,632</u>	<u>3,144,303</u>	<u>(204,110)</u>	<u>(3,363,781)</u>	<u>23,282,044</u>
Capital assets being depreciated:					
Buildings and improvements	142,545,966	372,298	(7,001)	2,352,920	145,264,183
Equipment and vehicles	57,985,328	3,603,426	(2,596,473)	702,348	59,694,629
Infrastructure	155,846,747	1,716,680	(64,270)	2,553,847	160,053,004
Total assets depreciated	<u>356,378,041</u>	<u>5,692,404</u>	<u>(2,667,744)</u>	<u>5,609,115</u>	<u>365,011,816</u>
Less accumulated depreciation:					
Buildings and improvements	(71,358,156)	(3,242,740)	6,994	(548,334)	(75,142,236)
Equipment and vehicles	(40,103,039)	(3,302,532)	1,830,576	(564,646)	(42,139,641)
Infrastructure	(74,770,055)	(5,327,533)	64,270	-	(80,033,318)
Total accumulated depreciation	<u>(186,231,250)</u>	<u>(11,872,805)</u>	<u>1,901,840</u>	<u>(1,112,980)</u>	<u>(197,315,195)</u>
Total assets depreciated, net	<u>170,146,791</u>	<u>(6,180,401)</u>	<u>(765,904)</u>	<u>4,496,135</u>	<u>167,696,621</u>
Business-type activities capital assets, net	<u>\$ 193,852,423</u>	<u>\$ (3,036,098)</u>	<u>\$ (970,014)</u>	<u>\$ 1,132,354</u>	<u>\$ 190,978,665</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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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	\$ 621,731
Public safety	1,695,689
Public works	1,314,950
Culture and recreation	759,766
Community development	401,933
Total depreciation expense - governmental activities	<u>\$ 4,794,069</u>

Business-type activities:

Sanitary sewer	\$ 2,373,787
Solid waste	2,098,132
Airport	239,047
Water	984,281
Gas	1,669,777
Light	430,952
Telecommunication	455,002
Transit	856,939
Storm water	479,057
Civic Center	1,391,000
Utility Internal Service Fund	791,025
Fleet Management Fund	103,806
Total depreciation expense - business-type activities	<u>\$ 11,872,805</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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, 2018, was as follows:

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2018</b>
Capital assets not being depreciated:					
Land	\$ 1,283,104	\$ -	\$ -	\$ -	\$ 1,283,104
Construction in progress	1,262,006	252,574	-	-	1,514,580
Total assets not depreciated	<u>2,545,110</u>	<u>252,574</u>	<u>-</u>	<u>-</u>	<u>2,797,684</u>
Capital assets being depreciated:					
Buildings and improvements	10,477,588	6,208	-	-	10,483,796
Equipment and vehicles	954,288	271,950	(59,400)	-	1,166,838
Total assets depreciated	<u>11,431,876</u>	<u>278,158</u>	<u>(59,400)</u>	<u>-</u>	<u>11,650,634</u>
Less accumulated depreciation:					
Buildings and improvements	(4,529,081)	(258,783)	-	-	(4,787,864)
Equipment and vehicles	(852,824)	(43,046)	59,400	-	(836,470)
Total accumulated depreciation	<u>(5,381,905)</u>	<u>(301,829)</u>	<u>59,400</u>	<u>-</u>	<u>(5,624,334)</u>
Total assets depreciated, net	<u>6,049,971</u>	<u>(23,671)</u>	<u>-</u>	<u>-</u>	<u>6,026,300</u>
Chehaw Park Authority assets, net	<u>\$ 8,595,081</u>	<u>\$ 228,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,823,984</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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, 2018:

	<u>Balance, June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2018</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
General obligation bonds	\$ 2,110,000	\$ -	\$ 280,000	\$ 1,830,000	\$ 280,000
Add deferred amounts					
Unamortized premium	-	-	-	-	-
Total bonds payable	2,110,000	-	280,000	1,830,000	280,000
Notes payable	2,025,000	-	300,000	1,725,000	300,000
Certificates of participation	10,000,000	-	-	10,000,000	-
OPEB liability	31,787,147	1,764,926	3,797,755	29,754,318	-
Compensated absences	3,342,345	3,199,482	3,010,736	3,531,091	3,177,982
Net pension liability	45,427,229	20,636,786	13,895,467	52,168,548	-
Governmental activity long-term liabilities	<u>\$ 94,691,721</u>	<u>\$ 25,601,194</u>	<u>\$ 21,283,958</u>	<u>\$ 99,008,957</u>	<u>\$ 3,757,982</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 17,720,000	\$ -	\$ 4,800,000	\$ 12,920,000	\$ 4,660,000
Add deferred amounts					
Unamortized premium	27,464	-	14,784	12,680	-
Total bonds payable	17,747,464	-	4,814,784	12,932,680	4,660,000
Notes payable	1,659,427	-	75,271	1,584,156	76,332
Manufactured gas plant liability	1,236,173	-	37,649	1,198,524	-
Compensated absences	2,422,419	2,134,439	2,179,455	2,377,403	2,139,913
Net pension liability	26,457,617	7,797,110	1,485,537	32,769,190	-
Business-type activity long-term liabilities	<u>\$ 49,523,100</u>	<u>\$ 9,931,549</u>	<u>\$ 8,592,696</u>	<u>\$ 50,861,953</u>	<u>\$ 6,876,245</u>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

#### A. Primary Government (Continued)

The beginning balance of the OPEB liability in the schedule on the preceding page has been adjusted to reflect the implementation of Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. See Note 15 for further discussion.

The government-wide statement of net position includes \$4,660,000 of bonds payable due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$8,272,680 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 post-employment 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, 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 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.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**A. Primary Government (Continued)**

**Governmental Activities Debt (Continued)**

**Notes Payable (Continued)**

The City's Section 108 Guaranteed Loans outstanding at June 30, 2018, are as follows:

	<b>Original Amount</b>	<b>Interest Rates</b>	<b>Balance June 30, 2018</b>
HUD Section 108 Loan, B-02-MC-13-0001	\$ 5,500,000	2.00% - 5.00%	\$ 1,650,000
HUD Section 108 Loan, B-99-MC-13-0001	500,000	2.00% - 5.00%	75,000
Total			\$ 1,725,000

Notes payable debt service requirements to maturity, including interest of \$298,980, are as follows:

Fiscal Year Ending June 30,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	275,000	24,557	299,557
2024	275,000	8,209	283,209
	\$ 1,725,000	\$ 298,980	\$ 2,023,980



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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>
2019	\$ -	\$ 475,000	\$ 475,000
2020	-	475,000	475,000
2021	-	475,000	475,000
2022	-	475,000	475,000
2023	-	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, 2018

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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, 2018

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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, 2018, the floating rate being paid by the City is 1.51%, and the market value of this agreement is \$1,987,689, a decrease of \$612,376 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, 2018 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, 2018**

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**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, 2018, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2018</u>
2012 ADICA Refunding Revenue Issue	2.00% - 3.125%	<u>\$ 1,830,000</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, 2018

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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, 2018, the unamortized balance was \$58,396.

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, 2018**

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**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>
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	320,000	19,913	339,913
2024	330,000	10,313	340,313
	<u>\$ 1,830,000</u>	<u>\$ 187,573</u>	<u>\$ 2,017,573</u>

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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, 2018, are as follows:

	<b>Interest Rates</b>	<b>Balance June 30, 2018</b>
2007 Sewerage System Revenue Bonds	4.00% - 5.00%	\$ 5,120,000
2011 Sewerage System Revenue Bonds	3.39%	2,915,000
2005 Water Revenue Bonds	3.97%	3,795,000
2010 Water Revenue Bonds	2.00% - 4.00%	1,090,000
		12,920,000
Add: Unamortized premium		12,680
		<b>\$ 12,932,680</b>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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, 2018, the unamortized balance was \$18,185.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2018, was \$256,000. 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, 2018

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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, 2018, the unamortized balance was \$67,291.

Interest expense related to the Series 2011 Bonds for the year ended June 30, 2018, was \$98,819. 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, 2018**

**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,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	485,000	72,353	557,353
2024 - 2026	1,580,000	95,876	1,675,876
	<u>12,920,000</u>	<u>\$ 1,121,354</u>	<u>\$ 14,041,354</u>
Add: Unamortized premium	12,680		
	<u>\$ 12,932,680</u>		

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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, 2018, the City incurred costs of \$37,650, with total incurred costs to date of \$1,301,477. The liability has been reduced by these costs, resulting in a liability of \$2,698,524 recorded on the statement of net position, with \$1,500,000 included in claims payable and \$1,198,524 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, 2018**

**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 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, 2018 is \$73,342,517.

**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, 2018, is as follows:

	<b>Balance, June 30, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, June 30, 2018</b>	<b>Due Within One Year</b>
Line of credit	\$ 69,847	\$ 1,000	\$ 6,844	\$ 64,003	\$ 64,003

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2018, is as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	Community Development Fund	\$ 111,151
General Fund	SPLOST Fund	29,333
General Fund	Nonmajor Governmental Funds	2,476,274
General Fund	Sanitary Sewer Fund	1,851,696
General Fund	Water Fund	405,632
General Fund	Light Fund	3,375,214
General Fund	Gas Fund	8,229
General Fund	Nonmajor Enterprise Funds	8,804,707
General Fund	Internal Service Fund - Fleet Management	1,157,537
Internal Service Fund - Utility	General Fund	181,860
Job Investment Fund	General Fund	1,750,000
Airport Fund	General Fund	246,941
Nonmajor Enterprise Funds	General Fund	518,458
Nonmajor Governmental Funds	General Fund	1,000,000
Internal Service Fund - R3M	General Fund	2,284,579
		\$ 24,201,611

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, 2018**

**NOTE 7. 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>\$ 30,000</u>

The composition of interfund transfers during the fiscal year ended June 30, 2018, 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>Nonmajor Enterprise Fund</u>		<u>Internal Service Fund</u>
General Fund	\$ -	\$ -	\$ 3,785,527	\$ 1,222,210	\$ 1,000,000	\$ 3,115,504	\$ 1,000,000	\$ 10,123,241
Nonmajor Governmental Funds	1,545,461	-	500,000	-	-	-	-	2,045,461
Sanitary Sewer Fund	1,140,301	-	-	-	-	1,260,740	-	2,401,041
Water Fund	997,858	-	-	-	-	-	-	997,858
Light Fund	11,803,690	1,298,914	-	-	-	-	1,616,906	14,719,510
Gas Fund	1,788,167	-	-	-	-	-	-	1,788,167
Nonmajor Enterprise Funds	1,558,566	-	-	-	-	-	-	1,558,566
<b>Total</b>	<u>\$ 18,834,043</u>	<u>\$ 1,298,914</u>	<u>\$ 4,285,527</u>	<u>\$ 1,222,210</u>	<u>\$ 1,000,000</u>	<u>\$ 4,376,244</u>	<u>\$ 2,616,906</u>	<u>\$ 33,633,844</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, 2018

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### NOTE 8. 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, 2018, there were 11 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, 2018, the City contributed \$123,706 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, 2018

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### NOTE 8. 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 ten 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 ten years to 50% after five years, increasing 10% per year to 100% after ten years of participation.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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### NOTE 8. 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 ten 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, 2017, the most recent actuarial valuation date, is as follows:

Inactive plan members (or beneficiary) currently receiving benefits	980
Inactive plan members entitled to but not yet receiving benefits	231
Active plan members	931
Total membership	<u>2,142</u>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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### NOTE 8. 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 \$7,496,114.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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### NOTE 8. 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, 2017.

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

Inflation	3.00%
Salary increases, including inflation	3.5%, including inflation
Investment rate of return	8.0%, 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, 2018**

**NOTE 8. RETIREMENT PLANS (CONTINUED)**

**B. Defined Benefit Plan (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%	6.9%
Core Equity Managers	14.5%	6.6%
Value Equity Managers	14.5%	6.5%
International Equity Managers	11.5%	6.7%
Convertible Security Managers	22.5%	4.3%
Investment Grade Fixed Income	22.5%	1.3%
	100.0%	

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 8. RETIREMENT PLANS (CONTINUED)**

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

**Discount rate** - The discount rate used to measure the total pension liability was 8.00%. 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 2108. 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 8.00%, 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 (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
City's Net Pension Liability	\$ 105,443,193	\$ 84,937,734	\$ 67,456,549

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, 2018, and the current sharing pattern of costs between employer and employee.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 8. RETIREMENT PLANS (CONTINUED)**

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

*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, 2017, were as follows:

	<b>Total Pension Liability (TPL)</b>	<b>Fiduciary Net Position (FNP)</b>	<b>Net Pension Liability (NPL)</b>
Balances at July 1, 2016	\$ 178,257,598	\$ 106,372,752	\$ 71,884,846
Changes for the year:			
Service cost	2,231,964	-	2,231,964
Interest	14,405,323	-	14,405,323
Difference between expected and actual experience	1,582,590	-	1,582,590
Assumption changes	15,407,604		15,407,604
Contributions - employer	-	5,437,013	(5,437,013)
Contributions - employee	-	2,342,732	(2,342,732)
Net investment income	-	12,823,332	(12,823,332)
Benefit payments, including refunds of employee contributions	(13,765,703)	(13,765,703)	-
Administrative expense	-	(28,460)	28,460
Other changes	-	(24)	24
Net changes	19,861,778	6,808,890	13,052,888
Balances at June 30, 2017	\$ 198,119,376	\$ 113,181,642	\$ 84,937,734

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 8. RETIREMENT PLANS (CONTINUED)**

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

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

For the year ended June 30, 2018, the City recognized pension expense of \$5,835,627. At June 30, 2018, 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	\$ 3,987,671	\$ -
Changes of assumptions	12,224,215	-
Difference in projected and actual experience	2,499,317	-
City contributions subsequent to the measurement date	7,496,114	-
Total	\$ 26,207,317	\$ -

City contributions subsequent to the measurement date of \$7,496,114 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:

<b>Year ended June 30:</b>	<b>Amount</b>
2019	\$ 4,890,547
2020	6,858,434
2021	4,820,959
2022	2,141,263

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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, 2018, is \$872,762.

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, 2018, 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 \$67,742,339 in 2018.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

### NOTE 9. CONTINGENT LIABILITIES (CONTINUED)

At June 30, 2018, the outstanding debt of MEAG was approximately \$5.9 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$388 million at June 30, 2018.

### 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, 2018</b>	June 30, 2017
Unpaid claims, beginning of year	<b>\$ 2,004,132</b>	\$ 1,007,600
Incurred claims and changes in estimates	<b>655,776</b>	637,307
Claim payments	<b>(1,628,977)</b>	359,225
Unpaid claims, end of year	<b>\$ 1,030,931</b>	\$ 2,004,132

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

### NOTE 10. RISK MANAGEMENT (CONTINUED)

The Public Employees Group Health 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 Group Health 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, 2018</b>	June 30, 2017
Unpaid claims, beginning of year	\$ 650,000	\$ 505,000
Incurred claims and changes in estimates	8,868,098	10,461,513
Claim payments	<b>(9,098,098)</b>	<b>(10,316,513)</b>
Unpaid claims, end of year	<b>\$ 420,000</b>	<b>\$ 650,000</b>

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, 2018</b>	June 30, 2017
Unpaid claims, beginning of year	\$ 2,744,000	\$ 1,065,500
Incurred claims and changes in estimates	3,873,834	3,714,676
Claim payments	<b>(3,357,834)</b>	<b>(2,036,176)</b>
Unpaid claims, end of year	<b>\$ 3,260,000</b>	<b>\$ 2,744,000</b>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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 Group Health 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, 2018, \$2,270,461 of hotel/motel tax was collected, and \$725,000, or 32% 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, 2018

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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, 2018, the City paid \$44,558 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. 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 post-employment benefit plan report is not available for the OPEB Plan.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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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.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**Plan Membership**

Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2017) is as follows:

Active employees	940
Inactive members or beneficiaries currently receiving benefits	705
Inactive members entitled to but not yet receiving benefits	-
Total membership	<u><u>1,645</u></u>

**Contributions**

The City has elected to fund the OPEB Plan on a “pay as you go” basis. Plan members, once retired, pay apportion of the group insurance rate which is set by the City. The City contributes the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2018, the City contributed \$880,690 for the pay as you go benefits for the OPEB Plan.

**Total OPEB Liability of the City**

Effective July 1, 2017, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, which significantly changed the City’s accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The City’s total OPEB liability (TOL) is based upon an actuarial valuation performed as of June 30, 2017. An expected TOL is determined as of June 30, 2016, the prior measurement date, using standard roll back techniques. The roll back calculation begins with the TOL, as of the measurement date, adds the actual benefit payments for the year, deducts interest at the discount rate for the year, and then subtracts the annual normal cost (also called the service cost).

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

#### Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Discount Rate	3.56%
Healthcare Cost Trend Rate Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare Part B Stipend	0.00%
Inflation Rate	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Participation rate	Pre-65, non-disabled - 50%; Pre-65, disabled - 100%; Life insurance - 100%; Spouse Health Plan - 35%

The mortality table for active and healthy annuitants is the GAM 1994 gender-distinct table, set forward two years. The mortality table for disabled retirees is the RP-2000 Disabled gender-distinct, set forward three years.

#### Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. This rate was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer 3.56%.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

#### Changes in the Total OPEB Liability of the City

The changes in the total OPEB Liability of the City for the year ended June 30, 2018, were as follows:

	<b>Total OPEB Liability</b>
Balance as of July 1, 2017	<u>\$ 31,787,147</u>
Changes for the year:	
Service cost	834,413
Interest on TOL and cash flow	930,513
Benefit changes	-
Difference between expected and actual experience	-
Changes of assumptions	(2,038,499)
Benefits paid	(1,759,256)
Other changes	-
Net changes	<u>(2,032,829)</u>
Balance as of June 30, 2017	<u><u>\$ 29,754,318</u></u>

The required schedule of changes in the City's total OPEB Liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.



**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.56%) or 1 percentage point higher (4.56%) than the current discount rate:

	<b>1% Decrease 2.56%</b>	<b>Current Discount Rate 3.56%</b>	<b>1% Increase 4.56%</b>
Total OPEB Liability	\$ 33,615,893	\$ 29,745,318	\$ 26,512,565

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 27,881,441	\$ 29,754,318	\$ 31,977,513

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,421,166. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ -	\$ 1,694,739

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

Year ending June 30		
2018	\$	(343,760)
2019		(343,760)
2020		(343,760)
2021		(343,760)
2022		(319,699)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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### NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

The City has determined that a restatement to beginning net position of governmental activities is required to recognize the change in accounting principle for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This restatement is as follows:

	<b>Governmental Activities</b>
Net position, as previously reported	\$ 159,173,896
Adjustment to remove the net OPEB obligation in accordance with GASB Statement No.75	5,713,220
Adjustment to record the net OPEB obligation in accordance with GASB Statement No.75	<u>(31,787,147)</u>
Net position, as restated	<u><u>\$ 133,099,969</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2018**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability - Beginning of Year</b>	\$ 178,257,598	\$ 175,702,339	\$ 169,373,602	\$ 165,074,003
Service Cost	2,231,964	2,072,533	2,012,167	2,215,323
Interest on the Total Pension Liability	14,405,323	14,514,514	14,016,505	13,724,868
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	1,582,590	-	3,271,492	-
Changes of Assumptions	15,407,604	-	-	-
Benefit Payments	(13,215,951)	(13,312,191)	(12,142,282)	(11,114,494)
Refunds of Contributions	(549,752)	(719,597)	(829,146)	(526,098)
<b>Net Change in Total Pension Liability</b>	<u>19,861,778</u>	<u>2,555,259</u>	<u>6,328,736</u>	<u>4,299,599</u>
<b>(a) Total Pension Liability - End of Year</b>	198,119,376	178,257,598	175,702,338	169,373,602
<b>Plan Fiduciary Net Position - Beginning of Year</b>	106,372,752	114,837,182	118,681,219	104,280,508
Contributions - Employer	5,437,013	4,481,018	4,413,592	4,714,664
Contributions - Employee	2,342,732	2,295,605	2,270,553	2,332,768
Net Investment Income	12,823,332	(1,140,321)	2,471,086	19,395,817
Benefit Payments, including refund of contributions	(13,765,703)	(14,031,788)	(12,971,428)	(11,990,923)
Administrative Expenses	(28,460)	(68,944)	(28,956)	(51,615)
Other	(24)	-	39,161	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>6,808,890</u>	<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>	113,181,642	106,372,752	114,875,227	118,681,219
<b>City's Net Pension Liability (a) - (b)</b>	84,937,734	71,884,846	60,827,111	50,692,383
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	57.13%	59.67%	65.38%	70.07%
<b>Covered Payroll</b>	\$ 43,894,718	\$ 44,071,111	\$ 44,376,707	\$ 43,658,122
<b>Net Pension Liability as a Percentage of the Covered Payroll</b>	193.50%	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, 2018**

**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 payroll	\$ 43,894,718	\$ 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 covered payroll	12.39%	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, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	10-Year Smoothed Market Value
Amortization Method	Level Percent of Pay
Single Equivalent Amortization Period	28-Year Closed Period
Actuarial Assumptions:	
Investment rate of return	8.00% net of expense
Projected salary increases	3.50%
Expected annual inflation	3.00%

**Changes of Assumptions**

The discount rate was lowered from 8.50% to 8.00%

The assumed salary increase assumption was lowered from 4.00% to 3.50%

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2018**

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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, 2018

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OTHER POST-EMPLOYMENT BENEFIT PLAN  
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS

	<u>2018</u>
<b>Total OPEB Liability - Beginning of Year</b>	<u>\$ 31,787,147</u>
Service Cost	834,413
Interest	930,513
Benefit Changes	-
Difference between Expected and Actual Experience	-
Changes of Assumptions	(2,038,499)
Benefit Payments	<u>(1,759,256)</u>
<b>Net Change in Total OPEB Liability</b>	<u>(2,032,829)</u>
<b>Total OPEB Liability - End of Year</b>	<u><u>\$ 29,754,318</u></u>
<b>Covered Payroll</b>	43,894,718
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	67.79%

# 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, 2018**

	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	\$ -	\$ 2,000	\$ 34,784	\$ 505,212	\$ 55,526	\$ -	\$ -	\$ -	\$ 597,522
Investments	-	-	-	-	-	52,167	-	19,293,169	19,345,336
Receivables, net of allowance:									
Taxes	-	-	-	-	-	-	34	-	34
Accounts	188,938	-	-	189,054	-	-	-	-	377,992
Due from other funds	-	-	-	-	-	-	-	1,000,000	1,000,000
Due from other governments	-	165,553	-	-	-	-	-	-	165,553
Total assets	<u>\$ 188,938</u>	<u>\$ 167,553</u>	<u>\$ 34,784</u>	<u>\$ 694,266</u>	<u>\$ 55,526</u>	<u>\$ 52,167</u>	<u>\$ 34</u>	<u>\$ 20,293,169</u>	<u>\$ 21,486,437</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ 1,604	\$ -	\$ 768	\$ 35	\$ -	\$ -	\$ 1,187,057	\$ 1,189,464
Due to other funds	188,938	165,449	-	146,426	-	-	1,975,461	-	2,476,274
Deferred revenues	-	500	-	-	-	-	-	21,534	22,034
Total liabilities	<u>188,938</u>	<u>167,553</u>	<u>-</u>	<u>147,194</u>	<u>35</u>	<u>-</u>	<u>1,975,461</u>	<u>1,208,591</u>	<u>3,687,772</u>
<b>FUND BALANCES (DEFICIT)</b>									
Restricted:									
Public safety	-	-	-	-	-	-	-	-	-
Gortatowsky endowment	-	-	-	-	-	52,167	-	-	52,167
Committed:									
Inner city projects	-	-	34,784	-	55,491	-	-	-	90,275
Capital projects	-	-	-	547,072	-	-	-	19,084,578	19,631,650
Unassigned	-	-	-	-	-	-	(1,975,427)	-	(1,975,427)
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>34,784</u>	<u>547,072</u>	<u>55,491</u>	<u>52,167</u>	<u>(1,975,427)</u>	<u>19,084,578</u>	<u>17,798,665</u>
Total liabilities and fund balances	<u>\$ 188,938</u>	<u>\$ 167,553</u>	<u>\$ 34,784</u>	<u>\$ 694,266</u>	<u>\$ 55,526</u>	<u>\$ 52,167</u>	<u>\$ 34</u>	<u>\$ 20,293,169</u>	<u>\$ 21,486,437</u>

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,718	\$ -	\$ 308,718
Other taxes	2,270,461	-	-	-	-	-	-	-	2,270,461
Intergovernmental	-	314,467	-	121,476	-	-	-	43,184	479,127
Charges for services	-	-	-	1,374,073	8,073	-	-	-	1,382,146
Other revenues:									
Investment income	-	-	-	-	399	803	-	738,435	739,637
Other income	-	-	1,273	8,817	-	-	-	-	10,090
Total revenues	<u>2,270,461</u>	<u>314,467</u>	<u>1,273</u>	<u>1,504,366</u>	<u>8,472</u>	<u>803</u>	<u>308,718</u>	<u>781,619</u>	<u>5,190,179</u>
<b>Expenditures:</b>									
Current:									
Public safety	-	99,582	-	2,062,439	-	-	-	-	2,162,021
Public works	-	57,681	-	-	-	-	-	-	57,681
Community development	725,000	222,665	38,391	-	768,214	-	-	-	1,754,270
Capital outlay	-	-	-	-	-	-	-	2,145,219	2,145,219
Debt service:									
Principal	-	-	-	-	-	-	280,000	-	280,000
Interest	-	-	-	-	-	-	55,593	515,000	570,593
Total expenditures	<u>725,000</u>	<u>379,928</u>	<u>38,391</u>	<u>2,062,439</u>	<u>768,214</u>	<u>-</u>	<u>335,593</u>	<u>2,660,219</u>	<u>6,969,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,545,461</u>	<u>(65,461)</u>	<u>(37,118)</u>	<u>(558,073)</u>	<u>(759,742)</u>	<u>803</u>	<u>(26,875)</u>	<u>(1,878,600)</u>	<u>(1,779,605)</u>
<b>Other financing sources (uses):</b>									
Transfers in	-	65,461	550,000	1,052,992	300,000	-	-	2,317,074	4,285,527
Transfers out	<u>(1,545,461)</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,045,461)</u>
Total other financing sources (uses)	<u>(1,545,461)</u>	<u>65,461</u>	<u>50,000</u>	<u>1,052,992</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>2,317,074</u>	<u>2,240,066</u>
Net change in fund balances	-	-	12,882	494,919	(459,742)	803	(26,875)	438,474	460,461
<b>Fund balances (deficit), beginning 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>
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,784</u>	<u>\$ 547,072</u>	<u>\$ 55,491</u>	<u>\$ 52,167</u>	<u>\$ (1,975,427)</u>	<u>\$ 19,084,578</u>	<u>\$ 17,798,665</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, 2018**

	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	\$ 2,025,000	\$ 2,270,461	\$ 245,461	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	122,446	121,476	(970)
Charges for services	-	-	-	1,428,256	1,374,073	(54,183)
Investment income	-	-	-	-	-	-
Other income	-	-	-	6,000	8,817	2,817
Total revenues	<u>2,025,000</u>	<u>2,270,461</u>	<u>245,461</u>	<u>1,556,702</u>	<u>1,504,366</u>	<u>(52,336)</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	2,609,694	2,062,439	547,255
Public works	-	-	-	-	-	-
Community development	725,000	725,000	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>725,000</u>	<u>725,000</u>	<u>-</u>	<u>2,609,694</u>	<u>2,062,439</u>	<u>547,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,300,000</u>	<u>1,545,461</u>	<u>245,461</u>	<u>(1,052,992)</u>	<u>(558,073)</u>	<u>494,919</u>
<b>Other financing sources (uses):</b>						
Appropriation of fund balance	-	-	-	-	-	-
Transfers in	-	-	-	1,052,992	1,052,992	-
Transfers out	(1,300,000)	(1,545,461)	245,461	-	-	-
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(1,545,461)</u>	<u>245,461</u>	<u>1,052,992</u>	<u>1,052,992</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>494,919</u>	<u>\$ 494,919</u>
<b>Fund balances (deficit), beginning of year</b>		-			52,153	
<b>Fund balances (deficit), end of year</b>		<u>\$ -</u>			<u>\$ 547,072</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, 2018**

	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	355,938	314,467	(41,471)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other income	-	-	-	-	1,273	1,273
Total revenues	<u>355,938</u>	<u>314,467</u>	<u>(41,471)</u>	<u>-</u>	<u>1,273</u>	<u>1,273</u>
<b>Expenditures:</b>						
Current:						
Public safety	113,837	99,582	14,255	-	-	-
Public works	-	57,681	(57,681)	-	-	-
Community development	288,536	222,665	65,871	50,000	38,391	11,609
Debt service	-	-	-	-	-	-
Total expenditures	<u>402,373</u>	<u>379,928</u>	<u>22,445</u>	<u>50,000</u>	<u>38,391</u>	<u>11,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,435)</u>	<u>(65,461)</u>	<u>(19,026)</u>	<u>(50,000)</u>	<u>(37,118)</u>	<u>12,882</u>
<b>Other financing sources (uses):</b>						
Appropriation of fund balance	-	-	-	-	-	-
Transfers in	46,435	65,461	19,026	50,000	550,000	500,000
Transfers out	-	-	-	-	(500,000)	(500,000)
Total other financing sources (uses)	<u>46,435</u>	<u>65,461</u>	<u>19,026</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,882</u>	<u>\$ 12,882</u>
<b>Fund balances (deficit), beginning of year</b>		-			21,902	
<b>Fund balances (deficit), end of year</b>		<u>\$ -</u>			<u>\$ 34,784</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, 2018**

	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	\$ 324,800	\$ 308,718	\$ (16,082)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	803	803
Other income	-	-	-	-	-	-
Total revenues	<u>324,800</u>	<u>308,718</u>	<u>(16,082)</u>	<u>-</u>	<u>803</u>	<u>803</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Debt service	335,593	335,593	-	-	-	-
Total expenditures	<u>335,593</u>	<u>335,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,793)</u>	<u>(26,875)</u>	<u>(16,082)</u>	<u>-</u>	<u>803</u>	<u>803</u>
<b>Other financing sources (uses):</b>						
Appropriation of fund balance	10,793	-	(10,793)	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,793</u>	<u>-</u>	<u>(10,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(26,875)</u>	<u>\$ (26,875)</u>	<u>\$ -</u>	<u>803</u>	<u>\$ 803</u>
<b>Fund balances (deficit), beginning of year</b>		<u>(1,948,552)</u>			<u>51,364</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ (1,975,427)</u>			<u>\$ 52,167</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, 2018**

	Special Revenue Fund		
	ADICA		
	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	9,600	8,073	(1,527)
Investment income	-	399	399
Other income	-	-	-
Total revenues	<u>9,600</u>	<u>8,472</u>	<u>(1,128)</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Public works	-	-	-
Community development	773,733	768,214	5,519
Debt service	-	-	-
Total expenditures	<u>773,733</u>	<u>768,214</u>	<u>5,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(764,133)</u>	<u>(759,742)</u>	<u>4,391</u>
<b>Other financing sources (uses):</b>			
Appropriation of fund balance	464,133	-	(464,133)
Transfers in	300,000	300,000	-
Transfers out	-	-	-
Total other financing sources	<u>764,133</u>	<u>300,000</u>	<u>(464,133)</u>
Net change in fund balances	<u>\$ -</u>	<u>(459,742)</u>	<u>\$ (459,742)</u>
<b>Fund balances (deficit), beginning of year</b>		<u>515,233</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ 55,491</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.

### **Storm Water Fund**

- To account for the provisions of storm water 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, 2018

	Transit Fund	Civic Center Fund	Solid Waste Fund	Storm Water Fund	Telecommunications Fund	Totals
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ -	\$ 263,251	\$ 1,751,579	\$ 351,649	\$ 188,400	\$ 2,554,879
Investments	-	-	1,429,029	-	-	1,429,029
Accounts receivable, net of allowances	-	-	1,570,550	580,034	106,566	2,257,150
Inventories	-	-	-	-	336,474	336,474
Due from other funds	-	518,458	-	-	-	518,458
Due from other governments	3,250,195	-	-	2,335,708	-	5,585,903
Total current assets	3,250,195	781,709	4,751,158	3,267,391	631,440	12,681,893
<b>NONCURRENT ASSETS</b>						
Capital assets						
Non-depreciable	287,206	2,849,761	907,035	6,077,916	1,818,814	11,940,732
Depreciable, net of accumulated depreciation	7,424,584	6,726,543	2,243,269	16,346,328	5,414,307	38,155,031
Total noncurrent assets	7,711,790	9,576,304	3,150,304	22,424,244	7,233,121	50,095,763
Total assets	10,961,985	10,358,013	7,901,462	25,691,635	7,864,561	62,777,656
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Differences between expected and actual experience of economic/demographic (gains)/losses	82,282	-	71,997	74,568	12,857	241,704
Net difference between projected and actual earnings on pension plan investments	131,280	-	114,871	118,974	20,513	385,638
Assumption Changes	402,443	-	352,138	364,714	62,882	1,182,177
City contributions subsequent to the measurement date	246,786	-	215,937	223,649	38,560	724,932
Total deferred outflows of resources	862,791	-	754,943	781,905	134,812	2,534,451

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS JUNE 30, 2018

	Transit Fund	Civic Center Fund	Solid Waste Fund	Storm Water Fund	Telecommunications Fund	Totals
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 201,912	\$ 3,916	\$ 302,735	\$ 461,270	\$ 60,049	\$ 1,029,882
Current portion - compensated absences	88,636	-	151,053	138,809	12,788	391,286
Due to other funds	2,171,056	-	1,330,817	1,697,879	3,604,955	8,804,707
Advanced payments and customer deposits	-	39,382	-	-	-	39,382
Unearned revenue	56,185	-	-	-	-	56,185
Total current liabilities	2,517,789	43,298	1,784,605	2,297,958	3,677,792	10,321,442
<b>LONG-TERM LIABILITIES</b>						
Compensated absences, net of current portion	9,848	-	16,784	15,423	1,421	43,476
Net pension liability	2,796,304	-	2,446,766	2,534,151	436,923	8,214,144
Total long-term liabilities	2,806,152	-	2,463,550	2,549,574	438,344	8,257,620
Total liabilities	5,323,941	43,298	4,248,155	4,847,532	4,116,136	18,579,062
<b>NET POSITION</b>						
Investment in capital assets	7,711,790	9,576,304	3,150,304	22,424,244	7,233,121	50,095,763
Unrestricted (deficit)	(1,210,955)	738,411	1,257,946	(798,236)	(3,349,884)	(3,362,718)
Total net position	\$ 6,500,835	\$ 10,314,715	\$ 4,408,250	\$ 21,626,008	\$ 3,883,237	\$ 46,733,045

# 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, 2018

	Transit Fund	Civic Center Fund	Solid Waste Fund	Storm Water Fund	Telecommunications Fund	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 810,229	\$ 271,409	\$ 9,957,261	\$ 4,257,724	\$ 2,857,521	\$ 18,154,144
Other	269	-	956	9,378	139,393	149,996
Total operating revenues	810,498	271,409	9,958,217	4,267,102	2,996,914	18,304,140
<b>Operating expenses:</b>						
Personnel costs	2,573,179	490,659	1,984,566	2,033,749	450,427	7,532,580
Supplies	15,483	43,715	126,179	149,180	42,609	377,166
Operating services and charges	1,333,829	408,253	6,299,267	2,007,056	1,945,304	11,993,709
Maintenance and repairs	710,611	45,749	597,284	380,160	17,687	1,751,491
Depreciation	856,939	479,057	455,002	984,281	430,952	3,206,231
Total operating expenses	5,490,041	1,467,433	9,462,298	5,554,426	2,886,979	24,861,177
Operating income (loss)	(4,679,543)	(1,196,024)	495,919	(1,287,324)	109,935	(6,557,037)
<b>Nonoperating revenues (expenses):</b>						
Investment income	-	9	24,800	-	-	24,809
Intergovernmental - operating grants	1,110,723	-	-	1,527,482	-	2,638,205
Gain (loss) on sale of assets	(281,706)	(5,430)	(34,333)	(91,993)	201	(413,261)
Total nonoperating revenues (expenses)	829,017	(5,421)	(9,533)	1,435,489	201	2,249,753
Income (loss) before capital contributions and transfers	(3,850,526)	(1,201,445)	486,386	148,165	110,136	(4,307,284)

(Continued)

# 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, 2018

	Transit Fund	Civic Center Fund	Solid Waste Fund	Storm Water Fund	Telecommunication Fund	Totals
<b>Capital contributions</b>						
Intergovernmental - capital grants	\$ 2,511,434	\$ -	\$ -	\$ -	\$ -	\$ 2,511,434
Other capital contributions	178,815	-	-	11,150	-	189,965
Total capital contributions	2,690,249	-	-	11,150	-	2,701,399
<b>Transfers</b>						
Transfers in	1,308,810	1,806,694	-	1,260,740	-	4,376,244
Transfers out	-	-	(846,607)	(469,070)	(242,889)	(1,558,566)
Total transfers	1,308,810	1,806,694	(846,607)	791,670	(242,889)	2,817,678
Change in net position	148,533	605,249	(360,221)	950,985	(132,753)	1,211,793
<b>Total net position, beginning of year</b>	6,352,302	9,709,466	4,768,471	20,675,023	4,015,990	45,521,252
<b>Total net position, end of year</b>	\$ 6,500,835	\$ 10,314,715	\$ 4,408,250	\$ 21,626,008	\$ 3,883,237	\$ 46,733,045

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Transit Fund	Civic Center Fund	Solid Waste Fund	Storm Water Fund	Telecommunications Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 810,500	\$ 112,190	\$ 9,864,349	\$ 4,265,008	\$ 2,987,011	\$ 18,039,058
Payments to suppliers	(2,816,519)	(1,081,070)	(7,512,043)	(1,978,528)	(1,648,518)	(15,036,678)
Payments to employees	(2,269,427)	(583,091)	(1,908,610)	(4,685,236)	(413,476)	(9,859,840)
Net cash provided by (used in) operating activities	(4,275,446)	(1,551,971)	443,696	(2,398,756)	925,017	(6,857,460)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	1,308,810	1,806,694	-	1,260,740	-	4,376,244
Transfers out	-	-	(846,607)	(441,012)	(242,889)	(1,530,508)
Operating grants received	1,110,723	-	-	1,527,482	-	2,638,205
Payments for environmental remediation obligations	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	2,419,533	1,806,694	(846,607)	2,347,210	(242,889)	5,483,941
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(1,838,854)	-	(389,948)	(780,689)	(658,570)	(3,668,061)
Interest paid	1,160,348	-	-	-	-	1,160,348
Proceeds from sale of capital assets	22,985	555	322,176	7,000	201	352,917
Capital grants received	2,511,434	-	-	-	-	2,511,434
Net cash used in capital and related financing activities	1,855,913	555	(67,772)	(773,689)	(658,369)	356,638
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sales of investments	-	-	(933,851)	-	-	(933,851)
Purchase of investments	-	-	911,873	-	-	911,873
Interest on investments	-	9	24,800	-	-	24,809
Net cash provided by investing activities	-	9	2,822	-	-	2,831

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Transit Fund	Civic Center Fund	Solid Waste Fund	Storm Water Fund	Telecommunications Fund	Totals
<b>Increase (decrease) in cash and cash equivalents</b>	\$ -	\$ 255,287	\$ (467,861)	\$ (825,235)	\$ 23,759	\$ (1,014,050)
<b>Cash and cash equivalents:</b>						
Beginning of year	-	7,964	2,219,440	1,176,884	164,641	3,568,929
End of year	<u>\$ -</u>	<u>\$ 263,251</u>	<u>\$ 1,751,579</u>	<u>\$ 351,649</u>	<u>\$ 188,400</u>	<u>\$ 2,554,879</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (4,679,543)	\$ (1,196,024)	\$ 495,919	\$ (1,287,324)	\$ 109,935	\$ (6,557,037)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	856,939	479,057	455,002	984,281	430,952	3,206,231
(Increase) decrease in accounts receivable	-	22,895	(93,868)	(2,094)	(9,903)	(82,970)
Decrease in inventories	156,017	-	-	-	24,877	180,894
Increase in due from other funds	-	(125,103)	-	-	-	(125,103)
(Increase) decrease in due from other governments	(28,832)	-	-	2,709,984	-	2,681,152
(Increase) decrease in contributions subsequent to the measurement date	(15,246)	84,898	15,603	23,327	30	108,612
(Increase) decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	(25,150)	20,948	(14,865)	(13,627)	(3,335)	(36,029)
Increase in assumption changes	(402,443)	-	(352,138)	(364,714)	(62,882)	(1,182,177)
Increase (decrease) in accounts payable and other liabilities	(38,800)	(92,432)	(275,924)	(1,396,519)	8,445	(1,795,230)
Increase (decrease) in due to other funds	(883,781)	-	(238,295)	(3,462,305)	323,760	(4,260,621)
Increase (decrease) in unearned revenues	2	(57,011)	-	-	-	(57,009)
Increase (decrease) in net pension liability	656,874	(784,458)	307,336	252,092	80,351	512,195
Decrease in net difference between projected and actual earnings on pension plan investments	128,517	95,259	144,926	158,143	22,787	549,632
Net cash provided by (used in) operating activities	<u>\$ (4,275,446)</u>	<u>\$ (1,551,971)</u>	<u>\$ 443,696</u>	<u>\$ (2,398,756)</u>	<u>\$ 925,017</u>	<u>\$ (6,857,460)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Contributions of capital assets from governmental activities	\$ 68,015	\$ -	\$ -	\$ 11,150	\$ -	\$ 79,165
Contributions of capital assets (to) from other proprietary funds	-	-	-	(28,058)	-	(28,058)
Contributions from other governments	110,800	-	-	-	-	110,800
Total noncash investing, capital and financing activities	<u>\$ 178,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,908)</u>	<u>\$ -</u>	<u>\$ 161,907</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.
- Fleet Management Fund** - To account for the fleet management by providing maintenance and repairs for the City-owned vehicles and equipment.

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2018

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	\$ 152,104	\$ 4,017,207	\$ 636,595	\$ -	\$ 1,060,756	\$ -	\$ 5,866,662
Investments	3,589,006	-	1,731,268	1,028,989	2,514,977	-	8,864,240
Accounts receivable	15,799	402,747	59,687	-	991,741	-	1,469,974
Inventory	-	-	-	-	-	579,596	579,596
Due from other funds	-	-	-	2,284,579	181,860	-	2,466,439
	<u>3,756,909</u>	<u>4,419,954</u>	<u>2,427,550</u>	<u>3,313,568</u>	<u>4,749,334</u>	<u>579,596</u>	<u>19,246,911</u>
<b>NONCURRENT ASSETS</b>							
Capital assets							
Non-depreciable	-	-	-	-	4,768,078	1,175,463	5,943,541
Depreciable, net of accumulated depreciation	-	-	-	-	1,149,245	639,422	1,788,667
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,917,323</u>	<u>1,814,885</u>	<u>7,732,208</u>
Total assets	<u>3,756,909</u>	<u>4,419,954</u>	<u>2,427,550</u>	<u>3,313,568</u>	<u>10,666,657</u>	<u>2,394,481</u>	<u>26,979,119</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Differences between expected and actual experience of economic/demographic (gains)/losses	-	2,571	-	-	282,845	43,712	329,128
Net difference between projected and actual earnings on pension plan investments	-	4,103	-	-	451,280	69,743	525,126
Assumption changes	-	12,576	-	-	1,383,399	213,798	1,609,773
City contributions subsequent to the measurement date	-	7,712	-	-	848,326	131,105	987,143
Total deferred outflows of resources	<u>-</u>	<u>26,962</u>	<u>-</u>	<u>-</u>	<u>2,965,850</u>	<u>458,358</u>	<u>3,451,170</u>

(Continued)



# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2018

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 258,740	\$ 765,999	\$ 3,288	\$ 57,043	\$ 215,421	\$ 92,585	\$ 1,393,076
Accrued liabilities	-	-	-	-	453,207	-	453,207
Claims payable	3,260,000	420,000	1,030,931	-	-	-	4,710,931
Current portion - compensated absences	-	-	-	-	775,588	105,462	881,050
Due to other funds	-	-	-	-	-	1,157,537	1,157,537
Total current liabilities	<u>3,518,740</u>	<u>1,185,999</u>	<u>1,034,219</u>	<u>57,043</u>	<u>1,444,216</u>	<u>1,355,584</u>	<u>8,595,801</u>
<b>NONCURRENT LIABILITIES</b>							
Compensated absences, net of current portion	-	-	-	-	86,176	11,718	97,894
Customer deposits	-	-	-	-	2,489,820	-	2,489,820
Net pension liability	-	87,385	-	-	9,612,295	1,485,537	11,185,217
Total long-term liabilities	<u>-</u>	<u>87,385</u>	<u>-</u>	<u>-</u>	<u>12,188,291</u>	<u>1,497,255</u>	<u>13,772,931</u>
Total liabilities	<u>3,518,740</u>	<u>1,273,384</u>	<u>1,034,219</u>	<u>57,043</u>	<u>13,632,507</u>	<u>2,852,839</u>	<u>22,368,732</u>
<b>NET POSITION</b>							
Investment in capital assets	-	-	-	-	5,917,323	1,814,885	7,732,208
Unrestricted (deficit)	238,169	3,173,532	1,393,331	3,256,525	(5,917,323)	(1,814,885)	329,349
Total net position	<u>\$ 238,169</u>	<u>\$ 3,173,532</u>	<u>\$ 1,393,331</u>	<u>\$ 3,256,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,061,557</u>

**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, 2018**

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>Operating revenues:</b>							
Charges for services	\$ 2,375,184	\$ 13,092,686	\$ 1,398,175	\$ -	\$ 12,985,816	\$ 1,465,035	\$ 31,316,896
Other	2,501	-	1,018,982	-	14,172	-	1,035,655
Total operating revenues	<u>2,377,685</u>	<u>13,092,686</u>	<u>2,417,157</u>	<u>-</u>	<u>12,999,988</u>	<u>1,465,035</u>	<u>32,352,551</u>
<b>Operating expenses:</b>							
Personnel costs	-	-	-	270,639	7,994,027	2,466,655	10,731,321
General and administrative	468,059	2,869,550	393,570	50,781	-	47,316	3,829,276
Supplies	-	-	-	-	392,495	23,488	415,983
Operating services and charges	-	-	-	264,277	4,451,098	-	4,715,375
Maintenance and repairs	-	-	-	-	225,211	89,666	314,877
Depreciation and amortization	-	-	-	-	791,025	103,806	894,831
Claims and damages	3,873,834	8,868,098	655,776	-	-	-	13,397,708
Total operating expenses	<u>4,341,893</u>	<u>11,737,648</u>	<u>1,049,346</u>	<u>585,697</u>	<u>13,853,856</u>	<u>2,730,931</u>	<u>34,299,371</u>
Operating income (loss)	(1,964,208)	1,355,038	1,367,811	(585,697)	(853,868)	(1,265,896)	(1,946,820)
<b>Nonoperating revenues (expenses):</b>							
Investment income	70,801	-	25,520	15,826	22,188	-	134,335
Gain (loss) on sale of assets	-	-	-	-	36,192	(343)	35,849
Total nonoperating revenues (expenses)	<u>70,801</u>	<u>-</u>	<u>25,520</u>	<u>15,826</u>	<u>58,380</u>	<u>(343)</u>	<u>170,184</u>
Income (loss) before transfers	<u>(1,893,407)</u>	<u>1,355,038</u>	<u>1,393,331</u>	<u>(569,871)</u>	<u>(795,488)</u>	<u>(1,266,239)</u>	<u>(1,776,636)</u>
<b>Capital contributions</b>							
Other capital contributions	-	-	-	-	-	872,143	872,143
Total capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>872,143</u>	<u>872,143</u>
<b>Transfers</b>							
Transfers in	-	-	-	1,000,000	1,222,810	394,096	2,616,906
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,222,810</u>	<u>394,096</u>	<u>2,616,906</u>
Change in net position	(1,893,407)	1,355,038	1,393,331	430,129	427,322	-	1,712,413
<b>Net position (deficit), beginning 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>-</u>	<u>6,349,144</u>
<b>Net position (deficit), end of year</b>	<u>\$ 238,169</u>	<u>\$ 3,173,532</u>	<u>\$ 1,393,331</u>	<u>\$ 3,256,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,061,557</u>

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from other funds	\$ 3,423,792	\$ 12,863,725	\$ 2,316,646	\$ -	\$ -	\$ 1,573,024	\$ 20,177,187
Receipts from customers	-	-	-	-	12,831,964	-	12,831,964
Payments to suppliers	-	-	-	(729,361)	(5,586,828)	(530,301)	(6,846,490)
Payments to employees	-	-	-	(270,639)	(7,198,668)	(1,439,476)	(8,908,783)
Claims paid	(3,269,720)	(8,656,734)	(2,022,547)	-	-	-	(13,949,001)
Premiums paid	(388,797)	(2,869,550)	1,828	-	-	-	(3,256,519)
Net cash provided by (used in) operating activities	(234,725)	1,337,441	295,927	(1,000,000)	46,468	(396,753)	48,358
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers in	-	-	-	1,000,000	1,222,810	394,096	2,616,906
Net cash provided by noncapital financing activities	-	-	-	1,000,000	1,222,810	394,096	2,616,906
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	-	-	-	-	(2,080,836)	-	(2,080,836)
Proceeds from sale of capital assets	-	-	-	-	36,192	2,657	38,849
Net cash used in capital and related financing activities	-	-	-	-	(2,044,644)	2,657	(2,041,987)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchases of investments	-	-	-	(15,826)	(18,126)	-	(33,952)
Investment income	70,801	-	25,520	15,826	22,188	-	134,335
Net cash provided by investing activities	70,801	-	25,520	-	4,062	-	100,383
Increase (decrease) in cash and cash equivalents	(163,924)	1,337,441	321,447	-	(771,304)	-	723,660
<b>Cash and cash equivalents:</b>							
Beginning of year	316,028	2,679,766	315,148	-	1,832,060	-	5,143,002
End of year	<u>\$ 152,104</u>	<u>\$ 4,017,207</u>	<u>\$ 636,595</u>	<u>\$ -</u>	<u>\$ 1,060,756</u>	<u>\$ -</u>	<u>\$ 5,866,662</u>

(Continued)

**CITY OF ALBANY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>							
<b>TO NET CASH PROVIDED BY (USED IN)</b>							
<b>OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ (1,964,208)	\$ 1,355,038	\$ 1,367,811	\$ (585,697)	\$ (853,868)	\$ (1,265,896)	\$ (1,946,820)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	-	-	-	-	791,025	103,806	894,831
Changes in assets and liabilities:							
Increase in investment pool	1,046,100	-	(97,456)	-	-	-	948,644
(Increase) decrease in accounts receivable	7	14,651	(3,055)	-	(168,024)	-	(156,421)
(Increase) decrease in inventory	-	-	-	-	-	(579,596)	(579,596)
(Increase) decrease in due from other funds	-	-	-	(430,014)	(10,329)	-	(440,343)
Increase in due from other governments	88,114	-	-	-	-	-	88,114
Decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	-	(667)	-	-	(73,361)	(43,712)	(117,740)
(Increase) decrease in contributions subsequent to the measurement date	-	(7,712)	-	-	654	(131,105)	(138,163)
Increase in assumption changes	-	(12,576)	-	-	(1,383,399)	(213,798)	(1,609,773)
Increase (decrease) in accounts payable and other liabilities	79,262	433,973	1,828	15,711	(525,259)	209,765	215,280
Increase in claims payable	516,000	(230,000)	(973,201)	-	-	-	(687,201)
(Increase) decrease in accrued expenses	-	7,718	-	-	-	-	7,718
Increase in due to other funds	-	(243,612)	-	-	-	107,989	(135,623)
Increase in net pension liability	-	16,071	-	-	1,767,719	1,485,537	3,269,327
Increase in net difference between projected and actual earnings on pension plan investments	-	4,557	-	-	501,310	(69,743)	436,124
Net cash provided by (used in) operating activities	<u>\$ (234,725)</u>	<u>\$ 1,337,441</u>	<u>\$ 295,927</u>	<u>\$ (1,000,000)</u>	<u>\$ 46,468</u>	<u>\$ (396,753)</u>	<u>\$ 48,358</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Contributions of capital assets from governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,143</u>	<u>\$ 872,143</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2015 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
City Street Resurfacing	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 2,971,004	\$ 2,971,004
Barkley Blvd Extension	1,000,000	1,000,000	-	10,030	10,030
Railroad Crossing Improvements	1,600,000	1,600,000	-	899	899
Alley Paving Program	2,000,000	2,000,000	-	-	-
City Paved Alley Reconstruction	1,500,000	1,500,000	-	-	-
City Alley Crushed Asphalt Application	1,000,000	1,000,000	-	-	-
City Sidewalks & Streetscape	2,500,000	2,500,000	-	9,093	9,093
Extention of N. Washington St.	1,900,000	1,900,000	-	-	-
Traffic Signal Upgrades	1,080,000	1,080,000	-	9,368	9,368
Federal Manadate Sign Upgrades	500,000	500,000	-	-	-
Underground Utility Installation	3,500,000	3,500,000	-	28,518	28,518
Street Light Upgrades	2,500,000	2,500,000	-	-	-
Interceptor Sewer Improvements	535,000	535,000	-	-	-
Storm Sewer Outfall Improvements	4,000,000	4,000,000	-	-	-
Storm Pumping Stations for Minor Ponds	700,000	700,000	-	17,841	17,841
Holloway-Mercer Drainage	615,000	615,000	-	-	-
SCADA System Upgrades	250,000	250,000	-	78,216	78,216
IT Hardware Upgrades	1,545,000	1,545,000	-	-	-
GPS/GIS Infrastructure Mapping	1,000,000	1,000,000	-	-	-
IT Software Upgrades	4,100,000	4,100,000	-	-	-
P25 Radio Project	4,600,000	4,600,000	-	1,439,550	1,439,550
Fire Station Relocation	1,250,000	1,250,000	-	-	-
General Recreational Improvements	3,900,000	3,900,000	-	86,754	86,754
Carver Pool Renovations/Improvements	750,000	750,000	-	-	-
Chehaw Park Improvements	1,000,000	1,000,000	-	363,053	363,053
Jefferson St. Pool Renovations	650,000	650,000	-	1,750	1,750
New General Aviation Terminal Bldg	2,300,000	2,300,000	-	-	-
New Transportation Center	2,500,000	2,500,000	-	-	-
Thronateeska Heritage Cntr Improvements	425,000	425,000	-	108,015	108,015
Total	<u>\$ 59,200,000</u>	<u>\$ 59,200,000</u>	<u>\$ -</u>	<u>\$ 5,124,091</u>	<u>\$ 5,124,091</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, 2018

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	1,172,137	363,360	1,535,497
Broad Avenue Bridge	7,000,000	365,280	40,764	-	40,764
Roadway, Traffic Safety, and Sidewalk Improvements	11,501,500	14,079,050	9,856,993	89,231	9,946,224
Fire Department Improvements	3,198,184	5,341,291	5,341,291	-	5,341,291
911 Center Upgrade	2,850,000	2,281,074	2,212,893	-	2,212,893
Public Safety Improvements	487,100	1,942,592	1,526,823	408,842	1,935,665
APD Technology Project	2,551,000	2,380,542	1,460,582	-	1,460,582
Alley Paving Improvements	3,684,216	3,243,366	3,512,410	758,676	4,271,086
Technology and Communications Improvements	1,500,000	1,100,000	1,099,199	1,239	1,100,438
Riverfront Development Improvements	250,000	250,000	30,492	4,930	35,422
Transit System Improvements	4,380,000	4,380,000	2,692,241	176,178	2,868,419
Solid Waste Improvements	615,000	615,000	574,827	16,550	591,377
Historical and Cultural Improvements	276,000	250,000	-	-	-
Recreational Facility Improvements	2,750,000	2,977,880	1,453,485	47,314	1,500,799
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	1,491,337	125,076	1,616,413
Community Swimming Pool - East Albany	1,000,000	1,442,859	1,442,859	-	1,442,859
Thronateeska Improvements	2,000,000	2,099,377	2,099,378	-	2,099,378
Chamber of Commerce Improvements	85,000	85,000	85,000	-	85,000
Debt Service - Interest on SPLOST bonds	-	991,000	1,651,532	1,252	1,652,784
Total	<u>\$ 62,720,000</u>	<u>\$ 62,325,877</u>	<u>\$ 45,315,731</u>	<u>\$ 1,992,648</u>	<u>\$ 47,308,379</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, 2018

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	6,126,483	20,050	6,146,533
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	1,500,148	-	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	23,803	716,586
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	1,424,063	46,510	1,470,573
Debt Service - Principal on SPLOST bonds	-	-	14,000,000	-	14,000,000
Debt Service - Interest on SPLOST bonds	-	-	2,220,398	24	2,220,422
Total	<u>\$ 65,873,200</u>	<u>\$ 65,873,200</u>	<u>\$ 73,934,683</u>	<u>\$ 90,387</u>	<u>\$ 74,025,070</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	<b>137 -141</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>142 - 150</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>151 - 155</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>156 and 157</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>158 - 160</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, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 96,269,861
Restricted	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	25,715,167
Unrestricted	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	19,574,711
<b>Total governmental activities net position</b>	<b>\$ 135,019,514</b>	<b>\$ 147,463,839</b>	<b>\$ 154,592,381</b>	<b>\$ 155,500,908</b>	<b>\$ 158,129,468</b>	<b>\$ 160,402,441</b>	<b>\$ 130,850,294</b>	<b>\$ 130,850,294</b>	<b>\$ 159,173,896</b>	<b>\$ 141,559,739</b>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 177,969,653
Restricted	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	8,789,909
Unrestricted	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	34,456,676
<b>Total business-type activities net position</b>	<b>\$ 109,537,671</b>	<b>\$ 105,721,289</b>	<b>\$ 112,841,645</b>	<b>\$ 118,189,192</b>	<b>\$ 190,461,125</b>	<b>\$ 196,428,196</b>	<b>\$ 197,242,257</b>	<b>\$ 197,242,257</b>	<b>\$ 211,855,508</b>	<b>\$ 221,216,238</b>
Primary government										
Net investment in capital assets	\$ 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	\$ 274,239,514
Restricted	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	34,505,076
Unrestricted	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	54,031,387
<b>Total primary government net position</b>	<b>\$ 244,557,185</b>	<b>\$ 253,185,128</b>	<b>\$ 267,434,026</b>	<b>\$ 273,690,100</b>	<b>\$ 348,590,593</b>	<b>\$ 356,830,637</b>	<b>\$ 328,092,551</b>	<b>\$ 328,092,551</b>	<b>\$ 371,029,404</b>	<b>\$ 362,775,977</b>

**NOTES**

The amounts presented for the fiscal year 2009 have been restated for a change in accounting policy.

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS JUNE 30, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 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	\$ 10,182,547
Judicial	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	1,207,165
Public safety	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	34,632,491
Public works	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	11,225,072
Parks and recreation	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	7,473,268
Community development	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	6,301,517
Community service	399,347	398,458	396,531	413,150	383,794	434,420	434,420	232,364	493,093	495,647
Interest and fiscal changes	1,549,738	1,166,548	1,079,261	737,496	908,094	914,022	914,022	901,640	682,044	627,757
Total governmental activities expenses	<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>	<u>72,145,464</u>
Business-type activities:										
Sanitary sewer	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	12,874,269
Solid waste	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	11,290,932
Airport	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	3,993,128
Water, gas and light	-	-	-	-	103,961,719	106,533,670	106,533,670	-	-	-
Water	-	-	-	-	-	-	-	10,223,707	11,350,093	11,156,709
Light	-	-	-	-	-	-	-	96,684,785	95,011,447	86,150,688
Gas	-	-	-	-	-	-	-	11,112,701	15,726,147	14,822,635
Telecommunications	-	-	-	-	-	-	-	3,621,346	3,212,149	2,973,103
Storm water	-	-	-	-	-	-	-	5,470,230	13,389,437	5,791,487
Public employees' deposit	13,042,126	12,036,183	13,286,117	14,435,555	13,561,049	-	-	-	-	-
Transit	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	6,416,909
Civic Center	1,603,124	1,913,705	1,885,466	2,197,236	2,079,981	1,779,313	1,779,313	2,308,789	2,214,111	1,481,977
Municipal Auditorium	192,119	161,184	54,971	-	-	-	-	-	-	-
Total business-type activities expenses	<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>172,170,729</u>	<u>156,951,838</u>
Total primary government expenses	<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>248,777,234</u>	<u>229,097,302</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS JUNE 30, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 1,968,719
Judicial	1,109,205	1,297,694	1,251,773	1,203,831	22,784	-	-	-	-	-
Public safety	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	2,596,832
Public works	792,786	940,648	984,194	981,413	995,027	793,518	793,518	775,990	986,544	1,113,623
Parks and recreation	335,993	290,619	204,102	203,342	180,876	148,160	148,160	130,937	125,869	221,683
Community development	481,049	1,403,145	1,285,180	1,097,442	1,579,390	(978,163)	(978,163)	1,383,430	1,263,426	1,072,640
Operating grants and contributions	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	12,963,827
Capital grants and contributions	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	11,476,443
Total governmental activities program revenues	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	31,413,767
Business-type activities:										
Charges for services:										
Sanitary sewer	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	14,681,041
Solid waste	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	9,958,217
Airport	728,191	878,643	762,688	834,146	841,426	822,283	822,283	835,299	1,055,894	1,070,668
Water, gas and light	-	-	-	-	118,441,492	124,653,672	124,653,672	-	-	-
Water	-	-	-	-	-	-	-	11,934,909	12,535,266	11,768,730
Light	-	-	-	-	-	-	-	116,439,184	107,560,618	107,846,750
Gas	-	-	-	-	-	-	-	15,453,714	15,765,267	17,661,084
Telecommunications	-	-	-	-	-	-	-	2,737,692	2,630,955	2,996,914
Public employees' deposit	13,034,004	12,042,502	13,801,791	13,971,380	13,540,775	-	-	-	-	-
Transit	495,279	476,251	525,469	557,583	559,691	577,991	577,991	581,488	493,657	810,498
Storm water	-	-	-	-	-	723,807	723,807	3,606,753	4,281,447	4,267,102
Civic Center	255,803	404,489	360,583	444,135	342,773	311,474	311,474	307,969	337,174	271,409
Municipal Auditorium	52,565	61,862	60,769	-	-	-	-	-	-	-
Operating grants and contributions	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	2,638,205
Capital grants and contributions	2,872,902	3,114,877	-	3,790,551	7,724,576	2,691,726	2,691,726	3,673,081	965,708	3,149,058
Total business-type activities program revenues	42,641,322	41,725,078	41,100,299	44,487,021	165,761,526	154,570,665	154,570,665	179,347,673	186,055,041	177,119,676
Total primary government program revenues	69,665,034	86,137,436	86,986,692	92,656,867	197,373,938	179,405,151	179,405,151	209,735,661	229,632,234	208,533,443

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS JUNE 30, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Taxes	\$ 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	\$ 38,021,997
Investment earnings	1,163,072	874,098	1,009,368	1,750,706	356,766	1,649,063	1,649,063	770,805	38,620	55,045
Gain on sale of assets	-	-	-	-	-	-	-	215,122	-	-
Transfers	(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	11,114,425
Total governmental activities general revenues and other changes in net position	<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>	<u>49,191,467</u>
Business-type activities:										
Investment earnings	251,223	71,199	334,521	1,096,090	(129,346)	657,412	657,412	118,782	63,633	193,373
Gain on sale of assets	-	-	-	-	82,871	220,802	220,802	122,251	120,068	113,944
Transfers	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)	(11,114,425)
Total business-type activities general revenues and other changes in net position	<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>	<u>(10,807,108)</u>
Total primary government general revenues and other changes in net assets	<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>	<u>38,384,359</u>
Change in net position:										
Governmental activities	(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	8,459,770
Business-type activities	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	9,360,730
Total primary government change in net position	<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>	<u>\$ 17,820,500</u>

**NOTES**

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, 2018

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Taxes	Other Taxes	Total
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
2018	16,202,550	9,271,522	2,270,461	1,675,797	5,146,339	1,310,153	2,145,175	38,021,997

**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, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 573,383	\$ 287,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,627,452	22,402,480	-	-	-	-	-	-	-	-
Nonspendable	-	-	2,963,309	752,155	259,934	235,771	239,125	239,125	478,845	137,298
Restricted	-	-	-	-	-	38,470	72,016	72,016	37,996	12,599
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	703,259	724,897	741,304	755,119	764,879	764,879	817,258	840,253
Unassigned	-	-	20,112,553	20,869,545	13,568,156	16,461,430	20,403,856	20,403,856	28,922,087	31,482,500
<b>Total General Fund</b>	<b>\$ 19,200,835</b>	<b>\$ 22,690,114</b>	<b>\$ 23,779,121</b>	<b>\$ 22,346,597</b>	<b>\$ 14,569,394</b>	<b>\$ 17,490,790</b>	<b>\$ 21,479,876</b>	<b>\$ 21,479,876</b>	<b>\$ 30,256,186</b>	<b>\$ 32,472,650</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 2,945,507	\$ 1,191,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,676,146	5,663,995	-	-	-	-	-	-	-	-
Capital projects funds	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	2,497,042
Capital projects funds	-	-	20,461,190	39,451,773	38,693,602	40,803,181	40,811,186	40,811,186	29,074,158	32,621,800
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	23,801,400
Capital projects funds	-	-	-	-	6,260,070	6,484,444	6,656,593	6,656,593	18,692,544	19,631,650
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)	(1,975,427)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 26,955,105</b>	<b>\$ 29,229,918</b>	<b>\$ 28,614,187</b>	<b>\$ 52,612,592</b>	<b>\$ 64,531,060</b>	<b>\$ 68,286,196</b>	<b>\$ 70,404,929</b>	<b>\$ 70,404,929</b>	<b>\$ 71,928,977</b>	<b>\$ 76,576,465</b>
<b>Total Governmental Funds</b>	<b>\$ 46,155,940</b>	<b>\$ 51,920,032</b>	<b>\$ 52,393,308</b>	<b>\$ 74,959,189</b>	<b>\$ 79,100,454</b>	<b>\$ 85,776,986</b>	<b>\$ 91,884,805</b>	<b>\$ 91,884,805</b>	<b>\$ 91,884,805</b>	<b>\$ 109,049,115</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, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Taxes	\$ 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	\$ 38,021,996
Licenses and permits	2,258,362	2,171,589	2,235,513	2,191,504	857,746	783,927	1,077,712	926,040	848,971	889,910
Intergovernmental	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	24,100,384
Charges for services	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	2,372,064
Fines and forfeitures	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	1,163,545
Rental and other fees	-	-	-	-	-	-	-	-	-	-
Interest revenues	1,087,289	863,763	1,286,227	1,973,131	462,117	1,895,678	1,012,185	1,523,845	273,965	298,954
Other revenues	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	3,179,070
<b>Total revenues</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>70,025,923</b>
<b>Expenditures:</b>										
Current:										
General government	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	10,627,987
Judicial	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	1,205,406
Public safety	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	33,936,567
Public works	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	6,155,568
Parks and recreation	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	6,310,929
Community development	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	6,216,592
Community service	399,347	398,458	396,531	413,150	383,794	433,840	416,319	379,747	493,093	495,647
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	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	9,352,345
Debt service:										
Principal	6,000,000	6,205,000	6,433,750	905,409	600,000	585,000	4,391,250	5,640,000	5,215,000	580,000
Interest and fiscal charges	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	608,804
<b>Total expenditures</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>	<b>75,489,845</b>
Excess of revenues over (under) expenditures	(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)	(5,463,922)

(Continued)



# CITY OF ALBANY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS JUNE 30, 2018

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other financing sources (uses)</b>										
Transfers in	\$ 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	\$ 24,418,484
Transfers out	(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)	(12,168,702)
Investment fees	-	-	-	-	-	-	-	-	(456)	-
Change in fair market value of investments	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	295,079	17,625,914	-	-	-	-	-	-
Sale of capital assets	206,758	546,340	698,447	669,189	38,392	640,296	455,741	100,865	1,177,059	78,092
Total other financing sources (uses)	<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>	<u>12,327,874</u>
Net change in fund balances	<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>	<u>\$ 6,863,952</u>
Debt service as a percentage of noncapital expenditures	10.54%	10.58%	10.16%	2.87%	2.25%	2.35%	7.46%	9.00%	8.09%	1.68%

**NOTES**

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, 2018

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
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
2018	16,202,551	9,271,522	2,270,461	1,675,797	5,146,339	1,310,153	2,145,175	38,021,998

**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, 2018

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	
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
2018	1,165,269	2,913,173	331,274	828,185	118,515	1,378,028	3,445,070	9.80

**SOURCE**

Dougherty County Tax Department

**NOTES**

Property is assessed at 40% of actual value. Actual taxable value is calculated by dividing assessed value by 40%.  
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, 2018**

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		
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	0.2	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
2018	9.804	0.000	9.804	15.644	0.000	15.644	18.433	0.000	18.433	0.00	43.881

**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, 2018

By Category	2008	2009 (2)	2010	2011	2012	2013	2014	2015	2016	2017
Food	\$ 3,677,474	\$ 1,351,385 (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apparel	683,128	310,058 (3)	-	-	-	-	-	-	-	-
General	2,402,603	1,082,402 (3)	-	-	-	-	-	-	-	-
Automotive	3,377,416	974,961 (3)	-	-	-	-	-	-	-	-
Home	916,640	345,110 (3)	-	-	-	-	-	-	-	-
Lumber	1,078,029	317,181 (3)	-	-	-	-	-	-	-	-
Miscellaneous Service	1,006,135	375,623 (3)	-	-	-	-	-	-	-	-
Manufacturers	1,718,753	475,704 (3)	-	-	-	-	-	-	-	-
Utilities	1,594,512	555,468 (3)	-	-	-	-	-	-	-	-
Miscellaneous	1,619,727	452,693 (3)	-	-	-	-	-	-	-	-
Accommodations	-	151,098 (4)	183,530	178,114	175,258	150,647	212,981	252,666	254,119	293,483
Auto	-	947,706 (4)	1,532,920	1,532,212	1,584,304	809,709	405,402	457,114	492,916	497,317
Construction	-	56,446 (4)	90,776	84,097	81,167	111,938	124,959	124,552	141,705	122,538
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	2,769,641
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	2,682,038
Home Furnishing	-	684,002 (4)	1,093,541	945,631	909,372	882,216	905,995	894,054	848,016	974,369
Manufacturing	-	255,361 (4)	1,396,801	1,515,298	1,267,861	1,291,861	1,109,267	827,389	765,754	807,956
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	1,337,558
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	2,364,953
Other Services	-	205,957 (4)	344,919	527,492	711,202	484,220	480,088	418,623	489,180	504,120
Utility	-	857,090 (4)	1,097,536	1,177,576	1,121,740	1,174,936	852,254	347,382	345,023	336,978
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	1,508,541
	<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>	<u>\$ 14,199,492</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, 2018**

Taxpayer	Type of Business	Fiscal Year 2018			Fiscal Year 2009		
		2017 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2008 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

2009 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009.

# CITY OF ALBANY, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (Dollar Amounts Expressed in Thousands) JUNE 30, 2018

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
2009	\$ 13,400	\$ 12,329	92.01 %	\$ 1,051	\$ 13,380	99.85
2010	13,540	13,105	96.79	401	13,506	99.75
2011	12,388	12,168	98.22	186	12,353	99.72
2012	12,428	12,131	97.61	266	12,396	99.75
2013	13,758	13,494	98.08	233	13,727	99.77
2014	13,745	13,480	98.07	221	13,701	99.68
2015	13,834	13,496	97.56	292	13,788	99.67
2016	13,741	13,520	98.39	138	13,658	99.40
2017	13,741	13,520	98.39	122	13,642	99.28
2018	13,740	13,463	97.98	-	13,463	97.98

**SOURCE**

Dougherty County Tax Department

# CITY OF ALBANY, GEORGIA

## RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS JUNE 30, 2018

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			
2009	\$ 12,020,000	\$ 10,000,000	\$ 4,925,000	\$ 39,110,000	\$ 51,586	\$ -	\$ -	\$ 66,106,586	4.35%	\$ 871.76
2010	6,425,330	10,000,000	4,625,000	36,670,000	10,421	-	-	57,730,751	3.81%	763.47
2011	605,409	10,000,000	4,325,000	34,145,000	-	-	-	49,075,409	3.48%	633.77
2012	16,585,000	10,000,000	3,981,250	28,575,000	-	-	1,017,111	60,158,361	3.54%	776.90
2013	16,310,000	10,000,000	3,656,250	26,315,000	-	1,682,591	299,150	58,262,991	3.89%	752.45
2014	16,578,912	10,000,000	3,331,250	35,332,348	-	412,137	-	65,654,647	4.24%	861.78
2015	12,276,044	10,000,000	3,000,000	26,880,135	-	-	-	52,156,179	3.18%	688.36
2016	7,119,973	10,000,000	2,325,000	22,401,656	1,412,533	-	-	43,259,162	2.55%	578.00
2017	2,110,000	10,000,000	2,025,000	17,747,464	1,659,427	-	-	33,541,891	2.01%	454.49
2018	1,830,000	10,000,000	1,725,000	12,932,680	1,584,156	-	-	28,071,836	1.69%	383.61

**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, 2018**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
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
2018	1,830,000	-	1,830,000	0.05	25

**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, 2018

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Albany	Amount Applicable to City of Albany
Direct, City of Albany	\$ 13,555,000	100 %	\$ 13,555,000
Overlapping, Dougherty County Board of Education	14,900,000	82 %	12,218,000
	\$ 28,455,000		\$ 25,773,000

**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)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>LEGAL DEBT MARGIN</b>										
Debt limit	\$ 171,967	\$ 168,285	\$ 169,638	\$ 159,382	\$ 165,186	\$ 159,382	\$ 165,186	\$ 165,817	\$ 163,949	\$ 149,654
Total net debt applicable to limit	12,013	6,418	598	16,585	16,310	16,579	12,276	7,120	7,120	1,830
Legal debt margin	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>	<u>\$ 142,803</u>	<u>\$ 152,910</u>	<u>\$ 158,697</u>	<u>\$ 156,829</u>	<u>\$ 147,824</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>6.99%</u>	<u>3.81%</u>	<u>0.35%</u>	<u>10.41%</u>	<u>9.87%</u>	<u>10.40%</u>	<u>7.43%</u>	<u>4.29%</u>	<u>4.34%</u>	<u>1.22%</u>
<b>LEGAL DEBT MARGIN CALCULATION</b>										
Assessed value	\$ 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	\$ 1,378,028
Add back exempt property	110,843	102,145	197,853	106,590	133,086	133,147	133,575	114,956	108,671	118,515
Total assessed value	<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>	<u>1,496,543</u>
Debt limit (10% of total assessed value)	171,967	168,285	169,638	159,382	165,186	165,817	165,197	163,949	150,873	149,654
Debt applicable to limit										
General obligation bonds	12,020	6,425	605	16,585	16,310	16,579	12,276	7,120	2,110	1,830
Less amount set aside for repayment of general obligation debt	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net debt applicable to limit	<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>	<u>1,830</u>
Legal debt margin	<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>	<u>\$ 147,824</u>

**NOTES**

Under State of Georgia law, the City of Albany's outstanding general obligation debt should not exceed 10% 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, 2018

Fiscal Year	Water, Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2018	26,459,201	18,226,472	8,232,729	4,660,000	445,630	1.61

**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, 2018

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age (1)	Education Level in Years of Formal Schooling (1)	School Enrollment (2)	(%) Unemployment Rate (3)
2009	75,831	\$ 1,518,743	\$ 20,028 (1)	33.1	12.5	16,222	7.5
2010	75,616	1,513,908	20,021 (1)	31.1	12.5	15,960	9.8
2011	77,434	1,409,531	18,203 (1)	31.4	12	15,628	10.8
2012	77,434	1,701,380	21,972 (1)	31.5	12.0	15,765	10.1
2013	77,431	1,499,606	19,367 (1)	31.4	12.6	15,676	10.2
2014	76,185	1,550,060	20,346 (1)	31.1	12.8	15,439	8.4
2015	75,769	1,641,384	21,663 (1)	31.4	12.83	15,157	7.8
2016	74,843	1,694,071	22,635 (1)	31.4	12.7	15,001	6.5
2017	73,801	1,670,486	22,635 (1)	31.4	12.7	14,818	6.1
2018	73,179	1,656,407	22,635 (1)	33.9	12.7	14,479	5.1

**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, 2018**

Employer (1)	Fiscal Year 2018			Fiscal Year 2009		
	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

2009 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009.

For Fiscal Year 2009, 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, 2018

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	147	152	154	147	147	136	141	165	165	161
Judicial	12	12	12	12	12	12	14	17	17	17
Public safety	466	484	470	479	479	478	480	463	463	463
Public works	36	45	45	45	45	49	80	63	60	60
Parks and recreation	63	63	63	63	63	55	55	52	52	51
Community development	12	12	12	12	12	15	13	12	12	12
Sanitary sewer	68	59	61	60	60	68	61	61	61	61
Solid waste	49	49	49	49	49	45	43	34	34	34
Airport	17	17	17	17	17	15	15	11	11	16
Transit	30	30	30	30	30	32	33	32	32	36
Civic Center	17	17	17	16	16	16	16	13	13	13
Auditorium	-	-	-	-	-	-	-	-	-	-
Albany Utility Board	305	300	295	295	286	251	233	252	252	256
	<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>	<u>1,180</u>

**SOURCE**

City of Albany Finance Department

Note: Albany Utility Board - formerly known as Water, Gas and Light was merged into the City of Albany by charter during fiscal year 2014.

# CITY OF ALBANY, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS JUNE 30, 2018

Function	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sanitary sewer										
Average daily treatment (thousands of gallons)	16,369	17,477	14,675	14,128	15,799	17,476	16,305	17,300	13,856	13,856
Airport										
Daily flights	3	3	3	3	3	3	3	3	3	3
Enplaned passengers	35,128	33,164	35,218	35,770	34,665	32,305	34,977	35,066	37,757	40,112
Deplaned passengers	34,499	32,668	33,805	34,617	33,682	31,888	34,018	34,040	36,983	39,364
Based aircraft	39	39	35	32	30	29	30	32	34	34
Police										
Citations issued	N/A	N/A	N/A	N/A	10,564	10,827	12,365	18,399	18,969	12,571
DUI citations issued	N/A	N/A	N/A	N/A	138	37	74	119	213	128
Warnings issued	N/A	N/A	N/A	N/A	2,974	3,121	4,139	10,222	10,376	5,916
Crime statistics:										
Aggravated assault	573	465	459	476	532	536	603	555	466	669
Auto theft	347	317	225	240	188	193	168	156	147	187
Murder	8	11	15	7	7	6	13	13	20	17
Rape	44	37	36	28	27	26	28	30	24	28
Robbery	247	230	168	205	193	186	167	207	113	137
Burglary	1,450	1,663	1,382	1,382	1,252	1,391	1,121	1,070	864	796
Theft	3,049	3,265	3,002	3,360	3,328	3,005	2,706	2,558	2,090	3,011
Fire										
Incident responses	2,234	3,588	4,017	3,673	3,465	3,392	3,529	3,834	4,704	3,871
Public Safety Education										
Events	1,264	172	228	205	553	161	207	226	191	186
Persons contacted	3,579	9,441	18,632	37,103	42,019	20,138	20,960	26,400	22,318	16,241

**SOURCE**

Various City departments.



**CITY OF ALBANY, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2018**

Function	Fiscal Year Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Public Safety											
Police											
Fleet size	170	171	171	171	165	219	211	222	222	247	
Fire stations	11	11	11	11	11	11	11	11	11	11	
Public Works											
Miles of streets	559	559	559	559	597	597	575	571	571	571	
Number of street lights	11,247	11,247	11,247	11,279	11,285	11,285	11,285	11,295	11,295	11,432	
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	2	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	351	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**

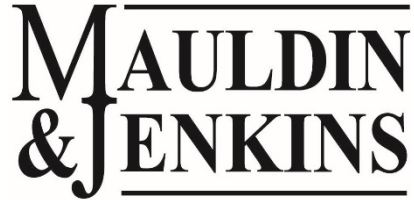
Various City departments.

**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, 2018, 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 26, 2018.

**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.

---

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*.

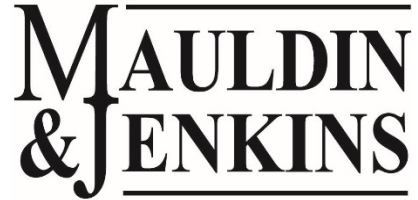
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**Purpose of this Report**

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 26, 2018



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

---

**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, 2018. 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.

---

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, 2018.

**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 26, 2018

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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-Urbanized Area Formula Program	20.507	T005494	\$ 19,487	\$ -
Federal Transit-Urbanized Area Formula Program	20.507	T005830	1,338,882	-
Federal Transit-Urbanized Area Formula Program	20.507	T006038	302,029	-
Federal Transit-Urbanized Area Formula Program	20.507	T006494	853,522	-
Federal Transit-Urbanized Area Formula Program	20.507	T006038	1,110,777	-
Total Federal Transit Cluster			3,624,697	-
Highway Planning and Construction Cluster	20.205	PL000-0015-00(100)	69,885	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GA-2017-035-01	75,219	-
Total U.S. Department of Transportation			3,769,801	-
<b>Federal Aviation Administration</b>				
<b>Direct Awards</b>				
Airport Improvement Program	20.106	3-13-0002-043-2016	5,641	-
Airport Improvement Program	20.106	3-13-0002-043-2017	263,597	-
Total Federal Aviation Administration			269,238	-

(Continued)

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/ Pass-Through Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-through Grantor's Number</b>	<b>Federal Expenditures</b>	<b>Passed-Through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Awards</b>				
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-13-0001	\$ 833,968	\$ 182,884
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-13-0001	131,346	-
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-13-0001	63,336	-
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-13-0001	161,510	-
Total CDBG - Entitlement Grants Cluster			<u>1,190,160</u>	<u>182,884</u>
HUD-Home Partnership Investment Title II Program	14.239	M-13-MC-13-0205	22,032	-
HUD-Home Partnership Investment Title II Program	14.239	M-14-MC-13-0205	182,313	-
HUD-Home Partnership Investment Title II Program	14.239	M-15-MC-13-0205	56,541	-
HUD-Home Partnership Investment Title II Program	14.239	M-16-MC-13-0205	173,114	-
HUD-Home Partnership Investment Title II Program	14.239	M-17-MC-13-0205	190,426	-
Total HUD-Home Partnership Investment Title II Program			<u>624,426</u>	<u>-</u>
EDI Special Project Grant	14.251	2017 B-10-SP-GA-0005	450,000	450,000
<b>Passed-Through State of Georgia</b>				
Supportive Housing Program	14.235	2017 HTF ETA 17C078	22,238	-
Supportive Housing Program	14.235	2017 HTF ETA 17C253	1,038	-
Supportive Housing Program	14.235	2016 16E ER 16C012	20,846	-
Total Supportive Housing Program			<u>44,122</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>2,308,708</u>	<u>632,884</u>

(Continued)

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 15,488	\$ -
2015 Justice Assistance Grant	16.738	2015-DJ-BX-0403	58,875	-
2016 Justice Assistance Grant	16.738	2016-DJ-BX-1043	22,339	-
			<u>81,214</u>	<u>-</u>
Total U.S. Department of Justice			<u>96,702</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	623,699	-
Total U.S. Department of Commerce			<u>623,699</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>				
<b>Direct Awards</b>				
Assistance to Firefighters Grant	97.044	EMW-2008-04076	39,272	-
Disaster Grants - Public Assistance	97.036	N/A	510,961	-
2015 GEMA Bomb Dog Grant	97.067	EMW-2015-SS-00065-S01	1,763	-
2016 GEMA Bomb Dog Grant	97.067	EMW-2016-SS-00007-S01	1,117	-
2016 GEMA Bomb Dog Grant	97.067	EMW-2016-SS-00007-S01	28,861	-
Total GEMA Bomb Dog Grant			<u>31,741</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>581,974</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 7,650,122</u>	<u>\$ 632,884</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, 2018

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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 10% de minimis cost rate for the year ended June 30, 2018.

### **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, 2018, is \$634,126.

**CITY OF ALBANY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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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?

Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?

Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?

Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?

Yes  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, 2018**

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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  
20.106  
20.507

Name of Federal Program or Cluster  
Airport Improvement Program  
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, 2018**

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

None reported

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

None reported



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