

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Prepared by:

Kris Newton  
Director of Finance

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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### TABLE OF CONTENTS

Page

#### INTRODUCTORY SECTION

Letter of Transmittal .....	i - vii
GFOA Certificate of Achievement .....	viii
Principal Officials .....	ix
Organization Chart .....	x

#### FINANCIAL SECTION

Independent Auditor's Report .....	1 - 4
Management's Discussion and Analysis .....	5 - 24
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	25 - 27
Statement of Activities .....	28
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	29 and 30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	
Balances – Governmental Funds .....	31 and 32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Proprietary Funds	
Budget and Actual – General Fund and Major Special Revenue Fund .....	34 - 36
Statement of Net Position – Proprietary Funds .....	37 - 39
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	40 and 41

**CITY OF ALBANY, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

---

**TABLE OF CONTENTS**

**Page**

**FINANCIAL SECTION (CONTINUED)**

Statement of Cash Flows – Proprietary Funds .....	42 - 44
Statement of Fiduciary Net Position – Pension Fund .....	45
Statement of Changes in Fiduciary Net Position – Pension Fund .....	46
Notes to Financial Statements .....	47 - 108
Required Supplementary Information	
Schedule of Funding Progress - City of Albany Pension Plan .....	109
Schedule of Funding Progress - City of Albany Other Post-Employment Benefit Plan .....	110
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds .....	111 and 112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	113 and 114
Budgetary Compliance	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds .....	115 - 118
Nonmajor Enterprise Funds	
Combining Statement of Net Position – Nonmajor Enterprise Funds .....	119 and 120
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds .....	121 and 122
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	123 and 124

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

---

**TABLE OF CONTENTS**

Page

**FINANCIAL SECTION (CONTINUED)**

**Combining and Individual Fund Statements and Schedules (Continued)**

**Internal Service Funds**

Combining Statement of Net Position – Internal Service Funds .....	125
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds .....	126
Combining Statement of Cash Flows – Internal Service Funds .....	127 and 128

**Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds**

2010 Special City Sales Tax .....	129
2005 Special City Sales Tax .....	130
2000 Special City Sales Tax .....	131
1995 Special City Sales Tax .....	132
1990 Special City Sales Tax .....	133

**STATISTICAL SECTION (UNAUDITED)**

**Government-wide information**

Net Position by Component .....	134
Changes in Net Position .....	135 - 138
Governmental Activities Tax Revenues by Source .....	139

**Fund information**

Fund Balances of Governmental Funds .....	140
Changes in Fund Balances of Governmental Funds .....	141 and 142

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

---

### TABLE OF CONTENTS

Page

#### STATISTICAL SECTION (UNAUDITED) (CONTINUED)

General Governmental Tax Revenues by Source .....	143
Assessed Value and Estimated Actual Value of Taxable Property .....	144
Property Tax Rates - Direct and Overlapping Governments .....	145
Taxable Sales Tax Distribution by Category .....	146
Principal Property Taxpayers .....	147
Property Tax Levies and Collections .....	148
Ratio of Outstanding Debt by Type .....	149
Ratio of General Bonded Debt Outstanding .....	150
Direct and Overlapping Governmental Activities Debt .....	151
Legal Debt Margin .....	152
Pledged Revenue Coverage .....	153
Demographic and Economic Statistics .....	154
Principal Employers .....	155
Full Time Equivalent City Government Employees by Function .....	156
Operating Indicators by Function .....	157
Capital Asset Statistics by Function .....	158

#### SINGLE AUDIT SECTION

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 <i>Government Auditing Standards</i> .....	159 - 161
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**CITY OF ALBANY, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

---

**TABLE OF CONTENTS**

**Page**

**SINGLE AUDIT SECTION (CONTINUED)**

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....	162 - 164
Schedule of Expenditures of Federal Awards .....	165 - 168
Notes to Schedule of Expenditures of Federal Awards .....	169
Schedule of Findings and Questioned Costs .....	170 - 172
Summary Schedule of Prior Year Findings .....	173

## INTRODUCTORY SECTION

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# City of Albany

Post Office Box 447

Albany, Georgia

31702-0447

December 30<sup>th</sup>, 2013

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, 2013. 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, 2013. 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. The City of Albany and Dougherty County enjoy a good working relationship. As of the 2012 Census, the population of Albany was estimated at 77,431.<sup>1</sup>

Albany has developed a diversified industrial economy, which includes companies such as Proctor & Gamble, Miller/Coors, and Masterfoods. 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 (CEO) 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 all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Chehaw Park Authority and the Albany-Dougherty Inner City Authority (ADICA) are independent entities whose financial stability relates to the City's financial health and, accordingly, they have been included as part of the City's reporting entity. The Water, Gas and Light Commission of Albany, formerly a component unit of the City of Albany, is as of fiscal year ending June 30, 2013 and going forward, a major enterprise fund of the City of Albany. The City provides a full range of services including police and fire protection, road maintenance, streets, recreational activities, cultural events, and utility services including storm and sanitary sewers, solid waste, water, gas, light, and telecommunications. In addition to these general governmental activities, the City has a transit system, cemetery, airport, civic center, and golf course.

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<sup>1</sup>Source: United States 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, 10 public secondary schools, 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, one of the city's two hometown colleges, is a senior unit of the University System of Georgia. With more than 40 major fields of study, the university offers undergraduate and graduate degree programs, maintaining flexible scheduling for the growing number of non-traditional students<sup>2</sup>.
2. Darton College, also rooted in the city, is a two-year unit of the University System of Georgia. Students can pursue over 70 transfer and career associate degrees. Darton also offers weekend, evening, and distance-learning courses for the flexibility of pursuing higher education<sup>2</sup>.
3. Albany Technical College is a unit of the Technical College System of Georgia. The college provides technical education and training support for the workforce development needs of Southwest Georgia<sup>2</sup>.
4. Turner Job Corps Center serves the Albany area as a fully accredited Vocational Education Institute, providing quality academic and vocational training programs to prepare students (ages 16 – 24) to take their places in today's technical work force. Turner has over 20 vocational trades from which the 930-member student body may choose<sup>2</sup>.
5. Troy University, with its satellite campus, offers 37 majors grouped into 20 general fields of study. The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award a range of undergraduate and graduate degrees<sup>2</sup>.

The City of Albany was not immune to the economic downturn of 2008. The economy is improving nationally, but there is little visible change locally. It is expected that Albany will lag behind the national and the state recovery. Significant economic movement is not expected to occur in Albany until 2015-16. Despite the economic downturn, the City has been able to maintain operations without layoffs, furloughs, or reduction of services; however, it did increase the property tax millage rate beginning in tax year 2012. The City continues to strive to be fiscally responsible and reduce expenditures wherever possible. Across the city, budgets have been tightened and each staffing decision is carefully reviewed. The City Manager's five-year action plan continues to be the focus of management to restore Albany's financial future.

Like many other cities across the nation, 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 focused on developing 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) have worked closely together to develop a recommended plan for commission approval and implementation.

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

## FIVE-YEAR STRATEGIC AND FINANCIAL PLAN

The City of Albany has committed itself to continually improving the efficiency and effectiveness of the organization. In an effort to maintain this commitment, the City Manager has agreed to update the City's Five-Year Strategic and Financial Plan periodically. In 2006 and again in 2008, the City's staff updated the Strategic Plan. Although the plans were an attempt to project five years into the future, we resolved to review and update the plan every two or three years to incorporate changes in internal and external situations, such as fluctuations in the economy and changes in the needs of the community. Additionally, the City Commission adopted formal financial policies in FY11, which have helped to provide structure and guidance as we move forward toward fiscal recovery.

The current revision of the Plan began in late 2010 with plans to incorporate the Performance Management Framework for State and Local Governments released in June 2010 by a collaborative effort of 11 leading public sector management organizations. The update of the Strategic Plan in 2011 includes even more emphasis than before on using performance management techniques to improve efficiency and effectiveness in using our resources to serve the citizens of Albany.

The City outlined six major goals during its most recent **strategic** plan update:

- Accountable, Efficient and Responsive Government
- Community and Economic Vitality
- A Healthy, Livable and Sustainable Albany
- Managed Growth and Infrastructure
- Public Safety: A Safe and Prepared Community
- Transportation Mobility and Connectivity

The City Manager incorporated proven measurement and management practices and tools that addressed improving the services provided to its citizens as well as maintaining responsible control of revenues and expenditures without sacrificing quality customer service. To accomplish the goals, two practices were implemented for use by all departments that would put the plans into action and assist in allocating tasks and responsibilities.

The first practice is project management. Project development, resource allocation, and progress for major City projects are systematically documented. Project managers meet with the City Manager regularly to discuss the progress of each project.

The second practice 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. Performance evaluations are conducted for every City staff member at least twice a year.

The two software packages adopted by the City for managing these new practices, Microsoft Project and Performance Pro, have transformed the culture throughout the organization.

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 \$65.87 million, of those funds was allocated for City administered projects and non-profit organizations, some of which have not been completed at this printing. The City of Albany projects funded through SPLOST V included: \$5.5 million Civic Center debt retirement, \$2.56 million Civic Center infrastructure improvements, \$1.7 million Airport improvement, \$6.8 million upgrade to the 800 MHz radio and tower, \$6.81 million for road improvements, \$4.65 million Public Safety equipment and training facility, \$3.14 million for the Recreation Master Plan and facility renovations, \$1.75 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 Museum, and \$8.65 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 is estimated to be \$98 million. Sixty-four percent, or \$62.72 million, of those funds is to be used for City administered projects and non-profit organizations. The City of Albany projects to be funded through SPLOST VI include: \$3.99 million Airport improvements, \$8.5 million Pump Station and Sewer improvements, \$8.5 million Street and Storm Water improvements, \$1 million Sidewalk replacements, \$3.68 million Alley Paving and improvements, \$11.9 million Public Safety equipment and upgrades, \$4.38 million Transit improvements, and \$3.75 million Recreational improvements. Also included are projects for community organizations and other capital purchases and improvements: \$1.75 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. A complete list of the projects and further details regarding the program are available at [www.albany.ga.us](http://www.albany.ga.us).

Total revenue generated for fiscal year 2012 for SPLOST programs was \$11.6 million with expenditures totaling \$13.6 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, and Debt Service Fund are included in the annual appropriated budget. Long-range capital projects funded by SPLOST are included in the formal operating budget. Encumbrance

accounting is used to maintain adequate cost controls, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded.

### **CASH MANAGEMENT**

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

### **OTHER INFORMATION**

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

### **INDEPENDENT AUDIT**

The financial statements have been prepared in compliance with governmental financial reporting guidelines issued by the Government Finance Officers Association of the United States and Canada and generally accepted accounting principles applicable to governmental entities. The City requires an annual audit of all financial records and transactions of the City by an independent certified public accountant selected by the City's Mayor and Board of Commissioners. The accounting firm of Mauldin and Jenkins, LLC and their report on the basic financial statements and combining 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-two consecutive fiscal years from 1991 to 2012. 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.

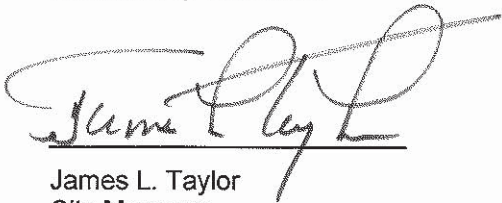
In addition, the City received the GFOA Distinguished Budget Award for the twenty-second consecutive year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication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

#### ACKNOWLEDGMENTS

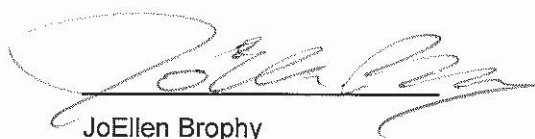
We wish to acknowledge the outstanding accomplishment of the Finance Department staff in the preparation of this report. This document is the culmination of months of hard work and dedication. Additionally, we would like to thank all City departments for their positive attitudes toward budgetary responsibility, 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 and work.

Respectfully submitted,



James L. Taylor  
City Manager



JoEllen Brophy  
Interim Director of Finance



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, 2012**

Executive Director/CEO

# CITY OF ALBANY, GEORGIA

## PRINCIPAL OFFICIALS JUNE 30, 2013

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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>Ivey Hines</b>	<b>Ward II</b>	<b>Commissioner</b>
<b>Christopher Pike</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>

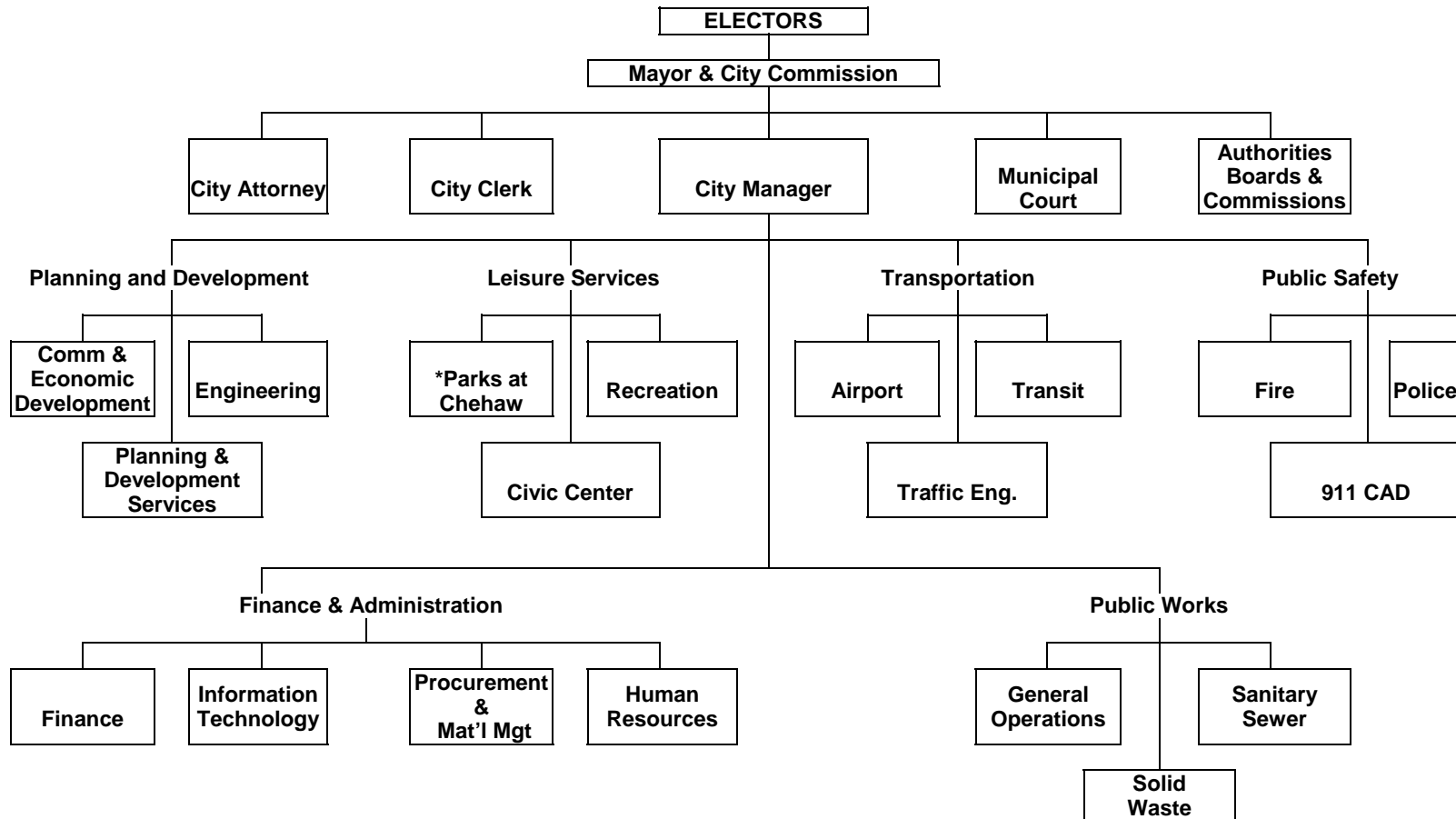
### STAFF

<b>James L. Taylor</b>	<b>City Manager</b>
<b>Krista M. Newton</b>	<b>Director of Finance</b>



# CITY OF ALBANY, GEORGIA

## ORGANIZATION CHART JUNE 30, 2013



\*The Parks at Chehaw falls under the parks authority and is shown here only as a representation of leisure services.

## **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, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Community Development 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 Note 1 and Note 17, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the City approved a resolution to change the financial reporting entity as of July 1, 2012 to include the Water, Gas and Light Commission, which was previously reported as a component unit of the City of Albany, Georgia, as a proprietary fund of the City. Our opinion is 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 Schedules of Funding Progress (on pages 109 and 110) 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 48-8-21, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 30, 2013, on our consideration of the City of Albany, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Albany, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 30, 2013

**CITY OF ALBANY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2013**

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**

During Fiscal Year 2013, the City changed its charter to reflect the Water, Gas, and Light Commission as a department of the City, in the form of an enterprise fund. The Water, Gas and Light Commission was previously reflected as a discretely presented component unit. The analysis below needs to be read with the understanding that most of the large increases in activity regarding business type activities (proprietary/enterprise funds) are a result of this change in reporting entity.

### **Government wide Financial Statements**

- ❑ At the close of the fiscal year, the assets of the City exceeded its liabilities by \$348,590,593. Of this amount, \$55,785,661 (16.0%) 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 \$190,461,125. This represented an increase of \$4,479,143 (2.4%) 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 \$158,129,468. This represented an increase of \$ 6,495,704 (4.3%) 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 \$14,569,394 as of June 30, 2013. Of this amount, \$13,568,156 (93.1%) was unassigned.

- The General Fund had revenues of \$43,158,708 for the current fiscal year. Of this amount, \$16,254,377 (37.7%) was from property taxes, \$9,410,310 (21.8%) was from other taxes, and \$8,176,320 (18.9%) was from sales taxes.

#### Debt Obligations

- Long-term debt obligations from primary governmental activities increased \$161,163 (0.04%), from \$37,710,222 at June 30, 2012, to \$37,549,059 at June 30, 2013.
- Long-term debt obligations from business type activities decreased \$6,116,464 (12.7%), from \$48,317,541 at June 30, 2012, to \$42,201,077 at June 30, 2013.

## 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, culture and recreation, and community development. The business-type activities of the City include sanitary sewer, solid waste, transit, civic center, airport, public employee health plan, and 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 discretely 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 balance provide reconciliation to the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three (3) 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, and SPLOST Fund.

Other *non-major* governmental funds include: Eight (8) Special Revenue Funds (Hotel/Motel Tax Fund, ARRA Fund, Tax Allocation District Fund, Computer Aided Dispatch, Albany-Dougherty Inner City Authority, Grant Fund, Gortatowsky Fund, and Job Investment Fund); and one (1) Capital Projects Fund (Public Improvement Fund). Data on these 9 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, and debt service funds. The report contains a "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget 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, and water, gas and light.

The City maintains six (6) non-major proprietary funds. Four (4) of the non-major proprietary funds are enterprise funds (Transit Fund, Civic Center Fund, Solid Waste Fund, and Public Employee Deposit Fund). These four enterprise funds collectively are reflected as "Other 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 two (2) non-major proprietary funds are internal service funds (Self Administered Insurance Fund and Workers' Compensation Fund). These two 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 non-major 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 - 44 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 45 and 46 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 47 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the eleventh year that the City of Albany has presented its financial statements under the reporting model required by GASB Statement No. 34. This reporting model changed significantly both the recording and presentation of financial data. However, 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, 2012 and June 30, 2013, 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 \$348,590,593 as of June 30, 2013.

As shown in Table 1, the largest portion of the City's net position, \$244.4 million (70.1%), 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, \$48.4 million (14.0%), 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 \$55.8 million (15.9%) 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, 2013, the City reported positive balances in all three categories of net assets, both for the City as a whole as well as for its separate governmental and business-type activities.

**TABLE 1**

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012
Current and Other Assets	\$ 102,765,409	\$ 100,644,887	\$ 46,393,536	\$ 26,500,969	\$ 149,158,945	\$ 127,145,856
Capital Assets	103,406,527	99,289,002	203,961,547	124,947,817	307,368,074	224,236,819
<b>TOTAL ASSETS</b>	<b>206,171,936</b>	<b>199,933,889</b>	<b>250,355,083</b>	<b>151,448,786</b>	<b>456,527,019</b>	<b>351,382,675</b>
<b>TOTAL DEFERED OUTFLOWS</b>	<b>162,304</b>	<b>-</b>	<b>592,447</b>	<b>-</b>	<b>754,751</b>	<b>-</b>
Current and Other Liabilities	12,014,722	7,236,905	26,390,370	9,448,999	38,405,092	16,685,904
Long Term Liabilities	33,848,722	37,196,076	34,096,035	23,810,595	67,944,757	61,006,671
<b>TOTAL LIABILITIES</b>	<b>45,863,444</b>	<b>44,432,981</b>	<b>60,486,405</b>	<b>33,259,594</b>	<b>106,349,849</b>	<b>77,692,575</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>2,341,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,341,328</b>	<b>-</b>
Net Position:						
Net Investment in Capital						
Assets						
Restricted	78,515,796	73,083,652	165,888,018	99,376,889	244,403,814	172,460,541
Unrestricted	38,807,274	47,176,694	9,593,844	8,768,406	48,401,118	55,945,100
Unrestricted	40,806,398	35,240,562	14,979,263	9,567,697	55,785,661	44,808,259
<b>TOTAL NET POSITION</b>	<b>\$ 158,129,468</b>	<b>\$ 155,500,908</b>	<b>\$ 190,461,125</b>	<b>\$ 117,712,992</b>	<b>\$ 348,590,593</b>	<b>\$ 273,213,900</b>

In Table 1(a), the 2013 Statement of Net Position is compared to the results for the prior fiscal year. In Table 2(a), the 2012 and 2013 Statement of Activities for the primary government is compared. Revenues increased by \$106.5 million from 2012 to 2013, the total expenditures for the same period increased by \$99.8 million.

TABLE 1 (a)

**City of Albany**  
**Comparison of Net Position for Primary Government**

	<b>Fiscal Years 2013 and 2012</b>		
	<b>Total Primary Government FY 2013</b>	<b>Total Primary Government FY 2012</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 149,158,945	\$ 127,145,856	\$ 22,013,089
Capital Assets	307,368,074	224,236,819	83,131,255
<b>TOTAL ASSETS</b>	<b>456,527,019</b>	<b>351,382,675</b>	<b>105,144,344</b>
<b>TOTAL DEFERED OUTFLOWS</b>	<b>754,751</b>	<b>-</b>	<b>754,751</b>
Current and Other Liabilities	38,405,092	16,685,904	21,719,188
Long Term Liabilities	67,944,757	61,006,671	6,938,086
<b>TOTAL LIABILITIES</b>	<b>106,349,849</b>	<b>77,692,575</b>	<b>28,657,274</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>2,341,328</b>	<b>-</b>	<b>2,341,328</b>
Net Position:			
Net Investment in Capital			
Assets	244,403,814	172,460,541	71,943,273
Restricted	48,401,118	55,945,100	(7,543,982)
Unrestricted	55,785,661	44,808,259	10,977,402
<b>TOTAL NET POSITION</b>	<b>\$ 348,590,593</b>	<b>\$ 273,213,900</b>	<b>\$ 75,376,693</b>

**TABLE 2**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012
<b>Revenues:</b>						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,746,404	\$ 7,646,772	\$ 157,165,539	\$ 39,467,584	\$ 163,911,943	\$ 47,114,356
Operating Grants and Contributions	8,219,946	23,495,445	871,411	1,228,886	9,091,357	24,724,331
Capital Grants and Contributions	16,646,062	17,027,629	7,724,576	3,790,551	24,370,638	20,818,180
<u>General Revenues:</u>						
Property taxes	16,473,385	13,932,138	-	-	16,473,385	13,932,138
Sales taxes	8,176,320	8,874,041	-	-	8,176,320	8,874,041
Other taxes	10,919,260	9,033,099	-	-	10,919,260	9,033,099
Investment income	356,766	1,750,707	(129,346)	1,096,089	227,420	2,846,796
Gain on sale of assets	-	-	82,871	-	82,871	-
<b>TOTAL REVENUES</b>	<b>67,538,143</b>	<b>81,759,831</b>	<b>165,715,051</b>	<b>45,583,110</b>	<b>233,253,194</b>	<b>127,342,941</b>
<u>Expenses:</u>						
General government	11,850,540	15,659,577	-	-	11,850,540	15,659,577
Judicial	1,105,206	1,092,438	-	-	1,105,206	1,092,438
Public safety	34,446,708	36,274,636	-	-	34,446,708	36,274,636
Public works	11,763,774	8,562,916	-	-	11,763,774	8,562,916
Parks and recreation	9,134,107	6,572,226	-	-	9,134,107	6,572,226
Community development	4,788,597	8,866,465	-	-	4,788,597	8,866,465
Community service	383,794	413,150	-	-	383,794	413,150
Interest on long-term debt	908,094	737,496	-	-	908,094	737,496
Sewer	-	-	13,510,612	13,802,498	13,510,612	13,802,498
Solid waste	-	-	8,303,044	8,336,517	8,303,044	8,336,517
Airport	-	-	2,873,052	2,632,485	2,873,052	2,632,485
Water, gas and light	-	-	103,961,719	-	103,961,719	-
Public Employee Deposit	-	-	13,561,049	14,435,555	13,561,049	14,435,555
Transit	-	-	3,608,070	3,511,901	3,608,070	3,511,901
Civic Center	-	-	2,079,981	2,197,236	2,079,981	2,197,236
<b>TOTAL EXPENSES</b>	<b>74,380,820</b>	<b>78,178,904</b>	<b>147,897,527</b>	<b>44,916,192</b>	<b>222,278,347</b>	<b>123,095,096</b>
<b>Increase (Decrease) Before Transfers</b>	<b>(6,842,677)</b>	<b>3,580,927</b>	<b>17,817,524</b>	<b>666,918</b>	<b>10,974,847</b>	<b>4,247,845</b>
Transfers	13,338,381	(4,680,629)	(13,338,381)	4,680,629	-	-
<b>CHANGE IN NET POSITION</b>	<b>6,495,704</b>	<b>(1,099,702)</b>	<b>4,479,143</b>	<b>5,347,547</b>	<b>10,974,847</b>	<b>4,247,845</b>
<b>Net Position - Beg. Of Year, restated</b>	<b>151,633,764</b>	<b>152,733,466</b>	<b>185,981,982</b>	<b>117,712,992</b>	<b>337,615,746</b>	<b>270,446,458</b>
<b>Net Position - End Of Year</b>	<b>\$ 158,129,468</b>	<b>\$ 151,633,764</b>	<b>\$ 190,461,125</b>	<b>\$ 123,060,539</b>	<b>\$ 348,590,593</b>	<b>\$ 274,694,303</b>

TABLE 2 (a)

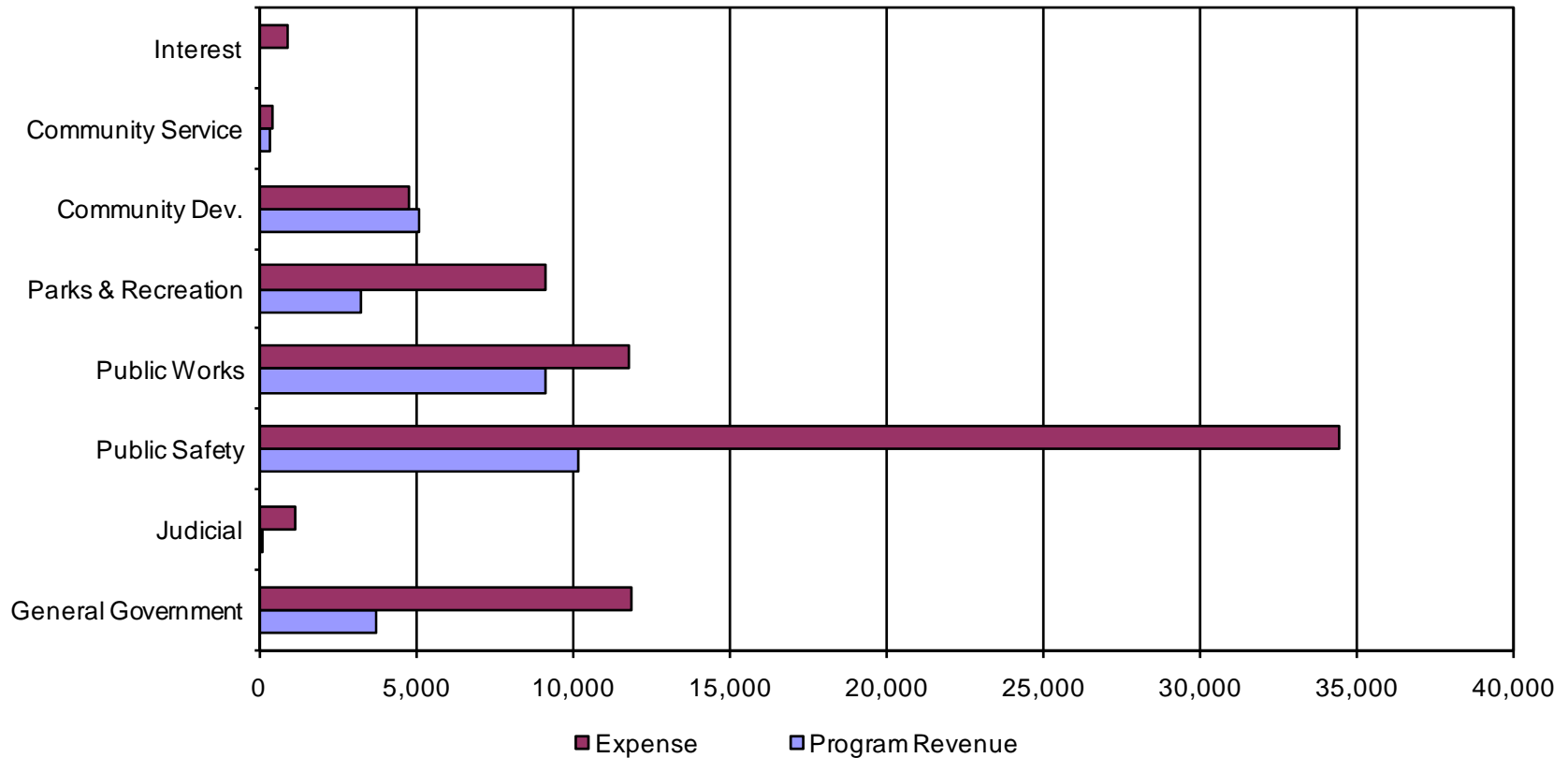
**City of Albany**  
**Comparison of Statement of Activities for Primary Government**  
**Fiscal Years 2013 and 2012**

	Total Primary Government Activities- 2013	Total Primary Government Activities- 2012	Increase (Decrease)
<b>Revenues:</b>			
<u>Program Revenues:</u>			
Charges for Services	\$ 163,911,943	\$ 47,114,356	\$ 116,797,587
Operating Grants and Contributions	9,091,357	24,724,331	(15,632,974)
Capital Grants and Contributions	24,370,638	20,818,180	3,552,458
<u>General Revenues:</u>			
Property taxes	16,473,385	13,932,138	2,541,247
Sales taxes	8,176,320	8,874,041	(697,721)
Other taxes	10,919,260	9,033,099	1,886,161
Investment income	227,420	2,846,796	(2,619,376)
Gain on sale of assets	82,871	-	82,871
<b>TOTAL REVENUES</b>	<b>233,253,194</b>	<b>127,342,941</b>	<b>105,910,253</b>
<b>Expenses:</b>			
General government	11,850,540	15,659,577	(3,809,037)
Judicial	1,105,206	1,092,438	12,768
Public safety	34,446,708	36,274,636	(1,827,928)
Public works	11,763,774	8,562,916	3,200,858
Parks and recreation	9,134,107	6,572,226	2,561,881
Community development	4,788,597	8,866,465	(4,077,868)
Community service	383,794	413,150	(29,356)
Interest on long-term debt	908,094	737,496	170,598
Sewer	13,510,612	13,802,498	(291,886)
Solid waste	8,303,044	8,336,517	(33,473)
Airport	2,873,052	2,632,485	240,567
Water, gas and light	103,961,719	-	103,961,719
Public employee deposit	13,561,049	14,435,555	(874,506)
Transit	3,608,070	3,511,901	96,169
Civic Center	2,079,981	2,197,236	(117,255)
<b>TOTAL EXPENSES</b>	<b>222,278,347</b>	<b>123,095,096</b>	<b>99,183,251</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 10,974,847</b>	<b>\$ 4,247,845</b>	<b>\$ 6,727,002</b>

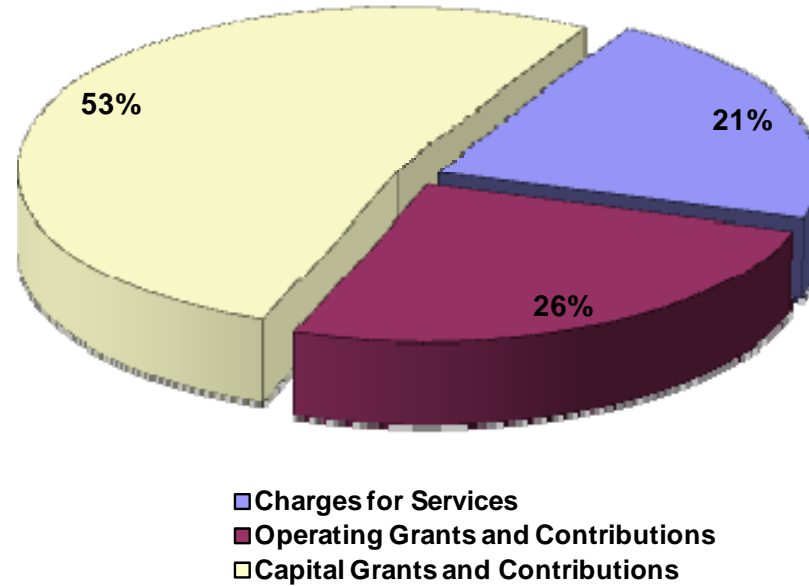
**Governmental Activities**

Governmental Activities increased the City of Albany’s net position by \$6,495,704. Revenues from governmental activities totaled \$67,538,143; with operating grants (12.2%), capital grants and contributions (24.6%), property taxes (24.4%), other taxes (16.2%), sales taxes (12.1%), and charges for services (10.0%) contributing to the City’s revenues. Expenses for governmental activities were \$74,380,820, of which 42.5% was supported from program revenues and 48.3% from general revenues. Expenses for Public Safety (46.3%), General Government (15.9%), Public Works Admin and Streets (15.8%) make up 78.1% of the total expense for governmental activities.

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



## Governmental Activities - Breakout of Program Revenue



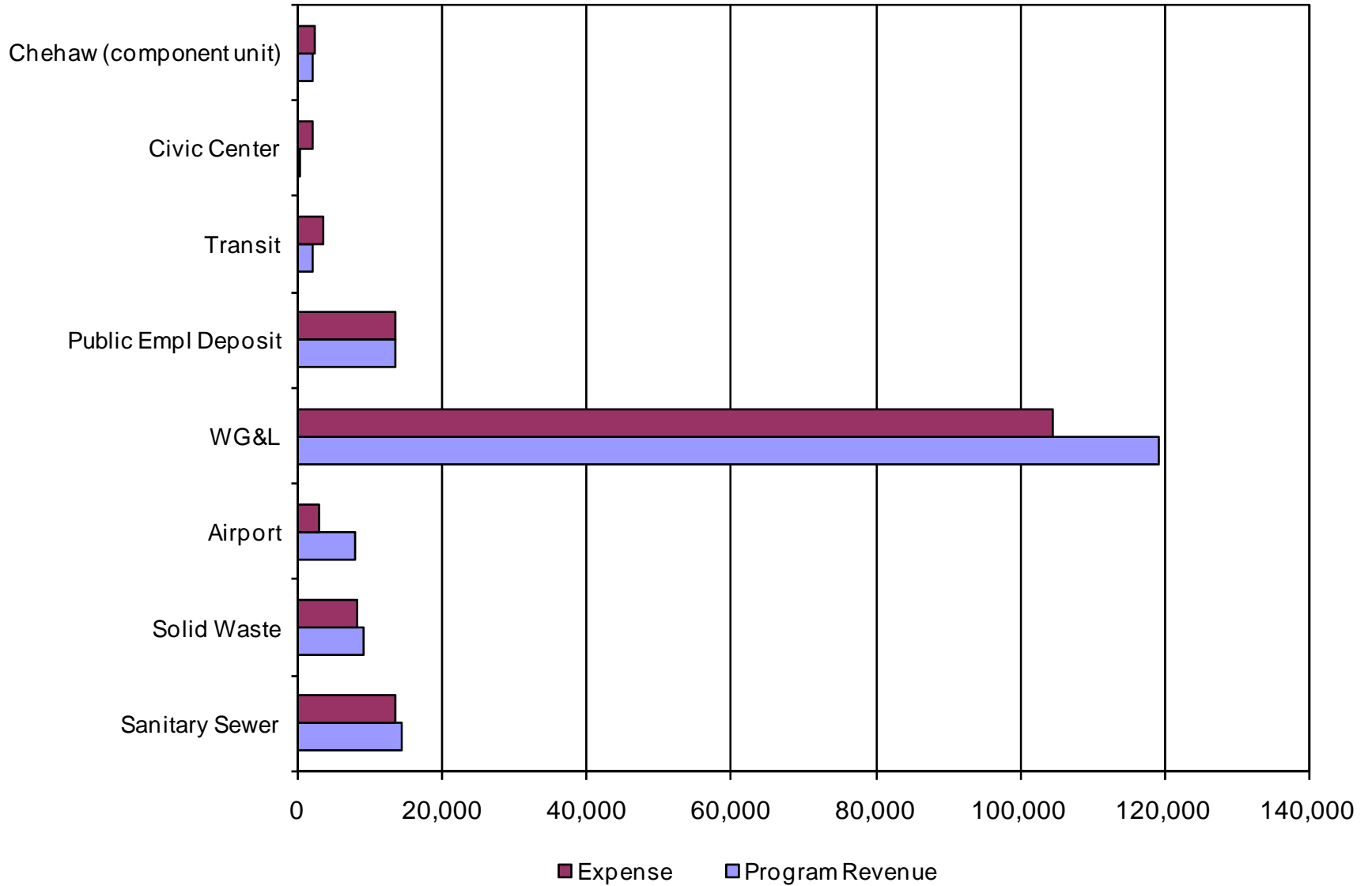
### Business-type Activities

Business-type activities increased the City of Albany's net assets by \$4,479,143. As of June 30, 2013, total business-type net assets were \$190,461,125 of which \$165,888,018 was invested in capital assets; \$9,593,844 was restricted; and \$14,979,263 was unrestricted.

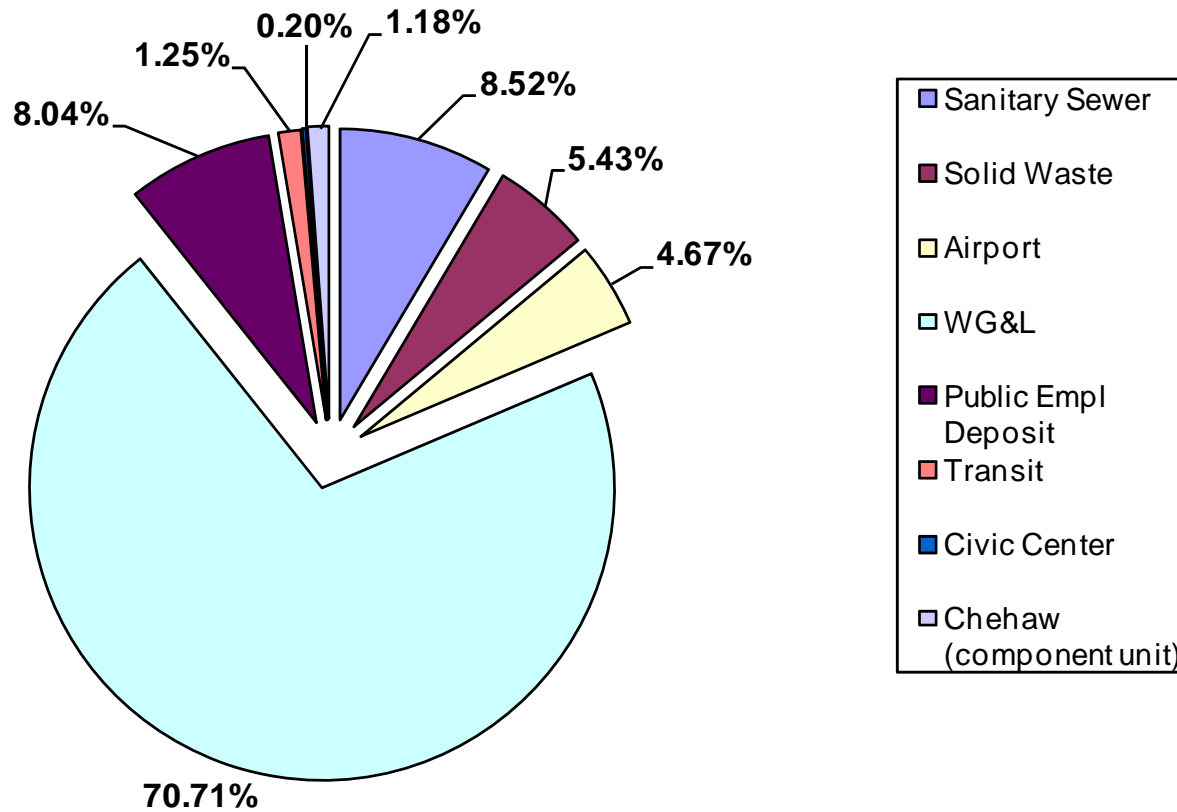
Revenues totaled \$165,761,526 with 100% of revenues coming from Program Revenues. (See chart "Business-Type Activities – Breakout by Revenues"). Total expenses were \$147,897,527. The largest expenses were Water, Gas, and Light (70.3%), Public Employees Group Health Plan (9.2%), and Sanitary Sewer (9.1%).



### 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 \$79,100,454 an increase of \$4,141,265 in comparison to the prior year. Seventeen percent (\$13,392,208) constituted unassigned fund balance, which is available for spending at the government's discretion. The remaining 83% of the fund balance (\$65,708,246) is divided as follows: \$1,412,357 is non-spendable due to being in a form such as inventory or prepaid expenses; \$44,629,119 is legally restricted by an outside authority or a legal agreement, such as SPLOST or loans; and a combined total of \$19,666,770 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, 2013, the *unassigned* fund balance in the general fund was \$13,568,156; the total fund balance was \$14,569,394 – a decrease of \$7,777,203 compared to 2012.

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 27.2% of the total general fund expenditures, while total fund balance represents 27.7% of that same amount. When *transfers out* are added to *expenditures*, the available fund balance represents 21.1% of expenditures plus transfers, while the total fund balance represents 21.5% of this amount.

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

Transfers in From Other funds (\$16,827,971) represent transfers from the Hotel/Motel Tax Fund, Sewer Fund, and the Water, Gas and Light Fund.

Funding for component units (\$1,002,000) 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 Fund, Civic Center Fund, ADICA, Public Improvement Fund, and Job Investment Fund.

During the fiscal year ended June 30, 2013, the City's General Fund balance decreased by \$7,777,203. The following contributed to the change:

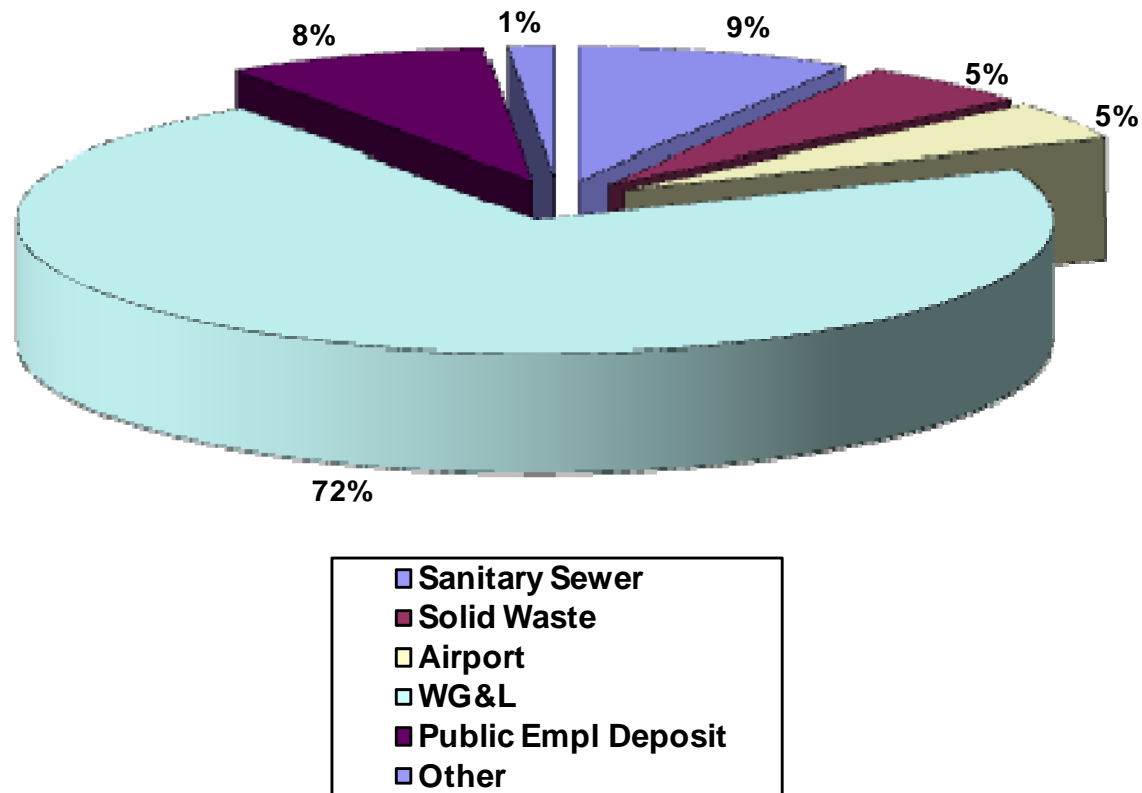
- ❑ Actual expenditures were \$3,951,045 under budgeted expenditures.
- ❑ In FY2013, the City of Albany established a new special revenue fund, the Job Investment Fund. \$9,191,736 was transferred into that fund from the General Fund for prior year revenues. This decreased a large sum of the General Funds' previously restricted fund balance.
- ❑ The General Fund transferred \$2,146,429 to the Capital Improvement Fund for the future repayment of capital assets purchased through the GMA lease pool.

During the fiscal year ended June 30, 2013, the City's Community Development Fund and SPLOST Fund fund balances decreased by \$249,580 and \$2,294,949, 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, 2013, the proprietary funds had total operating revenues of \$157.2 million. Based on revenues, the largest proprietary fund is the Water, Gas, and Light Fund (72%) followed by the Sanitary Sewer Fund (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 \$4,768,769 (representing a 2.4% increase from the prior year's adjusted net position balance of \$185,981,982). The net change was the result of the following:

Sanitary Sewer Fund	\$	(2,732,221)
Airport Fund		6,645,072
Water, Gas, & Light		554,444
Other Enterprise Funds		301,474

The change in the Airport fund is primarily the result of significant capital grants used to build the new airport terminal. This large increase in net position was not related to an excess of operational revenue over expenses. Similarly, the large decrease in the Sanitary Sewer Fund was not due to a deficit of operational revenue over expenses, but rather it was due to an agreed upon transfer from the Sanitary Sewer's unrestricted net position to the General Fund to help balance the Fiscal Year 2013 budget.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The fiscal year 2013 budget was balanced expecting to use \$2,391,975 of its fund balance and a transfer from the Sanitary Sewer Fund of \$2,000,000 to pay for expenditures. The City was also fortunate enough to have a temporary revenue stream in the form of a MEAG credit. The difference between the budgeted revenues and expenditures equals 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% over the budgeted amount. The City's expenditures were 7% 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, 2013**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 15,055,462	\$ 15,055,462	\$ 16,254,377	\$ 1,198,915
Sales taxes	8,600,000	8,600,000	8,176,320	(423,680)
Other taxes	9,057,735	9,057,735	9,410,310	352,575
Licenses and permits	672,966	672,966	857,746	184,780
Intergovernmental	6,498,717	6,498,717	6,267,732	(230,985)
Charges for services	1,357,285	1,357,285	1,182,436	(174,849)
Fines and forfeitures	1,395,208	1,395,208	1,486,133	90,925
Interest income	200,000	200,000	(608,177)	(808,177)
Other	45,111	45,111	131,831	86,720
<b>TOTAL REVENUES</b>	<b>\$ 42,882,484</b>	<b>\$ 42,882,484</b>	<b>\$ 43,158,708</b>	<b>\$ 276,224</b>
<b>Expenditures:</b>				
General government	9,754,197	9,954,197	9,341,745	612,452
Judicial	1,152,447	1,152,447	1,104,040	48,407
Public safety	31,028,754	31,028,754	28,883,093	2,145,661
Public works	9,509,540	8,859,540	8,077,290	782,250
Parks and recreation	5,211,229	5,211,229	4,858,622	352,607
Community svc(Subsidized agencies)	393,462	393,462	383,794	9,668
Debt service interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 57,049,629</b>	<b>\$ 56,599,629</b>	<b>\$ 52,648,584</b>	<b>\$ 3,951,045</b>

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$305,647,960 (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 68 - 71 of this report.

**TABLE 4**

<b>CITY OF ALBANY</b>			
<b>CAPITAL ASSETS (Net of Depreciation)</b>			
<b>JUNE 30, 2013</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets not being depreciated:			
Land	\$ 17,299,823	\$ 13,655,988	\$ 30,955,811
Construction in Progress	2,573,473	16,375,113	18,948,586
<b>Total assets not depreciated</b>	<b>19,873,296</b>	<b>30,031,101</b>	<b>49,904,397</b>
Capital assets being depreciated:			
Intangibles	-	1,794,902	1,794,902
Buildings and improvements	71,371,400	142,328,251	213,699,651
Equipment and vehicles	33,301,410	63,138,661	96,440,071
Infrastructure	75,151,959	133,980,900	209,132,859
<b>Total assets depreciated</b>	<b>179,824,769</b>	<b>341,242,714</b>	<b>521,067,483</b>
Less accumulated depreciation:			
Intangibles	-	74,788	74,788
Buildings and improvements	21,330,760	53,237,821	74,568,581
Equipment and vehicles	18,447,922	38,350,713	56,798,635
Infrastructure	56,512,856	75,648,946	132,161,802
<b>Total accumulated depreciation</b>	<b>96,291,538</b>	<b>167,312,268</b>	<b>263,603,806</b>
<b>Total assets depreciated, net</b>	<b>83,533,231</b>	<b>173,930,446</b>	<b>257,463,677</b>
<b>Capital assets, net</b>	<b>\$ 103,406,527</b>	<b>\$ 203,961,547</b>	<b>\$ 307,368,074</b>

**Long-term Debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is \$79.8 million – a decrease of \$6.3 million over the previous year. Of this amount, \$11.8 million is due within one year. Certificates of Participation (12.8%) and Revenue Bonds (45.1%) make up \$45.3 million of the total. The remaining \$34.5 million is comprised of notes payable, general obligation bonds, OPEB liability, capital leases, and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 72 - 88.

**TABLE 5**

**CITY OF ALBANY LONG TERM DEBT OBLIGATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance at June 30, 2013	Percentage of Total	Due Within One Year
<b><u>Governmental Activities</u></b>			
Bonds payable	\$ 17,081,780	21.4%	\$ 260,000
Notes payable	3,656,250	4.6%	325,000
Certificates of participation	10,000,000	12.5%	-
OPEB Liability	3,349,544	4.2%	-
Compensated absences	3,461,485	4.3%	3,115,337
Governmental long-term liabilities	<u>\$ 37,549,059</u>		<u>\$ 3,700,337</u>
<b><u>Business-Type Activities</u></b>			
Bonds Payable:			
Revenue bonds	\$ 35,200,000		\$ 4,110,000
Add deferred amounts Unamortized premium	132,348		-
Total bonds payable	35,332,348	44.3%	4,110,000
Notes payable	1,682,591	2.1%	1,176,067
Capital leases	299,150	0.4%	299,150
Manufactured gas plant liability	1,470,244		
Compensated absences	3,416,744	4.3%	2,519,825
Business-Type long-term liabilities	<u>42,201,077</u>		<u>8,105,042</u>
<b>Total primary government liabilities</b>	<u>\$ 79,750,136</u>		<u>\$ 11,805,379</u>



The General Obligation Bonds relate to bonds issued for the Albany-Dougherty Inner City Authority (ADICA) and for the Special Purpose Local Option Tax (SPLOST) fund. 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 One Georgia Authority for ADICA's loan for 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>
General Obligation Bonds (SPLOST)	Aa3	-
Sewer Revenue Bonds	Aaa	AAA
ADICA Bonds	A-3	-
WG&L (Water 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. The City is currently relying on this revenue source to minimize the transfer required from fund balance in order to balance the budget during the current economic recession.

In an effort to be prepared for 2018 when this revenue stream discontinues, the City of Albany's Board of Commissioners increased the millage rate by 1.66 in fiscal year 2013. Additionally, the City's occupational tax and hotel/motel taxes were moderately increased. In Fiscal Year 2013, the budget was decreased 2.38% (\$2.6 million) from the prior year and going into Fiscal Year 2014, the budget was only increased by one quarter of a percent (.25% - \$273 Thousand). Additionally, the Fiscal Year 2014's budget was truly a balanced budget. It is the first time in many years that the budget has been set without the use of fund balance or one time transfers in from other funds.

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 before 2018. These efforts are not yet enough to replace the estimated future decrease in revenues when the MEAG Credit ceases. The City continues to aggressively pursue a five year cost reduction plan in order to bridge the gap as well as explore the possibilities of new or increased revenue streams.

## **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.

## **BASIC FINANCIAL STATEMENTS**

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CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,121,090	\$ 9,464,206	\$ 33,585,296	\$ 30,959
Investments	53,638,013	5,657,546	59,295,559	-
Taxes receivable	314,591	-	314,591	-
Accounts receivable, net of allowances	1,371,787	20,045,669	21,417,456	-
Notes receivable	14,050,181	-	14,050,181	-
Interest receivable	-	14,993	14,993	-
Inventories	240,845	3,781,432	4,022,277	-
Internal balances	3,688,808	(3,688,808)	-	-
Due from other governments	2,660,947	1,199,063	3,860,010	-
Due from component unit	150,000	-	150,000	-
Prepaid expenses	187,819	240,892	428,711	17,214
Restricted assets:				
Cash	-	86,534	86,534	-
Investments	-	9,592,009	9,592,009	-
Fair value of interest rate swap agreement	2,341,328	-	2,341,328	-
Capital assets:				
Non-depreciable	19,873,296	30,031,101	49,904,397	1,283,104
Depreciable, net of accumulated depreciation	83,533,231	173,930,446	257,463,677	7,170,509
Total assets	<u>206,171,936</u>	<u>250,355,083</u>	<u>456,527,019</u>	<u>8,501,786</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	162,304	592,447	754,751	-
Total deferred outflows of resources	<u>162,304</u>	<u>592,447</u>	<u>754,751</u>	<u>-</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>LIABILITIES</b>				
Accounts payable	\$ 3,360,349	\$ 11,098,680	\$ 14,459,029	\$ 81,843
Retainage payable	162,000	759,440	921,440	-
Accrued expenses	1,231,932	853,363	2,085,295	22,761
Claims payable	3,339,847	890,000	4,229,847	-
Due to primary government	-	-	-	150,000
Due to other governments	70,869	-	70,869	-
Unearned revenues	149,388	1,106,563	1,255,951	-
Line of credit	-	1,659,500	1,659,500	-
Advance payments and customer deposits	-	1,882,397	1,882,397	21,453
Payable from restricted assets:				
Current maturities of long-term debt	-	4,110,000	4,110,000	-
Accrued interest payable	-	35,385	35,385	-
Intergovernmental agreement, due within one year	-	299,150	299,150	-
Certificates of participation, due in more than one year	10,000,000	-	10,000,000	-
Bonds payable, due within one year	260,000	-	260,000	-
Bonds payable, due in more than one year	16,821,780	31,222,348	48,044,128	-
Notes payable, due within one year	325,000	-	325,000	-
Notes payable, due in more than one year	3,331,250	-	3,331,250	-
Capital leases payable, due within one year	-	1,176,067	1,176,067	43,230
Capital leases payable, due in more than one year	-	506,524	506,524	-
Compensated absences payable, due within one year	3,115,337	2,519,825	5,635,162	-
Compensated absences payable, due in more than one year	346,148	896,919	1,243,067	-
Other long-term liabilities - manufactured gas plant	-	1,470,244	1,470,244	-
Other long-term liabilities - OPEB	3,349,544	-	3,349,544	-
Total liabilities	<u>45,863,444</u>	<u>60,486,405</u>	<u>106,349,849</u>	<u>319,287</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - effective hedge	\$ 2,341,328	\$ -	\$ 2,341,328	\$ -
Total deferred inflows of resources	<u>2,341,328</u>	<u>-</u>	<u>2,341,328</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	78,515,796	165,888,018	244,403,814	8,410,383
Restricted for:				
Federal programs	2,619,190	-	2,619,190	-
Public safety	1,480,172	-	1,480,172	-
Gortatowsky endowment	50,696	-	50,696	-
Capital projects	34,657,216	-	34,657,216	-
Debt service	-	9,593,844	9,593,844	-
Unrestricted (deficit)	40,806,398	14,979,263	55,785,661	(227,884)
Total net position	<u>\$ 158,129,468</u>	<u>\$ 190,461,125</u>	<u>\$ 348,590,593</u>	<u>\$ 8,182,499</u>

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, 2013

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		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental Activities:								
General government	\$ 11,850,540	\$ 931,310	\$ 2,659,857	\$ 137,145	\$ (8,122,228)	\$ -	\$ (8,122,228)	\$ -
Judicial	1,105,206	22,784	-	-	(1,082,422)	-	(1,082,422)	-
Public safety	34,446,708	3,037,017	4,079,905	3,005,297	(24,324,489)	-	(24,324,489)	-
Public works	11,763,774	995,027	386,673	7,693,207	(2,688,867)	-	(2,688,867)	-
Parks and recreation	9,134,107	180,876	275,750	2,736,014	(5,941,467)	-	(5,941,467)	-
Community development	4,788,597	1,579,390	789,706	2,746,623	327,122	-	327,122	-
Community service	383,794	-	28,055	327,776	(27,963)	-	(27,963)	-
Interest on long-term debt	908,094	-	-	-	(908,094)	-	(908,094)	-
Total governmental activities	74,380,820	6,746,404	8,219,946	16,646,062	(42,768,408)	-	(42,768,408)	-
Business-type Activities:								
Sanitary sewer	13,510,612	14,303,532	-	44,543	-	837,463	837,463	-
Solid waste	8,303,044	9,135,850	-	-	-	832,806	832,806	-
Airport	2,873,052	841,426	-	7,011,388	-	4,979,762	4,979,762	-
Water, gas and light	103,961,719	118,441,492	-	-	-	14,479,773	14,479,773	-
Public employee deposit	13,561,049	13,540,775	-	-	-	(20,274)	(20,274)	-
Transit	3,608,070	559,691	871,411	668,645	-	(1,508,323)	(1,508,323)	-
Civic Center	2,079,981	342,773	-	-	-	(1,737,208)	(1,737,208)	-
Total business-type activities	147,897,527	157,165,539	871,411	7,724,576	-	17,863,999	17,863,999	-
Total primary government	\$ 222,278,347	\$ 163,911,943	\$ 9,091,357	\$ 24,370,638	\$ (42,768,408)	\$ 17,863,999	\$ (24,904,409)	\$ -
Component Unit:								
Chehaw Park Authority	\$ 2,224,647	\$ 831,032	\$ 1,085,489	\$ -	\$ -	\$ -	\$ -	\$ (308,126)
Total component unit	\$ 2,224,647	\$ 831,032	\$ 1,085,489	\$ -	\$ -	\$ -	\$ -	\$ (308,126)
General revenues:								
Property taxes					\$ 16,473,385	\$ -	\$ 16,473,385	\$ -
Sales taxes					8,176,320	-	8,176,320	-
Franchise taxes					2,073,111	-	2,073,111	-
Business taxes					1,775,845	-	1,775,845	-
Insurance premium tax					3,870,670	-	3,870,670	-
Alcoholic beverage tax					1,411,557	-	1,411,557	-
Hotel/Motel tax					1,508,950	-	1,508,950	-
Other taxes					279,127	-	279,127	-
Investment income (loss)					356,766	(129,346)	227,420	15
Gain on sale of assets					-	82,871	82,871	-
Transfers					13,338,381	(13,338,381)	-	-
Total general revenues and transfers					49,264,112	(13,384,856)	35,879,256	15
Change in net position					6,495,704	4,479,143	10,974,847	(308,111)
Net position - beginning of year, restated					151,633,764	185,981,982	337,615,746	8,490,610
Net position - end of year					\$ 158,129,468	\$ 190,461,125	\$ 348,590,593	\$ 8,182,499

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

**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**BALANCE SHEET  
JUNE 30, 2013**

<b>ASSETS</b>	<b>General Fund</b>	<b>Community Development Fund</b>	<b>SPLOST Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 1,955,668	\$ 2,615,213	\$ 15,286,178	\$ 3,581,290	\$ 23,438,349
Investments	9,306,230	-	18,394,181	23,025,745	50,726,156
Receivables, net of allowance:					
Taxes	313,830	-	-	761	314,591
Accounts	836,746	95,194	-	439,847	1,371,787
Notes	-	14,050,181	-	-	14,050,181
Due from other funds	4,692,994	-	-	1,695,255	6,388,249
Due from other governments	1,539,323	127,519	826,814	167,291	2,660,947
Due from component units	150,000	-	-	-	150,000
Inventories	240,845	-	-	-	240,845
Prepaid items	19,089	-	-	-	19,089
Advance to other funds	-	-	-	1,152,423	1,152,423
Total assets	<u>\$ 19,054,725</u>	<u>\$ 16,888,107</u>	<u>\$ 34,507,173</u>	<u>\$ 30,062,612</u>	<u>\$ 100,512,617</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,404,342	\$ 100,092	\$ 1,241,595	\$ 406,651	\$ 3,152,680
Accrued liabilities	1,140,324	18,518	-	-	1,158,842
Retainage payable	-	-	136,850	25,150	162,000
Due to other funds	1,752,785	97,243	256,971	561,204	2,668,203
Due to other governments	63,986	2,883	-	4,000	70,869
Deferred revenues	123,894	-	-	25,494	149,388
Total liabilities	<u>4,485,331</u>	<u>218,736</u>	<u>1,635,416</u>	<u>1,022,499</u>	<u>7,361,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - notes receivable	-	14,050,181	-	-	14,050,181
Total deferred inflow of resources	<u>-</u>	<u>14,050,181</u>	<u>-</u>	<u>-</u>	<u>14,050,181</u>

(Continued)



**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**BALANCE SHEET  
JUNE 30, 2013**

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>SPLOST Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	\$ 240,845	\$ -	\$ -	\$ -	\$ 240,845
Prepaid items	19,089	-	-	-	19,089
Advance to other funds	-	-	-	1,152,423	1,152,423
Restricted					
Federal programs	-	2,619,190	-	-	2,619,190
Public safety	-	-	-	1,480,172	1,480,172
Gortatowsky endowment	-	-	-	50,696	50,696
Capital projects	-	-	32,871,757	7,607,304	40,479,061
Committed					
Inner city development	-	-	-	12,665,396	12,665,396
Capital projects	-	-	-	6,260,070	6,260,070
Assigned					
City cemetery	525,481	-	-	-	525,481
City parks	5,840	-	-	-	5,840
Police contingency	27	-	-	-	27
Keep Albany-Dougherty Beautiful	209,956	-	-	-	209,956
Unassigned	<u>13,568,156</u>	<u>-</u>	<u>-</u>	<u>(175,948)</u>	<u>13,392,208</u>
Total fund balances	<u>14,569,394</u>	<u>2,619,190</u>	<u>32,871,757</u>	<u>29,040,113</u>	<u>79,100,454</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,054,725</u>	<u>\$ 16,888,107</u>	<u>\$ 34,507,173</u>	<u>\$ 30,062,612</u>	

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.	103,406,527
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	14,050,181
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.	(967,849)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(37,459,845)</u>
Net position of governmental activities	<u>\$ 158,129,468</u>

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

**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>SPLOST Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Property taxes	\$ 16,254,377	\$ -	\$ -	\$ 219,008	\$ 16,473,385
Sales taxes	8,176,320	-	-	-	8,176,320
Other taxes	9,410,310	-	-	1,508,950	10,919,260
Licenses and permits	857,746	-	-	-	857,746
Intergovernmental	6,267,732	1,791,380	11,468,958	3,350,951	22,879,021
Charges for services	1,182,436	949,519	-	1,532,951	3,664,906
Fines and forfeitures	1,486,133	-	-	-	1,486,133
Investment income (loss)	(608,177)	895	127,449	941,950	462,117
Other	131,831	1,362,358	-	26,897	1,521,086
Total revenues	<u>43,158,708</u>	<u>4,104,152</u>	<u>11,596,407</u>	<u>7,580,707</u>	<u>66,439,974</u>
<b>Expenditures:</b>					
Current:					
General government	9,341,745	-	-	-	9,341,745
Judicial	1,104,040	-	-	-	1,104,040
Public safety	28,883,093	-	-	2,800,609	31,683,702
Public works	8,077,290	-	-	424,599	8,501,889
Parks and recreation	4,858,622	-	-	121,627	4,980,249
Community development	-	3,586,496	-	1,820,820	5,407,316
Community service	383,794	-	-	-	383,794
Capital outlay	-	-	13,271,099	1,861,264	15,132,363
Debt service:					
Principal	-	300,000	-	300,000	600,000
Interest	-	179,318	352,391	587,744	1,119,453
Total expenditures	<u>52,648,584</u>	<u>4,065,814</u>	<u>13,623,490</u>	<u>7,916,663</u>	<u>78,254,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,489,876)</u>	<u>38,338</u>	<u>(2,027,083)</u>	<u>(335,956)</u>	<u>(11,814,577)</u>

**(Continued)**

**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>SPLOST Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of assets	\$ 9,383	\$ 29,009	\$ -	\$ -	\$ 38,392
Transfers in	16,827,971	-	-	15,628,861	32,456,832
Transfers out	<u>(15,124,681)</u>	<u>(316,927)</u>	<u>(267,866)</u>	<u>(829,908)</u>	<u>(16,539,382)</u>
Total other financing sources (uses)	<u>1,712,673</u>	<u>(287,918)</u>	<u>(267,866)</u>	<u>14,798,953</u>	<u>15,955,842</u>
Net change in fund balances	(7,777,203)	(249,580)	(2,294,949)	14,462,997	4,141,265
<b>Fund balances, beginning of year</b>	<u>22,346,597</u>	<u>2,868,770</u>	<u>35,166,706</u>	<u>14,577,116</u>	<u>74,959,189</u>
<b>Fund balances, end of year</b>	<u>\$ 14,569,394</u>	<u>\$ 2,619,190</u>	<u>\$ 32,871,757</u>	<u>\$ 29,040,113</u>	<u>\$ 79,100,454</u>

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

**CITY OF ALBANY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Net change in fund balances - total governmental funds	\$	4,141,265
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 capital outlays exceeded depreciation in the current period.		5,556,175
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		(1,438,650)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(783,467)
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.		821,108
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.		(688,756)
Internal service funds are used by management to charge the costs of insurance to individual funds.		(1,134,069)
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>22,098</u>
Change in net position of governmental activities	\$	<u><u>6,495,704</u></u>

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

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>				<u>Community Development Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>							
Property taxes	\$ 15,055,462	\$ 15,055,462	\$ 16,254,377	\$ 1,198,915	\$ -	\$ -	\$ -
Sales taxes	8,600,000	8,600,000	8,176,320	(423,680)	-	-	-
Other taxes	9,057,735	9,057,735	9,410,310	352,575	-	-	-
Licenses and permits	672,966	672,966	857,746	184,780	-	-	-
Intergovernmental	6,498,717	6,498,717	6,267,732	(230,985)	1,529,517	1,791,380	261,863
Charges for services	1,357,285	1,357,285	1,182,436	(174,849)	591,882	949,519	357,637
Fines and forfeitures	1,395,208	1,395,208	1,486,133	90,925	-	-	-
Investment income (loss)	200,000	200,000	(608,177)	(808,177)	-	895	895
Other	45,111	45,111	131,831	86,720	-	1,362,358	1,362,358
Total revenues	<u>42,882,484</u>	<u>42,882,484</u>	<u>43,158,708</u>	<u>276,224</u>	<u>2,121,399</u>	<u>4,104,152</u>	<u>1,982,753</u>
<b>Expenditures:</b>							
Current:							
General government:							
Legislative	584,736	584,736	574,991	9,745	-	-	-
Administrative	1,350,244	1,350,244	1,190,264	159,980	-	-	-
EEO	160,295	160,295	138,994	21,301	-	-	-
Human resources	1,394,283	1,594,283	1,754,485	(160,202)	-	-	-
Procurement and materials mgmt.	606,977	606,977	509,025	97,952	-	-	-
Printing	210,074	210,074	233,757	(23,683)	-	-	-
Materials management	294,234	294,234	321,075	(26,841)	-	-	-
Finance	2,843,190	2,843,190	2,724,042	119,148	-	-	-
Fleet management	8,200	8,200	4,489	3,711	-	-	-
Information technology	1,669,850	1,669,850	1,426,722	243,128	-	-	-
Risk management	418,922	418,922	299,419	119,503	-	-	-
311 Customer response management	213,192	213,192	164,482	48,710	-	-	-
Total general government	<u>9,754,197</u>	<u>9,954,197</u>	<u>9,341,745</u>	<u>612,452</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>				<u>Community Development Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>							
Current:							
Judicial:							
Municipal court	\$ 561,857	\$ 561,857	\$ 504,541	\$ 57,316	\$ -	\$ -	\$ -
City attorney	590,590	590,590	599,499	(8,909)	-	-	-
Total judicial	<u>1,152,447</u>	<u>1,152,447</u>	<u>1,104,040</u>	<u>48,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public safety:							
Police	16,710,951	16,710,951	15,654,155	1,056,796	-	-	-
Fire	12,500,841	12,500,841	11,628,395	872,446	-	-	-
Planning and development services	1,367,167	1,367,167	1,178,086	189,081	-	-	-
Marshal division	388,945	388,945	379,251	9,694	-	-	-
SWAT Team	60,850	60,850	43,206	17,644	-	-	-
Total public safety	<u>31,028,754</u>	<u>31,028,754</u>	<u>28,883,093</u>	<u>2,145,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public works:							
Administration	430,817	430,817	332,912	97,905	-	-	-
Engineering	4,052,030	4,052,030	3,876,000	176,030	-	-	-
Code enforcement	1,813,856	1,163,856	846,278	317,578	-	-	-
Street maintenance	3,212,837	3,212,837	3,022,100	190,737	-	-	-
Total public works	<u>9,509,540</u>	<u>8,859,540</u>	<u>8,077,290</u>	<u>782,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks and recreation:							
Administration	568,543	568,543	534,397	34,146	-	-	-
Parks	2,959,649	2,959,649	2,870,502	89,147	-	-	-
Park development and management	901,292	901,292	758,226	143,066	-	-	-
Turner Golf Course	485,665	485,665	406,160	79,505	-	-	-
Cemetery	296,080	296,080	289,337	6,743	-	-	-
Total parks and recreation	<u>5,211,229</u>	<u>5,211,229</u>	<u>4,858,622</u>	<u>352,607</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community development	-	-	-	-	1,643,399	3,586,496	(1,943,097)
Community service, various subsidized agencies	<u>393,462</u>	<u>393,462</u>	<u>383,794</u>	<u>9,668</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	General Fund				Community Development Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Expenditures:</b>							
Debt service:							
Principal	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ -
Interest	-	-	-	-	178,000	179,318	(1,318)
Total expenditures	<u>57,049,629</u>	<u>56,599,629</u>	<u>52,648,584</u>	<u>3,951,045</u>	<u>1,821,399</u>	<u>4,065,814</u>	<u>(1,944,415)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,167,145)</u>	<u>(13,717,145)</u>	<u>(9,489,876)</u>	<u>4,227,269</u>	<u>300,000</u>	<u>38,338</u>	<u>38,338</u>
<b>Other financing sources (uses):</b>							
Proceeds from sale of assets	200,000	200,000	9,383	(190,617)	-	29,009	29,009
Transfers in	14,892,315	14,892,315	16,827,971	1,935,656	-	-	-
Transfers out	<u>(2,667,145)</u>	<u>(3,767,145)</u>	<u>(15,124,681)</u>	<u>(11,357,536)</u>	<u>-</u>	<u>(316,927)</u>	<u>(316,927)</u>
Total other financing sources (uses)	<u>12,425,170</u>	<u>11,325,170</u>	<u>1,712,673</u>	<u>(9,612,497)</u>	<u>-</u>	<u>(287,918)</u>	<u>(287,918)</u>
Net change in fund balances	<u>\$ (1,741,975)</u>	<u>\$ (2,391,975)</u>	<u>(7,777,203)</u>	<u>\$ (5,385,228)</u>	<u>\$ 300,000</u>	<u>(249,580)</u>	<u>\$ (249,580)</u>
<b>Fund balance, beginning of year</b>			<u>22,346,597</u>			<u>2,868,770</u>	
<b>Fund balance, end of year</b>			<u>\$ 14,569,394</u>			<u>\$ 2,619,190</u>	

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

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION  
JUNE 30, 2013**

<b>ASSETS</b>	<b>Sanitary Sewer Fund</b>	<b>Airport Fund</b>	<b>Water, Gas and Light Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>CURRENT ASSETS</b>						
Cash	\$ 3,731,702	\$ 1,010,477	\$ 4,162,083	\$ 559,944	\$ 9,464,206	\$ 682,741
Investments	2,308,924	-	3,348,622	-	5,657,546	2,911,857
Restricted cash	-	-	86,534	-	86,534	-
Restricted investments	8,815,214	-	776,795	-	9,592,009	-
Accounts receivable, net of allowances	416,112	69,666	19,350,366	209,525	20,045,669	-
Accrued interest receivable	-	-	14,993	-	14,993	-
Inventories	-	-	3,603,026	178,406	3,781,432	-
Prepaid expenses	-	12,000	226,192	2,700	240,892	168,730
Due from other governments	-	900,658	-	298,405	1,199,063	-
Due from other funds	2,393,812	-	-	4,512,807	6,906,619	-
<b>Total current assets</b>	<b>17,665,764</b>	<b>1,992,801</b>	<b>31,568,611</b>	<b>5,761,787</b>	<b>56,988,963</b>	<b>3,763,328</b>
<b>NONCURRENT ASSETS</b>						
Capital assets:						
Non-depreciable	7,019,179	17,424,447	1,613,506	3,973,969	30,031,101	-
Depreciable, net of accumulated depreciation	65,264,728	20,701,605	71,925,091	16,039,022	173,930,446	-
<b>Total noncurrent assets</b>	<b>72,283,907</b>	<b>38,126,052</b>	<b>73,538,597</b>	<b>20,012,991</b>	<b>203,961,547</b>	<b>-</b>
<b>Total assets</b>	<b>89,949,671</b>	<b>40,118,853</b>	<b>105,107,208</b>	<b>25,774,778</b>	<b>260,950,510</b>	<b>3,763,328</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Deferred charge on refunding	592,447	-	-	-	592,447	-
<b>Total deferred outflow of resources</b>	<b>592,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>592,447</b>	<b>-</b>

(Continued)



**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION  
JUNE 30, 2013**

<b>LIABILITIES</b>	<b>Sanitary Sewer Fund</b>	<b>Airport Fund</b>	<b>Water, Gas and Light Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>CURRENT LIABILITIES</b>						
Payable from current assets:						
Accounts payable	\$ 451,100	\$ 1,358,894	\$ 7,469,401	\$ 1,819,285	\$ 11,098,680	\$ 207,669
Retainage payable	132,496	626,944	-	-	759,440	-
Accrued liabilities	522,714	-	330,649	-	853,363	-
Due to other funds	1,051,566	900,659	7,489,448	902,273	10,343,946	282,719
Claims payable	-	-	-	890,000	890,000	3,339,847
Current portion - capital lease payable	-	-	1,176,067	-	1,176,067	-
Current portion - compensated absences	364,259	34,850	1,688,437	432,279	2,519,825	-
Advance payments and customer deposits	-	-	1,870,217	12,180	1,882,397	-
Current portion of intergovernmental agreement	-	-	299,150	-	299,150	-
Line of credit	-	-	1,659,500	-	1,659,500	-
Unearned revenue	-	1,050,380	-	56,183	1,106,563	-
	<u>2,522,135</u>	<u>3,971,727</u>	<u>21,982,869</u>	<u>4,112,200</u>	<u>32,588,931</u>	<u>3,830,235</u>
Payable from restricted assets:						
Revenue bonds payable, current	2,845,000	-	1,265,000	-	4,110,000	-
Accrued interest payable, current	-	-	35,385	-	35,385	-
	<u>2,845,000</u>	<u>-</u>	<u>1,265,000</u>	<u>-</u>	<u>4,110,000</u>	<u>-</u>
Total current liabilities	<u>5,367,135</u>	<u>3,971,727</u>	<u>23,283,254</u>	<u>4,112,200</u>	<u>36,734,316</u>	<u>3,830,235</u>
<b>NONCURRENT LIABILITIES</b>						
Advance from other funds	-	-	-	1,152,423	1,152,423	-
Revenue bonds payable, net of current portion	20,725,000	-	10,497,348	-	31,222,348	-
Capital lease payable, net of current portion	-	-	506,524	-	506,524	-
Compensated absences, net of current portion	42,137	4,708	794,559	55,515	896,919	-
Other long-term liabilities	-	-	1,470,244	-	1,470,244	-
Total long-term liabilities	<u>20,767,137</u>	<u>4,708</u>	<u>13,268,675</u>	<u>1,207,938</u>	<u>35,248,458</u>	<u>-</u>
Total liabilities	<u>26,134,272</u>	<u>3,976,435</u>	<u>36,551,929</u>	<u>5,320,138</u>	<u>71,982,774</u>	<u>3,830,235</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION  
JUNE 30, 2013**

	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>	<u>Water, Gas and Light Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ 48,581,411	\$ 37,499,108	\$ 59,794,508	\$ 20,012,991	\$ 165,888,018	\$ -
Restricted for:						
Debt service	8,815,214	-	778,630	-	9,593,844	-
Unrestricted (deficit)	7,011,221	(1,356,690)	7,982,141	441,649	14,078,321	(66,907)
Total net position	<u>\$ 64,407,846</u>	<u>\$ 36,142,418</u>	<u>\$ 68,555,279</u>	<u>\$ 20,454,640</u>	189,560,183	<u>\$ (66,907)</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds					<u>900,942</u>	
Net position of business type activities					<u>\$ 190,461,125</u>	

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

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>	<u>Water, Gas and Light Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<b>Operating revenues:</b>						
Charges for services	\$ 14,300,872	\$ 841,426	\$ 112,718,550	\$ 23,579,089	\$ 151,439,937	\$ 1,222,917
Other	2,660	-	5,722,942	-	5,725,602	56,118
Total operating revenues	<u>14,303,532</u>	<u>841,426</u>	<u>118,441,492</u>	<u>23,579,089</u>	<u>157,165,539</u>	<u>1,279,035</u>
<b>Operating expenses:</b>						
Personnel costs	3,275,889	889,818	11,910,011	4,538,113	20,613,831	-
General and administrative	-	-	12,821,207	1,862,542	14,683,749	484,371
Supplies	398,156	259,218	-	218,966	876,340	-
Operating services and charges	4,506,026	315,505	67,567,911	6,558,120	78,947,562	-
Maintenance and repairs	993,105	187,021	4,828,941	852,505	6,861,572	-
Depreciation and amortization	3,205,121	1,189,888	5,747,129	1,689,417	11,831,555	-
Claims and damages	-	-	-	11,631,629	11,631,629	2,218,359
Total operating expenses	<u>12,378,297</u>	<u>2,841,450</u>	<u>102,875,199</u>	<u>27,351,292</u>	<u>145,446,238</u>	<u>2,702,730</u>
Operating income (loss)	<u>1,925,235</u>	<u>(2,000,024)</u>	<u>15,566,293</u>	<u>(3,772,203)</u>	<u>11,719,301</u>	<u>(1,423,695)</u>
<b>Nonoperating revenues (expenses):</b>						
Investment income (loss)	(141,506)	2,699	9,461	-	(129,346)	22,098
Interest expense and fiscal charges	(1,045,428)	-	(536,216)	-	(1,581,644)	-
Payments to other governments	-	-	(50,304)	-	(50,304)	-
Environmental remediation cost	-	-	(500,000)	-	(500,000)	-
Intergovernmental - operating grants	-	-	-	871,411	871,411	-
Gain (loss) on sale of capital assets	61,121	(11,328)	21,750	(18,387)	53,156	-
Total nonoperating revenues (expenses)	<u>(1,125,813)</u>	<u>(8,629)</u>	<u>(1,055,309)</u>	<u>853,024</u>	<u>(1,336,727)</u>	<u>22,098</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>	<u>Water, Gas and Light Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Income (loss) before capital contributions and transfers	\$ 799,422	\$ (2,008,653)	\$ 14,510,984	\$ (2,919,179)	\$ 10,382,574	\$ (1,401,597)
<b>Capital contributions</b>						
Intergovernmental - capital grants	-	7,011,388	-	668,645	7,680,033	-
Other capital contributions	315,740	2,240,349	-	67,523	2,623,612	-
Total capital contributions	<u>315,740</u>	<u>9,251,737</u>	<u>-</u>	<u>736,168</u>	<u>10,303,645</u>	<u>-</u>
<b>Transfers</b>						
Transfers in	100,000	-	-	2,484,485	2,584,485	-
Transfers out	(3,947,383)	(598,012)	(13,956,540)	-	(18,501,935)	-
Total transfers	<u>(3,847,383)</u>	<u>(598,012)</u>	<u>(13,956,540)</u>	<u>2,484,485</u>	<u>(15,917,450)</u>	<u>-</u>
Change in net position	(2,732,221)	6,645,072	554,444	301,474	4,768,769	(1,401,597)
<b>Net position, beginning of year, as restated</b>	<u>67,140,067</u>	<u>29,497,346</u>	<u>68,000,835</u>	<u>20,153,166</u>		<u>1,334,690</u>
<b>Net position, end of year</b>	<u>\$ 64,407,846</u>	<u>\$ 36,142,418</u>	<u>\$ 68,555,279</u>	<u>\$ 20,454,640</u>		<u>\$ (66,907)</u>
					(289,626)	
					<u>\$ 4,479,143</u>	

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

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b>Sanitary Sewer Fund</b>	<b>Airport Fund</b>	<b>Water, Gas and Light Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 14,144,521	\$ 740,794	\$ 118,423,513	\$ 11,017,303	\$ 144,326,131	\$ -
Receipts from other funds	-	900,659	-	11,720,190	12,620,849	2,127,037
Payments to suppliers	(5,100,060)	(603,243)	(84,274,245)	(8,319,429)	(98,296,977)	-
Payments to employees	(3,275,889)	(1,186,127)	(12,350,792)	(4,634,887)	(21,447,695)	-
Claims paid	-	-	-	(11,383,169)	(11,383,169)	(1,754,069)
Premiums paid	-	-	-	(1,862,542)	(1,862,542)	(256,807)
Net cash provided by (used in) operating activities	<u>5,768,572</u>	<u>(147,917)</u>	<u>21,798,476</u>	<u>(3,462,534)</u>	<u>23,956,597</u>	<u>116,161</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers in	100,000	-	-	2,484,485	2,584,485	-
Transfers out	(3,947,383)	(598,012)	(13,956,540)	-	(18,501,935)	-
Payments to Dougherty County	-	-	(50,304)	-	(50,304)	-
Proceeds from line of credit	-	-	21,575,300	-	21,575,300	-
Payments on line of credit	-	-	(21,915,800)	-	(21,915,800)	-
Payments for environmental remediation obligation	-	-	(604,163)	-	(604,163)	-
Operating grants received	-	-	-	871,411	871,411	-
Net cash provided by (used in) noncapital financing activities	<u>(3,847,383)</u>	<u>(598,012)</u>	<u>(14,951,507)</u>	<u>3,355,896</u>	<u>(16,041,006)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(2,202,518)	(5,985,946)	(2,197,116)	(88,509)	(10,474,089)	-
Principal paid on bonds	(2,745,000)	-	(1,225,000)	-	(3,970,000)	-
Principal paid on notes and capital leases payable	-	-	(1,144,173)	-	(1,144,173)	-
Interest paid	(1,098,620)	-	(563,929)	-	(1,662,549)	-
Advance to other funds	(83,104)	-	-	(996,005)	(1,079,109)	-
Capital grants received	-	6,609,545	-	668,645	7,278,190	-
Proceeds from sale of capital assets	151,000	-	71,751	1	222,752	-
Net cash provided by (used in) capital and related financing activities	<u>(5,978,242)</u>	<u>623,599</u>	<u>(5,058,467)</u>	<u>(415,868)</u>	<u>(10,828,978)</u>	<u>-</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>	<u>Water, Gas and Light Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sales of investments	\$ (3,238,050)	\$ -	\$ 6,305,695	\$ -	\$ 3,067,645	\$ -
Purchases of investments	7,382,793	-	(4,814,029)	-	2,568,764	(1,000,000)
Interest on investments	(141,506)	2,699	14,359	-	(124,448)	22,098
Net cash provided by (used in) investing activities	<u>4,003,237</u>	<u>2,699</u>	<u>1,506,025</u>	<u>-</u>	<u>5,511,961</u>	<u>(977,902)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(53,816)	(119,631)	3,294,527	(522,506)	2,598,574	(861,741)
<b>Cash and cash equivalents:</b>						
Beginning of year	<u>3,785,518</u>	<u>1,130,108</u>	<u>954,090</u>	<u>1,082,450</u>	<u>6,952,166</u>	<u>1,544,482</u>
End of year	<u>\$ 3,731,702</u>	<u>\$ 1,010,477</u>	<u>\$ 4,248,617</u>	<u>\$ 559,944</u>	<u>\$ 9,550,740</u>	<u>\$ 682,741</u>
<b>Classified as:</b>						
Cash	\$ 3,731,702	\$ 1,010,477	\$ 4,162,083	\$ 559,944	\$ 9,464,206	\$ 682,741
Restricted cash	-	-	86,534	-	86,534	-
	<u>\$ 3,731,702</u>	<u>\$ 1,010,477</u>	<u>\$ 4,248,617</u>	<u>\$ 559,944</u>	<u>\$ 9,550,740</u>	<u>\$ 682,741</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Contributions of capital assets from outside sources	\$ 26,795	\$ -	\$ -	\$ -	\$ 26,795	\$ -
Contributions of capital assets from governmental activities	288,945	2,240,349	-	67,523	2,596,817	-
	<u>\$ 315,740</u>	<u>\$ 2,240,349</u>	<u>\$ -</u>	<u>\$ 67,523</u>	<u>\$ 2,623,612</u>	<u>\$ -</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>	<u>Water, Gas and Light Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 1,925,235	\$ (2,000,024)	\$ 15,566,293	\$ (3,772,203)	\$ 11,719,301	\$ (1,423,695)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	3,205,121	1,189,888	5,747,129	1,689,417	11,831,555	-
Provision for doubtful accounts	-	-	68,092	-	68,092	-
Decrease in internal investment pool	-	900,659	-	-	900,659	998,008
Increase in accounts receivable	(159,011)	(18,962)	(91,322)	(139,765)	(409,060)	-
Decrease in inventories	-	-	243,517	17,027	260,544	-
(Increase) decrease in prepaid expenses	-	(12,000)	51,780	27	39,807	(168,730)
Decrease in due from other governments	-	-	-	312,436	312,436	-
(Increase) decrease in due from other funds	270,778	-	-	(1,799,293)	(1,528,515)	-
Increase (decrease) in accounts payable and other liabilities	(343,574)	(125,808)	(245,882)	(97,148)	(812,412)	207,564
Increase in retainage payable	58,449	-	-	-	58,449	-
Increase in claims payable	-	-	-	248,460	248,460	653,020
Increase (decrease) in due to other funds	811,574	-	1,171,579	145,711	2,128,864	(150,006)
Decrease in intergovernmental agreement	-	-	(717,961)	-	(717,961)	-
Increase in customer deposits payable	-	-	5,251	-	5,251	-
Decrease in deferred revenues	-	(81,670)	-	(67,203)	(148,873)	-
 Net cash provided by (used in) operating activities	 <u>\$ 5,768,572</u>	 <u>\$ (147,917)</u>	 <u>\$ 21,798,476</u>	 <u>\$ (3,462,534)</u>	 <u>\$ 23,956,597</u>	 <u>\$ 116,161</u>

**CITY OF ALBANY, GEORGIA  
PENSION FUND  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013**

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<b>ASSETS</b>	
Cash	\$ 6,817,922
Investments at fair value:	
Equity securities	63,279,980
Government securities	7,026,709
Corporate bonds	19,766,260
Other	7,356,705
Total investments	<u>97,429,654</u>
Interest receivable	<u>85,646</u>
Total assets	<u>104,333,222</u>
<b>LIABILITIES</b>	
Accrued expenses	49,315
Accounts payable	<u>3,399</u>
Total liabilities	<u>52,714</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u><u>\$ 104,280,508</u></u>

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



**CITY OF ALBANY, GEORGIA  
PENSION FUND**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**ADDITIONS:**

Employer contributions	\$ 7,045,740
Investment earnings	
Interest and dividends	2,973,044
Net increase in fair value of investments	7,895,986
Total investment earnings	<u>10,869,030</u>
Less investment expense	<u>847,947</u>
Net investment earnings	<u>10,021,083</u>
 Total additions	 <u>17,066,823</u>

**DEDUCTIONS:**

Benefit payments	11,012,376
Administrative expense	<u>32,686</u>
 Total deductions	 <u>11,045,062</u>
 Change in net position	 6,021,761

**NET POSITION, BEGINNING OF YEAR**

98,258,747

**NET POSITION, END OF YEAR**

\$ 104,280,508

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

**CITY OF ALBANY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

**A. The Financial Reporting Entity**

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

The City is authorized to own, use and operate a system of water works, electric lights and gas works. The City, through an act of the Georgia Legislature, provides for a Board of Water, Gas and Light Commissioners (the "Board") answerable to and directly supervised by the City Manager. The Mayor of the City of Albany has a voice in all proceedings before the Board, and has a vote in all matters and proceedings, but no veto. The Board consists of four (4) members appointed by the City of Albany Commission from the citizens of the City of Albany. Citizen members of the Board are appointed for a term of two (2) years. During the fiscal year ended June 30, 2013, the City Commission adopted Ordinance 13-112 which changed the financial reporting entity of the City to include the Water, Gas and Light Commission as an enterprise fund of the City. The Water, Gas and Light Commission was previously reported as a discretely presented component unit of the City. See Note 17 for further discussion of the change in reporting entity.

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

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

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

##### **Blended Component Unit**

**Albany Dougherty Inner City Authority (ADICA)** - The City Commission appoints six of seven members of ADICA's board. 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. ADICA is charged with the responsibility of promoting improvements and redevelopment of the area of Albany that is bounded by West Slappey on the west, Liberty Expressway on the north and east, and Oakridge Drive on the south. The City, however, does not participate in the selection or monitoring of management. Separate financial statements are not prepared for ADICA.

##### **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

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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

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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 to be used for the operations of various community development grant programs.

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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

The **Water, Gas and Light Fund** accounts for the utility 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 and workers' compensation claims.

The **pension trust fund** accounts 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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.
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, budgets were not adopted for the Job Investment Fund or the Gortatowsky Fund, as no revenues or 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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.

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, 2013, there were no encumbrances outstanding.

In the General Fund, expenditures exceeded budget for human resources by \$160,202, printing by \$23,683, materials management by \$26,841, and city attorney by \$8,909. In the Community Development Fund, expenditures exceeded budget by \$1,943,097. In the Hotel/Motel Tax Fund, expenditures exceeded budget by \$7,913. In the Tax Allocation District Fund, expenditures exceeded budget by \$125,230. In all funds, the over expenditures were funded by greater than anticipated revenues.

The Tax Allocation District Fund reported a deficit fund balance of \$175,948 at June 30, 2013. The deficit is intended to be eliminated through future tax revenues. The Workers' Compensation Fund reported a deficit net position of \$1,033,539 at June 30, 2013. The Workers' Compensation Fund deficit is intended to be eliminated through increased user charges and transfers from the General Fund.



## NOTES TO FINANCIAL STATEMENTS

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

#### 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.

#### F. Investments

Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the State of Georgia Office of Treasurer. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings net of management fees on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

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 or international exchange are valued at the last reported sales price at current exchange rates. 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### F. Investments (Continued)

In accordance with authorized investment laws, investments in the Pension Trust Fund consist of common stocks, 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.

#### H. 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.

#### I. 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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.

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, 2013.

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

## NOTES TO FINANCIAL STATEMENTS

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

#### 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.

#### 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

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position. See Note 17 for a discussion of the restatements related to the adoption of these standards.

## NOTES TO FINANCIAL STATEMENTS

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

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

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 only has one item that qualifies for reporting in this category. It is the 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.

In addition to liabilities, 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, arising only under the modified accrual basis of accounting, 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. *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.

## NOTES TO FINANCIAL STATEMENTS

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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.
- **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.

## NOTES TO FINANCIAL STATEMENTS

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

#### N. Fund Equity (Continued)

**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

### 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 fund balance sheet includes 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 \$37,459,845 difference are as follows:

Notes payable	\$ (3,656,250)
Bonds payable	(16,310,000)
Unamortized premium on bonds	(771,780)
Unamortized refunding charge	162,304
Certificates of participation	(10,000,000)
Fair market value interest rate swap - certificates of participation	2,341,328
Deferred fair value of interest rate swap - certificates of participation	(2,341,328)
Compensated absences	(3,461,485)
Other post-employment benefit obligation	(3,349,544)
Accrued interest payable	(73,090)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at net position - governmental activities	\$ (37,459,845)



## NOTES TO FINANCIAL STATEMENTS

**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**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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 \$5,556,175 difference are as follows:

Capital outlay	\$ 10,354,035
Depreciation expense	(4,797,860)
Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,556,175</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.” The details of this \$1,438,650 differences are as follows:

Donations of capital assets	\$ 1,859,538
Transfers of capital assets to business-type activities	(2,579,069)
Disposals of capital assets	(719,119)
Net adjustment to decrease <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,438,650)</u>

## NOTES TO FINANCIAL STATEMENTS

### 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 \$821,108 difference are as follows:

Principal repayment - general obligation bonds	\$ 275,000
Principal repayment - notes payable	325,000
Amortization of premium on bonds	240,170
Amortization of loss on defeasance of bonds	(19,062)
Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	\$ 821,108

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 \$688,756 difference are as follows:

Compensated absences	\$ (23,079)
Accrued interest	(9,749)
Other post-employment benefit obligation	(655,928)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	\$ (688,756)

## NOTES TO FINANCIAL STATEMENTS

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### 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.

**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, 2013, 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.

## NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2013, 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	\$ 29,138	\$ 894	\$ 17,709	\$ 6,157	\$ 1,603	\$ 379	\$ 446	\$ 1,887	\$ 63	AAA
Government securities	22,324	-	1,629	1,172	3,523	-	4,189	10,549	1,262	NR
Government securities	1,676	1,676	-	-	-	-	-	-	-	WR
Georgia Fund 1	778	778	-	-	-	-	-	-	-	AAAf
Guaranteed Inv. Contract	5,822	-	-	-	-	5,822	-	-	-	AA-
Corporate bonds	424	-	359	65	-	-	-	-	-	AA
Corporate bonds	717	45	540	132	-	-	-	-	-	A
Corporate bonds	47	-	47	-	-	-	-	-	-	BBB
Corporate bonds	780	-	-	-	-	-	-	-	780	BBB-
Common stock	3,067	-	-	-	-	-	-	-	-	N/A
Mutual funds	3,338	-	-	-	-	-	-	-	-	N/A
Certificates of deposit	777	777	-	-	-	-	-	-	-	N/A
	<u>68,888</u>	<u>3,393</u>	<u>20,284</u>	<u>7,526</u>	<u>5,126</u>	<u>6,201</u>	<u>4,635</u>	<u>12,436</u>	<u>2,105</u>	
Pension Trust Fund:										
Government securities	\$ 7,027	\$ -	\$ 1,191	\$ 4,760	\$ -	\$ -	\$ -	\$ 560	\$ 516	AAA
Common stock	61,673	-	-	-	-	-	-	-	-	N/A
Preferred stock	1,607	-	-	-	-	-	-	-	-	N/A
Mutual funds	7,357	-	-	-	-	-	-	-	-	N/A
Corporate bonds	285	-	-	285	-	-	-	-	-	A+
Corporate bonds	399	399	-	-	-	-	-	-	-	A
Corporate bonds	1,803	-	815	-	482	-	506	-	-	A-
Corporate bonds	1,058	-	534	524	-	-	-	-	-	BBB+
Corporate bonds	1,820	267	1,020	-	-	533	-	-	-	BBB
Corporate bonds	1,393	305	812	-	-	-	276	-	-	BBB-
Corporate bonds	1,529	-	-	-	-	-	1,529	-	-	BB+
Corporate bonds	1,429	-	860	-	-	-	-	569	-	BB
Corporate bonds	1,907	-	507	244	929	227	-	-	-	BB-
Corporate bonds	2,127	276	257	-	582	549	463	-	-	B+
Corporate bonds	1,166	508	286	130	-	242	-	-	-	B
Corporate bonds	4,850	328	3,076	934	245	267	-	-	-	NR
	<u>97,430</u>	<u>2,083</u>	<u>9,358</u>	<u>6,877</u>	<u>2,238</u>	<u>1,818</u>	<u>2,774</u>	<u>1,129</u>	<u>516</u>	
	<u>\$ 166,318</u>	<u>\$ 5,476</u>	<u>\$ 29,642</u>	<u>\$ 14,403</u>	<u>\$ 7,364</u>	<u>\$ 8,019</u>	<u>\$ 7,409</u>	<u>\$ 13,565</u>	<u>\$ 2,621</u>	

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. RECEIVABLES

#### A. Property Taxes

Property taxes were levied on July 16, 2012 on the January 1, 2012 assessed value of all real and personal property including mobile homes and motor vehicles located within the City. Tax bills were mailed on September 16, 2012, and payable before December 20, 2012. The lien date for unpaid taxes was January 1, 2013. 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 9.990 mills was levied during fiscal year 2013 for the City (mill equals \$1 per thousand dollars of assessed value).

Gross property taxes receivable at June 30, 2013 are \$1,042,151. An allowance of \$727,560 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2013, resulting in a net receivable for property taxes of \$314,591.

#### 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 1989 (SPLOST II), 1994 (SPLOST III), 1999 (SPLOST IV), 2004 (SPLOST V), and 2010 (SPLOST VI). The proceeds from these sales tax programs are used to finance various capital projects. SPLOST II, SPLOST III, and SPLOST IV programs are administered by Dougherty County. The City administers its own programs under SPLOST V and SPLOST VI. SPLOST taxes due from other governments at June 30, 2013 are \$826,814.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES (CONTINUED)

#### C. Accounts Receivable

Accounts receivable of the primary government consisted of the following at June 30, 2013:

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Water, Gas and Light Fund</u>	<u>Airport Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Business-type Funds</u>
Gross receivables	\$ 979,684	\$ 95,194	\$ 416,112	\$ 20,310,601	\$ 69,666	\$ 478,096	\$ 209,525
Less allowance for doubtful accounts	<u>(142,938)</u>	<u>-</u>	<u>-</u>	<u>(960,235)</u>	<u>-</u>	<u>(38,249)</u>	<u>-</u>
Net receivables	<u>\$ 836,746</u>	<u>\$ 95,194</u>	<u>\$ 416,112</u>	<u>\$ 19,350,366</u>	<u>\$ 69,666</u>	<u>\$ 439,847</u>	<u>\$ 209,525</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

### NOTE 5. CAPITAL ASSETS

The City's capital asset activity for the fiscal year ended June 30, 2013, was as follows:

#### A. Primary Government

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 15,881,327	\$ 1,170,702	\$ (5,133)	\$ 252,927	\$ 17,299,823
Construction in progress	4,022,380	2,434,220	(171,854)	(3,711,273)	2,573,473
Total assets not depreciated	<u>19,903,707</u>	<u>3,604,922</u>	<u>(176,987)</u>	<u>(3,458,346)</u>	<u>19,873,296</u>
Capital assets being depreciated:					
Buildings and improvements	66,812,105	4,418,109	(574,888)	716,074	71,371,400
Equipment and vehicles	30,159,755	3,311,417	(96,689)	(73,073)	33,301,410
Infrastructure	74,039,356	879,125	-	233,478	75,151,959
Total assets depreciated	<u>171,011,216</u>	<u>8,608,651</u>	<u>(671,577)</u>	<u>876,479</u>	<u>179,824,769</u>
Less accumulated depreciation:					
Buildings and improvements	(19,554,554)	(1,838,022)	53,729	8,087	(21,330,760)
Equipment and vehicles	(16,640,817)	(1,885,619)	75,716	2,798	(18,447,922)
Infrastructure	(55,430,550)	(1,074,219)	-	(8,087)	(56,512,856)
Total accumulated depreciation	<u>(91,625,921)</u>	<u>(4,797,860)</u>	<u>129,445</u>	<u>2,798</u>	<u>(96,291,538)</u>
Total assets depreciated, net	<u>79,385,295</u>	<u>3,810,791</u>	<u>(542,132)</u>	<u>879,277</u>	<u>83,533,231</u>
Governmental activities assets, net	<u>\$ 99,289,002</u>	<u>\$ 7,415,713</u>	<u>\$ (719,119)</u>	<u>\$ (2,579,069)</u>	<u>\$ 103,406,527</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 13,591,263	\$ 40,725	\$ -	\$ 24,000	\$ 13,655,988
Construction in progress	6,590,297	8,282,536	(51,845)	1,554,125	16,375,113
Total assets not depreciated	<u>20,181,560</u>	<u>8,323,261</u>	<u>(51,845)</u>	<u>1,578,125</u>	<u>30,031,101</u>
Capital assets being depreciated:					
Intangibles	1,794,902	-	-	-	1,794,902
Buildings and improvements	142,025,522	122,195	(431)	180,965	142,328,251
Equipment and vehicles	63,791,788	1,345,511	(682,668)	(1,315,970)	63,138,661
Infrastructure	130,505,295	1,336,859	-	2,138,746	133,980,900
Total assets depreciated	<u>338,117,507</u>	<u>2,804,565</u>	<u>(683,099)</u>	<u>1,003,741</u>	<u>341,242,714</u>
Less accumulated depreciation:					
Intangibles	(38,890)	(35,898)	-	-	(74,788)
Buildings and improvements	(50,307,793)	(2,930,028)	-	-	(53,237,821)
Equipment and vehicles	(34,819,295)	(4,125,365)	583,099	10,848	(38,350,713)
Infrastructure	(71,046,661)	(4,588,640)	-	(13,645)	(75,648,946)
Total accumulated depreciation	<u>(156,212,639)</u>	<u>(11,679,931)</u>	<u>583,099</u>	<u>(2,797)</u>	<u>(167,312,268)</u>
Total assets depreciated, net	<u>181,904,868</u>	<u>(8,875,366)</u>	<u>(100,000)</u>	<u>1,000,944</u>	<u>173,930,446</u>
Business-type activities assets, net	<u>\$ 202,086,428</u>	<u>\$ (552,105)</u>	<u>\$ (151,845)</u>	<u>\$ 2,579,069</u>	<u>\$ 203,961,547</u>

The beginning balance of business-type activity capital assets has been increased \$77,138,611 to include capital assets for the Water, Gas and Light Fund. The Water, Gas and Light Commission was previously reported as a discretely presented component unit of the City.



## NOTES TO FINANCIAL STATEMENTS

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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	\$ 503,928
Judicial	1,660
Public safety	1,814,850
Public works	1,587,650
Culture and recreation	611,272
Community development	278,500
Total depreciation expense - governmental activities	<u>\$ 4,797,860</u>
Business-type activities:	
Sanitary sewer	\$ 3,053,497
Water, gas and light	5,747,129
Solid waste	678,661
Transit	477,198
Civic center	533,558
Airport	1,189,888
Total depreciation expense - business-type activities	<u>\$ 11,679,931</u>

## NOTES TO FINANCIAL STATEMENTS

### 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, 2013, was as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:					
Land	\$ 1,283,104	\$ -	\$ -	\$ -	\$ 1,283,104
Construction in progress	-	-	-	-	-
Total assets not depreciated	<u>1,283,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,104</u>
Capital assets being depreciated:					
Buildings and improvements	10,368,461	21,009	-	-	10,389,470
Equipment and vehicles	723,336	83,319	-	-	806,655
Total assets depreciated	<u>11,091,797</u>	<u>104,328</u>	<u>-</u>	<u>-</u>	<u>11,196,125</u>
Less accumulated depreciation:					
Buildings and improvements	(3,226,659)	(264,273)	-	-	(3,490,932)
Equipment and vehicles	(443,170)	(91,514)	-	-	(534,684)
Total accumulated depreciation	<u>(3,669,829)</u>	<u>(355,787)</u>	<u>-</u>	<u>-</u>	<u>(4,025,616)</u>
Total assets depreciated, net	<u>7,421,968</u>	<u>(251,459)</u>	<u>-</u>	<u>-</u>	<u>7,170,509</u>
Chehaw Park Authority assets, net	<u>\$ 8,705,072</u>	<u>\$ (251,459)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,453,613</u>

## NOTES TO FINANCIAL STATEMENTS

### 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, 2013:

	<b>Balance, June 30, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, June 30, 2013</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
General obligation bonds	\$ 16,585,000	\$ -	\$ 275,000	\$ 16,310,000	\$ 260,000
Add deferred amounts					
Unamortized premium	1,011,950	-	240,170	771,780	-
Total bonds payable	\$ 17,596,950	\$ -	\$ 515,170	\$ 17,081,780	\$ 260,000
Notes payable	3,981,250	-	325,000	3,656,250	325,000
Certificates of participation	10,000,000	-	-	10,000,000	-
OPEB liability	2,693,616	1,673,766	1,017,838	3,349,544	-
Compensated absences	3,438,406	797,450	774,371	3,461,485	3,115,337
Governmental activity long-term liabilities	<u>\$ 37,710,222</u>	<u>\$ 2,471,216</u>	<u>\$ 2,632,379</u>	<u>\$ 37,549,059</u>	<u>\$ 3,700,337</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 39,170,000	\$ -	\$ 3,970,000	\$ 35,200,000	\$ 4,110,000
Add deferred amounts					
Unamortized premium	156,740	-	24,392	132,348	-
Total bonds payable	39,326,740	-	3,994,392	35,332,348	4,110,000
Capital lease payable	2,826,764	-	1,144,173	1,682,591	1,176,067
Intergovernmental agreement	1,017,111	-	717,961	299,150	299,150
Manufactured gas plant liability	1,574,408	500,000	604,164	1,470,244	-
Compensated absences	3,572,518	1,090,887	1,246,661	3,416,744	2,519,825
Business-type activity long-term liabilities	<u>\$ 48,317,541</u>	<u>\$ 1,590,887</u>	<u>\$ 7,707,351</u>	<u>\$ 42,201,077</u>	<u>\$ 8,105,042</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

The beginning balance of governmental activities and business-type activities long-term debt has been increased \$181,366 and \$744,072, respectively, for the implementation of GASB 65. Additionally, the beginning balance of business-type activity long-term debt has been increased \$19,443,466 to include long-term debt for the Water, Gas and Light Fund. The Water, Gas and Light Commission was previously reported as a discretely presented component unit of the City.

The government-wide statement of net position includes \$4,110,000 of the long-term liabilities due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$31,222,348 is displayed as noncurrent liabilities, due in more than one year, on that same statement.

For governmental funds, compensated absences are liquidated by the General, Computer Aided Dispatch, Community Development and Grant Funds. For business-type activities, compensated absences are liquidated by the Water, Gas and Light, Solid Waste, Transit, Civic Center, Sanitary Sewer, and Airport Funds. For governmental funds, other postemployment benefit obligations are liquidated by the General Fund.

#### **Governmental Activities Debt**

##### **Notes Payable**

The U.S. Department of Housing and Urban Development has issued to the City, two (2) Section 108 Guaranteed Loans for the purpose of providing subordinated debt financing for the development of the Albany Hilton Garden Inn Hotel and Conference Center. The City's Section 108 Guaranteed Loans outstanding at June 30, 2013, are as follows:

	<b>Original Amount</b>	<b>Interest Rates</b>	<b>Balance June 30, 2013</b>
HUD Section 108 Loan, B-02-MC-13-0001	\$ 5,500,000	2.00% - 5.00%	\$ 3,025,000
HUD Section 108 Loan, B-99-MC-13-0001	500,000	2.00% - 5.00%	200,000
Total			\$ 3,225,000

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

##### **Notes Payable (Continued)**

The Albany Dougherty Inner City Authority is the recipient of an Equity Fund Loan from the One Georgia Authority. The original amount of this loan is \$500,000. This is additional funding for the Albany Hilton Garden Inn and Conference Center Project. The note is to be paid back over a term of 20 years at an interest rate of zero percent. Quarterly payments for the loan began in October 2010. ADICA acts as a pass-through conduit with respect to this One Georgia loan and has received a secured promissory note from Albany Holdings, Inc. in the amount of \$500,000 with terms the same as the terms from the One Georgia loan. The outstanding balance of this loan at June 30, 2012 is \$431,250. This loan is included in the maturity table below.

Notes payable debt service requirements to maturity, including interest of \$1,011,947, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 325,000	\$ 174,708	\$ 499,708
2015	325,000	159,055	484,055
2016	325,000	142,996	467,996
2017	325,000	126,515	451,515
2018	300,000	103,964	403,964
2019 - 2023	1,325,000	271,943	1,596,943
2024 - 2028	675,000	32,766	707,766
2029 - 2031	56,250	-	56,250
	<u>\$ 3,656,250</u>	<u>\$ 1,011,947</u>	<u>\$ 4,668,197</u>

**NOTES TO FINANCIAL STATEMENTS**

**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>
2014	\$ -	\$ 475,000	\$ 475,000
2015	-	475,000	475,000
2016	-	475,000	475,000
2017	-	475,000	475,000
2018	-	475,000	475,000
2019 - 2023	-	2,375,000	2,375,000
2024 - 2028	10,000,000	2,375,000	12,375,000
	<u>\$ 10,000,000</u>	<u>\$ 7,125,000</u>	<u>\$ 17,125,000</u>

## NOTES TO FINANCIAL STATEMENTS

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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

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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, 2013, the floating rate being paid by the City is 0.40%, and the market value of this agreement is \$2,341,328, a decrease of \$1,245,058 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, 2013 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.



## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

#### Governmental Activities Debt (Continued)

##### 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.

General obligation bonds outstanding at June 30, 2013, are as follows:

	Interest Rates	Balance June 30, 2013
2012 ADICA Refunding Revenue Issue	2.00% - 3.125%	\$ 3,165,000
2012 General Obligation Sales Tax Issue	2.00% - 3.000%	13,145,000
		16,310,000
Add: Unamortized premium		771,780
		\$ 17,081,780

A description of these General obligation bond issues is provided on the following pages.

## NOTES TO FINANCIAL STATEMENTS

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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)

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% 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.

The bonds are limited obligations of ADICA, payable solely from payments to be made by the City of Albany, Georgia ("City") 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.

## NOTES TO FINANCIAL STATEMENTS

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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 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, 2013, the unamortized balance was \$162,304.

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.

##### General Obligation Sales Tax Bonds, Series 2012, \$13,145,000 Principal

During the fiscal year ended June 30, 2012, the City issued General Obligation Sales Tax Bonds, Series 2012 in the amount of \$13,145,000. The bonds bear interest ranging from 2% to 3% with final maturity in 2017.

The proceeds of the sales tax bonds are for the purpose of (i) financing certain capital outlay projects located within the City of Albany, Georgia; and (ii) paying all or a portion of the costs of issuance of the bonds. The bonds were issued at a premium of \$1,011,950. The bonds are direct and general obligations of the City of Albany, Georgia. The principal and interest on the bonds are payable from the proceeds of a one-percent sales and use tax received by the City. The Series 2012 Sales Tax Bonds are not subject to redemption prior to maturity.

**NOTES TO FINANCIAL STATEMENTS**

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

**A. Primary Government (Continued)**

**Governmental Activities Debt (Continued)**

**General Obligation Bonds (Continued)**

General Obligation Sales Tax Bonds, Series 2012, \$13,145,000 Principal (continued)

To the extent that the proceeds of the one-percent sales and use tax received by the City are insufficient to make such payments, the principal and interest on the bonds are payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the City subject to taxation for general obligation bond purposes.

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

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 260,000	\$ 433,713	\$ 693,713
2015	4,060,000	428,518	4,488,518
2016	4,965,000	347,318	5,312,318
2017	4,915,000	201,018	5,116,018
2018	280,000	55,593	335,593
2019 - 2023	1,500,000	177,260	1,677,260
2024	330,000	10,313	340,313
	<u>16,310,000</u>	<u>\$ 1,653,733</u>	<u>\$ 17,963,733</u>
Add: Unamortized premium	771,780		
	<u>\$ 17,081,780</u>		

## NOTES TO FINANCIAL STATEMENTS

### 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 income derived from acquired or constructed assets to pay debt service. 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, 2013, are as follows:

	<b>Interest Rates</b>	<b>Balance June 30, 2013</b>
2007 Sewerage System Revenue Bonds	4.00% - 5.00%	\$ 17,550,000
2011 Sewerage System Revenue Bonds	3.39%	6,020,000
2005 Water Revenue Bonds	3.97%	5,605,000
2010 Water Revenue Bonds	2.00% - 4.00%	6,025,000
		35,200,000
Add: Unamortized premium		132,348
		<b>\$ 35,332,348</b>

## NOTES TO FINANCIAL STATEMENTS

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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% and 5%. 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, 2013, the unamortized balance was \$212,029.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2013, was \$841,350. 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.

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, 2013, the unamortized balance was \$380,418.

## NOTES TO FINANCIAL STATEMENTS

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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)

Interest expense related to the Series 2011 Bonds for the year ended June 30, 2013, was \$204,078. 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.

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

The City and Commission 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%.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

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

##### \$8,440,000 Water Revenue Bonds, Series 2010 (Continued)

The Series 2010 Bonds maturing on December 1, 2018 and thereafter are subject to redemption prior to maturity, at the option of the City and the Commission, on or after December 1, 2018, in whole or in part (in any order of maturity and by lot within a maturity) at any time, at a price of par plus accrued interest to the redemption date.

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

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,110,000	\$ 1,382,951	\$ 5,492,951
2015	4,280,000	1,205,061	5,485,061
2016	4,455,000	1,023,688	5,478,688
2017	4,635,000	849,507	5,484,507
2018	2,100,000	332,993	2,432,993
2019 - 2023	14,040,000	1,348,978	15,388,978
2024 - 2026	1,580,000	95,876	1,675,876
	<u>35,200,000</u>	<u>\$ 6,239,054</u>	<u>\$ 41,439,054</u>
Less: Unamortized discount	132,348		
	<u>\$ 35,332,348</u>		

#### Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of computer equipment and equipment to be used in the City's meter reading process. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates. Assets under capital lease total \$12,201,822, with accumulated depreciation of \$8,295,424.



## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

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

##### Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, are as follows:

Fiscal Year Ending June 30,	
2014	\$ 1,231,865
2015	512,698
Total minimum lease payments	<u>1,744,563</u>
Less: Amount representing interest	(61,972)
Present value of minimum lease payments	<u><u>\$ 1,682,591</u></u>

##### Intergovernmental Agreement – City of Griffin

The City and Commission have entered in to an intergovernmental agreement with the City of Griffin, Georgia to purchase a portion of the City of Griffin's remaining rights and obligations under the Amended and Restated Combined Cycle Power Sales Contract with the Municipal Electric Authority of Georgia (MEAG) for excess power generation. In consideration of the assignment, the City and Commission agreed to pay the City of Griffin 30 monthly installments of \$59,830 through November 2013. The outstanding obligation at June 30, 2013 was \$299,150, with the entire balance due during the fiscal year ended June 30, 2014.

## NOTES TO FINANCIAL STATEMENTS

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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. During the current year, management increased the cost estimate believed to be probable by \$500,000, to a total estimate of \$2,500,000. The City incurred costs during the fiscal year ended June 30, 2013 of \$604,164, with total incurred costs to date of \$1,029,756, resulting in \$1,470,244 recorded on the statement of net position as an other long-term liability. Additionally, the City has received insurance recoveries of \$366,173 as of June 30, 2013.

## NOTES TO FINANCIAL STATEMENTS

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

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

##### Conduit Debt

From time to time, ADICA has issued revenue bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of commercial facilities deemed to be of public interest. ADICA is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Four (4) series of bond issuances have occurred from November 1, 2003 to June 30, 2013, totaling \$86,601,505. The total amount of bonds outstanding at June 30, 2013 is \$84,091,981.

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

##### Capital Lease

Chehaw Park Authority has entered into a lease agreement as a lessee for financing the acquisition of a tractor. This lease agreement qualifies as a capital lease for accounting purposes. The summary of the debt activity for the fiscal year ended June 30, 2013 is as follows:

	<b>Balance, June 30, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, June 30, 2013</b>	<b>Due Within One Year</b>
Capital lease payable	\$ 42,982	\$ 349	\$ 101	\$ 43,230	\$ -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. SHORT-TERM DEBT

The City used a revolving line of credit to finance a variety of projects related to utility operations. The line of credit renews annually and has an interest rate of Prime less 1%. A summary of short-term debt activity for the fiscal year ended June 30, 2013 is as follows:

	<b>Balance, June 30, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, June 30, 2013</b>
Line of credit	\$ 2,000,000	\$ 21,575,300	\$ 21,915,800	\$ 1,659,500

### 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 plan is administered by Nationwide Retirement Solutions. At June 30, 2013, there were 12 active participants. The City is required to contribute 8.9% of each Plan participant’s compensation. Plan participants may contribute 5% of their compensation. 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, 2013, the City contributed \$109,055 and employees contributed \$1,081.

#### 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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Plan Description (Continued)

employees and two members selected from the metropolitan Albany area. Separate financial statements are not issued for the City of Albany Pension Plan.

The Plan covers all full-time, permanent employees of the City of Albany and certain former City employees resulting from the Delineation of Services Agreement.

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 service is replaced with 10 years of service. Benefits are calculated at 1.75% of the member's average monthly salary multiplied by the employee's years of service at normal retirement date. Additionally, the members received a 1.5% per year cost-of-living increase in their pensions each year through June 30, 2012. The Plan has been amended to discontinue the automatic annual post-retirement cost of living adjustment payment for all future and current retirees in the Plan. The change was effective for benefit payments commencing July 1, 2012. The average monthly salary is defined as the sum of the participants' reported totals 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 changed from 100% after 10 years to 50% after five years, increasing 10% per year to 100% after 10 years of participation.

## NOTES TO FINANCIAL STATEMENTS

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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 10 years of service. Benefits are calculated in the same manner as under the old plan, but at 1.5%. Additionally, the members can receive a cost-of-living increase, subject to Pension Board approval. All other provisions of the old plan are applicable to the new plan. All modifications to the Plan must be supported by actuarial analysis and must be adopted by at least five members of the Board of Trustees.

Membership in the Plan as of July 1, 2011 is as follows:

Active employees	1,165
Retired participants receiving benefits	786
Terminated vested participants	329
Total membership	<u>2,280</u>

##### Summary of Significant Accounting Policies

###### Basis of Accounting

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. 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Summary of Significant Accounting Policies (Continued)

###### Method Used to Value Investments

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on the national securities markets are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at fair value determined by the trustee on the last reported bid and asked prices. The bonds, government, agency and corporate are reported at their market value as of June 30, 2013. No investment in any one organization represented 5% or more of the net position available for pension benefits at June 30, 2013. There are no investments in, loans to, or leases with parties related to the pension 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 \$7,045,740.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)*
June 30, 2008	\$ 3,474,213	131 %	\$ (1,118,600)
June 30, 2009	7,060,720	100	-
June 30, 2010	6,821,278	100	-
June 30, 2011	7,034,271	100	-
June 30, 2012	7,393,664	100	-

\* During the year ended June 30, 2009, the City changed its accounting and funding policies related to the Plan. The City now has a required contribution which is an actuarially determined percentage of payroll each year as opposed to a required contribution equal to a set dollar amount. This practice is allowed under generally accepted accounting principles and is preferable so the City can ensure a direct correlation of required contributions to actual payroll. As a result of this change in accounting policy, the actual employer contributions should always equal the annual required contribution, which for fiscal year 2013 was required to be 8.9% of payroll for general employees and 11.9% of payroll for public safety employees. The City had no net pension obligation as of the fiscal year ended June 30, 2013.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

As of the most recent valuation date, July 1, 2011, the funded status of the Plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
July 1, 2011	\$ 112,689,357	\$ 157,891,512	\$ 45,202,155	71.4%	\$ 45,257,183	99.9%

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

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 July 1, 2011.

The actuarial funding method used is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all participants and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active participants is then calculated as a

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for participants currently receiving benefits, for active participants beyond the assumed retirement age, and for participants entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants. The excess of the total actuarial accrued liability over the actuarial value of plan assets is called the unfunded actuarial accrued liability. The period and related method for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982, and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses; 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are open for this plan year.

#### Actuarial Assumptions

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay (Open)
Amortization period	30 years
Asset valuation method	10-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes inflation)	8.50%
Projected salary increases (includes inflation)	4.00%
Inflation	3.00%

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2013, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 97,243
General Fund	SPLOST Fund	256,971
General Fund	Nonmajor Governmental Funds	561,204
General Fund	Sanitary Sewer Fund	968,462
General Fund	Airport Fund	900,659
General Fund	Water, Gas and Light Fund	1,253,736
General Fund	Nonmajor Enterprise Funds	372,000
General Fund	Internal Service Fund - Self-Administered Insurance	103,068
General Fund	Internal Service Fund - Workers' Comp	179,651
Nonmajor Governmental Funds	General Fund	205,314
Nonmajor Governmental Funds	Sanitary Sewer Fund	83,104
Nonmajor Governmental Funds	Water, Gas and Light Fund	876,564
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	530,273
Sanitary Sewer Fund	Water, Gas and Light Fund	2,393,812
Nonmajor Enterprise Funds	Water, Gas and Light Fund	2,965,336
Nonmajor Enterprise Funds	General Fund	1,547,471
		<u>\$ 13,294,868</u>

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**

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**NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

Advances to/from other funds result from the use of Public Improvement Fund lease pool proceeds by the Solid Waste Fund for capital outlay and the repayment of these funds to the Public Improvement Fund over several years. The composition of advances to/from other funds at June 30, 2013 is as follows:

**Advances to/from other funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
Nonmajor Governmental Funds	Nonmajor Enterprise Fund	\$ 1,152,423

Due to/from primary government and component units:

**Due to/from component units:**

<b>Receivable Entity</b>	<b>Payable Entity</b>	<b>Amount</b>
General Fund	Chehaw Park Authority	\$ 150,000

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

The composition of interfund transfers during the fiscal year ended June 30, 2013, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitary Sewer Fund</u>	<u>Nonmajor Enterprise Fund</u>	
General Fund	\$ -	\$ 12,740,196	\$ -	\$ 2,384,485	\$ 15,124,681
Community Development Fund	316,927	-	-	-	316,927
SPLOST Fund	267,866	-	-	-	267,866
Nonmajor Governmental Funds	829,908	-	-	-	829,908
Sanitary Sewer Fund	3,947,383	-	-	-	3,947,383
Airport Fund	598,012	-	-	-	598,012
Water, Gas and Light Fund	10,867,875	2,888,665	100,000	100,000	13,956,540
Total	<u>\$ 16,827,971</u>	<u>\$ 15,628,861</u>	<u>\$ 100,000</u>	<u>\$ 2,484,485</u>	<u>\$ 35,041,317</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.

**NOTE 10. 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.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. CONTINGENT LIABILITIES (CONTINUED)**

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, 2013, is \$1,047,023.

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, 2013, 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 \$65,283,069 in 2013.

At June 30, 2013, the outstanding debt of MEAG was approximately \$5.8 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$454 million at June 30, 2013.

### **NOTE 11. COMMITMENTS**

In addition to the liabilities enumerated in the balance sheet at June 30, 2013, the City has contractual commitments on uncompleted construction contracts totaling approximately \$2,977,456.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. 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. The 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, 2013</b>	<b>June 30, 2012</b>
Unpaid claims, beginning of year	\$ 761,827	\$ 412,475
Incurred claims and changes in estimates	840,063	685,777
Claim payments	(666,048)	(336,425)
Unpaid claims, end of year	\$ 935,842	\$ 761,827

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. RISK MANAGEMENT (CONTINUED)

The Public Employees Deposit Fund (an Enterprise Fund) was established to account for and finance its uninsured risks of loss for group health and major medical insurance. Participants include the primary government. The Public Employee Deposit Fund provides coverage for up to a maximum claim of \$200,000. The City purchases commercial coinsurance for claims in excess of coverage provided by the 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, 2013</b>	<b>June 30, 2012</b>
Unpaid claims, beginning of year	\$ 1,440,000	\$ 705,000
Incurred claims and changes in estimates	11,631,629	12,695,116
Claim payments	(12,181,629)	(11,960,116)
Unpaid claims, end of year	\$ 890,000	\$ 1,440,000

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

	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Unpaid claims, beginning of year	\$ 1,925,000	\$ 1,562,000
Incurred claims and changes in estimates	1,378,296	1,056,582
Claim payments	(899,291)	(693,582)
Unpaid claims, end of year	\$ 2,404,005	\$ 1,925,000

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



## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. 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 14. HOTEL/MOTEL LODGING TAX**

The City has levied a 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, 2013, \$1,508,950 of hotel/motel tax was collected, and \$807,913, or 53.5% of the amount collected was remitted to the Chamber of Commerce. The remaining balance was used by the City for the promotion of tourism.

### **NOTE 15. 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, 2013, the city paid \$42,554 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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

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

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 reach age 65 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. Spouses who reach age 65 before January 1, 2013 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 \$5,000 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

### NOTE 16. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description (Continued)

The General Fund pays the total monthly cost of post-retirement coverage, but is reimbursed for that portion of the premium deemed to be the retired employee's share. For the year ended June 30, 2013, the General Fund's net share of the premiums paid for its 554 retired employees and retired employee's spouses/dependents was \$1,017,838. There were no significant changes in the coverage provided, however, the reimbursement for retirees and surviving spouse "Medicare Part B Stipend" has been added this year. The City will reimburse a portion of the Medicare Part B premium for any retiree or surviving spouse who reaches the age 65 before January 13, 2013. The addition of this benefit increased the actuarial accrued liability by \$655,928.

Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2012) is as follows:

Active employees	1,164
Retired participants receiving benefits	554
Spouse/dependent of retired participants receiving benefits	<u>60</u>
Total membership	<u><u>1,778</u></u>

The City contributed \$1,017,838 to the OPEB Plan in the year ended June 30, 2013. The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Commission. The City Commission establishes and may amend the funding policy for the OPEB Plan. The other postemployment benefit obligation is liquidated by the General Fund.

Annual required employer contribution	\$ 1,668,951
Interest on net OPEB obligation	107,745
Adjustment to annual required contribution	<u>(102,930)</u>
Annual OPEB cost	1,673,766
Employer contributions for the period ending June 30, 2013	<u>1,017,838</u>
Increase in net OPEB obligation	655,928
Net OPEB obligation beginning of year	<u>2,693,616</u>
Net OPEB obligation end of year	<u><u>\$ 3,349,544</u></u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### Trend Information

Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2009	\$ 1,131,237	56%	\$ 497,987
6/30/2010	1,132,127	54%	1,023,295
6/30/2011	1,218,630	43%	1,721,941
6/30/2012	1,672,029	42%	2,693,616
6/30/2013	1,673,766	61%	3,349,544

As of July 1, 2012, the most recent valuation date, the funded status of the OPEB Plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered
7/1/2012	\$ -	\$ 25,928,078	\$ 25,928,078	-	\$ 46,905,285	55.28%

The July 1, 2012 valuation includes liability for the Medicare Part B Stipend.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

#### Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amount and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2012. The assumptions used in the July 1, 2012 actuarial valuation are as follows:

Amortization method	Level Percent of Pay
Amortization period	30 years
Asset valuation method	Market Value (Open)
Actuarial assumptions:	
Investment rate of return (includes inflation)	4%
Inflation	3%
Health Care Trend Rate (pre65)	9.5%
Health Care Trend Rate (post65)	5%
Ultimate Health Care Trend Rate	5%
Year of Ultimate Trend Rate	2018

## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. RESTATEMENTS

The City has determined that a restatement to beginning net position of the Governmental Activities was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance cost are written off as of July 1, 2012. Additionally, the City has determined that a restatement to beginning net position of the Governmental Activities was required to properly recognize the effective hedge of an interest rate swap agreement related to the Certificates of Participation. These adjustments resulted in changes to the beginning net position of Governmental Activities as follows:

	<b>Governmental Activities</b>
Net position, as previously reported	\$ 155,500,908
Recognition of bond issuance cost in accordance with GASB 65	(271,758)
Recognition of effective hedge	(3,595,386)
Net position, as restated	\$ 151,633,764

The City has determined that a restatement to beginning net position of the Sanitary Sewer Fund and Water, Gas and Light Fund were required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance cost are written off as of July 1, 2012. Additionally, the City has determined that a restatement to beginning net position of the Water, Gas and Light Fund was required to recognize the change in reporting entity. The Water, Gas and Light Fund, formerly the Water, Gas and Light Commission, was a discretely presented component unit of the City. These adjustments resulted in changes to the beginning net position of Governmental Activities as follows:

	<b>Sanitary Sewer Fund</b>	<b>Water, Gas and Light Fund</b>
Net position, as previously reported	\$ 67,348,112	\$ -
Recognition of bond issuance cost in accordance with GASB 65	(208,045)	(268,155)
Restatement for change in reporting entity	-	68,268,990
Net position, as restated	\$ 67,140,067	\$ 68,000,835

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 17. RESTATEMENTS (CONTINUED)

The above restatements also caused adjustments to beginning net position of Business-type Activities as follows:

	<u>Business-type Activities</u>
Net position, as previously reported	\$ 118,189,192
Recognition of bond issuance cost in accordance with GASB 65	(476,200)
Restatement for change in reporting entity	<u>68,268,990</u>
Net position, as restated	<u>\$ 185,981,982</u>

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF FUNDING PROGRESS - CITY OF ALBANY PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ration	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2003	\$ 101,234,395	\$ 116,585,581	\$ 15,351,186	87%	\$ 33,873,290	45%
7/1/2004	105,530,007	119,790,054	14,260,047	88%	34,501,482	41%
7/1/2005	98,797,803	124,523,394	25,725,591	79%	37,961,629	68%
7/1/2006	96,875,060	130,509,893	33,634,833	74%	39,616,995	85%
7/1/2007	100,442,613	133,952,447	33,509,834	75%	41,069,169	82%
7/1/2008	107,485,676	160,715,933	53,230,257	70%	42,310,595	126%
7/1/2009	109,665,197	167,732,000	58,066,803	65%	43,105,872	135%
7/1/2011	112,689,357	157,891,512	45,202,155	71%	45,257,183	100%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ending June 30	Annual Required Contribution	Percentage of ARC Contributed
2006	\$ 2,982,068	113 %
2007	3,011,699	112
2008	4,592,974	81
2009	3,481,566	100
2010	4,231,004	100
2011	4,338,767	100
2012	4,372,222	100



## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF FUNDING PROGRESS - CITY OF ALBANY OTHER POST-EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ration	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2008	\$ -	\$ 16,546,482	\$ 16,546,482	-	\$ 42,570,855	39%
7/1/2010	-	17,064,694	17,064,694	-	44,078,327	39%
7/1/2012	-	25,928,078	25,928,078	-	46,905,285	55%

**CITY OF ALBANY, GEORGIA  
NONMAJOR  
GOVERNMENTAL FUNDS**

---

**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.

**ARRA Fund**

- To account for American Recovery and Reinvestment Act grant revenues and expenditures related to various short lived projects.

**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 to maintain the Government Center Fountain.

**Tax Allocation District Fund**

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

**Job Investment Fund**

- To account for revenues and expenditures committed for inner city development.

**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**

**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  
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET  
JUNE 30, 2013**

	Special Revenue Funds						
	Hotel/ Motel Tax	Grant Fund	ARRA Fund	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund
<b>ASSETS</b>							
Cash	\$ -	\$ 32,164	\$ 31,907	\$ 203,965	\$ 2,468,165	\$ -	\$ -
Investments	-	-	-	1,266,077	-	50,696	-
Receivables, net of allowance:							
Taxes	-	-	-	-	-	-	761
Accounts	124,590	-	66,279	233,790	-	-	-
Due from other funds	32,921	-	-	-	-	-	-
Due from other governments	-	167,291	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 157,511</u>	<u>\$ 199,455</u>	<u>\$ 98,186</u>	<u>\$ 1,703,832</u>	<u>\$ 2,468,165</u>	<u>\$ 50,696</u>	<u>\$ 761</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 157,511	\$ 102,338	\$ 930	\$ 9,525	\$ 115,673	\$ -	\$ -
Retainage payable	-	-	-	-	25,150	-	-
Due to other funds	-	93,117	77,243	214,135	-	-	176,709
Due to other governments	-	4,000	-	-	-	-	-
Deferred revenues	-	-	20,013	-	-	-	-
Total liabilities	<u>157,511</u>	<u>199,455</u>	<u>98,186</u>	<u>223,660</u>	<u>140,823</u>	<u>-</u>	<u>176,709</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable:							
Advance to other funds	-	-	-	-	-	-	-
Restricted							
Public safety	-	-	-	1,480,172	-	-	-
Gortatowsky endowment	-	-	-	-	-	50,696	-
Capital projects	-	-	-	-	1,785,459	-	-
Committed							
Inner city projects	-	-	-	-	541,883	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(175,948)
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,480,172</u>	<u>2,327,342</u>	<u>50,696</u>	<u>(175,948)</u>
Total liabilities and fund balances	<u>\$ 157,511</u>	<u>\$ 199,455</u>	<u>\$ 98,186</u>	<u>\$ 1,703,832</u>	<u>\$ 2,468,165</u>	<u>\$ 50,696</u>	<u>\$ 761</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET  
JUNE 30, 2013**

	<u>Special Revenue Fund</u> <u>Job</u> <u>Investment</u> <u>Fund</u>	<u>Capital Projects Fund</u> <u>Public</u> <u>Improvement</u> <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 729,064	\$ 116,025	\$ 3,581,290
Investments	10,815,906	10,893,066	23,025,745
Receivables, net of allowance:			
Taxes	-	-	761
Accounts	15,188	-	439,847
Due from other funds	563,355	1,098,979	1,695,255
Due from other governments	-	-	167,291
Advance to other funds	-	1,152,423	1,152,423
	<u>12,123,513</u>	<u>13,260,493</u>	<u>30,062,612</u>
Total assets	<u>\$ 12,123,513</u>	<u>\$ 13,260,493</u>	<u>\$ 30,062,612</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 20,674	\$ 406,651
Retainage payable	-	-	25,150
Due to other funds	-	-	561,204
Due to other governments	-	-	4,000
Deferred revenues	-	5,481	25,494
	<u>-</u>	<u>26,155</u>	<u>1,022,499</u>
Total liabilities	<u>-</u>	<u>26,155</u>	<u>1,022,499</u>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable:			
Advance to other funds	-	1,152,423	1,152,423
Restricted			
Public safety	-	-	1,480,172
Gortatowsky endowment	-	-	50,696
Capital projects	-	5,821,845	7,607,304
Committed			
Inner city development	12,123,513	-	12,665,396
Capital projects	-	6,260,070	6,260,070
Unassigned	-	-	(175,948)
	<u>12,123,513</u>	<u>13,234,338</u>	<u>29,040,113</u>
Total fund balances (deficit)	<u>12,123,513</u>	<u>13,234,338</u>	<u>29,040,113</u>
	<u>\$ 12,123,513</u>	<u>\$ 13,260,493</u>	<u>\$ 30,062,612</u>
Total liabilities and fund balances	<u>\$ 12,123,513</u>	<u>\$ 13,260,493</u>	<u>\$ 30,062,612</u>

**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds						Tax Allocation District Fund
	Hotel/ Motel Tax	Grant Fund	ARRA Fund	Computer Aided Dispatch	ADICA	Gortatowsky Fund	
<b>Revenues:</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,008
Sales taxes	-	-	-	-	-	-	-
Other taxes	1,508,950	-	-	-	-	-	-
Intergovernmental	-	719,845	809,234	84,065	5,207	-	-
Charges for services	-	-	-	1,508,471	24,480	-	-
Other revenues:							
Investment income	-	-	-	11,680	275	350	-
Other income	-	-	-	-	26,500	324	-
Total revenues	<u>1,508,950</u>	<u>719,845</u>	<u>809,234</u>	<u>1,604,216</u>	<u>56,462</u>	<u>674</u>	<u>219,008</u>
<b>Expenditures:</b>							
Current:							
Public safety	-	366,433	367,103	2,067,073	-	-	-
Public works	-	37,324	387,275	-	-	-	-
Parks and recreation	-	121,627	-	-	-	-	-
Community development	807,913	194,436	53,893	-	764,578	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	25,000	-	275,000
Interest	-	-	-	-	-	-	61,230
Total expenditures	<u>807,913</u>	<u>719,820</u>	<u>808,271</u>	<u>2,067,073</u>	<u>789,578</u>	<u>-</u>	<u>336,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>701,037</u>	<u>25</u>	<u>963</u>	<u>(462,857)</u>	<u>(733,116)</u>	<u>674</u>	<u>(117,222)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	250,000	-	-
Transfers out	(828,920)	(25)	(963)	-	-	-	-
Total other financing sources (uses)	<u>(828,920)</u>	<u>(25)</u>	<u>(963)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(127,883)	-	-	(462,857)	(483,116)	674	(117,222)
<b>Fund balances (deficit), beginning of year</b>	<u>127,883</u>	<u>-</u>	<u>-</u>	<u>1,943,029</u>	<u>2,810,458</u>	<u>50,022</u>	<u>(58,726)</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,480,172</u>	<u>\$ 2,327,342</u>	<u>\$ 50,696</u>	<u>\$ (175,948)</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
	<u>Job</u>	<u>Public</u>	
	<u>Investment</u>	<u>Improvement</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ 219,008
Other taxes	-	-	1,508,950
Intergovernmental	-	1,732,600	3,350,951
Charges for services	-	-	1,532,951
Other revenues:			
Investment income	356,247	573,398	941,950
Other income	73	-	26,897
Total revenues	<u>356,320</u>	<u>2,305,998</u>	<u>7,580,707</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	2,800,609
Public works	-	-	424,599
Parks and recreation	-	-	121,627
Community development	-	-	1,820,820
Capital outlay	-	1,861,264	1,861,264
Debt service:			
Principal	-	-	300,000
Interest	-	526,514	587,744
Total expenditures	<u>-</u>	<u>2,387,778</u>	<u>7,916,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>356,320</u>	<u>(81,780)</u>	<u>(335,956)</u>
<b>Other financing sources (uses):</b>			
Transfers in	11,767,193	3,611,668	15,628,861
Transfers out	-	-	(829,908)
Total other financing sources (uses)	<u>11,767,193</u>	<u>3,611,668</u>	<u>14,798,953</u>
Net change in fund balances	12,123,513	3,529,888	14,462,997
<b>Fund balances (deficit), beginning of year</b>	<u>-</u>	<u>9,704,450</u>	<u>14,577,116</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 12,123,513</u>	<u>\$ 13,234,338</u>	<u>\$ 29,040,113</u>

**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	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	\$ 1,600,000	\$ 1,508,950	\$ (91,050)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	84,065	84,065	-
Charges for services	-	-	-	1,534,329	1,508,471	(25,858)
Investment income	-	-	-	25,000	11,680	(13,320)
Total revenues	<u>1,600,000</u>	<u>1,508,950</u>	<u>(91,050)</u>	<u>1,643,394</u>	<u>1,604,216</u>	<u>(39,178)</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	2,407,210	2,067,073	340,137
Community development	800,000	807,913	(7,913)	-	-	-
Total expenditures	<u>800,000</u>	<u>807,913</u>	<u>(7,913)</u>	<u>2,407,210</u>	<u>2,067,073</u>	<u>340,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>800,000</u>	<u>701,037</u>	<u>(98,963)</u>	<u>(763,816)</u>	<u>(462,857)</u>	<u>300,959</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	763,816	-	(763,816)
Transfers out	(800,000)	(828,920)	28,920	-	-	-
Total other financing sources (uses)	<u>(800,000)</u>	<u>(828,920)</u>	<u>28,920</u>	<u>763,816</u>	<u>-</u>	<u>(763,816)</u>
Net change in fund balances	<u>\$ -</u>	<u>(127,883)</u>	<u>\$ (127,883)</u>	<u>\$ -</u>	<u>(462,857)</u>	<u>\$ (462,857)</u>
<b>Fund balances, beginning of year</b>		127,883			1,943,029	
<b>Fund balance, end of year</b>		<u>\$ -</u>			<u>\$ 1,480,172</u>	

(Continued)



**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds					
	Grant Fund			ARRA Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Intergovernmental	\$ 1,464,216	\$ 719,845	\$ (744,371)	\$ 1,786,492	\$ 809,234	\$ (977,258)
Total revenues	<u>1,464,216</u>	<u>719,845</u>	<u>(744,371)</u>	<u>1,786,492</u>	<u>809,234</u>	<u>(977,258)</u>
<b>Expenditures:</b>						
Current:						
Public safety	535,850	366,433	169,417	549,430	367,103	182,327
Public works	30,000	37,324	(7,324)	-	387,275	(387,275)
Parks and recreation	297,957	121,627	176,330	-	-	-
Community development	600,409	194,436	405,973	1,237,062	53,893	1,183,169
Total expenditures	<u>1,464,216</u>	<u>719,820</u>	<u>744,396</u>	<u>1,786,492</u>	<u>808,271</u>	<u>978,221</u>
Excess of revenues over expenditures	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>963</u>	<u>963</u>
<b>Other financing uses:</b>						
Transfers out	-	(25)	(25)	-	(963)	(963)
Total other financing uses	<u>-</u>	<u>(25)</u>	<u>(25)</u>	<u>-</u>	<u>(963)</u>	<u>(963)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balances, beginning of year</b>		<u>-</u>			<u>-</u>	
<b>Fund balance, end of year</b>		<u>\$ -</u>			<u>\$ -</u>	

(Continued)

**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	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	\$ 211,000	\$ 219,008	\$ 8,008	\$ -	\$ -	\$ -
Investment income	-	-	-	-	350	350
Other income	-	-	-	-	324	324
Total revenues	<u>211,000</u>	<u>219,008</u>	<u>8,008</u>	<u>-</u>	<u>674</u>	<u>674</u>
<b>Expenditures:</b>						
Current:						
Community development	211,000	-	211,000	-	-	-
Debt service	-	336,230	(336,230)	-	-	-
Total expenditures	<u>211,000</u>	<u>336,230</u>	<u>(125,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(117,222)</u>	<u>\$ (117,222)</u>	<u>\$ -</u>	<u>674</u>	<u>\$ 674</u>
<b>Fund balances (deficit), beginning of year</b>		<u>(58,726)</u>			<u>50,022</u>	
<b>Fund balance (deficit), end of year</b>		<u>\$ (175,948)</u>			<u>\$ 50,696</u>	

(Continued)

**CITY OF ALBANY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds					
	ADICA			Job Investment Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 5,207	\$ 5,207	\$ -	\$ -	\$ -
Charges for services	32,000	24,480	(7,520)	-	-	-
Investment income	80	275	195	-	356,247	356,247
Other income		26,500	26,500	-	73	73
Total revenues	<u>32,080</u>	<u>56,462</u>	<u>24,382</u>	<u>-</u>	<u>356,320</u>	<u>356,320</u>
<b>Expenditures:</b>						
Current:						
Community development	1,862,710	764,578	1,098,132	-	-	-
Debt service	-	25,000	(25,000)	-	-	-
Total expenditures	<u>1,862,710</u>	<u>789,578</u>	<u>1,073,132</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,830,630)</u>	<u>(733,116)</u>	<u>1,097,514</u>	<u>-</u>	<u>356,320</u>	<u>356,320</u>
<b>Other financing sources (uses):</b>						
Transfers in	250,000	250,000	-	-	11,767,193	11,767,193
Total other financing sources (uses):	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>11,767,193</u>	<u>11,767,193</u>
Net change in fund balances	<u>\$ (1,580,630)</u>	<u>(483,116)</u>	<u>\$ 1,097,514</u>	<u>\$ -</u>	<u>12,123,513</u>	<u>\$ 12,123,513</u>
<b>Fund balances, beginning of year</b>		<u>2,810,458</u>			<u>-</u>	
<b>Fund balance, end of year</b>		<u>\$ 2,327,342</u>			<u>\$ 12,123,513</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.
- Public Employees Deposit Fund** - To account employer and employee contributions to be used for the payment of employee health claims.

**CITY OF ALBANY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013**

<b>ASSETS</b>	<b>Transit Fund</b>	<b>Civic Center Fund</b>	<b>Solid Waste Fund</b>	<b>Public Employee Deposit Fund</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>					
Cash	\$ -	\$ 9,150	\$ -	\$ 550,794	\$ 559,944
Accounts receivable, net of allowances	-	40,500	26,680	142,345	209,525
Inventories	178,406	-	-	-	178,406
Prepaid expenses	-	-	-	2,700	2,700
Due from other funds	-	-	2,857,968	1,654,839	4,512,807
Due from other governments	298,405	-	-	-	298,405
 Total current assets	 <u>476,811</u>	 <u>49,650</u>	 <u>2,884,648</u>	 <u>2,350,678</u>	 <u>5,761,787</u>
<b>NONCURRENT ASSETS</b>					
Capital assets					
Non-depreciable	217,173	2,849,761	907,035	-	3,973,969
Depreciable, net of accumulated depreciation	3,707,835	9,148,701	3,182,486	-	16,039,022
 Total noncurrent assets	 <u>3,925,008</u>	 <u>11,998,462</u>	 <u>4,089,521</u>	 <u>-</u>	 <u>20,012,991</u>
 Total assets	 <u>4,401,819</u>	 <u>12,048,112</u>	 <u>6,974,169</u>	 <u>2,350,678</u>	 <u>25,774,778</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013**

<b>LIABILITIES</b>	<b>Transit Fund</b>	<b>Civic Center Fund</b>	<b>Solid Waste Fund</b>	<b>Public Employee Deposit Fund</b>	<b>Totals</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 15,959	\$ 63,795	\$ 279,167	\$ 1,460,364	\$ 1,819,285
Claims payable	-	-	-	890,000	890,000
Current portion - compensated absences	128,616	67,385	235,995	283	432,279
Due to other funds	298,405	73,595	530,273	-	902,273
Advanced payments and customer deposits	-	12,180	-	-	12,180
Unearned revenue	56,183	-	-	-	56,183
Total current liabilities	<u>499,163</u>	<u>216,955</u>	<u>1,045,435</u>	<u>2,350,647</u>	<u>4,112,200</u>
<b>LONG-TERM LIABILITIES</b>					
Compensated absences, net of current portion	15,144	8,636	31,704	31	55,515
Advance from other funds	-	-	1,152,423	-	1,152,423
Total long-term liabilities	<u>15,144</u>	<u>8,636</u>	<u>1,184,127</u>	<u>31</u>	<u>1,207,938</u>
Total liabilities	<u>514,307</u>	<u>225,591</u>	<u>2,229,562</u>	<u>2,350,678</u>	<u>5,320,138</u>
<b>NET POSITION</b>					
Net investment in capital assets	3,925,008	11,998,462	4,089,521	-	20,012,991
Unrestricted (deficit)	(37,496)	(175,941)	655,086	-	441,649
Total net position	<u>\$ 3,887,512</u>	<u>\$ 11,822,521</u>	<u>\$ 4,744,607</u>	<u>\$ -</u>	<u>\$ 20,454,640</u>

**CITY OF ALBANY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Public Employee Deposit Fund	Totals
<b>Operating revenues:</b>					
Charges for services	\$ 559,691	\$ 342,773	\$ 9,135,850	\$ 13,540,775	\$ 23,579,089
Total operating revenues	<u>559,691</u>	<u>342,773</u>	<u>9,135,850</u>	<u>13,540,775</u>	<u>23,579,089</u>
<b>Operating expenses:</b>					
Personnel costs	1,787,729	741,674	1,962,106	46,604	4,538,113
General and administrative	-	-	-	1,862,542	1,862,542
Supplies	103,929	36,152	78,885	-	218,966
Operating services and charges	906,294	614,564	5,037,262	-	6,558,120
Maintenance and repairs	295,892	113,483	443,130	-	852,505
Depreciation	477,198	533,558	678,661	-	1,689,417
Claims and damages	-	-	-	11,631,629	11,631,629
Total operating expenses	<u>3,571,042</u>	<u>2,039,431</u>	<u>8,200,044</u>	<u>13,540,775</u>	<u>27,351,292</u>
Operating income (loss)	<u>(3,011,351)</u>	<u>(1,696,658)</u>	<u>935,806</u>	<u>-</u>	<u>(3,772,203)</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental - operating grants	871,411	-	-	-	871,411
Gain (loss) on sale of assets	<u>(16,754)</u>	<u>(2)</u>	<u>(1,631)</u>	<u>-</u>	<u>(18,387)</u>
Total nonoperating revenues (expenses)	<u>854,657</u>	<u>(2)</u>	<u>(1,631)</u>	<u>-</u>	<u>853,024</u>
Income (loss) before capital contributions and transfers	<u>(2,156,694)</u>	<u>(1,696,660)</u>	<u>934,175</u>	<u>-</u>	<u>(2,919,179)</u>

**(Continued)**

**CITY OF ALBANY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Public Employee Deposit Fund	Totals
<b>Capital contributions</b>					
Intergovernmental - capital grants	\$ 668,645	\$ -	\$ -	\$ -	\$ 668,645
Other capital contributions	-	37,089	30,434	-	67,523
Total capital contributions	<u>668,645</u>	<u>37,089</u>	<u>30,434</u>	<u>-</u>	<u>736,168</u>
<b>Transfers</b>					
Transfers in	1,138,057	1,246,428	100,000	-	2,484,485
Total transfers	<u>1,138,057</u>	<u>1,246,428</u>	<u>100,000</u>	<u>-</u>	<u>2,484,485</u>
Change in net position	(349,992)	(413,143)	1,064,609	-	301,474
<b>Total net position, beginning of year</b>	<u>4,237,504</u>	<u>12,235,664</u>	<u>3,679,998</u>	<u>-</u>	<u>20,153,166</u>
<b>Total net position, end of year</b>	<u>\$ 3,887,512</u>	<u>\$ 11,822,521</u>	<u>\$ 4,744,607</u>	<u>\$ -</u>	<u>\$ 20,454,640</u>



**CITY OF ALBANY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Public Employee Deposit Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 529,546	\$ 288,259	\$ 9,153,857	\$ 1,045,641	\$ 11,017,303
Receipts from other funds	-	-	-	11,720,190	11,720,190
Payments to suppliers	(1,289,088)	(771,789)	(6,258,552)	-	(8,319,429)
Payments to employees	(1,830,062)	(759,234)	(1,999,301)	(46,290)	(4,634,887)
Claims paid	-	-	-	(11,383,169)	(11,383,169)
Premiums paid	-	-	-	(1,862,542)	(1,862,542)
Net cash provided by (used in) operating activities	<u>(2,589,604)</u>	<u>(1,242,764)</u>	<u>896,004</u>	<u>(526,170)</u>	<u>(3,462,534)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	1,138,057	1,246,428	100,000	-	2,484,485
Operating grants received	<u>871,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>871,411</u>
Net cash provided by (used in) noncapital financing activities	<u>2,009,468</u>	<u>1,246,428</u>	<u>100,000</u>	<u>-</u>	<u>3,355,896</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(88,509)	-	-	-	(88,509)
Advance from (to) other funds	-	-	(996,005)	-	(996,005)
Proceeds from sale of capital assets	-	-	1	-	1
Capital grants received	<u>668,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,645</u>
Net cash provided by (used in) capital and related financing activities	<u>580,136</u>	<u>-</u>	<u>(996,004)</u>	<u>-</u>	<u>(415,868)</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Transit Fund	Civic Center Fund	Solid Waste Fund	Public Employee Deposit Fund	Totals
<b>Increase (decrease) in cash and cash equivalents</b>	\$ -	\$ 3,664	\$ -	\$ (526,170)	\$ (522,506)
<b>Cash and cash equivalents:</b>					
Beginning of year	-	5,486	-	1,076,964	1,082,450
End of year	<u>\$ -</u>	<u>\$ 9,150</u>	<u>\$ -</u>	<u>\$ 550,794</u>	<u>\$ 559,944</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (3,011,351)	\$ (1,696,658)	\$ 935,806	\$ -	\$ (3,772,203)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	477,198	533,558	678,661	-	1,689,417
(Increase) decrease in accounts receivable	-	(17,456)	18,007	(140,316)	(139,765)
Decrease in inventories	17,027	-	-	-	17,027
Decrease in prepaid expenses	-	-	-	27	27
Increase in due from other funds	-	-	(1,164,638)	(634,655)	(1,799,293)
Decrease in due from other governments	312,436	-	-	-	312,436
Increase (decrease) in accounts payable and accrued liabilities	(42,333)	(17,560)	(37,569)	314	(97,148)
Increase in claims payable	-	-	-	248,460	248,460
Increase (decrease) in due to other funds	(312,436)	(7,590)	465,737	-	145,711
Decrease in unearned revenues	(30,145)	(37,058)	-	-	(67,203)
Net cash provided by (used in) operating activities	<u>\$ (2,589,604)</u>	<u>\$ (1,242,764)</u>	<u>\$ 896,004</u>	<u>\$ (526,170)</u>	<u>\$ (3,462,534)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contributions of capital assets from governmental activities	<u>\$ -</u>	<u>\$ 37,089</u>	<u>\$ 30,434</u>	<u>\$ -</u>	<u>\$ 67,523</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.

**Workers' Compensation Fund** - To account for the accumulation of resources for future workers' compensation claims.

**CITY OF ALBANY, GEORGIA  
INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013**

	<b>Self-Administered Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash	\$ 628,332	\$ 54,409	\$ 682,741
Investments	2,855,654	56,203	2,911,857
Prepaid expenses	168,730	-	168,730
Total assets	<u>3,652,716</u>	<u>110,612</u>	<u>3,763,328</u>
<b>LIABILITIES</b>			
Accounts payable	179,011	28,658	207,669
Claims payable	2,404,005	935,842	3,339,847
Due to other funds	103,068	179,651	282,719
Total liabilities	<u>2,686,084</u>	<u>1,144,151</u>	<u>3,830,235</u>
<b>NET POSITION</b>			
Unrestricted	<u>966,632</u>	<u>(1,033,539)</u>	<u>(66,907)</u>
Total net position	<u>\$ 966,632</u>	<u>\$ (1,033,539)</u>	<u>\$ (66,907)</u>

**CITY OF ALBANY, GEORGIA  
INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Self-Administered Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services	\$ 1,222,917	\$ -	\$ 1,222,917
Other	-	56,118	56,118
Total operating revenues	<u>1,222,917</u>	<u>56,118</u>	<u>1,279,035</u>
<b>Operating expenses:</b>			
Claims and damages	1,378,296	840,063	2,218,359
Administrative	124,232	360,139	484,371
Total operating expenses	<u>1,502,528</u>	<u>1,200,202</u>	<u>2,702,730</u>
Operating loss	(279,611)	(1,144,084)	(1,423,695)
<b>Nonoperating revenues:</b>			
Investment income	16,765	5,333	22,098
Total nonoperating revenues	<u>16,765</u>	<u>5,333</u>	<u>22,098</u>
Change in net position	(262,846)	(1,138,751)	(1,401,597)
<b>Net position, beginning of year</b>	<u>1,229,478</u>	<u>105,212</u>	<u>1,334,690</u>
<b>Net position (deficit), end of year</b>	<u>\$ 966,632</u>	<u>\$ (1,033,539)</u>	<u>\$ (66,907)</u>

**CITY OF ALBANY, GEORGIA  
INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Self-Administered Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from other funds	\$ 1,092,465	\$ 1,034,572	\$ 2,127,037
Claims paid	(1,068,021)	(686,048)	(1,754,069)
Premiums paid	54,674	(311,481)	(256,807)
Net cash provided by operating activities	<u>79,118</u>	<u>37,043</u>	<u>116,161</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of investments	(1,000,000)	-	(1,000,000)
Investment income	16,765	5,333	22,098
Net cash provided by (used in) investing activities	<u>(983,235)</u>	<u>5,333</u>	<u>(977,902)</u>
Increase (decrease) in cash and cash equivalents	(904,117)	42,376	(861,741)
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>1,532,449</u>	<u>12,033</u>	<u>1,544,482</u>
End of year	<u>\$ 628,332</u>	<u>\$ 54,409</u>	<u>\$ 682,741</u>

**Note:** Beginning of year cash and cash equivalents have been adjusted to remove those amounts not meeting the definition of cash equivalents.

**(Continued)**

**CITY OF ALBANY, GEORGIA  
INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Self-Administered Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (279,611)	\$ (1,144,084)	\$ (1,423,695)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Changes in assets and liabilities:			
Decrease in internal investment pool	1,361	996,647	998,008
Increase in prepaid expenses	(168,730)	-	(168,730)
Increase in accounts payable	178,906	28,658	207,564
Increase in claims payable	479,005	174,015	653,020
Decrease in due to other funds	(131,813)	(18,193)	(150,006)
	<u>(131,813)</u>	<u>(18,193)</u>	<u>(150,006)</u>
Net cash provided by operating activities	<u>\$ 79,118</u>	<u>\$ 37,043</u>	<u>\$ 116,161</u>

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
2010 SPECIAL CITY SALES TAX**

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
	\$ 3,992,000	\$ 3,992,000	\$ 665,621	\$ 2,240,349	\$ 2,905,970
Civic Center Improvements	350,000	350,000	-	-	-
Sanitary & Storm Drainage Improvements	9,000,000	9,000,000	-	-	-
Roadway, Traffic Safety, Sidewalk & Bridge Improvements	18,501,500	18,501,500	172,839	2,562,928	2,735,767
Public Safety Improvements & Equipment	9,086,284	9,086,284	1,273,234	3,810,300	5,083,534
Alley Paving Improvements	3,684,216	3,684,216	-	-	-
Information Technology Improvements	1,500,000	1,500,000	28,132	255,467	283,599
Riverfront Development Improvements	250,000	250,000	-	-	-
Transit System Improvements & Equipment	4,380,000	4,380,000	-	4,600	4,600
Solid Waste Improvements	615,000	615,000	-	-	-
Historical & Cultural Improvements	276,000	276,000	-	-	-
Recreational Facility Improvements	2,750,000	2,750,000	-	-	-
City-Owned Facility Improvements	500,000	500,000	-	-	-
New Senior Center	3,000,000	3,000,000	-	2,999,524	2,999,524
Chehaw Park Improvements	1,750,000	1,750,000	-	105,237	105,237
Community Swimming Pool - East Albany	1,000,000	1,000,000	-	-	-
Thronateeska Improvements	2,000,000	2,000,000	302,296	534,970	837,266
Chamber of Commerce Improvements	85,000	85,000	-	85,000	85,000
Debt Service - Interest on SPLOST bonds	-	-	151,830	352,391	504,221
<b>Total</b>	<b>\$ 62,720,000</b>	<b>\$ 62,720,000</b>	<b>\$ 2,593,952</b>	<b>\$ 12,950,766</b>	<b>\$ 15,544,718</b>



**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
2005 SPECIAL CITY SALES TAX**

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 1,703,200	\$ 1,703,200	\$ 1,703,017	\$ -	\$ 1,703,017
Civic Center Improvements	2,560,000	2,560,000	2,523,271	-	2,523,271
Engineering	13,850,000	13,750,000	4,810,608	49,972	4,860,580
Civic Center Debt Retirement	5,500,000	5,500,000	6,669,376	-	6,669,376
Fire Department Equipment	1,500,000	1,500,000	-	-	-
Public Safety Communications and Equipment	150,000	150,000	-	-	-
Public Works	6,810,000	6,810,000	6,640,381	43,478	6,683,859
Recreation	5,000,000	5,000,000	5,093,062	(2,000) *	5,091,062
800 MHZ Radio Upgrade, Tower	6,800,000	6,800,000	6,697,462	6,890	6,704,352
GPS/GIS Information Infrastructure Mapping	1,500,000	1,500,000	872,585	192,769	1,065,354
Fire Training Facility	1,500,000	1,500,000	3,191,693	4,387	3,196,080
GIS/Color Infrared Photos	750,000	750,000	544,828	-	544,828
Disparity Study	350,000	350,000	339,871	-	339,871
Riverfront Development Projects	8,650,000	7,151,425	5,045,934	5,910	5,051,844
Thronateeska Improvements	3,500,000	3,900,400	3,927,801	1,031	3,928,832
Civil Rights Museum Expansion	3,750,000	4,098,175	4,035,383	-	4,035,383
Chehaw Park Improvements	2,000,000	2,000,000	1,999,341	-	1,999,341
East Broad Lead Clean-up	-	850,000	916,221	51,066	967,287
Debt Service - Principal on SPLOST bonds	-	-	14,000,000	-	14,000,000
Debt Service - Interest on SPLOST bonds	-	-	1,997,221	-	1,997,221
<b>Total</b>	<b>\$ 65,873,200</b>	<b>\$ 65,873,200</b>	<b>\$ 71,008,055</b>	<b>\$ 353,503</b>	<b>\$ 71,361,558</b>

\* Amount is retainage reported as expenditures in the prior year.

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
2000 SPECIAL CITY SALES TAX**

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

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
1995 SPECIAL CITY SALES TAX**

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Cumulative Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
Street and Road Projects	\$ 10,000,000	\$ 10,000,000	\$ 13,225,610	\$ -	\$ 13,225,610
Water and Sewer Extensions	7,200,000	7,200,000	14,848,433	-	14,848,433
Fire Station and Equipment	2,500,000	2,500,000	2,503,629	-	2,503,629
Emergency Operations Center	3,000,000	3,000,000	2,942,042	-	2,942,042
Community Policing Centers	1,500,000	1,500,000	1,497,283	-	1,497,283
Recreation Improvements	8,500,000	8,500,000	7,713,804	-	7,713,804
Chehaw Park Improvements	1,000,000	1,000,000	1,000,000	-	1,000,000
Downtown Improvements	2,350,000	2,350,000	1,618,433	-	1,618,433
Retirement of Government Center Debt	3,500,000	3,500,000	3,289,863	-	3,289,863
<b>Total</b>	<b>\$ 39,550,000</b>	<b>\$ 39,550,000</b>	<b>\$ 48,639,097</b>	<b>\$ -</b>	<b>\$ 48,639,097</b>

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
1990 SPECIAL CITY SALES TAX**

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Cehaw Park Improvements	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000
Albany Street Lights	2,500,000	2,500,000	1,466,591	32,169	1,498,760
Conference Center	2,500,000	2,500,000	302,227	-	302,227
Total	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ 7,768,818</u>	<u>\$ 32,169</u>	<u>\$ 7,800,987</u>

Expenditures per above schedules:

2010 Special City Sales Tax	\$ 12,950,766
2005 Special City Sales Tax	353,503
2000 Special City Sales Tax	-
1995 Special City Sales Tax	-
1990 Special City Sales Tax	\$ 32,169
	<u>13,336,438</u>

Expenditures per SPLOST Fund:

	\$ 13,623,490
Less expenditures of LMIG funds	(111,218)
Less reimbursement of expenditures by Dougherty County	(175,834)
	<u>\$ 13,336,438</u>

**STATISTICAL SECTION  
(UNAUDITED)**

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## STATISTICAL SECTION (UNAUDITED)

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> .....	<b>134 - 142</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>143 - 148</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>149 - 153</b>
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b> .....	<b>154 - 156</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>157 and 158</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

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

**CITY OF ALBANY, GEORGIA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 61,293,366	\$ 79,137,673	\$ 63,265,904	\$ 50,077,946	\$ 70,610,705	\$ 78,428,752	\$ 88,743,491	\$ 98,535,755	\$ 73,083,652	\$ 78,515,796
Restricted	51,416	101	15,013,027	22,207,175	21,328,367	16,456,922	13,177,567	25,826,583	47,176,694	38,807,274
Unrestricted	34,523,181	26,893,280	28,798,084	53,087,410	44,719,433	40,133,840	45,542,781	30,230,043	35,240,562	40,806,398
Total governmental activities net position	<u>\$ 95,867,963</u>	<u>\$ 106,031,054</u>	<u>\$ 107,077,015</u>	<u>\$ 125,372,531</u>	<u>\$ 136,658,505</u>	<u>\$ 135,019,514</u>	<u>\$ 147,463,839</u>	<u>\$ 154,592,381</u>	<u>\$ 155,500,908</u>	<u>\$ 158,129,468</u>
Business-type activities										
Net investment in capital assets	\$ 48,136,706	\$ 49,256,423	\$ 73,004,315	\$ 82,562,046	\$ 86,139,998	\$ 87,159,039	\$ 90,125,991	\$ 94,042,509	\$ 99,376,889	\$ 165,888,018
Restricted	7,885,008	5,287,933	2,664,869	2,611,185	575,157	3,009,678	2,667,647	9,036,399	8,768,406	9,593,844
Unrestricted	7,319,208	10,898,996	13,281,984	14,604,568	20,104,218	19,368,954	12,927,651	9,762,737	10,043,897	14,979,263
Total business-type activities net position	<u>\$ 63,340,922</u>	<u>\$ 65,443,352</u>	<u>\$ 88,951,168</u>	<u>\$ 99,777,799</u>	<u>\$ 106,819,373</u>	<u>\$ 109,537,671</u>	<u>\$ 105,721,289</u>	<u>\$ 112,841,645</u>	<u>\$ 118,189,192</u>	<u>\$ 190,461,125</u>
Primary government										
Net investment in capital assets	\$ 109,430,072	\$ 128,394,096	\$ 136,270,219	\$ 132,639,992	\$ 156,750,703	\$ 165,587,791	\$ 178,869,482	\$ 192,578,264	\$ 172,460,541	\$ 244,403,814
Restricted	7,936,424	5,288,034	17,677,896	24,818,360	21,903,524	19,466,600	15,845,214	34,862,982	55,945,100	48,401,118
Unrestricted	41,842,389	37,792,276	42,080,068	67,691,978	64,823,651	59,502,794	58,470,432	39,992,780	45,284,459	55,785,661
Total primary government net position	<u>\$ 159,208,885</u>	<u>\$ 171,474,406</u>	<u>\$ 196,028,183</u>	<u>\$ 225,150,330</u>	<u>\$ 243,477,878</u>	<u>\$ 244,557,185</u>	<u>\$ 253,185,128</u>	<u>\$ 267,434,026</u>	<u>\$ 273,690,100</u>	<u>\$ 348,590,593</u>

**NOTES**

Accrual-basis financial information for the city government as a whole is available back to June 30, 2003, the year GASB 34 was implemented.

Amounts presented for fiscal years 2003 - 2005 have been restated for the effects of prior period adjustments recorded in fiscal year 2005.

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

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

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 7,276,172	\$ 8,137,913	\$ 8,434,146	\$ 11,031,409	\$ 13,063,421	\$ 12,215,564	\$ 12,215,564	\$ 12,988,647	\$ 15,659,577	\$ 11,850,540
Judicial	559,782	534,486	699,203	874,234	910,240	952,323	952,323	1,016,422	1,092,438	1,105,206
Public safety	24,026,801	28,127,098	25,879,588	26,853,620	30,268,106	31,206,297	31,206,297	33,541,721	36,274,636	34,446,708
Public works	6,095,676	4,628,392	3,956,468	8,148,684	8,306,157	7,695,464	7,695,464	6,981,385	8,562,916	11,763,774
Parks and recreation	3,136,304	5,224,944	4,349,931	7,195,375	12,818,108	9,079,385	9,079,385	7,031,469	6,572,226	9,134,107
Community development	17,408,508	17,583,267	9,925,973	9,283,562	7,497,726	5,591,053	5,591,053	5,851,434	8,866,465	4,788,597
Community service	413,405	387,919	272,044	341,999	336,411	399,347	399,347	396,531	413,150	383,794
Interest and fiscal changes	593,219	1,144,069	1,283,108	1,318,996	1,515,177	1,549,738	1,549,738	1,079,261	737,496	908,094
Total governmental activities expenses	59,509,867	65,768,088	54,800,461	65,047,879	74,715,346	68,689,171	68,689,171	68,886,870	78,178,904	74,380,820
Business-type activities:										
Sanitary sewer	11,520,444	11,449,170	13,561,191	13,400,852	13,503,253	14,402,906	14,402,906	12,838,068	13,802,498	13,510,612
Solid waste	6,158,567	6,223,987	7,002,226	7,473,428	8,206,745	8,499,616	8,499,616	7,963,262	8,336,517	8,303,044
Airport	1,197,088	1,602,919	1,764,616	1,557,618	2,195,398	2,415,280	2,415,280	2,643,741	2,632,485	2,873,052
Water, gas and light	-	-	-	-	-	-	-	-	-	103,961,719
Public employee deposit	15,330,991	13,934,182	15,186,576	17,909,891	19,935,572	13,042,126	13,042,126	13,286,117	14,435,555	13,561,049
Transit	3,108,171	2,649,153	3,029,095	3,185,794	3,435,890	2,902,980	2,902,980	3,034,292	3,511,901	3,608,070
Civic Center	1,469,785	1,500,860	1,617,272	1,702,874	1,807,638	1,603,124	1,603,124	1,885,466	2,197,236	2,079,981
Municipal Auditorium	216,235	213,443	182,094	154,036	160,829	192,119	192,119	54,971	-	-
Total business-type activities expenses	39,001,281	37,573,714	42,343,070	45,384,493	49,245,325	43,058,151	43,058,151	41,705,917	44,916,192	147,897,527
Total primary government expenses	98,511,148	103,341,802	97,143,531	110,432,372	123,960,671	111,747,322	111,747,322	110,592,787	123,095,096	222,278,347

(Continued)



**CITY OF ALBANY, GEORGIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	\$ 2,673,068	\$ 2,523,557	\$ 2,339,933	\$ 2,349,462	\$ 2,676,493	\$ 2,466,315	\$ 2,466,315	\$ 2,596,447	\$ 2,640,527	\$ 931,310
Judicial	1,540,161	1,285,247	1,029,011	856,868	999,810	1,109,205	1,109,205	1,251,773	1,203,831	22,784
Public safety	1,468,067	1,747,826	1,517,385	1,538,804	1,691,284	1,715,042	1,715,042	1,556,068	1,520,217	3,037,017
Public works	1,080,248	1,401,512	1,242,302	2,105,018	806,260	792,786	792,786	984,194	981,413	995,027
Parks and recreation	131,136	326,707	362,668	454,975	437,344	335,993	335,993	204,102	203,342	180,876
Community development	3,482,564	8,938,601	2,377,746	2,055,849	2,961,169	481,049	481,049	1,285,180	1,097,442	1,579,390
Operating grants and contributions	12,845,939	14,014,169	14,311,112	13,729,819	15,310,571	18,090,264	18,090,264	22,392,721	23,495,445	8,219,946
Capital grants and contributions	13,489,455	6,734,862	4,171,793	2,569,404	15,916,286	2,033,058	2,033,058	15,615,908	17,027,629	16,646,062
Total governmental activities program revenues	36,710,638	36,972,481	27,351,950	25,660,199	40,799,217	27,023,712	27,023,712	45,886,393	48,169,846	31,612,412
Business-type activities:										
Charges for services										
Sanitary sewer	11,909,095	12,545,688	13,902,053	14,321,155	15,184,281	15,111,550	15,111,550	15,301,208	14,554,746	14,303,532
Solid waste	6,732,636	7,312,754	7,775,530	8,271,443	8,262,522	8,412,723	8,412,723	9,033,593	9,105,594	9,135,850
Airport	688,356	728,848	713,386	757,547	812,117	728,191	728,191	762,688	834,146	841,426
Water, gas and light	-	-	-	-	-	-	-	-	-	118,441,492
Public employee deposit	15,321,954	13,946,036	15,179,150	17,868,487	19,927,744	13,034,004	13,034,004	13,801,791	13,971,380	13,540,775
Transit	416,702	397,778	417,598	436,988	429,695	495,279	495,279	525,469	557,583	559,691
Civic Center	453,616	376,832	419,460	446,822	282,776	255,803	255,803	360,583	444,135	342,773
Municipal Auditorium	35,561	33,719	34,693	26,732	42,388	52,565	52,565	60,769	-	-
Operating grants and contributions	2,729,182	1,086,587	3,035,050	2,027,577	2,321,938	1,678,305	1,678,305	1,254,198	1,228,886	871,411
Capital grants and contributions	1,741,879	525,111	477,633	9,076,175	5,818,085	2,872,902	2,872,902	-	3,790,551	7,724,576
Total business-type activities program revenues	40,028,981	36,953,353	41,954,553	53,232,926	53,081,546	42,641,322	42,641,322	41,100,299	44,487,021	165,761,526
Total primary government program revenues	76,739,619	73,925,834	69,306,503	78,893,125	93,880,763	69,665,034	69,665,034	86,986,692	92,656,867	197,373,938

(Continued)

**CITY OF ALBANY, GEORGIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General revenues and other changes in net assets										
Primary government:										
Governmental activities:										
Taxes	\$ 38,756,600	\$ 40,498,497	\$ 50,255,224	\$ 45,807,436	\$ 47,569,215	\$ 41,747,300	\$ 41,747,300	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965
Investment earnings	261,691	933,302	1,591,370	2,135,978	2,255,534	1,163,072	1,163,072	1,009,368	1,750,706	356,766
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers	(2,624,537)	(2,473,101)	(23,352,122)	(2,185,301)	(2,543,171)	(2,883,904)	(2,883,904)	(4,316,622)	(4,680,629)	13,338,381
Total governmental activities general revenues and other changes in net position	<u>36,393,754</u>	<u>38,958,698</u>	<u>28,494,472</u>	<u>45,758,113</u>	<u>47,281,578</u>	<u>40,026,468</u>	<u>40,026,468</u>	<u>28,266,660</u>	<u>28,909,355</u>	<u>49,264,112</u>
Business-type activities:										
Investment earnings	115,889	249,690	544,211	792,897	662,182	251,223	251,223	334,521	1,096,090	(129,346)
Gain on sale of assets	94	-	-	-	-	-	-	-	-	82,871
Transfers	2,624,537	2,473,101	23,352,122	2,185,301	2,543,171	2,883,904	2,883,904	4,316,622	4,680,629	(13,338,381)
Total business-type activities general revenues and other changes in net position	<u>2,740,520</u>	<u>2,722,791</u>	<u>23,896,333</u>	<u>2,978,198</u>	<u>3,205,353</u>	<u>3,135,127</u>	<u>3,135,127</u>	<u>4,651,143</u>	<u>5,776,719</u>	<u>(13,384,856)</u>
Total primary government general revenues and other changes in net assets	<u>39,134,274</u>	<u>41,681,489</u>	<u>52,390,805</u>	<u>48,736,311</u>	<u>50,486,931</u>	<u>43,161,595</u>	<u>43,161,595</u>	<u>32,917,803</u>	<u>34,686,074</u>	<u>35,879,256</u>
Change in net position										
Governmental activities	13,594,525	10,163,091	1,045,961	6,370,433	13,365,449	(1,638,991)	(1,638,991)	5,266,183	(1,099,703)	6,495,704
Business-type activities	3,768,220	2,102,430	23,507,816	10,826,631	7,041,574	2,718,298	2,718,298	4,045,525	5,347,548	4,479,143
Total primary government change in net position	<u>\$ 17,362,745</u>	<u>\$ 12,265,521</u>	<u>\$ 24,553,777</u>	<u>\$ 17,197,064</u>	<u>\$ 20,407,023</u>	<u>\$ 1,079,307</u>	<u>\$ 1,079,307</u>	<u>\$ 9,311,708</u>	<u>\$ 4,247,845</u>	<u>\$ 10,974,847</u>

(Continued)

**CITY OF ALBANY, GEORGIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

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**NOTES**

Accrual-basis financial information for the city government as a whole is available back to June 30, 2003, the year GASB 34 was implemented.

Amounts presented for fiscal years 2003 - 2005 have been restated for the effects of prior period adjustments recorded in fiscal year 2005.

Expenses in the Employee Deposit Fund decreased from FY 2004 to FY 2005 due to a reduction in employee health insurance claims.

The reduction in community development expenses from FY 2005 to FY 2006 is due to the completion of several projects in 2005.

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

The increase in parks and recreation expense from 2006 to 2007 and from 2007 to 2008 is due to a number of community projects undertaken by the City using SPLOST funding. Projects include the Civil Rights Museum, Riverfront Development and Thornateeska.

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

Effective July 1, 2011, the activities of the municipal auditorium are accounted for in the Civic Center Fund

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

**CITY OF ALBANY, GEORGIA**

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Hotel Motel Tax</b>	<b>Franchise Tax</b>	<b>Premium Tax</b>	<b>Beverage Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2004	\$ 14,404,199	\$ 16,541,996	\$ 769,770	\$ 2,070,851	\$ 3,320,225	\$ 1,371,654	\$ 277,905	\$ 38,756,600
2005	14,194,137	18,272,298	843,973	2,010,343	3,596,638	1,381,630	199,478	40,498,497
2006	14,581,340	27,509,223	895,252	1,808,258	3,865,223	1,390,224	205,704	50,255,224
2007	14,794,429	23,014,619	1,307,342	2,169,665	4,042,768	1,402,865	170,946	46,902,634
2008	14,776,748	23,380,560	1,378,411	2,184,755	4,218,975	1,457,124	172,642	47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300
2010	15,324,267	8,932,040	1,271,433	2,290,921	4,279,238	1,434,095	126,622	33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	279,127	33,793,120

**NOTES**

Accrual-basis financial information for the City government as a whole is available back to June 30, 2003, the year GASB 34 was implemented.

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

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 BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 2,114,167	\$ 1,336,545	\$ 354,352	\$ 318,989	\$ 395,504	\$ 573,383	\$ 287,634	\$ -	\$ -	\$ -
Unreserved	12,459,929	16,311,481	21,337,958	23,946,604	22,117,285	18,627,452	22,402,480	-	-	-
Nonspendable	-	-	-	-	-	-	-	2,963,309	752,155	259,934
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	703,259	724,897	741,304
Unassigned	-	-	-	-	-	-	-	20,112,553	20,869,545	13,568,156
Total General fund	<u>\$ 14,574,096</u>	<u>\$ 17,648,026</u>	<u>\$ 21,692,310</u>	<u>\$ 24,265,593</u>	<u>\$ 22,512,789</u>	<u>\$ 19,200,835</u>	<u>\$ 22,690,114</u>	<u>\$ 23,779,121</u>	<u>\$ 22,346,597</u>	<u>\$ 14,569,394</u>
All Other Governmental Funds										
Reserved	\$ 1,821,456	\$ 1,649,736	\$ 659,967	\$ 3,215,569	\$ 2,081,497	\$ 2,945,507	\$ 1,191,357	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	7,061,448	2,737,210	3,876,252	5,274,345	5,513,089	5,676,146	5,663,995	-	-	-
Capital projects funds	830,905	10,535,048	19,760,677	25,588,135	25,705,739	18,333,452	22,374,566	-	-	-
Nonspendable, reported in:										
Capital projects funds	-	-	-	-	-	-	-	443,898	1,765,798	1,152,423
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	-	5,358,579	7,724,921	5,935,517
Capital projects funds	-	-	-	-	-	-	-	20,461,190	39,451,773	38,693,602
Debt service fund	-	-	-	-	-	-	-	6,814	-	-
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	-	182,129	75,241	12,665,396
Capital projects funds	-	-	-	-	-	-	-	-	-	6,260,070
Assigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	2,295,702	3,653,585	-
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	(134,125)	(58,726)	(175,948)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 9,713,809</u>	<u>\$ 14,921,994</u>	<u>\$ 24,296,896</u>	<u>\$ 34,078,049</u>	<u>\$ 33,300,325</u>	<u>\$ 26,955,105</u>	<u>\$ 29,229,918</u>	<u>\$ 28,614,187</u>	<u>\$ 52,612,592</u>	<u>\$ 64,531,060</u>
Total Governmental Funds	<u>\$ 24,287,905</u>	<u>\$ 32,570,020</u>	<u>\$ 45,989,206</u>	<u>\$ 58,343,642</u>	<u>\$ 55,813,114</u>	<u>\$ 46,155,940</u>	<u>\$ 51,920,032</u>	<u>\$ 52,393,308</u>	<u>\$ 74,959,189</u>	<u>\$ 79,100,454</u>

**NOTES**

Amounts presented for fiscal years 2003 and 2004 have been restated for the effects of prior period adjustments recorded in fiscal year 2005.

Due to other changes in the City's fund structure connected with the implementation of GASB 34, comparative fund balance information is not available prior to 2003.

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

**CITY OF ALBANY, GEORGIA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
Taxes	\$ 38,756,600	\$ 40,498,497	\$ 50,255,224	\$ 46,608,379	\$ 47,271,610	\$ 41,461,664	\$ 33,346,229	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965
Licenses and permits	2,364,806	2,456,898	2,318,314	2,320,724	2,434,916	2,258,362	2,171,589	2,235,513	2,191,504	857,746
Intergovernmental	25,019,912	20,749,032	18,482,905	16,299,223	16,756,831	20,123,322	36,333,283	37,074,560	40,104,059	22,879,021
Charges for services	2,400,419	2,927,843	2,074,804	2,146,007	2,324,102	2,233,114	2,966,563	2,922,091	2,713,766	3,664,906
Fines and forfeitures	1,425,568	1,143,169	917,565	776,268	901,009	1,025,445	1,191,454	1,170,763	1,203,831	1,486,133
Rental and other fees	308,479	394,162	415,623	339,325	297,605	-	-	-	-	-
Interest revenues	248,335	875,573	1,459,136	1,941,959	2,041,946	1,087,289	863,763	1,286,227	1,973,131	462,117
Other revenues	2,596,440	4,001,631	3,609,044	3,648,717	3,166,757	2,738,209	2,284,159	2,434,456	2,374,099	1,521,086
Total revenues	<u>73,120,559</u>	<u>73,046,805</u>	<u>79,532,615</u>	<u>74,080,602</u>	<u>75,194,776</u>	<u>70,927,405</u>	<u>79,157,040</u>	<u>78,697,524</u>	<u>82,399,668</u>	<u>66,439,974</u>
<b>Expenditures:</b>										
Current:										
General government	7,967,730	7,556,000	8,620,186	9,884,652	11,875,762	8,976,530	9,936,581	11,160,607	10,485,134	9,341,745
Judicial	551,910	523,917	690,775	855,330	907,934	986,359	1,056,504	1,007,860	1,100,137	1,104,040
Public safety	27,113,101	26,109,519	24,707,476	26,272,002	28,732,159	28,655,558	30,425,483	31,606,457	32,883,304	31,683,702
Public works	8,234,310	4,565,533	4,150,883	6,711,134	6,781,237	6,990,544	7,068,801	8,614,550	8,780,714	8,501,889
Parks and recreation	5,522,857	4,469,555	4,681,306	4,143,167	4,341,644	4,542,627	5,051,465	5,434,481	5,547,493	4,980,249
Community development	16,668,421	17,292,703	8,816,126	4,644,429	6,036,774	5,018,810	6,996,464	7,335,418	8,237,696	5,407,316
Community service	408,489	387,919	272,044	341,999	336,411	399,347	398,458	396,531	413,150	383,794
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	6,296,112	8,322,946	18,478,624	13,814,675	11,114,264	9,636,181	7,831,838	6,082,301	15,132,363
Debt service:										
Principal	2,458,334	1,395,000	3,145,000	1,430,000	1,450,000	6,000,000	6,205,000	6,433,750	905,409	600,000
Interest and fiscal charges	625,924	1,158,190	1,212,434	1,254,684	1,558,994	1,501,459	1,256,775	1,018,321	1,045,416	1,119,453
Total expenditures	<u>69,551,076</u>	<u>69,754,448</u>	<u>64,619,176</u>	<u>74,016,021</u>	<u>75,835,590</u>	<u>74,185,498</u>	<u>78,031,712</u>	<u>80,839,813</u>	<u>75,480,754</u>	<u>78,254,551</u>
Excess of revenues over (under) expenditures	<u>3,569,483</u>	<u>3,292,357</u>	<u>14,913,439</u>	<u>64,581</u>	<u>(640,814)</u>	<u>(3,258,093)</u>	<u>1,125,328</u>	<u>(2,142,289)</u>	<u>6,918,914</u>	<u>(11,814,577)</u>

(Continued)

**CITY OF ALBANY, GEORGIA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other financing sources (uses)</b>										
Transfers in	\$ 3,700,994	\$ 5,609,353	\$ 6,258,438	\$ 3,526,240	\$ 4,327,235	\$ 2,270,397	\$ 8,729,408	\$ 2,840,088	\$ 2,059,524	\$ 32,456,832
Transfers out	(6,267,196)	(7,482,454)	(8,444,077)	(5,711,311)	(6,870,406)	(5,154,301)	(6,348,501)	(3,328,467)	(4,707,660)	(16,539,382)
Investment fees	-	-	-	-	-	-	-	-	-	-
Change in fair market value of investments	-	-	-	-	-	-	-	-	-	-
Capital leases	977,399	-	-	-	-	-	-	-	-	-
Issuance of debt	5,500,000	-	-	14,236,362	-	-	-	295,079	17,625,914	-
Sale of capital assets	-	-	691,386	455,206	653,457	206,758	546,340	698,447	669,189	38,392
Total other financing sources (uses)	<u>3,911,197</u>	<u>(1,873,101)</u>	<u>(1,494,253)</u>	<u>12,506,497</u>	<u>(1,889,714)</u>	<u>(2,677,146)</u>	<u>2,927,247</u>	<u>505,147</u>	<u>15,646,967</u>	<u>15,955,842</u>
Net change in fund balances	<u>\$ 7,480,680</u>	<u>\$ 1,419,256</u>	<u>\$ 13,419,186</u>	<u>\$ 12,571,078</u>	<u>\$ (2,530,528)</u>	<u>\$ (5,935,239)</u>	<u>\$ 4,052,575</u>	<u>\$ (1,637,142)</u>	<u>\$ 22,565,881</u>	<u>\$ 4,141,265</u>
Debt service as a percentage of noncapital expenditures	4.43%	4.03%	7.29%	4.29%	4.34%	11.18%	10.87%	10.47%	2.79%	2.72%

**NOTES**

Amounts presented for fiscal years 2003 and 2004 have been restated for the effects of prior period adjustments recorded in fiscal year 2005.

Due to other changes in the City's fund structure connected with the implementation of GASB 34, comparative fund balance information is not available prior to 2003.

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

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

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

The increase in debt service as a percentage of noncapital expenditures in 2009 is due to the City beginning payment 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 GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Hotel Motel Tax</b>	<b>Franchise Tax</b>	<b>Insurance Premium Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2004	\$ 14,404,199	\$ 16,541,996	\$ 769,770	\$ 2,070,851	\$ 3,320,225	\$ 1,371,654	\$ 277,905	\$ 38,756,600
2005	14,194,137	18,272,298	843,973	2,010,343	3,596,638	1,381,630	199,478	40,498,497
2006	14,581,340	27,509,223	895,252	1,808,258	3,865,223	1,390,224	205,704	50,255,224
2007	14,794,429	23,014,619	1,307,342	2,169,665	4,042,768	1,402,865	170,946	46,902,634
2008	14,776,748	23,380,560	1,378,411	2,184,755	4,218,975	1,457,124	172,642	47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300
2010	15,324,267	8,932,040	1,271,433	2,290,921	4,279,238	1,434,095	126,622	33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	279,127	33,793,120

**NOTES**

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

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)**

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	
2004	\$ 936,278	2,340,695	462,177	1,155,443	73,933	1,324,522	3,311,305	10.80
2005	950,163	2,375,408	456,120	1,140,300	82,598	1,323,685	3,309,213	10.80
2006	961,837	2,404,593	467,731	1,169,327	85,940	1,343,628	3,359,070	10.80
2007	981,349	2,453,374	466,890	1,167,227	99,744	1,348,495	3,620,601	10.79
2008	1,225,531	3,063,828	478,728	1,196,820	103,518	1,600,741	4,001,853	10.78
2009	1,218,665	3,046,663	501,002	1,252,505	110,843	1,608,824	4,022,060	9.16
2010	1,179,054	2,987,528	503,796	1,327,833	102,145	1,580,705	4,063,003	9.16
2011	1,167,412	2,918,530	528,971	1,322,428	197,853	1,498,530	3,746,325	8.66
2012	1,197,135	2,992,838	396,685	991,713	106,590	1,487,230	3,718,075	8.66
2013	1,202,887	3,007,218	448,969	1,122,423	133,086	1,518,770	3,796,925	9.99

**SOURCE**

Dougherty County Tax Department

**NOTE**

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

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

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		
2004	10.800	0.000	10.800	13.158	0.000	13.158	19.000	0.000	19.000	0.25	43.208
2005	10.790	0.000	10.790	13.158	0.000	13.158	19.000	0.000	19.000	0.25	43.198
2006	10.777	0.000	10.777	13.147	0.000	13.147	18.984	0.000	18.984	0.25	43.158
2007	9.159	0.000	9.159	11.897	0.000	11.897	18.450	0.000	18.450	0.25	39.756
2008	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746
2009	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746
2010	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
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	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.20	40.529

**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 NINE CALENDAR YEARS (1) (2)**

<b>By Category</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009 (3)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Food	\$ 3,148,127	\$ 3,463,700	\$ 3,802,908	\$ 3,923,148	\$ 3,677,474	\$ 1,351,385 (3)	\$ -	\$ -	\$ -
Apparel	544,168	631,284	676,270	688,235	683,128	310,058 (3)	-	-	-
General	2,304,540	2,307,265	2,403,887	2,448,008	2,402,603	1,082,402 (3)	-	-	-
Automotive	2,898,682	2,811,281	2,916,549	3,030,301	3,377,416	974,961 (3)	-	-	-
Home	846,121	939,734	1,034,018	982,259	916,640	345,110 (3)	-	-	-
Lumber	1,193,728	1,226,793	1,264,403	1,237,612	1,078,029	317,181 (3)	-	-	-
Miscellaneous Service	829,754	842,618	924,728	930,366	1,006,135	375,623 (3)	-	-	-
Manufacturers	1,744,149	1,220,279	1,712,880	1,551,973	1,718,753	475,704 (3)	-	-	-
Utilities	1,311,603	1,339,453	1,517,393	1,480,452	1,594,512	555,468 (3)	-	-	-
Miscellaneous	1,676,383	1,800,816	1,864,146	1,997,795	1,619,727	452,693 (3)	-	-	-
Accommodations	-	-	-	-	-	151,098 (4)	183,530	178,114	175,258
Auto	-	-	-	-	-	947,706 (4)	1,532,920	1,532,213	1,584,304
Construction	-	-	-	-	-	56,446 (4)	90,776	84,097	81,167
Food/bars	-	-	-	-	-	1,789,221 (4)	2,814,970	2,704,550	2,657,049
General Merch	-	-	-	-	-	1,535,625 (4)	2,588,585	2,686,581	2,885,661
Home Furnishing	-	-	-	-	-	684,002 (4)	1,093,541	945,631	909,372
Manufacturing	-	-	-	-	-	255,361 (4)	1,396,801	1,515,298	1,267,861
Miscellaneous Service	-	-	-	-	-	615,245 (4)	1,140,412	1,188,675	1,109,417
Other Retail	-	-	-	-	-	1,161,684 (4)	2,238,762	2,478,609	2,428,037
Other Services	-	-	-	-	-	205,957 (4)	344,919	527,492	711,202
Utility	-	-	-	-	-	857,090 (4)	1,097,536	1,177,576	1,121,740
Wholesale	-	-	-	-	-	1,060,109 (4)	2,102,658	2,235,969	2,177,739
	<u>\$ 16,497,255</u>	<u>\$ 16,583,223</u>	<u>\$ 18,117,182</u>	<u>\$ 18,270,149</u>	<u>\$ 18,074,417</u>	<u>\$ 15,560,129</u>	<u>\$ 16,625,410</u>	<u>\$ 17,254,805</u>	<u>\$ 17,108,807</u>

Source: Georgia Department of Revenue, Local Government Services Division

**Notes:**

- (1) Only nine years of data are available
- (2) Information only available for Dougherty County
- (3) State changed the grouping of the categories. The (3) is related to Jan through May 2009 and (4) is for May through December 2009.

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

Taxpayer	Type of Business	Fiscal Year 2013			Fiscal Year 2004		
		2012 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2003 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BellSouth Communications	Telecommunications	\$ 14,536,033	1	0.96 %	\$ 20,931,004	3	1.58 %
Albany Mall LLC	Mall developer	12,525,452	2	0.82	9,997,627	5	0.75
M & M Mars - Div of Mars, Inc.	Confectioner	10,765,002	3	0.71	23,053,744	2	1.74
Wal Mart / Sam's Club	Retailer	9,799,696	4	0.65	5,055,741	8	0.38
Flint River Services	Warehousing	7,766,298	5	0.51			-
Allied Wireless	Telecommunications	7,153,348	6	0.47			-
Alliance	Apartments	6,563,560	7	0.43			-
Mediacom	Telecommunications	6,636,226	8	0.44			-
Brooks, Robert N Sr	Real Estate Investor	6,549,227	9	0.43			-
Georgia Power Co	Utility	6,443,820	10	0.42	4,912,040	9	0.37
MillerCoors (1)	Brewery	-		-	48,750,783	1	3.68
Palmyra Medical Center (2)	Hospital	-		-	12,206,009	4	0.92
Coats and Clark	Textiles				5,776,988	6	0.44
Lowe's Home Center	Building Supplies				5,191,646	7	0.39
Georgia Pacific Corporation	Manufacturer				4,714,822	10	0.36
		<u>\$ 88,738,662</u>		<u>5.84 %</u>	<u>\$ 140,590,404</u>		<u>10.61 %</u>

**SOURCE**

Dougherty County Tax Department

(1) FY2013 first year under P.I.L.O.T. (payment in lieu of taxes)

(2) FY2013 became tax-exempt

2004 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004.

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

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	\$ 12,684	\$ 12,535	98.83	\$ 128	\$ 12,663	99.83 %
2005	12,736	12,505	98.19	214	12,719	99.87
2006	12,988	12,791	98.48	188	12,979	99.93
2007	13,077	12,901	98.65	161	13,062	99.89
2008	13,164	12,872	97.78	276	13,148	99.88
2009	13,400	12,329	92.01	1,051	13,380	99.85
2010	13,540	13,105	96.79	399	13,504	99.73
2011	12,388	12,168	98.22	187	12,355	99.73
2012	12,428	12,131	97.61	263	12,394	99.72
2013	14,060	13,791	98.09	-	13,791	98.09

**SOURCE**  
Dougherty County Tax Department

**CITY OF ALBANY, GEORGIA**

**RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

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			
2004	\$ 9,815,000	\$ 10,000,000	\$ 6,050,000	\$ 48,160,000	\$ 862,359	\$ 481,862	\$ -	\$ 75,369,221	6.92%	\$ 988.41
2005	8,470,000	10,000,000	6,000,000	46,195,000	678,054	383,366	-	71,726,420	6.10%	945.04
2006	5,975,000	10,000,000	5,350,000	44,115,000	485,189	280,156	-	66,205,345	4.44%	878.81
2007	18,870,000	10,000,000	5,525,000	39,650,000	283,329	172,006	-	74,500,335	4.31%	988.15
2008	17,720,000	10,000,000	5,225,000	39,110,000	120,054	58,681	-	72,233,735	2.43%	952.64
2009	12,020,000	10,000,000	4,925,000	36,670,000	51,586	-	-	63,666,586	4.14%	839.59
2010	6,425,330	10,000,000	4,625,000	34,145,000	10,421	-	-	55,205,751	2.50%	730.08
2011	605,409	10,000,000	4,325,000	28,575,000	-	-	-	43,505,409	1.92%	561.84
2012	16,585,000	10,000,000	3,981,250	26,315,000	-	-	1,017,111	57,898,361	2.35%	745.32
2013	16,310,000	10,000,000	3,656,250	35,332,348	-	1,682,591	299,150	67,280,339	2.73%	868.91

**NOTES**

Financial information presented as Governmental Activities and Business-Type Activities for the city government as a whole is available back to June 30, 2003, the year GASB 34 was implemented

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.

The amounts shown for the certificates of participation and the capital leases have been restated for the years 2003 and 2004.

The amount shown for the intergovernmental agreement for 2012 has been restated for a change in entity.

## CITY OF ALBANY, GEORGIA

### RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$ 9,815,000	\$ 69,253	\$ 9,745,747	0.29 %	\$ 128
2005	8,470,000	6,831	8,463,169	0.26	112
2006	5,975,000	6,851	5,968,149	0.18	79
2007	18,870,000	6,868	18,863,132	0.52	250
2008	17,720,000	6,782	17,713,218	0.44	234
2009	12,020,000	6,808	12,013,192	0.30	158
2010	6,425,330	6,811	6,418,519	0.16	85
2011	605,409	6,814	598,595	0.02	8
2012	16,585,000	-	16,585,000	0.45	213
2013	16,310,000	-	16,310,000	0.43	211

#### NOTES

In fiscal year 2007, \$14,000,000 of SPLOST bonds were issued by ADICA.

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, 2013**

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<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Albany</u>	<u>Amount Applicable to City of Albany</u>
Direct, City of Albany	\$ 29,966,250	100 %	\$ 29,966,250
Overlapping, Dougherty County Board of Education	-	- %	-
	<u>\$ 29,966,250</u>		<u>\$ 29,966,250</u>

**SOURCE**

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

**NOTE**

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



**CITY OF ALBANY, GEORGIA**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>LEGAL DEBT MARGIN</b>										
Debt limit	\$ 139,846	\$ 140,628	\$ 142,957	\$ 144,824	\$ 170,426	\$ 171,967	\$ 168,285	\$ 169,638	\$ 159,382	\$ 165,186
Total net debt applicable to limit	9,746	8,463	5,968	18,863	17,713	12,013	6,418	598	16,585	16,310
Legal debt margin	<u>\$ 130,100</u>	<u>\$ 132,165</u>	<u>\$ 136,989</u>	<u>\$ 125,961</u>	<u>\$ 152,713</u>	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>6.97%</u>	<u>6.02%</u>	<u>4.17%</u>	<u>13.02%</u>	<u>10.39%</u>	<u>6.99%</u>	<u>3.81%</u>	<u>0.35%</u>	<u>10.41%</u>	<u>9.87%</u>
<b>LEGAL DEBT MARGIN CALCULATION</b>										
Assessed value	\$ 1,324,522	\$ 1,323,685	\$ 1,343,628	\$ 1,348,495	\$ 1,600,741	\$ 1,608,824	\$ 1,580,705	\$ 1,498,530	\$ 1,487,230	\$ 1,518,770
Add back exempt property	73,933	82,598	85,940	99,744	103,518	110,843	102,145	197,853	106,590	133,086
Total assessed value	<u>1,398,455</u>	<u>1,406,283</u>	<u>1,429,568</u>	<u>1,448,239</u>	<u>1,704,259</u>	<u>1,719,667</u>	<u>1,682,850</u>	<u>1,696,383</u>	<u>1,593,820</u>	<u>1,651,856</u>
Debt limit (10% of total assessed value)	139,846	140,628	142,957	144,824	170,426	171,967	168,285	169,638	159,382	165,186
Debt applicable to limit										
General obligation bonds	9,815	8,470	5,975	18,870	17,720	12,020	6,425	605	16,585	16,310
Less amount set aside for repayment of general obligation debt	(69)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	-	-
Total net debt applicable to limit	<u>9,746</u>	<u>8,463</u>	<u>5,968</u>	<u>18,863</u>	<u>17,713</u>	<u>12,013</u>	<u>6,418</u>	<u>598</u>	<u>16,585</u>	<u>16,310</u>
Legal debt margin	<u>\$ 130,100</u>	<u>\$ 132,165</u>	<u>\$ 136,989</u>	<u>\$ 125,961</u>	<u>\$ 152,713</u>	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>

**NOTES**

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

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

**CITY OF ALBANY, GEORGIA**

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Sewer Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2004	\$ 11,914,002	6,222,521	\$ 5,691,481	\$ 1,860,000	\$ 2,502,784	1.30
2005	12,681,971	6,255,038	6,426,933	1,965,000	2,417,461	1.47
2006	14,296,012	7,660,827	6,635,185	2,080,000	2,325,789	1.51
2007	14,953,008	7,484,658	7,468,350	2,170,000	2,449,322	1.62
2008	15,722,157	8,266,328	7,455,829	2,440,000	1,732,081	1.79
2009	15,247,206	9,116,960	6,130,246	2,525,000	1,632,087	1.47
2010	14,787,711	9,597,229	5,190,482	2,620,000	1,581,234	1.24
2011	15,633,183	8,428,403	7,204,780	2,260,000	1,296,950	2.03
2012	15,648,637	8,897,425	6,751,212	2,745,000	1,204,413	1.71
2013	132,612,979	106,301,246	26,311,733	4,110,000	1,045,428	5.10

**NOTES**

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

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.

**CITY OF ALBANY, GEORGIA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age (1)</b>	<b>Education Level in Years of Formal Schooling (1)</b>	<b>School Enrollment (2)</b>	<b>(%) Unemployment Rate (3)</b>
2004	76,253	1,089,808	14,292 (1)	31.1	12.5	16,607	5.2
2005	75,898	1,175,281	15,485 (1)	31.1	12.5	16,844	6.2
2006	75,335	1,491,558	19,799 (1)	31.1	12.5	16,894	6.1
2007	75,394	1,728,030	22,920 (1)	31.1	12.5	16,668	4.5
2008	75,825	2,971,354	39,187 (1)	33.5	12.5	16,436	4.9
2009	75,831	1,538,156	20,284 (1)	33.1	12.5	16,222	7.5
2010	75,616	2,211,617	29,248 (1)	31.1	12.5	15,960	9.8
2011	77,434	2,261,073	29,200 (1)	31.4	12.0	15,628	10.8
2012	77,683	2,463,932	31,735 (1)	31.5	12.0	15,765	10.3
2013	77,431	2,463,932	31,821 (1)	31.4	12.6	15,676	10.2

**SOURCES**

- (1) Bureau of Census, Bureau of Economic Analysis, and Georgia Power Company
- (2) Georgia Department of Education
- (3) Bureau of Labor Statistics/State of Georgia - Department of Human Resources

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

<u>Employer (1)</u>	<u>Fiscal Year 2013</u>			<u>Fiscal Year 2004</u>		
	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
USMC Logistic Base (Civilian)	5,040	1	8.37 %	2,400	3	3.76 %
Phoebe Putney Health System	3,800	2	6.31	3,399	1	5.32
Dougherty County Board of Education	2,412	3	4.01	3,240	2	5.07
City of Albany (2013 includes Water, Gas & Light)	1,180	4	1.96	890	6	1.39
Proctor and Gamble	900	5	1.50	1,394	4	2.18
Dougherty County	695	6	1.15	650	7	1.02
MillerCoors	600	7	1.00	642	8	1.00
Teleperformance USA (Formerly CallTech Communications)	600	8	1.00	625	9	0.98
Albany State University	550	9	0.91	550	10	0.86
Darton College	500	10	0.83			-
Cooper Tire & Rubber Company	-		-	1,290	5	2.02
Totals	<u>16,277</u>		<u>27.04 %</u>	<u>15,080</u>		<u>23.60 %</u>
Average number of employees (2)	<u>60,200</u>			<u>63,900</u>		

**SOURCE**

(1) Albany Chamber of Commerce

(2) Bureau of Labor Statistics

2004 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004.

## CITY OF ALBANY, GEORGIA

### FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	171	170	170	174	140	145	147	152	154	147
Judicial	6	8	11	11	11	12	12	12	12	12
Public safety	464	461	394	404	435	466	466	484	470	479
Public works	165	165	41	41	42	42	36	45	45	45
Parks and recreation	60	60	57	57	57	60	63	63	63	63
Community development	12	12	12	12	12	12	12	12	12	12
Sanitary sewer	58	59	68	68	68	68	68	59	61	60
Solid waste	49	52	51	49	49	49	49	49	49	49
Airport	17	17	14	14	17	17	17	17	17	17
Transit	29	29	29	29	29	30	30	30	30	30
Civic Center	16	16	15	16	16	17	17	17	17	16
Auditorium	1	1	1	-	-	-	-	-	-	-
	<u>1048</u>	<u>1050</u>	<u>863</u>	<u>875</u>	<u>876</u>	<u>918</u>	<u>917</u>	<u>940</u>	<u>930</u>	<u>930</u>

Source: City of Albany Finance Department

**CITY OF ALBANY, GEORGIA**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sanitary sewer										
Average daily treatment (thousands of gallons)	18,653	18,653	18,653	16,230	15,958	16,369	17,477	14,675	14,128	15,799
Airport										
Daily flights	8	8	8	8	4	3	3	3	3	3
Enplaned passengers	35,461	39,954	39,954	37,109	40,835	35,128	33,164	35,218	35,770	34,665
Deplaned passengers	34,044	38,156	38,156	35,829	39,226	34,499	32,668	33,805	34,617	33,682
Based aircraft	44	40	40	35	38	39	39	35	32	30
Police										
Citations issued	18,526	16,090	11,297	10,552	11,082	N/A	N/A	N/A	N/A	10,564
DUI Citations issued	193	139	96	228	153	N/A	N/A	N/A	N/A	138
Warnings issued	2,555	3,046	3,424	3,235	3,151	N/A	N/A	N/A	N/A	2,974
Crime Statistics:										
Aggravated Assault	250	252	284	341	389	573	465	459	476	532
Auto Theft	349	329	399	379	298	347	317	225	240	188
Murder	5	8	8	8	11	8	11	15	7	7
Rape	52	40	31	34	33	44	37	36	28	27
Robbery	217	216	242	205	207	247	230	168	205	193
Burglary	1,576	1,705	1,645	1,558	1,520	1,450	1,663	1,382	1,382	1,252
Theft	3,375	2,958	3,239	3,299	3,615	3,049	3,265	3,002	3,360	3,328
Fire										
Incident responses	2,959	3,141	2,779	3,706	3,511	2,234	3,588	4,017	3,673	3,465
Public Safety Education										
Events	73	52	81	61	103	1,264	172	228	205	553
Persons contacted	107,682	123,340	124,086	110,060	6,022	3,579	9,441	18,632	37,103	42,019

**SOURCE**

Various city departments.

**NOTE:** Operating indicators are not available for the general government function.

N/A - Information not available.

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

Function	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Fleet size	186	170	170	170	170	170	171	171	171	165
Fire stations	11	11	11	11	11	11	11	11	11	11
Public Works										
Miles of streets	568	559	559	559	559	559	559	559	559	597
Number of street lights	8,503	8,503	10,420	11,247	11,247	11,247	11,247	11,247	11,279	11,285
Culture and Recreation										
Park acreage	1,104	1,104	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Parks	45	45	44	54	54	54	54	54	54	54
Golf course	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	1	1	1	1	1	1	1	1
Tennis courts	17	17	20	22	22	22	22	22	22	22
Sewerage System										
Miles of sanitary sewer	350	350	350	350	350	350	350	350	350	350
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, 2013, 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 30, 2013. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

**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 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 Standard*.

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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 30, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

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

We have audited the City of Albany, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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Those standards and OMB Circular A-133 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, 2013.

**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. 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 OMB Circular A-133, 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.

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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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Macon, Georgia  
December 30, 2013

*Mauldin & Jenkins, LLC*

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<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>U.S. Department of Transportation</b>			
<b>Direct Awards</b>			
Federal Transit-Capital Investment Grants	20.500	T002174	\$ 239,910
Federal Transit-Capital Investment Grants	20.500	T002181	10,341
Federal Transit-Capital Investment Grants	20.500	T003253	88,168
Federal Transit-Capital Investment Grants	20.500	T004480	256,235
Federal Transit-Formula Grants	20.507	T004164	871,411
ARRA Capital Improvement Assistance Grant	20.507	T002610	53,893
Total Federal Transit Cluster			<u>1,519,958</u>
Metropolitan Transportation Planning - DOT PL Funds	20.505	PL000-0010-00(799)	<u>101,371</u>
Planning Assistance Grant	20.515	GA-80-008-01	<u>65,010</u>
Total U.S. Department of Transportation			<u>1,686,339</u>
<b>Federal Aviation Administration</b>			
<b>Direct Awards</b>			
Airport Improvement Program	20.106	3-13-0002-037-2010	3,841,432
Airport Improvement Program	20.106	3-13-0002-038-2011	2,443,656
Airport Improvement Program	20.106	3-13-0002-039-2012	<u>148,703</u>
Total Federal Aviation Administration			<u>6,433,791</u>
<b>U.S. Department of Agriculture</b>			
<b>Direct Awards</b>			
Child Nutrition Cluster - Summer School Food Service	10.559	08002	45,948
Child Nutrition Cluster - Summer School Food Service	10.559	08002	<u>75,679</u>
Total U.S. Department of Agriculture			<u>121,627</u>

**(Continued)**

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<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>U.S. Department of Housing and Urban Development</b>			
<b>Direct Awards</b>			
Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-13-0001	\$ 306,774
Community Development Block Grants/Entitlement Grants	14.218	B-11-MC-13-0001	655,960
Community Development Block Grants/Entitlement Grants	14.218	B-05-MC-13-0001	360,693
Total CDBG - Entitlement Grants Cluster			<u>1,323,427</u>
CDBG - State Administered Small Cities Program Cluster - Neighborhood Stabilization	14.228	08-NS-5072	<u>16,700</u>
HUD-Home Partnership Investment Title II Program	14.239	M-05-MC-13-0205	74,336
HUD-Home Partnership Investment Title II Program	14.239	M-06-MC-13-0205	91,839
HUD-Home Partnership Investment Title II Program	14.239	M-07-MC-13-0205	170,481
HUD-Home Partnership Investment Title II Program	14.239	M-09-MC-13-0205	178,561
HUD-Home Partnership Investment Title II Program	14.239	M-12-MC-13-0205	72,643
Total HUD-Home Partnership Investment Title II Program			<u>587,860</u>
HUD - Housing Counseling Assistance Program	14.169	HC-120421-068	4,937
HUD - Housing Counseling Assistance Program	14.169	HC-130421-078	14,476
Total HUD - Housing Counseling Assistance Program			<u>19,413</u>
<b>Passed through State of Georgia</b>			
Supportive Housing Program	14.235	GA0054B4B011004	53,484
Supportive Housing Program	14.235	2012 12E EO 12C016	52,000
Total Supportive Housing Program			<u>105,484</u>
Total U.S. Department of Housing and Urban Development			<u>2,052,884</u>

**(Continued)**



**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
<b>Passed-Through State of Georgia</b>			
Bullet Proof Vest Partnership Program - 2003	16.607	2003-BU-BX-6439	\$ 13,494
2009 Justice Assistance Grant (JAG)	16.738	2009-DJ-BX-0281	3,020
2010 Justice Assistance Grant (JAG)	16.738	2010-DJ-BX-0768	30,930
2011 Justice Assistance Grant (JAG)	16.738	2011-DJ-BX-3292	11,608
2012 Justice Assistance Grant (JAG)	16.738	2012-DJ-BX-1140	35,766
ARRA 2009 Justice Assistance Grant (JAG)	16.804	2009-SB-B9-0908	34,394
Total JAG Program Cluster			<u>115,718</u>
ARRA - Public Safety Partnership and Community Policing Grants	16.710	2009-RK-WX-0277	<u>331,584</u>
Total U.S. Department of Justice			<u>460,796</u>
<b>U.S. Department of Commerce</b>			
<b>Passed-Through State of Georgia</b>			
Economic Development Cluster - Economic Adjustment Assistance	11.307	04-19-69032	<u>1,020,821</u>
Total U.S. Department of Commerce			<u>1,020,821</u>
<b>Department of Energy</b>			
<b>Direct Awards</b>			
Weatherization Assistance for Low-Income Persons	81.042	DOER-WX-DOE-2011/12-30	<u>15,693</u>
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0002997	<u>1,125</u>
Total U.S. Department of Energy			<u>16,818</u>

**(Continued)**

**CITY OF ALBANY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<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>Corporation for National and Community Service</b>			
<b>Passed-Through State of Georgia</b>			
2011-2012 Americorps	94.006	06AFHGA0010024	\$ 28,055
Total Corporation for National and Community Service			<u>28,055</u>
<b>Department of Health and Human Services</b>			
<b>Direct Awards</b>			
Low-income Home Energy Assistance - Weatherization	93.568	DOER-WX-HHS-2011/12-30	<u>82,348</u>
Total U.S. Department of Health and Human Services			<u>82,348</u>
<b>Department of Homeland Security</b>			
<b>Direct Awards</b>			
Emergency Management Performance Grants	97.042	OEM10-049	<u>28,820</u>
Homeland Security Grant - EOD Bomb Dog Grant-2008	97.067	2008-GE-T8-0017	25
Homeland Security Grant - EOD Bomb Dog Grant-2009	97.067	2009-SS-T9-0047	4,165
Homeland Security Grant - EOD Bomb Dog Grant-2010	97.067	2010-SS-T0-0034	2,856
Homeland Security Grant - Hazardous Mitigation Grant-2010	97.067	2010-SS-T0-0034	264,595
Homeland Security Grant - EOD Hazmat Grant-2010	97.067	2010-SS-T0-0034	<u>8,504</u>
Total Homeland Security Grant			<u>280,145</u>
Total U.S. Department of Homeland Security			<u>308,965</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 12,212,443</u></u>
<b>See Notes to Schedule of Expenditures of Federal Awards</b>			

**CITY OF ALBANY, GEORGIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**NOTE 1. BASIS OF PRESENTATION**

The accompanying 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 OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2. SUBRECIPIENTS**

During the fiscal year ended June 30, 2013, disbursements were made to sub-recipients of the following grant programs:

<u>Program</u>	<u>CFDA</u>	<u>Amount</u>
Community Development Block Grant	14.218	\$ 53,232
HUD-Home Partnership Investment Title II Program	14.239	294,753
		<u>\$ 347,985</u>

**CITY OF ALBANY, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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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    X no

Significant deficiencies identified not considered  
to be material weaknesses?

\_\_\_ yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_ yes    X no

**Federal Awards**

Internal Control over major programs:

Material weaknesses identified?

\_\_\_ yes    X no

Significant deficiencies identified not considered  
to be material weaknesses?

\_\_\_ yes    X 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, 2013**

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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 OMB Circular A-133, Section 510(a)?

\_\_\_ yes     X  no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
20.500	Federal Transit Cluster
20.507	ARRA Federal Transit Cluster
16.738	JAG Program Cluster
16.804	ARRA JAG Program Cluster
14.218	CDBG Entitlement Grant Cluster
16.710	ARRA Public Safety Partnership – COPS Hiring Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$366,373

Auditee qualified as low-risk auditee?

\_\_\_ yes     X  no

**CITY OF ALBANY, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS**

None Reported.

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

None reported.

**CITY OF ALBANY, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**2012 - 1. Management of Accounts Payable and Accrued Expenses**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The City did not properly address the above criteria as of June 30, 2012 as it relates to accounts payable within the General and Airport Funds, and retainage payable in the Sanitary Sewer Fund.

Status: This finding was corrected during the fiscal year ended June 30, 2013.