

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:

Derrick L. Brown
Finance Director

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 | 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 | |
| Budget (GAAP Basis) and Actual – General Fund and Major Special Revenue Funds | 34 - 36 |
| Statement of Net Position – Proprietary Funds | 37 - 39 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 40 |

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

Fund Financial Statements (Continued)

| | |
|---|---------|
| Statement of Cash Flows – Proprietary Funds | 41 - 43 |
| Statement of Fiduciary Net Position – Pension Fund | 44 |
| Statement of Changes in Fiduciary Net Position – Pension Fund | 45 |

| | |
|-------------------------------------|----------|
| Notes to Financial Statements | 46 - 114 |
|-------------------------------------|----------|

Required Supplementary Information

Defined Benefit Pension Plan

| | |
|--|-----|
| Schedule of Changes in the City’s Net Pension Liability and Related Ratios | 115 |
| Schedule of Employer Contributions | 116 |
| Schedule of Investment Returns | 117 |

Other Post Employment Benefit Plan

| | |
|------------------------------------|-----|
| Schedule of Funding Progress | 118 |
|------------------------------------|-----|

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

| | |
|---|-----|
| Combining Balance Sheet – Nonmajor Governmental Funds | 119 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 120 |

Budgetary Compliance

| | |
|---|-----------|
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Nonmajor Governmental Funds | 121 - 124 |
|---|-----------|

Nonmajor Enterprise Funds

| | |
|---|-------------|
| Combining Statement of Net Position – Nonmajor Enterprise Funds | 125 and 126 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds | 127 |

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued)

Nonmajor Enterprise Funds (Continued)

Combining Statement of Cash Flows – Nonmajor Enterprise Funds 128 and 129

Internal Service Funds

Combining Statement of Net Position – Internal Service Funds 130 and 131

Combining Statement of Revenues, Expenses and Changes in Fund

Net Position – Internal Service Funds 132

Combining Statement of Cash Flows – Internal Service Funds 133 and 134

Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds

2010 Special City Sales Tax 135

2005 Special City Sales Tax 136

2000 Special City Sales Tax 137

1995 Special City Sales Tax 138

1990 Special City Sales Tax 139

STATISTICAL SECTION (UNAUDITED)

Government-wide information

Net Position by Component 140

Changes in Net Position 141 - 143

Governmental Activities Tax Revenues by Source 144

Fund information

Fund Balance of Governmental Funds 145

Changes in Fund Balances of Governmental Funds 146 and 147

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

Page

STATISTICAL SECTION (UNAUDITED) (CONTINUED)

| | |
|---|-----|
| General Government Tax Revenues by Source | 148 |
| Assessed Value and Estimated Actual Value of Taxable Property | 149 |
| Property Tax Rates - Direct and Overlapping Governments | 150 |
| Taxable Sales Tax Distribution by Category | 151 |
| Principal Property Taxpayers | 152 |
| Property Tax Levies and Collections | 153 |
| Ratio of Outstanding Debt by Type | 154 |
| Ratio of General Bonded Debt Outstanding | 155 |
| Direct and Overlapping Governmental Activities Debt | 156 |
| Legal Debt Margin | 157 |
| Pledged Revenue Coverage | 158 |
| Demographic and Economic Statistics | 159 |
| Principal Employers | 160 |
| Full Time Equivalent City Government Employees by Function | 161 |
| Operating Indicators by Function | 162 |
| Capital Asset Statistics by Function | 163 |

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> | 164 - 166 |
|---|-----------|

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 | 167 - 170 |
| Schedule of Expenditures of Federal Awards | 171 - 174 |
| Notes to Schedule of Expenditures of Federal Awards | 175 |
| Schedule of Findings and Questioned Costs | 176 - 183 |
| Summary Schedule of Prior Year Findings | 184 |

INTRODUCTORY SECTION

City of Albany

Post Office Box 447

Albany, Georgia

31702-0447

December 31, 2015

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, 2015. 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, 2015. 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 2014 Census, the population of Albany was estimated at 75,769.¹

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 Albany Utility Board (previously known as Water, Gas and Light Commission of Albany), formerly a component unit of the City of Albany, is as of fiscal year ending June 30, 2014 and going forward, comprised of major enterprise funds of the City of Albany. The City provides a full range of services including police and fire protection, road maintenance, streets, recreational activities, cultural events, and utility services including storm and sanitary sewers, solid waste, water, gas, light, and telecommunications. In addition to these general governmental activities, the City has a transit system, cemetery, airport, civic center, and golf course.

¹Source: United States Census Bureau <http://quickfacts.census.gov/qfd/states/13/1301052.html>

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, 9 public secondary schools, 1 public alternative school, and a number of private schools². 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 students².
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 education².
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 Georgia².
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 choose².
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 degrees².

The City of Albany was not immune to the economic downturn of 2008. The economy is improving nationally, and there have been some small signs of economic movement in Albany. Despite the economic downturn, the City has been able to maintain operations without layoffs, furloughs, or reduction of services. 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) worked closely together to develop a recommended plan for commission approval and implementation.

²Albany Chamber of Commerce, from 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 once a year.

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.

Total revenue generated for fiscal year 2012 for SPLOST programs was \$10.8 million with expenditures totaling \$8.5 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-three consecutive fiscal years from 1991 to 2014. 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.

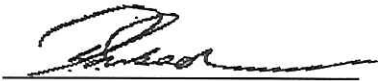
In addition, the City received the GFOA Distinguished Budget Award for the twenty-third consecutive year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications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

ACKNOWLEDGMENTS


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

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

Respectfully submitted,



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



Derrick L. Brown
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Albany
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF ALBANY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2015

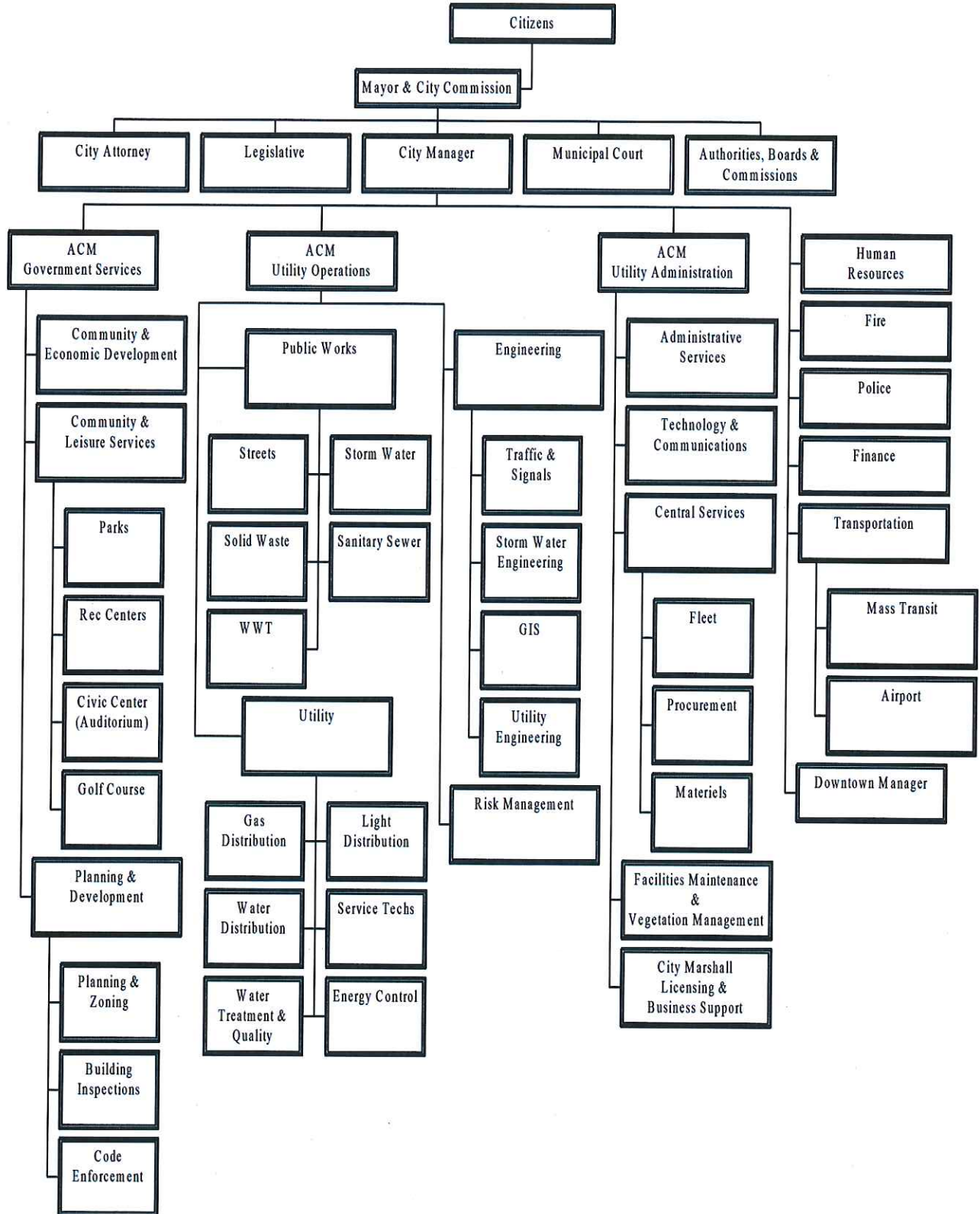
ELECTED

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

STAFF

| | |
|--------------------------|-------------------------|
| Sharon D. Subadan | City Manager |
| Derrick L. Brown | Finance Director |

City of Albany



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**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, 2015, 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.

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Community Development Fund, and Job Investment Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 and Note 15, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 24) and the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contribution, Schedule of Investment Returns, and the Other Post-Employment Benefit Plan Schedules of Funding Progress and Employer Contributions (on pages 115 through 118) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Albany, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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.

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 31, 2015, 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 31, 2015

BASIC FINANCIAL STATEMENTS

CITY OF ALBANY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015

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

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

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

FINANCIAL HIGHLIGHTS

Government wide Financial Statements

- ❑ At the close of the fiscal year, the assets/deferred outflows of resources of the City exceeded its liabilities/deferred inflows of resources by \$328,092,551. Of this amount, \$38,734,566 (11.8%) 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 \$197,242,257. This represented an increase of \$18,308,993 (10.2%) 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 \$130,850,294. This represented an increase of \$6,698,982 (5.4%) from the prior year's net position for governmental activities.

Fund Financial Statements

- ❑ The General Fund, the chief operating fund of the City, had a total fund balance of \$21,479,876 as of June 30, 2015. Of this amount, \$20,403,856 (95.0%) was unassigned.
- ❑ The General Fund had revenues of \$48,537,438 for the current fiscal year. Of this amount, \$16,599,223 (34.2%) was from property taxes, \$9,601,380 (19.8%) was from other taxes, and \$9,572,282 (19.8%) was from sales taxes.

Debt Obligations

- ❑ Long-term debt obligations from primary governmental activities decreased \$13,389,907 (17.1%) from \$78,456,934 at June 30, 2014, to \$65,067,027 at June 30, 2015.
- ❑ Long-term debt obligations from business type activities decreased \$3,884,089 (7.4%), from \$52,844,009 at June 30, 2014, to \$48,959,920 at June 30, 2015.

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, storm water, telecommunication, water, gas and light.

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

The government-wide financial statements can be found on pages 25 - 28 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

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

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

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

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

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

The City maintains nine (9) non-major proprietary funds. Five (5) of the non-major proprietary funds are enterprise funds (Transit Fund, Civic Center Fund, Solid Waste Fund, Gas Fund, and Telecommunications). 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 four (4) non-major proprietary funds are internal service funds (Self-Administered Insurance Fund, Workers' Compensation Fund, Utility Fund and the Public Employees Group Health Plan (PEGHP) Fund). These four internal service funds collectively are reflected as "Internal Service Funds" on the Proprietary Funds financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Individual fund data for both the enterprise funds and the internal service funds is provided in the supplementary information section of this report.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the 13th 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, 2014 and June 30, 2015, 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 \$330,168,585 as of June 30, 2015.

As shown on Table 1, the largest portion of the City's net position, \$243.9 million (74.3%), 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, \$45.5 million (13.8%), 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 \$38.7 million (11.8%) 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, 2015, 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

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | FY2015 | FY2014 | FY2015 | FY2014 | FY2015 | FY2014 |
| Current and Other Assets | \$ 114,957,950 | \$ 107,982,834 | \$ 60,289,441 | \$ 45,121,152 | \$ 175,247,391 | \$ 153,103,986 |
| Capital Assets | 93,538,390 | 101,544,408 | 199,357,899 | 197,670,471 | 292,896,289 | 299,214,879 |
| TOTAL ASSETS | 208,496,340 | 209,527,242 | 259,647,340 | 242,791,623 | 468,143,680 | 452,318,865 |
| TOTAL DEFERRED OUTFLOWS | 4,289,099 | 4,891,633 | 2,762,246 | 2,750,435 | 7,051,345 | 7,642,068 |
| Current and Other Liabilities | 16,837,468 | 16,944,984 | 19,500,535 | 17,753,351 | 36,338,003 | 34,698,335 |
| Long Term Liabilities | 57,118,724 | 70,974,785 | 42,615,057 | 48,855,443 | 99,733,781 | 119,830,228 |
| TOTAL LIABILITIES | 73,956,192 | 87,919,769 | 62,115,592 | 66,608,794 | 136,071,784 | 154,528,563 |
| TOTAL DEFERRED INFLOWS | 7,978,953 | 2,347,794 | 3,051,737 | - | 11,030,690 | 2,347,794 |
| Net Position: | | | | | | |
| Net Investment in capital assets | 71,425,125 | 78,550,845 | 172,427,764 | 169,002,698 | 243,852,889 | 247,553,543 |
| Restricted | 36,560,923 | 38,366,853 | 8,944,173 | 6,077,401 | 45,505,096 | 44,444,254 |
| Unrestricted | 22,864,246 | 7,233,614 | 15,870,320 | 3,853,165 | 38,734,566 | 11,086,779 |
| TOTAL NET POSITION | \$ 130,850,294 | \$ 124,151,312 | \$ 197,242,257 | \$ 178,933,264 | \$ 328,092,551 | \$ 303,084,576 |

In Table 1(a), the 2015 Statement of Net Position is compared to the results for the prior fiscal year. In Table 2(a), the 2014 and 2015 Statement of Activities for the primary government is compared. Revenues increased by \$30.3 million from 2014 to 2015, the total expenses for the same period increased by \$11.6 million. The creation of the Utility Internal Service Fund led to the increase in Charges for Services in the Business-Type Activities as well as the increase in expenses for Utility Funds (Sewer, Solid Waste, Water, Gas, Light, Telecommunication, and Storm Water). This accounted for almost half the increase in revenue and was greater than the increase in expenses.

TABLE 1 (a)

CITY OF ALBANY
Comparison of Net Position for Primary Government
Fiscal Years 2015 and 2014

| | Total Primary Government FY 2015 | Total Primary Government FY 2013 | Increase (Decrease) |
|----------------------------------|---|---|--------------------------------|
| Current and Other Assets | \$ 175,247,391 | \$ 153,103,986 | \$ 22,143,405 |
| Capital Assets | 292,896,289 | 299,214,879 | (6,318,590) |
| TOTAL ASSETS | 468,143,680 | 452,318,865 | 15,824,815 |
| TOTAL DEFERED OUTFLOWS | 7,051,345 | 7,642,068 | (590,723) |
| | | | - |
| Current and Other Liabilities | 36,338,003 | 34,698,335 | 1,639,668 |
| Long Term Liabilities | 99,733,781 | 119,830,228 | (20,096,447) |
| TOTAL LIABILITIES | 136,071,784 | 154,528,563 | (18,456,779) |
| TOTAL DEFERRED INFLOWS | 11,030,690 | 2,347,794 | 8,682,896 |
| Net Position: | | | |
| Net Investment in capital assets | 243,852,889 | 247,553,543 | (3,700,654) |
| Restricted | 45,505,096 | 44,444,254 | 1,060,842 |
| Unrestricted | 38,734,566 | 11,086,779 | 27,647,787 |
| TOTAL NET POSITION | \$ 328,092,551 | \$ 303,084,576 | \$ 25,007,975 |

TABLE 2

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--|--------------------------------|-----------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|
| | FY2015 | FY2014 | FY2015 | FY2014 | FY2015 | FY2014 |
| Revenues: | | | | | | |
| <u>Program Revenues:</u> | | | | | | |
| Charges for Services | \$ 6,445,015 | \$ 4,180,829 | \$ 174,625,184 | \$ 150,855,893 | \$ 181,070,199 | \$ 155,036,722 |
| Operating Grants and Contributions | 11,377,521 | 7,789,779 | 1,049,408 | 1,023,046 | 12,426,929 | 8,812,825 |
| Capital Grants and Contributions | 12,565,452 | 12,863,878 | 3,673,081 | 2,691,726 | 16,238,533 | 15,555,604 |
| <u>General Revenues:</u> | | | | | | |
| Property taxes | 16,875,088 | 16,761,694 | | | 16,875,088 | 16,761,694 |
| Sales taxes | 9,572,282 | 8,658,079 | | | 9,572,282 | 8,658,079 |
| Other taxes | 11,537,535 | 11,105,502 | | | 11,537,535 | 11,105,502 |
| Investment income | 770,805 | 1,649,063 | 118,782 | 657,412 | 889,587 | 2,306,475 |
| Gain (loss) on sale or disposal of capital assets | - | - | 122,251 | 220,802 | 122,251 | 220,802 |
| | 215,122 | - | - | - | 215,122 | - |
| TOTAL REVENUES | 69,358,820 | 63,008,824 | 179,588,706 | 155,448,879 | 248,947,526 | 218,457,703 |
| <u>Expenses:</u> | | | | | | |
| General government | 7,580,735 | 11,676,280 | - | - | 7,580,735 | 11,676,280 |
| Judicial | 1,114,238 | 1,161,891 | - | - | 1,114,238 | 1,161,891 |
| Public safety | 34,819,323 | 35,504,804 | - | - | 34,819,323 | 35,504,804 |
| Public works | 8,154,192 | 12,075,120 | - | - | 8,154,192 | 12,075,120 |
| Parks and recreation | 5,796,910 | 7,174,684 | - | - | 5,796,910 | 7,174,684 |
| Community development | 7,202,674 | 5,680,377 | - | - | 7,202,674 | 5,680,377 |
| Community service | 232,364 | 434,420 | - | - | 232,364 | 434,420 |
| Interest on long-term debt | 901,640 | 914,022 | - | - | 901,640 | 914,022 |
| Sewer | - | - | 12,268,460 | 12,822,696 | 12,268,460 | 12,822,696 |
| Solid waste | - | - | 8,946,091 | 8,116,940 | 8,946,091 | 8,116,940 |
| Airport | - | - | 2,966,447 | 2,626,374 | 2,966,447 | 2,626,374 |
| Water, gas and light | - | - | - | 106,533,670 | - | 106,533,670 |
| Water | - | - | 10,223,707 | - | 10,223,707 | - |
| Gas | - | - | 11,112,701 | - | 11,112,701 | - |
| Light | - | - | 96,684,785 | - | 96,684,785 | - |
| Telecommunication | - | - | 3,621,346 | - | 3,621,346 | - |
| Transit | - | - | 4,534,919 | 3,717,068 | 4,534,919 | 3,717,068 |
| Storm water | - | - | 5,470,230 | - | 5,470,230 | - |
| Civic Center | - | - | 2,308,789 | 1,779,313 | 2,308,789 | 1,779,313 |
| TOTAL EXPENSES | 65,802,076 | 74,621,598 | 158,137,475 | 135,596,061 | 223,939,551 | 210,217,659 |
| Increase (Decrease) Before Transfers | 3,556,744 | (11,612,774) | 21,451,231 | 19,852,818 | 25,007,975 | 8,240,044 |
| Transfers | 3,142,238 | 13,885,747 | (3,142,238) | (13,885,747) | - | - |
| CHANGE IN NET POSITION | 6,698,982 | 2,272,973 | 18,308,993 | 5,967,071 | 25,007,975 | 8,240,044 |
| Net Position - Beg. Of Year | 124,151,312 | 121,878,339 | 178,933,264 | 172,966,193 | 303,084,576 | 294,844,532 |
| Net Position - End Of Year | \$ 130,850,294 | \$ 124,151,312 | \$ 197,242,257 | \$ 178,933,264 | \$ 328,092,551 | \$ 303,084,576 |

TABLE 2 (a)

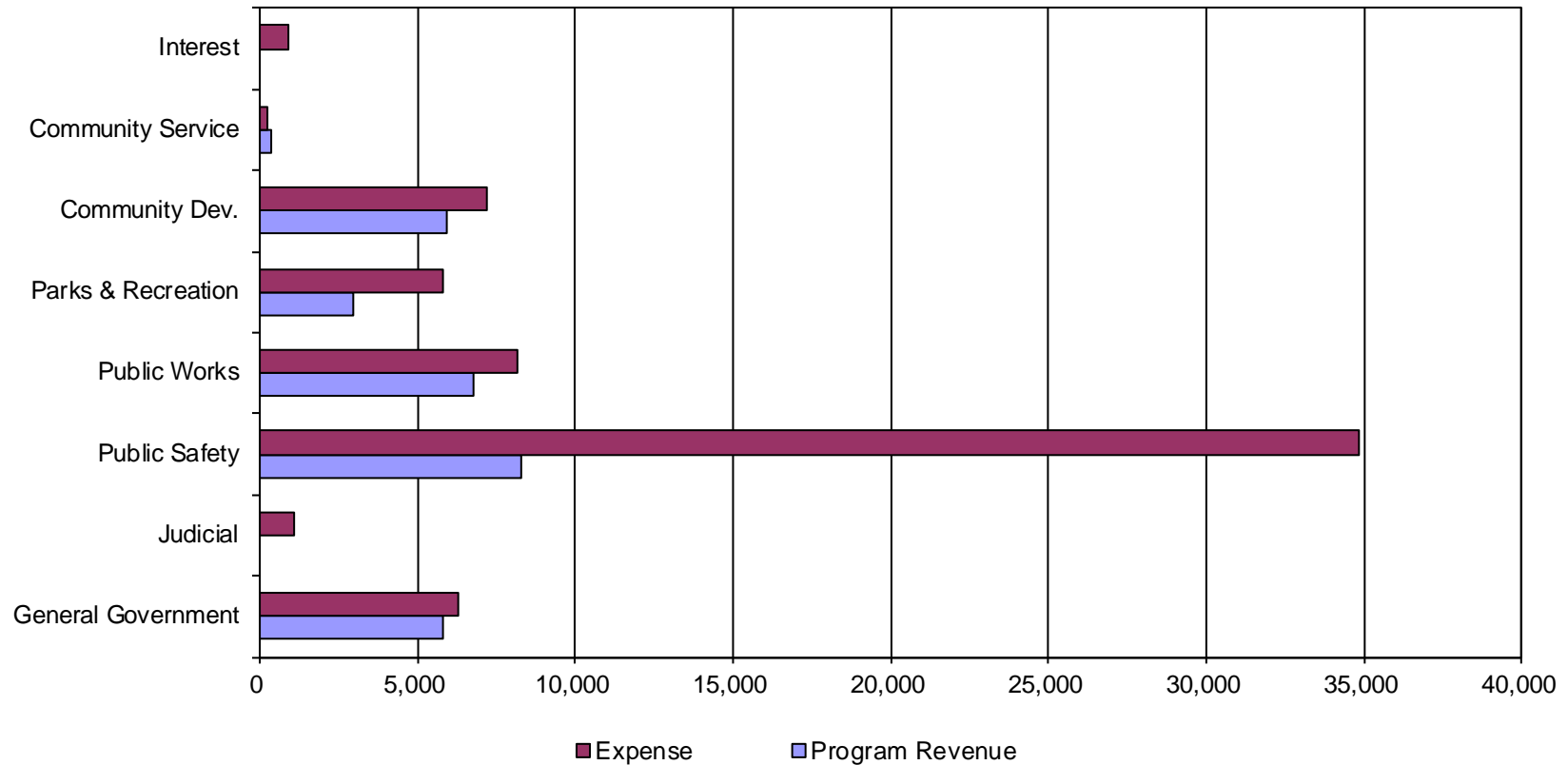
CITY OF ALBANY
Comparison of Statement of Activities for Primary Government
Fiscal Years 2015 and 2014

| | Total Primary Government Activities - 2015 | Total Primary Government Activities - 2014 | Increase (Decrease) |
|--|---|---|--------------------------------|
| Revenues: | | | |
| <u>Program Revenues:</u> | | | |
| Charges for Services | \$ 181,070,199 | \$ 155,036,722 | \$ 26,033,477 |
| Operating Grants and Contributions | 12,426,929 | 8,812,825 | 3,614,104 |
| Capital Grants and Contributions | 16,238,533 | 15,555,604 | 682,929 |
| <u>General Revenues:</u> | | | |
| Property taxes | 16,875,088 | 16,761,694 | 113,394 |
| Sales taxes | 9,572,282 | 8,658,079 | 914,203 |
| Other taxes | 11,537,535 | 11,105,502 | 432,033 |
| Investment income | 889,587 | 2,306,475 | (1,416,888) |
| Gain (loss) on sale or disposal of capital assets | 122,251 | 220,802 | (98,551) |
| TOTAL REVENUES | 248,732,404 | 218,457,703 | 30,274,701 |
| Expenses: | | | |
| General government | 7,580,735 | 11,676,280 | (4,095,545) |
| Judicial | 1,114,238 | 1,161,891 | (47,653) |
| Public safety | 34,819,323 | 35,504,804 | (685,481) |
| Public works | 8,154,192 | 12,075,120 | (3,920,928) |
| Parks and recreation | 5,796,910 | 7,174,684 | (1,377,774) |
| Community development | 7,202,674 | 5,680,377 | 1,522,297 |
| Community service | 232,364 | 434,420 | (202,056) |
| Interest on long-term debt | 901,640 | 914,022 | (12,382) |
| Sewer | 12,268,460 | 12,822,696 | (554,236) |
| Solid waste | 8,946,091 | 8,116,940 | 829,151 |
| Airport | 2,966,447 | 2,626,374 | 340,073 |
| Water, gas and light | - | 106,533,670 | (106,533,670) |
| Water | 10,223,707 | - | 10,223,707 |
| Gas | 11,112,701 | - | 11,112,701 |
| Light | 96,684,785 | - | 96,684,785 |
| Telecommunication | 3,621,346 | - | 3,621,346 |
| Transit | 4,534,919 | 3,717,068 | 817,851 |
| Storm water | 5,470,230 | - | 5,470,230 |
| Civic Center | 2,308,789 | 1,779,313 | 529,476 |
| TOTAL EXPENSES | 223,939,551 | 210,217,659 | 13,721,892 |
| CHANGE IN NET POSITION | \$ 24,792,853 | \$ 8,240,044 | \$ 16,552,809 |

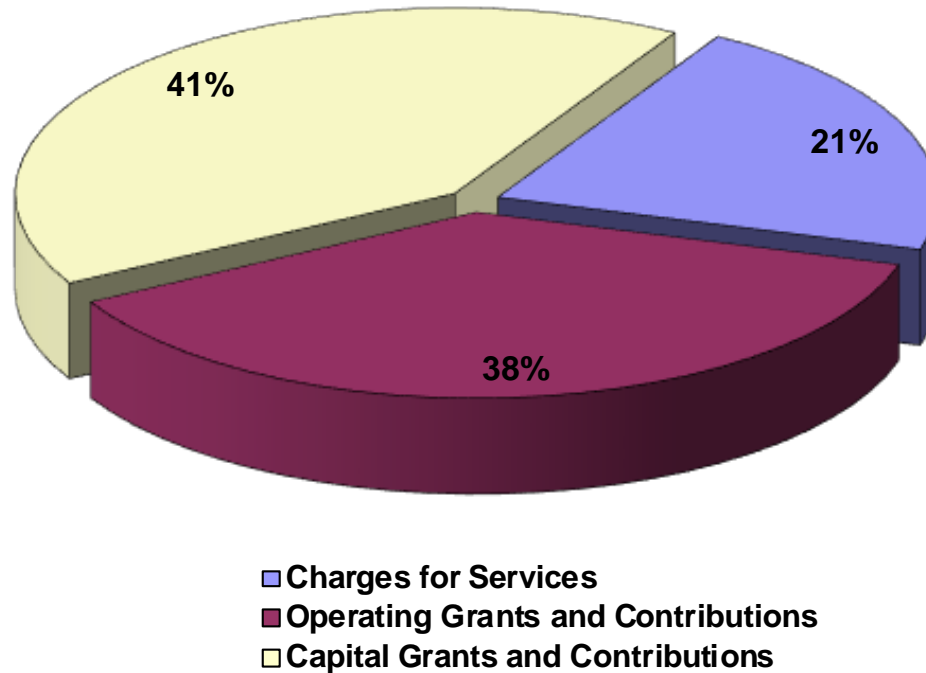
Governmental Activities

Governmental Activities increased the City of Albany's net position by \$6,698,982. Revenues from governmental activities totaled \$ 69,358,820; with operating grants (16.4%), capital grants and contributions (18.1%), property taxes (24.3%), other taxes (16.6%), sales taxes (13.8%), and charges for services (9.3%) contributing to the City's revenues. Expenses for governmental activities were \$ 64,488,979, of which 47.1% was supported from program revenues and 60.1% from general revenues. Expenses for Public Safety (52.9%), General Government (11.5%), Public Works Admin & Streets (12.4%) make-up 76.8% of the total expense for governmental activities.

Expenses and Program Revenues - Governmental Activities (in thousands)



Governmental Activities - Breakout of Program Revenue

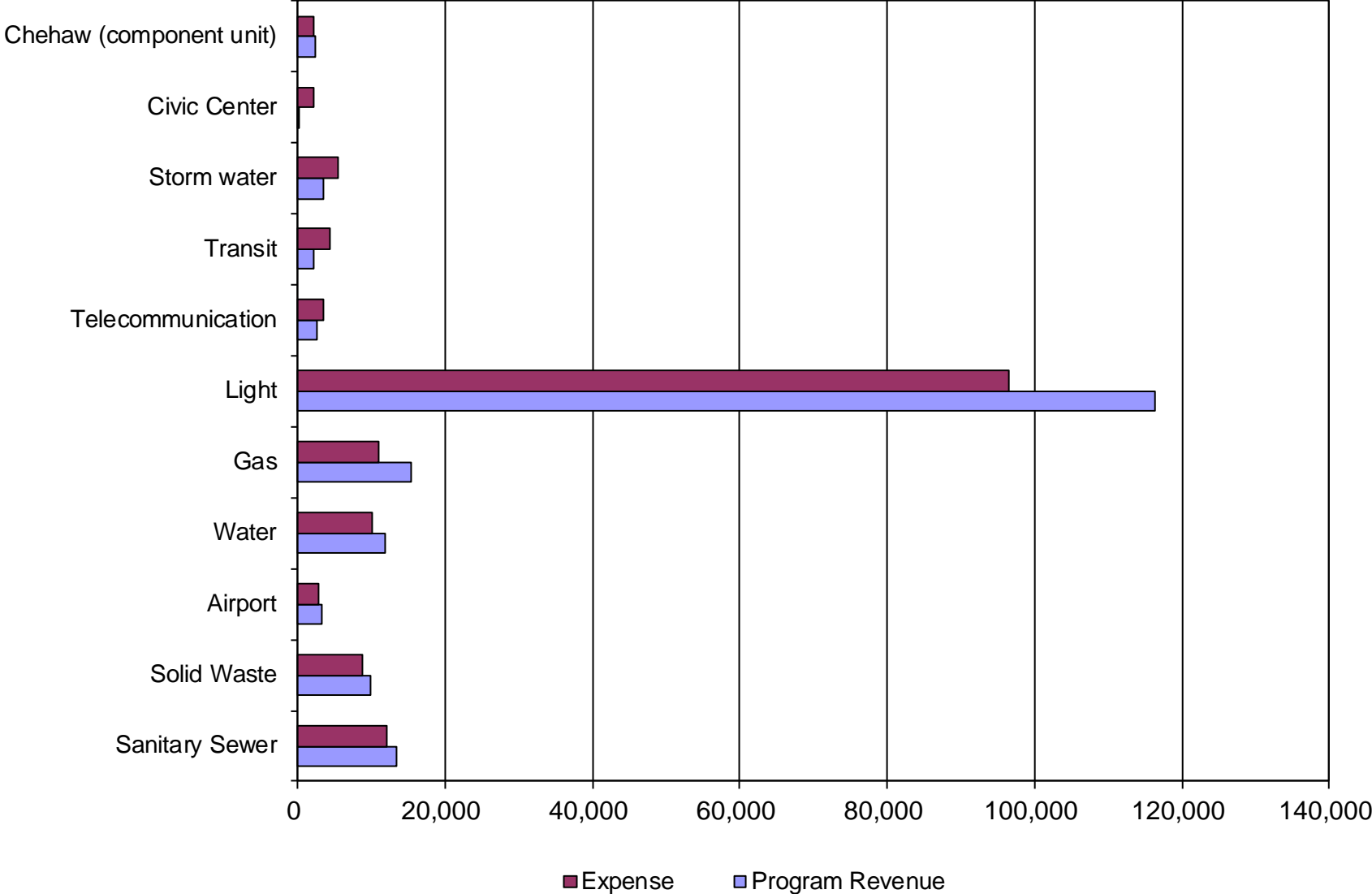


Business-type Activities

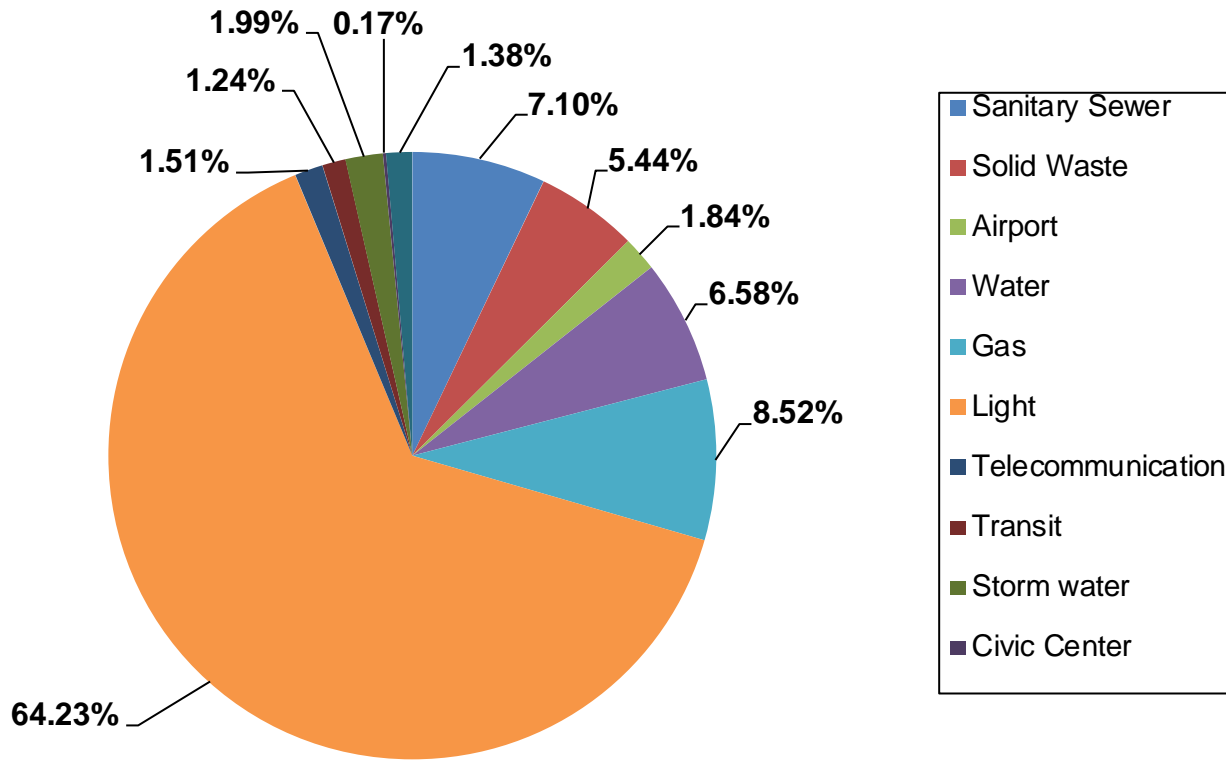
Business-type activities increased the City of Albany's net assets by \$18,308,993. As of June 30, 2015, total business-type net position was \$197,242,257 of which \$172,427,764 was invested in capital assets; \$8,944,173 was restricted; and \$15,870,320 was unrestricted.

Revenues totaled \$179,588,706 with 99% of revenues coming from Program Revenues. (See chart "Business-Type Activities – Breakout by Revenues"). Total expenses were \$158,137,475. The largest expense was Light (61.1%).

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, unassigned 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 \$91,884,805 an increase of \$6,107,819 in comparison from the prior year. 22% (\$20,057,559) constituted unassigned fund balance, which is available for spending at the government's discretion. The remaining 78% of the fund balance (71,827,246) is divided as follows: \$223,984 is non-spendable due to being in a form such as, inventory or prepaid expenses; \$44,509,099 is legally restricted by an outside authority or a legal agreement, such as SPLOST or loans; and a combined total of \$26,314,143 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, 2015, the *unassigned* fund balance in the general fund was \$20,403,856; the total fund balance was \$21,479,876, an increase of \$3,989,086 compared to 2014.

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 40.0% of the total general fund expenditures, while total fund balance represents 40.6% of that same amount. When *transfers out* are added to *expenditures*, the available fund balance represents 35.2% of expenditures plus transfers, while the total fund balance represents 35.7% of this amount.

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

Transfers in From Other funds (\$15,563,268) represent transfers from the Hotel/Motel Tax Fund, Telecommunications Fund, 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, Airport, ADICA, Public Improvement Fund.

During the fiscal year ended June 30, 2015, the City's General Fund balance increased by \$3,989,086. The following contributed to the change:

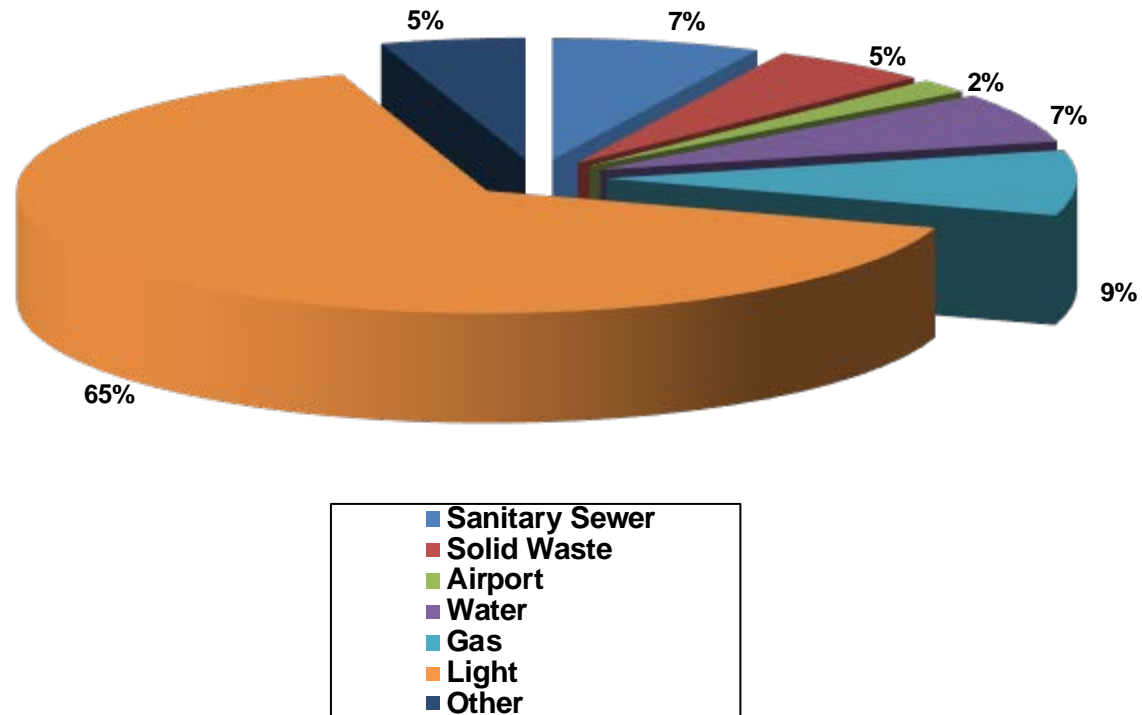
- Actual expenditures were \$5,115,515 under budgeted expenditures.

During the fiscal year ended June 30, 2015, the City's Community Development increased by \$53,241 and SPLOST Fund balances decreased by \$872,293.

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, 2015, the proprietary funds had total operating revenues of \$174.6 million. Based on revenues, the largest proprietary fund is the Light Fund (65%) followed by the Gas 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 \$19,071,929 representing an increase from the prior year's adjusted net position balance of \$198,869,279. The net change was the result of the following:

| Proprietary funds | Change in Net Position |
|---------------------------|-----------------------------------|
| Sanitary Sewer Fund | \$ (17,122,093) |
| Airport Fund | 2,449,813 |
| Water Fund | 22,091,647 |
| Light Fund | 39,332,371 |
| Storm Water Fund | 23,759,431 |
| Nonmajor Enterprise Funds | (50,403,829) |
| Internal Service Funds | (398,086) |
| | <u>\$ 19,709,254</u> |

The change in the Airport fund is primarily the result of significant capital grants used to build the new airport terminal. Also, the large increases in net position for Water and Light Funds were not primarily related to an excess of operational revenue over expenses. During this fiscal year the Water, Gas, and Light Fund broke out into individual funds (Water, Gas Light, Telecommunication, and Utility Fund). The assets, liabilities, revenues, and expenses related to individual funds were transferred to these funds. Two of these funds continue as major due to size of assets and activity in the funds (Water & Light). The Water, Gas, and Light Fund is considered Non major because all of its Fund Balance has been transferred to the individual funds, as mentioned above. This accounts for \$52.7 million in decreases in Change in Position for Non Major Enterprise Funds. 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 net investment in capital assets to the Storm Water Fund to properly identify fixed assets related to servicing the fund. Storm Water also received a substantial contribution of fixed assets from the General Fund during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the budgeted revenues and expenditures equal the net effect of the transfers in and out between other funds. Because of the relatively flat economy, the City was conservative in estimating tax and license revenue. The City's revenues were 2% over the budgeted amount. The City's expenditures were 9% 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, 2015**

| | General Fund | | | |
|------------------------------------|----------------------------|----------------------|----------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance |
| Revenues: | | | | |
| Property taxes | \$ 15,586,217 | \$ 15,586,217 | \$ 16,599,223 | \$ 1,013,006 |
| Sales taxes | 8,712,635 | 9,669,594 | 9,572,282 | (97,312) |
| Other taxes | 9,449,090 | 9,449,090 | 9,601,380 | 152,290 |
| Licenses and permits | 842,357 | 842,357 | 1,077,712 | 235,355 |
| Intergovernmental | 8,383,222 | 9,219,694 | 9,091,871 | (127,823) |
| Charges for services | 1,091,540 | 1,091,540 | 910,855 | (180,685) |
| Fines and forfeitures | 1,503,968 | 1,503,968 | 1,493,362 | (10,606) |
| Interest income | 106,602 | 106,602 | 33,795 | (72,807) |
| Other | 79,786 | 79,786 | 156,958 | 77,172 |
| TOTAL REVENUES | \$ 45,755,417 | \$ 47,548,848 | \$ 48,537,438 | \$ 988,590 |
| Expenditures: | | | | |
| General government | 11,254,498 | 12,090,970 | 9,986,311 | 2,104,659 |
| Judicial | 1,302,422 | 1,302,722 | 1,133,837 | 168,885 |
| Public safety | 33,207,266 | 33,207,266 | 31,091,181 | 2,116,085 |
| Public works | 6,616,609 | 5,678,473 | 5,139,280 | 539,193 |
| Parks and recreation | 5,356,993 | 5,343,527 | 5,157,293 | 186,234 |
| Community svc(Subsidized agencies) | 401,778 | 416,778 | 416,319 | 459 |
| TOTAL EXPENDITURES | \$ 58,139,566 | \$ 58,039,736 | \$ 52,924,221 | \$ 5,115,515 |

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$292,896,289, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and vehicles, infrastructure, and construction in progress. Additional information on the City's capital assets can be found in Note 5 on pages 71 - 74 of this report.

TABLE 4

CITY OF ALBANY
Capital Assets (Net of Depreciation)
June 30, 2015

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Capital assets not being depreciated: | | | |
| Land | \$ 16,241,946 | \$ 14,087,168 | \$ 30,329,114 |
| Construction in Progress | 3,467,524 | 18,792,227 | 22,259,751 |
| Total assets not depreciated | 19,709,470 | 32,879,395 | 52,588,865 |
| Capital assets being depreciated: | | | |
| Buildings and improvements | 7,366,574 | 134,544,757 | 141,911,331 |
| Equipment and vehicles | 25,741,481 | 57,350,175 | 83,091,656 |
| Infrastructure | 70,401,870 | 153,272,002 | 223,673,872 |
| Total assets depreciated | 103,509,925 | 345,166,934 | 448,676,859 |
| Less accumulated depreciation: | | | |
| Buildings and improvements | 25,037,990 | 50,605,944 | 75,643,934 |
| Equipment and vehicles | 16,349,391 | 39,176,783 | 55,526,174 |
| Infrastructure | 54,293,624 | 88,905,703 | 143,199,327 |
| Total accumulated depreciation | 95,681,005 | 178,688,430 | 274,369,435 |
| Total assets depreciated, net | 7,828,920 | 166,478,504 | 174,307,424 |
| Capital assets, net | \$ 27,538,390 | \$ 199,357,899 | \$ 226,896,289 |

Long-term Debt. At the end of the current fiscal year, the City's total long-term debt outstanding is \$114 million – a decrease of \$43.4 million over the previous year. This is primarily related to the implementation of the GASB 68 disclosures of the Pension Liability. Of the long-term debt outstanding, \$14.3 million is due within one year. Net Pension Liability (44.4%), Revenue Bonds (23.6%), and Bond Payable (10.8%) make up \$89.8 million of the total. The remaining \$24.2 million is comprised of notes payable, certificates of participation, OPEB liability, manufactured gas plant, and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 75 - 91.

TABLE 5

**CITY OF ALBANY
Long Term Debt Obligations
For the Fiscal Year Ended June 30, 2015**

| | Balance at June 30, 2015 | Percentage of Total | Due Within One Year |
|---|-----------------------------|------------------------|------------------------|
| <u>Governmental Activities</u> | | | |
| Bonds payable | \$ 12,276,044 | 10.8% | \$ 4,965,000 |
| Notes payable | 3,000,000 | 2.6% | 325,000 |
| Certificates of participation | 10,000,000 | 8.8% | - |
| OPEB Liability | 4,773,786 | 4.2% | - |
| Compensated absences | 2,953,670 | 2.6% | 2,658,303 |
| Net pension liability | <u>32,026,418</u> | 28.1% | <u>-</u> |
| Governmental long-term liabilities | <u>\$ 65,029,918</u> | | <u>\$ 7,948,303</u> |
| <u>Business-Type Activities</u> | | | |
| Bonds Payable: | | | |
| Revenue bonds | \$ 26,810,000 | | \$ 4,455,000 |
| Add deferred amounts Unamortized premium | <u>70,135</u> | | <u>-</u> |
| Total bonds payable | 26,880,135 | 23.6% | 4,455,000 |
| Manufactured gas plant | 1,348,581 | 1.2% | - |
| Compensated absences | 2,102,348 | 1.8% | 1,889,863 |
| Net pension liability | <u>18,628,856</u> | 16.3% | <u>-</u> |
| Business-Type long-term liabilities | <u>48,959,920</u> | | <u>6,344,863</u> |
| Total primary government liabilities | <u>\$ 113,989,838</u> | | <u>\$ 14,293,166</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&P</u> |
|-----------------------------------|----------------|----------------|
| General Obligation Bonds (SPLOST) | Aa3 | - |
| Sewer Revenue Bonds | Aaa | AAA |
| ADICA Bonds | A-3 | - |
| Water Revenue Bonds | A-3 | - |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

Since 2009, the City of Albany has been receiving a temporary revenue stream in the form of the "MEAG Credit". This revenue stream will discontinue in 2018. 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 approved an early retirement incentive to achieve an overall reduction in head count and personnel expenses / expenditures. This was completed during the fiscal year and can have potential savings of \$4.5 million annually. In Fiscal Year 2015, the budget was decreased 0.8% (\$.5 million) from the prior year.

Additionally, the City has combined common functions between the Utility and the primary government. Charges for Services have been reviewed and adjusted accordingly to ensure enterprise funds are recovering the cost of services and the Utility operational transfer to the general fund was maintained at 8.5% from the prior year.

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.

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2015

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|---------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 28,639,681 | \$ 19,029,919 | \$ 47,669,600 | \$ 33,787 |
| Investments | 60,634,549 | 12,150,713 | 72,785,262 | - |
| Taxes receivable | 336,839 | - | 336,839 | - |
| Accounts receivable, net of allowances | 1,879,275 | 21,100,208 | 22,979,483 | - |
| Notes receivable | 10,683,686 | - | 10,683,686 | - |
| Inventories | 223,984 | 3,253,215 | 3,477,199 | - |
| Internal balances | 5,466,652 | (5,466,652) | - | - |
| Due from other governments | 4,249,582 | 1,277,865 | 5,527,447 | - |
| Due from component unit | 102,000 | - | 102,000 | - |
| Prepaid expenses | 15,141 | - | 15,141 | 5,214 |
| Restricted assets: | | | | |
| Investments | - | 8,944,173 | 8,944,173 | - |
| Fair value of interest rate swap agreement | 2,726,561 | - | 2,726,561 | - |
| Capital assets: | | | | |
| Non-depreciable | 19,709,470 | 32,879,395 | 52,588,865 | 2,391,988 |
| Depreciable, net of accumulated depreciation | 73,828,920 | 166,478,504 | 240,307,424 | 6,520,268 |
| Total assets | 208,496,340 | 259,647,340 | 468,143,680 | 8,951,257 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding | 115,751 | 337,453 | 453,204 | - |
| City contributions subsequent to the measurement date | 4,173,348 | 2,424,793 | 6,598,141 | - |
| Total deferred outflows of resources | 4,289,099 | 2,762,246 | 7,051,345 | - |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2015

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|---------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority |
| LIABILITIES | | | | |
| Accounts payable | \$ 2,848,605 | \$ 8,877,841 | \$ 11,726,446 | \$ 122,751 |
| Retainage payable | 161,255 | 50,000 | 211,255 | - |
| Accrued expenses | 1,937,590 | 786,078 | 2,723,668 | 30,785 |
| Claims payable | 3,084,558 | - | 3,084,558 | - |
| Due to primary government | - | - | - | 102,000 |
| Due to other governments | 762,903 | - | 762,903 | - |
| Unearned revenues | 94,254 | 1,064,504 | 1,158,758 | - |
| Line of credit | - | - | - | 42,931 |
| Advance payments and customer deposits | - | 18,391 | 18,391 | 27,088 |
| Payable from restricted assets: | | | | |
| Current maturities of long-term debt | - | 4,455,000 | 4,455,000 | - |
| Customer deposits | - | 2,358,858 | 2,358,858 | - |
| Certificates of participation, due in more than one year | 10,000,000 | - | 10,000,000 | - |
| Bonds payable, due within one year | 4,965,000 | - | 4,965,000 | - |
| Bonds payable, due in more than one year | 7,311,044 | 22,425,135 | 29,736,179 | - |
| Notes payable, due within one year | 325,000 | - | 325,000 | - |
| Notes payable, due in more than one year | 2,675,000 | - | 2,675,000 | - |
| Compensated absences payable, due within one year | 2,658,303 | 1,889,863 | 4,548,166 | - |
| Compensated absences payable, due in more than one year | 295,367 | 212,485 | 507,852 | - |
| Other long-term liabilities - manufactured gas plant | - | 1,348,581 | 1,348,581 | - |
| Other long-term liabilities - net pension liability | 32,063,527 | 18,628,856 | 50,692,383 | - |
| Other long-term liabilities - OPEB | 4,773,786 | - | 4,773,786 | - |
| Total liabilities | 73,956,192 | 62,115,592 | 136,071,784 | 325,555 |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2015

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|----------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Accumulated increase in fair value of hedging derivative | \$ 2,726,561 | \$ - | \$ 2,726,561 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | 5,252,392 | 3,051,737 | 8,304,129 | - |
| Total deferred inflows of resources | 7,978,953 | 3,051,737 | 11,030,690 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 71,425,125 | 172,427,764 | 243,852,889 | 8,834,256 |
| Restricted for: | | | | |
| Federal programs | 2,256,234 | - | 2,256,234 | - |
| Public safety | 540,128 | - | 540,128 | - |
| Gortatowsky endowment | 50,696 | - | 50,696 | - |
| Capital projects | 33,713,865 | - | 33,713,865 | - |
| Debt service | - | 8,944,173 | 8,944,173 | - |
| Unrestricted (deficit) | 22,864,246 | 15,870,320 | 38,734,566 | (208,554) |
| Total net position | \$ 130,850,294 | \$ 197,242,257 | \$ 328,092,551 | \$ 8,625,702 |

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, 2015

| Functions/Programs | Program Revenues | | | | Net (Expenses) Revenue and Changes in Net Position | | | |
|--|-----------------------|-----------------------|------------------------------------|----------------------------------|--|--------------------------|------------------------|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Unit Chehaw Park Authority |
| | | | | | Governmental Activities | Business-type Activities | Total | |
| Primary Government | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 7,580,735 | \$ 1,188,303 | \$ 4,803,865 | \$ 138,507 | \$ (1,450,060) | \$ - | \$ (1,450,060) | \$ - |
| Judicial | 1,114,238 | - | - | - | (1,114,238) | - | (1,114,238) | - |
| Public safety | 34,819,323 | 2,966,355 | 4,133,559 | 1,176,791 | (26,542,618) | - | (26,542,618) | - |
| Public works | 8,154,192 | 775,990 | 441,097 | 5,551,384 | (1,385,721) | - | (1,385,721) | - |
| Parks and recreation | 5,796,910 | 130,937 | 180,700 | 2,652,692 | (2,832,581) | - | (2,832,581) | - |
| Community development | 7,202,674 | 1,383,430 | 1,799,602 | 2,714,003 | (1,305,639) | - | (1,305,639) | - |
| Community service | 232,364 | - | 18,698 | 332,075 | 118,409 | - | 118,409 | - |
| Interest on long-term debt | 901,640 | - | - | - | (901,640) | - | (901,640) | - |
| Total governmental activities | <u>65,802,076</u> | <u>6,445,015</u> | <u>11,377,521</u> | <u>12,565,452</u> | <u>(35,414,088)</u> | <u>-</u> | <u>(35,414,088)</u> | <u>-</u> |
| Business-type Activities: | | | | | | | | |
| Sanitary sewer | 12,268,460 | 12,873,459 | - | 552,804 | - | 1,157,803 | 1,157,803 | - |
| Solid waste | 8,946,091 | 9,854,717 | - | - | - | 908,626 | 908,626 | - |
| Airport | 2,966,447 | 835,299 | - | 2,500,632 | - | 369,484 | 369,484 | - |
| Water | 10,223,707 | 11,934,909 | - | - | - | 1,711,202 | 1,711,202 | - |
| Gas | 11,112,701 | 15,453,714 | - | - | - | 4,341,013 | 4,341,013 | - |
| Light | 96,684,785 | 116,439,184 | - | - | - | 19,754,399 | 19,754,399 | - |
| Telecommunication | 3,621,346 | 2,737,692 | - | - | - | (883,654) | (883,654) | - |
| Transit | 4,534,919 | 581,488 | 1,049,408 | 619,645 | - | (2,284,378) | (2,284,378) | - |
| Storm water | 5,470,230 | 3,606,753 | - | - | - | (1,863,477) | (1,863,477) | - |
| Civic Center | 2,308,789 | 307,969 | - | - | - | (2,000,820) | (2,000,820) | - |
| Total business-type activities | <u>158,137,475</u> | <u>174,625,184</u> | <u>1,049,408</u> | <u>3,673,081</u> | <u>-</u> | <u>21,210,198</u> | <u>21,210,198</u> | <u>-</u> |
| Total primary government | <u>\$ 223,939,551</u> | <u>\$ 181,070,199</u> | <u>\$ 12,426,929</u> | <u>\$ 16,238,533</u> | <u>\$ (35,414,088)</u> | <u>\$ 21,210,198</u> | <u>\$ (14,203,890)</u> | <u>\$ -</u> |
| Component Unit: | | | | | | | | |
| Chehaw Park Authority | \$ 2,221,060 | \$ 836,728 | \$ 1,659,636 | \$ - | \$ - | \$ - | \$ - | \$ 275,304 |
| Total component unit | <u>\$ 2,221,060</u> | <u>\$ 836,728</u> | <u>\$ 1,659,636</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 275,304</u> |
| General revenues: | | | | | | | | |
| Property taxes | | | | | \$ 16,875,088 | \$ - | \$ 16,875,088 | \$ - |
| Sales taxes | | | | | 9,572,282 | - | 9,572,282 | - |
| Franchise taxes | | | | | 1,884,155 | - | 1,884,155 | - |
| Business taxes | | | | | 1,698,165 | - | 1,698,165 | - |
| Insurance premium tax | | | | | 4,176,385 | - | 4,176,385 | - |
| Alcoholic beverage tax | | | | | 1,365,006 | - | 1,365,006 | - |
| Hotel/Motel tax | | | | | 1,936,155 | - | 1,936,155 | - |
| Other taxes | | | | | 477,669 | - | 477,669 | - |
| Investment income (loss) | | | | | 770,805 | 118,782 | 889,587 | 7 |
| Gain on sale of assets | | | | | 215,122 | 122,251 | 337,373 | - |
| Transfers | | | | | 3,142,238 | (3,142,238) | - | - |
| Total general revenues and transfers | | | | | <u>42,113,070</u> | <u>(2,901,205)</u> | <u>39,211,865</u> | <u>7</u> |
| Change in net position | | | | | 6,698,982 | 18,308,993 | 25,007,975 | 275,311 |
| Net position, beginning of year, as restated | | | | | 124,151,312 | 178,933,264 | 303,084,576 | 8,350,391 |
| Net position, end of year | | | | | <u>\$ 130,850,294</u> | <u>\$ 197,242,257</u> | <u>\$ 328,092,551</u> | <u>\$ 8,625,702</u> |

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

CITY OF ALBANY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

| | General Fund | Community Development Fund | Job Investment Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|-----------------|----------------------------------|---------------------------|----------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 6,542,362 | \$ 2,413,027 | \$ 236 | \$ 16,421,534 | \$ 1,703,547 | \$ 27,080,706 |
| Investments | 7,974,786 | - | 18,694,086 | 15,534,926 | 13,793,948 | 55,997,746 |
| Receivables, net of allowance: | | | | | | |
| Taxes | 335,555 | - | - | - | 1,284 | 336,839 |
| Accounts | 710,394 | 82,735 | 24,594 | - | 753,585 | 1,571,308 |
| Notes | - | 10,683,686 | - | - | - | 10,683,686 |
| Due from other funds | 8,938,418 | - | 234,403 | - | 648,167 | 9,820,988 |
| Due from other governments | 2,121,161 | 191,456 | - | 1,601,458 | 335,507 | 4,249,582 |
| Due from component units | 102,000 | - | - | - | - | 102,000 |
| Inventories | 223,984 | - | - | - | - | 223,984 |
| Prepaid items | 15,141 | - | - | - | - | 15,141 |
| Advance to other funds | - | - | - | - | 436,596 | 436,596 |
| Total assets | \$ 26,963,801 | \$ 13,370,904 | \$ 18,953,319 | \$ 33,557,918 | \$ 17,672,634 | \$ 110,518,576 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 1,475,167 | \$ 184,787 | \$ - | \$ 596,387 | \$ 167,008 | \$ 2,423,349 |
| Accrued liabilities | 1,739,908 | 94,680 | - | - | - | 1,834,588 |
| Retainage payable | - | 62,734 | - | 98,521 | - | 161,255 |
| Due to other funds | 1,494,056 | 86,664 | - | - | 1,093,038 | 2,673,758 |
| Due to other governments | 752,209 | 2,141 | - | - | 8,553 | 762,903 |
| Unearned revenues | 22,585 | 10,683,664 | - | - | 71,669 | 10,777,918 |
| Total liabilities | 5,483,925 | 11,114,670 | - | 694,908 | 1,340,268 | 18,633,771 |

(Continued)

CITY OF ALBANY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

| | General Fund | Community Development Fund | Job Investment Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|----------------------------------|---------------------------|----------------|--------------------------------|--------------------------------|
| FUND BALANCES | | | | | | |
| Nonspendable: | | | | | | |
| Inventories | \$ 223,984 | \$ - | \$ - | \$ - | \$ - | \$ 223,984 |
| Prepaid items | 15,141 | - | - | - | - | 15,141 |
| Restricted | | | | | | |
| Federal programs | - | 2,256,234 | - | - | - | 2,256,234 |
| Public safety | 72,016 | - | - | - | 468,112 | 540,128 |
| Gortatowsky endowment | - | - | - | - | 50,696 | 50,696 |
| Capital projects | - | - | - | 32,863,010 | 8,799,031 | 41,662,041 |
| Committed | | | | | | |
| Advance to other funds | - | - | - | - | 436,596 | 436,596 |
| Inner city development | - | - | 18,953,319 | - | 267,635 | 19,220,954 |
| Capital projects | - | - | - | - | 6,656,593 | 6,656,593 |
| Assigned | | | | | | |
| City cemetery | 549,083 | - | - | - | - | 549,083 |
| City parks | 5,840 | - | - | - | - | 5,840 |
| Keep Albany-Dougherty Beautiful | 209,956 | - | - | - | - | 209,956 |
| Unassigned | 20,403,856 | - | - | - | (346,297) | 20,057,559 |
| Total fund balances | 21,479,876 | 2,256,234 | 18,953,319 | 32,863,010 | 16,332,366 | 91,884,805 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 26,963,801 | \$ 13,370,904 | \$ 18,953,319 | \$ 33,557,918 | \$ 17,672,634 | |

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. | 93,538,390 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 10,683,664 |
| Deferred outflows of resources related to City contributions subsequent to the measurement date are not due and payable in the current period and therefore are not reported in governmental funds. | 4,168,518 |
| 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. | 838,399 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (32,990,751) |
| The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. | (32,026,418) |
| Deferred inflows of resources related to the net difference between projected and actual earnings on pension plan investments are not available to pay for current resources and therefore are not reported in the governmental funds. | (5,246,313) |
| Net position of governmental activities | \$ 130,850,294 |

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

CITY OF ALBANY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | General Fund | Community Development Fund | Job Investment Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|----------------------------------|---------------------------|----------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Property taxes | \$ 16,599,223 | \$ - | \$ - | \$ - | \$ 275,865 | \$ 16,875,088 |
| Sales taxes | 9,572,282 | - | - | - | - | 9,572,282 |
| Other taxes | 9,601,380 | - | - | - | 1,936,155 | 11,537,535 |
| Licenses and permits | 1,077,712 | - | - | - | - | 1,077,712 |
| Intergovernmental | 9,091,871 | 2,398,157 | - | 11,234,818 | 912,251 | 23,637,097 |
| Charges for services | 910,855 | 803,033 | - | - | 1,420,829 | 3,134,717 |
| Fines and forfeitures | 1,493,362 | - | - | - | - | 1,493,362 |
| Investment income (loss) | 33,795 | 1,314 | (37,110) | 305,876 | 708,310 | 1,012,185 |
| Other | 156,958 | 856,718 | - | - | 35,467 | 1,049,143 |
| Total revenues | 48,537,438 | 4,059,222 | (37,110) | 11,540,694 | 5,288,877 | 69,389,121 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 9,986,311 | - | - | - | - | 9,986,311 |
| Judicial | 1,133,837 | - | - | - | - | 1,133,837 |
| Public safety | 31,091,181 | - | - | - | 2,199,698 | 33,290,879 |
| Public works | 5,139,280 | - | - | - | 29,320 | 5,168,600 |
| Parks and recreation | 5,157,293 | - | - | - | 18,698 | 5,175,991 |
| Community development | - | 3,947,320 | 201,475 | - | 1,959,127 | 6,107,922 |
| Community service | 416,319 | - | - | - | - | 416,319 |
| Capital outlay | - | - | - | 8,256,637 | 282,730 | 8,539,367 |
| Debt service: | | | | | | |
| Principal | - | 300,000 | - | 3,800,000 | 291,250 | 4,391,250 |
| Interest | - | 151,170 | - | 356,350 | 590,167 | 1,097,687 |
| Total expenditures | 52,924,221 | 4,398,490 | 201,475 | 12,412,987 | 5,370,990 | 75,308,163 |
| Deficiency of revenues over expenditures | (4,386,783) | (339,268) | (238,585) | (872,293) | (82,113) | (5,919,042) |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | General Fund | Community Development Fund | Job Investment Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|----------------------------------|---------------------------|----------------|--------------------------------|--------------------------------|
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of assets | \$ 63,232 | \$ 392,509 | \$ - | \$ - | \$ - | \$ 455,741 |
| Transfers in | 15,563,268 | - | 3,171,612 | - | 1,321,166 | 20,056,046 |
| Transfers out | (7,250,631) | - | - | - | (1,234,295) | (8,484,926) |
| Total other financing sources (uses) | 8,375,869 | 392,509 | 3,171,612 | - | 86,871 | 12,026,861 |
| Net change in fund balances | 3,989,086 | 53,241 | 2,933,027 | (872,293) | 4,758 | 6,107,819 |
| Fund balances, beginning of year | 17,490,790 | 2,202,993 | 16,020,292 | 33,735,303 | 16,327,608 | 85,776,986 |
| Fund balances, end of year | \$ 21,479,876 | \$ 2,256,234 | \$ 18,953,319 | \$ 32,863,010 | \$ 16,332,366 | \$ 91,884,805 |

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, 2015**

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

| | | |
|---|----|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 6,107,819 |
| 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. | | 1,240,637 |
| The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. | | (9,246,655) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | (309,919) |
| 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. | | 4,611,651 |
| 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. | | 2,895,188 |
| Internal service funds are used by management to charge the costs of insurance to individual funds. | | 758,611 |
| The net revenue of certain activities of internal service funds is reported with governmental activities. | | <u>641,650</u> |
| Change in net position of governmental activities | \$ | <u><u>6,698,982</u></u> |

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

CITY OF ALBANY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | General Fund | | | | Community Development Fund | | | Job Investment Fund | | |
|---------------------------|-----------------|---------------|---------------|--------------|----------------------------|-----------|-----------|---------------------------|----------|----------|
| | Original Budget | Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 15,586,217 | \$ 15,586,217 | \$ 16,599,223 | \$ 1,013,006 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales taxes | 8,712,635 | 9,669,594 | 9,572,282 | (97,312) | - | - | - | - | - | - |
| Other taxes | 9,449,090 | 9,449,090 | 9,601,380 | 152,290 | - | - | - | - | - | - |
| Licenses and permits | 842,357 | 842,357 | 1,077,712 | 235,355 | - | - | - | - | - | - |
| Intergovernmental | 8,383,222 | 9,219,694 | 9,091,871 | (127,823) | 1,333,712 | 2,398,157 | 1,064,445 | - | - | - |
| Charges for services | 1,091,540 | 1,091,540 | 910,855 | (180,685) | 913,000 | 803,033 | (109,967) | - | - | - |
| Fines and forfeitures | 1,503,968 | 1,503,968 | 1,493,362 | (10,606) | - | - | - | - | - | - |
| Investment income (loss) | 106,602 | 106,602 | 33,795 | (72,807) | - | 1,314 | 1,314 | - | (37,110) | (37,110) |
| Other | 79,786 | 79,786 | 156,958 | 77,172 | 764,020 | 856,718 | 92,698 | - | - | - |
| Total revenues | 45,755,417 | 47,548,848 | 48,537,438 | 988,590 | 3,010,732 | 4,059,222 | 1,048,490 | - | (37,110) | (37,110) |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Legislative | 590,914 | 590,914 | 571,678 | 19,236 | - | - | - | - | - | - |
| Administrative | 1,481,139 | 1,481,139 | 895,867 | 585,272 | - | - | - | - | - | - |
| EEO | 139,528 | 31,499 | 31,263 | 236 | - | - | - | - | - | - |
| Human resources | 1,778,525 | 1,931,756 | 1,757,006 | 174,750 | - | - | - | - | - | - |
| Procurement and materials | 538,467 | 700,100 | 492,547 | 207,553 | - | - | - | - | - | - |
| Materials management | 275,228 | 657,999 | 760,791 | (102,792) | - | - | - | - | - | - |
| Finance | 3,928,296 | 3,928,296 | 3,365,119 | 563,177 | - | - | - | - | - | - |
| Fleet management | 24,200 | 24,200 | 3,207 | 20,993 | - | - | - | - | - | - |
| Small business program | - | 246,866 | 229,138 | 17,728 | - | - | - | - | - | - |
| Information technology | 1,801,689 | 1,801,689 | 1,415,086 | 386,603 | - | - | - | - | - | - |
| Risk management | 495,934 | 495,934 | 333,812 | 162,122 | - | - | - | - | - | - |
| 311 Customer response | 200,578 | 200,578 | 130,797 | 69,781 | - | - | - | - | - | - |
| Total general government | 11,254,498 | 12,090,970 | 9,986,311 | 2,104,659 | - | - | - | - | - | - |
| Judicial: | | | | | | | | | | |
| Municipal court | 569,454 | 569,754 | 466,671 | 103,083 | - | - | - | - | - | - |
| City attorney | 732,968 | 732,968 | 667,166 | 65,802 | - | - | - | - | - | - |
| Total judicial | 1,302,422 | 1,302,722 | 1,133,837 | 168,885 | - | - | - | - | - | - |

(Continued)

CITY OF ALBANY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | General Fund | | | | Community Development Fund | | | Job Investment Fund | | |
|---|-------------------|-------------------|-------------------|------------------|----------------------------|------------------|--------------------|---------------------------|----------------|------------------|
| | Original Budget | Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Public safety: | | | | | | | | | | |
| Police | \$ 17,944,852 | \$ 17,944,852 | \$ 16,917,338 | \$ 1,027,514 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fire | 13,490,592 | 13,490,592 | 12,607,162 | 883,430 | - | - | - | - | - | - |
| Planning and development services | 1,295,119 | 1,295,119 | 1,147,878 | 147,241 | - | - | - | - | - | - |
| Marshal division | 419,133 | 419,133 | 385,143 | 33,990 | - | - | - | - | - | - |
| SWAT Team | 57,570 | 57,570 | 33,660 | 23,910 | - | - | - | - | - | - |
| Total public safety | <u>33,207,266</u> | <u>33,207,266</u> | <u>31,091,181</u> | <u>2,116,085</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public works: | | | | | | | | | | |
| Administration | 334,411 | 334,411 | 318,506 | 15,605 | - | - | - | - | - | - |
| Engineering | 3,972,511 | 3,972,511 | 3,491,139 | 481,372 | - | - | - | - | - | - |
| Code enforcement | 898,135 | 898,135 | 876,627 | 21,508 | - | - | - | - | - | - |
| Street maintenance | 1,411,552 | 473,716 | 453,008 | 20,708 | - | - | - | - | - | - |
| Total public works | <u>6,616,609</u> | <u>5,678,473</u> | <u>5,139,280</u> | <u>539,193</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Parks and recreation: | | | | | | | | | | |
| Administration | 578,951 | 578,951 | 542,798 | 36,153 | - | - | - | - | - | - |
| Parks | 3,011,309 | 2,997,843 | 2,943,335 | 54,508 | - | - | - | - | - | - |
| Park development and management | 939,217 | 909,217 | 886,747 | 22,470 | - | - | - | - | - | - |
| Turner Golf Course | 514,842 | 514,842 | 449,772 | 65,070 | - | - | - | - | - | - |
| Cemetery | 312,674 | 342,674 | 334,641 | 8,033 | - | - | - | - | - | - |
| Total parks and recreation | <u>5,356,993</u> | <u>5,343,527</u> | <u>5,157,293</u> | <u>186,234</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Community development | - | - | - | - | 2,928,965 | 3,947,320 | (1,018,355) | 3,528,918 | 201,475 | 3,327,443 |
| Community service, various subsidized agencies | 401,778 | 416,778 | 416,319 | 459 | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | 300,000 | 300,000 | - | - | - | - |
| Interest | - | - | - | - | 151,170 | 151,170 | - | - | - | - |
| Total expenditures | <u>58,139,566</u> | <u>58,039,736</u> | <u>52,924,221</u> | <u>5,115,515</u> | <u>3,380,135</u> | <u>4,398,490</u> | <u>(1,018,355)</u> | <u>3,528,918</u> | <u>201,475</u> | <u>3,327,443</u> |
| Excess (deficiency) of revenues over (under) expenditures | (12,384,149) | (10,490,888) | (4,386,783) | 6,104,105 | (369,403) | (339,268) | 30,135 | (3,528,918) | (238,585) | 3,290,333 |

(Continued)

CITY OF ALBANY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | General Fund | | | | Community Development Fund | | | Job Investment Fund | | |
|--|-------------------|-------------------|----------------------|---------------------|----------------------------|---------------------|------------------|---------------------------|----------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| Other financing sources (uses): | | | | | | | | | | |
| Proceeds from sale of assets | \$ 50,000 | \$ 50,000 | \$ 63,232 | \$ 13,232 | \$ 150,000 | \$ 392,509 | \$ 242,509 | \$ - | \$ - | \$ - |
| Transfers in | 16,789,028 | 16,789,028 | 15,563,268 | (1,225,760) | 219,403 | - | (219,403) | 3,528,918 | 3,171,612 | (357,306) |
| Transfers out | (3,993,386) | (5,901,647) | (7,250,631) | (1,348,984) | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>12,845,642</u> | <u>10,937,381</u> | <u>8,375,869</u> | <u>(2,561,512)</u> | <u>369,403</u> | <u>392,509</u> | <u>23,106</u> | <u>3,528,918</u> | <u>3,171,612</u> | <u>(357,306)</u> |
| Net change in fund balances | <u>\$ 461,493</u> | <u>\$ 446,493</u> | <u>3,989,086</u> | <u>\$ 3,542,593</u> | <u>\$ -</u> | <u>53,241</u> | <u>\$ 53,241</u> | <u>\$ -</u> | <u>2,933,027</u> | <u>\$ 2,933,027</u> |
| Fund balance, beginning of year | | | <u>17,490,790</u> | | | <u>2,202,993</u> | | | <u>16,020,292</u> | |
| Fund balance, end of year | | | <u>\$ 21,479,876</u> | | | <u>\$ 2,256,234</u> | | | <u>\$ 18,953,319</u> | |

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

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|---|---------------------------|-------------------|-------------------|-------------------|------------------------|---------------------------------|--------------------|------------------------------|
| ASSETS | | | | | | | | |
| CURRENT ASSETS | | | | | | | | |
| Cash | \$ 4,440,097 | \$ 1,014,265 | \$ 1,279,827 | \$ 4,268,440 | \$ 894,649 | \$ 5,247,243 | \$ 17,144,521 | \$ 3,444,373 |
| Investments | 2,305,465 | - | 1,561,195 | 4,423,917 | - | 1,365,104 | 9,655,681 | 7,131,835 |
| Restricted investments | 8,944,173 | - | - | - | - | - | 8,944,173 | - |
| Accounts receivable, net of allowances | 1,514,769 | 80,610 | 1,444,547 | 14,022,723 | 294,312 | 3,337,125 | 20,694,086 | 714,089 |
| Inventories | 17,328 | - | 483,078 | 1,986,883 | - | 765,926 | 3,253,215 | - |
| Due from other governments | - | 1,630 | - | - | - | 1,276,235 | 1,277,865 | - |
| Due from other funds | - | - | 292,363 | - | 210,066 | 51,885 | 554,314 | 689,954 |
| Total current assets | <u>17,221,832</u> | <u>1,096,505</u> | <u>5,061,010</u> | <u>24,701,963</u> | <u>1,399,027</u> | <u>12,043,518</u> | <u>61,523,855</u> | <u>11,980,251</u> |
| NONCURRENT ASSETS | | | | | | | | |
| Capital assets: | | | | | | | | |
| Non-depreciable | 129,475 | 21,333,701 | 786,905 | 171,245 | 5,797,076 | 4,270,953 | 32,489,355 | 390,040 |
| Depreciable, net of accumulated depreciation | <u>49,738,747</u> | <u>18,847,572</u> | <u>27,417,200</u> | <u>25,185,589</u> | <u>18,819,762</u> | <u>23,059,043</u> | <u>163,067,913</u> | <u>3,410,591</u> |
| Total noncurrent assets | <u>49,868,222</u> | <u>40,181,273</u> | <u>28,204,105</u> | <u>25,356,834</u> | <u>24,616,838</u> | <u>27,329,996</u> | <u>195,557,268</u> | <u>3,800,631</u> |
| Total assets | <u>67,090,054</u> | <u>41,277,778</u> | <u>33,265,115</u> | <u>50,058,797</u> | <u>26,015,865</u> | <u>39,373,514</u> | <u>257,081,123</u> | <u>15,780,882</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Deferred charge on refunding | 337,453 | - | - | - | - | - | 337,453 | - |
| City contributions subsequent to the measurement date | <u>280,155</u> | <u>82,114</u> | <u>222,192</u> | <u>280,155</u> | <u>173,890</u> | <u>714,880</u> | <u>1,753,386</u> | <u>676,237</u> |
| Total deferred outflows of resources | <u>617,608</u> | <u>82,114</u> | <u>222,192</u> | <u>280,155</u> | <u>173,890</u> | <u>714,880</u> | <u>2,090,839</u> | <u>676,237</u> |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|--|---------------------------|------------------|-------------------|-------------------|------------------------|---------------------------------|-------------------|------------------------------|
| LIABILITIES | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | |
| Payable from current assets: | | | | | | | | |
| Accounts payable | \$ 273,060 | \$ 61,045 | \$ 106,517 | \$ 6,460,044 | \$ 62,716 | \$ 1,549,293 | \$ 8,512,675 | \$ 790,422 |
| Retainage payable | - | 50,000 | - | - | - | - | 50,000 | - |
| Accrued liabilities | 386,673 | - | 28,410 | - | - | - | 415,083 | 370,995 |
| Due to other funds | 1,890,826 | 1,630 | - | 1,665,717 | - | 3,586,817 | 7,144,990 | 1,246,508 |
| Claims payable | - | - | - | - | - | - | - | 3,084,558 |
| Current portion - compensated absences | 301,796 | 38,758 | 129,537 | 241,179 | 80,115 | 381,776 | 1,173,161 | 716,702 |
| Advance payments and customer deposits | - | - | - | - | - | 18,391 | 18,391 | - |
| Unearned revenue | - | 1,008,321 | - | - | - | 56,183 | 1,064,504 | - |
| | <u>2,852,355</u> | <u>1,159,754</u> | <u>264,464</u> | <u>8,366,940</u> | <u>142,831</u> | <u>5,592,460</u> | <u>18,378,804</u> | <u>6,209,185</u> |
| Payable from restricted assets: | | | | | | | | |
| Revenue bonds payable, current | 3,110,000 | - | 1,345,000 | - | - | - | 4,455,000 | - |
| Total current liabilities | <u>5,962,355</u> | <u>1,159,754</u> | <u>1,609,464</u> | <u>8,366,940</u> | <u>142,831</u> | <u>5,592,460</u> | <u>22,833,804</u> | <u>6,209,185</u> |
| NONCURRENT LIABILITIES | | | | | | | | |
| Advance from other funds | - | - | - | 107,914 | - | 328,682 | 436,596 | - |
| Revenue bonds payable, net of current portion | 14,640,000 | - | 7,785,135 | - | - | - | 22,425,135 | - |
| Compensated absences, net of current portion | 35,196 | 5,142 | 14,393 | 26,798 | 8,902 | 42,420 | 132,851 | 79,634 |
| Customer deposits | - | - | - | - | - | - | - | 2,358,858 |
| Other long-term liabilities | - | - | - | - | - | 1,348,581 | 1,348,581 | - |
| Net pension liability | 2,152,338 | 630,858 | 1,707,027 | 2,152,338 | 1,335,934 | 5,492,172 | 13,470,667 | 5,195,298 |
| Total long-term liabilities | <u>16,827,534</u> | <u>636,000</u> | <u>9,506,555</u> | <u>2,287,050</u> | <u>1,344,836</u> | <u>7,211,855</u> | <u>37,813,830</u> | <u>7,633,790</u> |
| Total liabilities | <u>22,789,889</u> | <u>1,795,754</u> | <u>11,116,019</u> | <u>10,653,990</u> | <u>1,487,667</u> | <u>12,804,315</u> | <u>60,647,634</u> | <u>13,842,975</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Net difference between projected and actual earnings on pension plan investments | | | | | | | | |
| | 352,591 | 103,346 | 279,641 | 352,591 | 218,850 | 899,715 | 2,206,734 | 851,082 |
| Total deferred inflows of resources | <u>352,591</u> | <u>103,346</u> | <u>279,641</u> | <u>352,591</u> | <u>218,850</u> | <u>899,715</u> | <u>2,206,734</u> | <u>851,082</u> |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|------------------------------|------------------------------|
| NET POSITION | | | | | | | | |
| Net investment in capital assets | \$ 32,118,222 | \$ 40,131,273 | \$ 19,073,970 | \$ 25,356,834 | \$ 24,616,838 | \$ 27,329,996 | \$ 168,627,133 | \$ 3,800,631 |
| Restricted for: | | | | | | | | |
| Debt service | 8,944,173 | - | - | - | - | - | 8,944,173 | - |
| Unrestricted (deficit) | <u>3,502,787</u> | <u>(670,481)</u> | <u>3,017,677</u> | <u>13,975,537</u> | <u>(133,600)</u> | <u>(945,632)</u> | <u>18,746,288</u> | <u>(2,037,569)</u> |
| Total net position | <u><u>\$ 44,565,182</u></u> | <u><u>\$ 39,460,792</u></u> | <u><u>\$ 22,091,647</u></u> | <u><u>\$ 39,332,371</u></u> | <u><u>\$ 24,483,238</u></u> | <u><u>\$ 26,384,364</u></u> | <u>196,317,594</u> | <u><u>\$ 1,763,062</u></u> |
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | | | | | | | <u>924,663</u> | |
| Net position of business type activities | | | | | | | <u><u>\$ 197,242,257</u></u> | |

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

CITY OF ALBANY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|--|---------------------------|----------------------|----------------------|----------------------|------------------------|---------------------------------|----------------------|------------------------------|
| Operating revenues: | | | | | | | | |
| Charges for services | \$ 12,873,037 | \$ 835,299 | \$ 11,924,093 | \$ 115,791,628 | \$ 3,606,753 | \$ 28,933,842 | \$ 173,964,652 | \$ 30,737,371 |
| Other | 422 | - | 10,816 | 647,556 | - | 1,738 | 660,532 | 229,271 |
| Total operating revenues | <u>12,873,459</u> | <u>835,299</u> | <u>11,934,909</u> | <u>116,439,184</u> | <u>3,606,753</u> | <u>28,935,580</u> | <u>174,625,184</u> | <u>30,966,642</u> |
| Operating expenses: | | | | | | | | |
| Personnel costs | 2,760,126 | 928,023 | 2,153,388 | 2,171,176 | 3,012,881 | 6,932,992 | 17,958,586 | 8,196,570 |
| General and administrative | - | - | - | - | - | - | - | 3,796,322 |
| Supplies | 444,546 | 9,853 | 701,620 | 690,907 | 108,651 | 434,075 | 2,389,652 | 772,882 |
| Operating services and charges | 4,800,416 | 595,389 | 4,427,290 | 91,013,377 | 1,042,829 | 18,806,105 | 120,685,406 | 3,412,657 |
| Maintenance and repairs | 830,966 | 261,310 | 132,498 | 164,969 | 316,496 | 1,455,880 | 3,162,119 | 335,260 |
| Depreciation and amortization | 2,626,322 | 1,175,811 | 2,158,335 | 2,086,531 | 974,784 | 2,169,791 | 11,191,574 | 1,219,949 |
| Claims and damages | - | - | - | - | - | - | - | 13,010,775 |
| Total operating expenses | <u>11,462,376</u> | <u>2,970,386</u> | <u>9,573,131</u> | <u>96,126,960</u> | <u>5,455,641</u> | <u>29,798,843</u> | <u>155,387,337</u> | <u>30,744,415</u> |
| Operating income (loss) | <u>1,411,083</u> | <u>(2,135,087)</u> | <u>2,361,778</u> | <u>20,312,224</u> | <u>(1,848,888)</u> | <u>(863,263)</u> | <u>19,237,847</u> | <u>222,227</u> |
| Nonoperating revenues (expenses): | | | | | | | | |
| Investment income (loss) | (157,044) | 2,016 | 2,143 | 217,868 | - | 41,066 | 106,049 | 77,229 |
| Interest expense and fiscal charges | (773,346) | - | (358,629) | - | - | - | (1,131,975) | - |
| Intergovernmental - operating grants | - | - | - | - | - | 1,049,408 | 1,049,408 | - |
| Gain (loss) on sale of capital assets | (6,792) | 2,862 | (110,664) | 104,193 | 15,196 | (523,192) | (518,397) | (441,131) |
| Total nonoperating revenues (expenses) | <u>(937,182)</u> | <u>4,878</u> | <u>(467,150)</u> | <u>322,061</u> | <u>15,196</u> | <u>567,282</u> | <u>(494,915)</u> | <u>(363,902)</u> |
| Income (loss) before capital contributions and transfers | <u>473,901</u> | <u>(2,130,209)</u> | <u>1,894,628</u> | <u>20,634,285</u> | <u>(1,833,692)</u> | <u>(295,981)</u> | <u>18,742,932</u> | <u>(141,675)</u> |
| Capital contributions | | | | | | | | |
| Intergovernmental - capital grants | - | 2,500,632 | - | - | - | 619,645 | 3,120,277 | - |
| Other capital contributions | 583,618 | 977,370 | 42,250 | - | 7,413,511 | 542,091 | 9,558,840 | - |
| Total capital contributions | <u>583,618</u> | <u>3,478,002</u> | <u>42,250</u> | <u>-</u> | <u>7,413,511</u> | <u>1,161,736</u> | <u>12,679,117</u> | <u>-</u> |
| Transfers | | | | | | | | |
| Transfers in | - | 1,102,020 | 21,148,940 | 33,478,779 | 18,179,612 | 11,855,082 | 85,764,433 | 729,351 |
| Transfers out | (18,179,612) | - | (994,171) | (14,780,693) | - | (63,124,666) | (97,079,142) | (985,762) |
| Total transfers | <u>(18,179,612)</u> | <u>1,102,020</u> | <u>20,154,769</u> | <u>18,698,086</u> | <u>18,179,612</u> | <u>(51,269,584)</u> | <u>(11,314,709)</u> | <u>(256,411)</u> |
| Change in net position | <u>(17,122,093)</u> | <u>2,449,813</u> | <u>22,091,647</u> | <u>39,332,371</u> | <u>23,759,431</u> | <u>(50,403,829)</u> | <u>20,107,340</u> | <u>(398,086)</u> |
| Net position, beginning of year, as restated | <u>61,687,275</u> | <u>37,010,979</u> | <u>-</u> | <u>-</u> | <u>723,807</u> | <u>76,788,193</u> | <u>-</u> | <u>2,161,148</u> |
| Net position, end of year | <u>\$ 44,565,182</u> | <u>\$ 39,460,792</u> | <u>\$ 22,091,647</u> | <u>\$ 39,332,371</u> | <u>\$ 24,483,238</u> | <u>\$ 26,384,364</u> | <u>-</u> | <u>\$ 1,763,062</u> |
| | | | | | | | <u>(1,798,347)</u> | |
| | | | | | | | <u>\$ 18,308,993</u> | |

Adjustment to reflect consolidation of internal service fund activities related to enterprise funds

Change in net position of business type activities

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

CITY OF ALBANY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|---|---------------------------|--------------------|--------------------|--------------------|------------------------|---------------------------------|--------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Receipts from customers | \$ 11,773,900 | \$ 207,322 | \$ 10,490,362 | \$ 102,416,461 | \$ 3,312,441 | \$ 25,648,698 | \$ 153,849,184 | \$ 12,891,568 |
| Receipts from other funds | - | - | - | - | - | - | - | 16,244,921 |
| Payments to suppliers | (4,409,402) | (1,186,580) | (2,341,835) | (2,143,440) | (1,631,987) | (16,249,649) | (27,962,893) | (179,272) |
| Payments to employees | (3,017,192) | (958,431) | (5,786,402) | (85,354,484) | (802,502) | (7,122,316) | (103,041,327) | (6,751,114) |
| Claims paid | - | - | - | - | - | - | - | (13,412,206) |
| Premiums paid | - | - | - | - | - | - | - | (3,280,704) |
| Net cash provided by (used in) operating activities | <u>4,347,306</u> | <u>(1,937,689)</u> | <u>2,362,125</u> | <u>14,918,537</u> | <u>877,952</u> | <u>2,276,733</u> | <u>22,844,964</u> | <u>5,513,193</u> |
| CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Transfers in | - | 1,102,020 | 3,534,012 | 9,605,194 | - | 4,355,767 | 18,596,993 | 5,820,365 |
| Transfers out | - | - | (994,171) | (15,011,907) | - | (5,465,310) | (21,471,388) | (6,332,166) |
| Payments for environmental remediation obligation | - | - | - | - | - | (46,908) | (46,908) | - |
| Operating grants received | - | - | - | - | - | 1,049,408 | 1,049,408 | - |
| Net cash provided by (used in) noncapital financing activities | <u>-</u> | <u>1,102,020</u> | <u>2,539,841</u> | <u>(5,406,713)</u> | <u>-</u> | <u>(107,043)</u> | <u>(1,871,895)</u> | <u>(511,801)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| Acquisition and construction of capital assets | (117,494) | (2,268,324) | (408,130) | (1,216,042) | - | (1,773,728) | (5,783,718) | (119,652) |
| Principal paid on bonds | - | - | (1,305,000) | - | - | - | (1,305,000) | - |
| Principal paid on notes and capital leases payable | - | - | - | - | - | - | - | (412,137) |
| Interest paid | (386,673) | - | (361,940) | - | - | - | (748,613) | - |
| Advance to (from) other funds | - | - | - | - | - | (193,525) | (193,525) | - |
| Capital grants received | - | 3,100,881 | - | - | - | 619,645 | 3,720,526 | - |
| Proceeds from sale of capital assets | 103,993 | 3,862 | 11,983 | 178,707 | 16,697 | 63,470 | 378,712 | 4,345 |
| Net cash provided by (used in) capital and related financing activities | <u>(400,174)</u> | <u>836,419</u> | <u>(2,063,087)</u> | <u>(1,037,335)</u> | <u>16,697</u> | <u>(1,284,138)</u> | <u>(3,931,618)</u> | <u>(527,444)</u> |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|---|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------------------|----------------------|------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Proceeds from sales of investments | \$ 9,330,452 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,330,452 | \$ (2,495,032) |
| Purchases of investments | (8,770,152) | - | (1,561,195) | (4,423,917) | - | 573,036 | (14,182,228) | - |
| Interest on investments | (157,044) | 2,016 | 2,143 | 217,868 | - | 41,066 | 106,049 | 77,229 |
| Net cash provided by (used in) investing activities | <u>403,256</u> | <u>2,016</u> | <u>(1,559,052)</u> | <u>(4,206,049)</u> | <u>-</u> | <u>614,102</u> | <u>(4,745,727)</u> | <u>(2,417,803)</u> |
| Increase in cash and cash equivalents | 4,350,388 | 2,766 | 1,279,827 | 4,268,440 | 894,649 | 1,499,654 | 12,295,724 | 2,056,145 |
| Cash and cash equivalents: | | | | | | | | |
| Beginning of year | 89,709 | 1,011,499 | - | - | - | 3,747,589 | 4,848,797 | 1,388,228 |
| End of year | <u>\$ 4,440,097</u> | <u>\$ 1,014,265</u> | <u>\$ 1,279,827</u> | <u>\$ 4,268,440</u> | <u>\$ 894,649</u> | <u>\$ 5,247,243</u> | <u>\$ 17,144,521</u> | <u>\$ 3,444,373</u> |
| Classified as: | | | | | | | | |
| Cash | \$ 4,440,097 | \$ 1,014,265 | \$ 1,279,827 | \$ 4,268,440 | \$ 894,649 | \$ 5,247,243 | \$ 17,144,521 | \$ 3,444,373 |
| | <u>\$ 4,440,097</u> | <u>\$ 1,014,265</u> | <u>\$ 1,279,827</u> | <u>\$ 4,268,440</u> | <u>\$ 894,649</u> | <u>\$ 5,247,243</u> | <u>\$ 17,144,521</u> | <u>\$ 3,444,373</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | | |
| Contributions of capital assets from outside sources | \$ 138,610 | \$ - | \$ - | \$ - | \$ 94,773 | \$ 240,932 | \$ 474,315 | \$ - |
| Contributions of capital assets from governmental activities | 445,008 | 977,370 | 42,250 | - | 7,318,738 | 301,159 | 9,084,525 | - |
| Contributions of capital assets (to) from other proprietary funds | (18,179,612) | - | - | (231,214) | 18,179,612 | - | (231,214) | 231,214 |
| | <u>\$ (17,595,994)</u> | <u>\$ 977,370</u> | <u>\$ 42,250</u> | <u>\$ (231,214)</u> | <u>\$ 25,593,123</u> | <u>\$ 542,091</u> | <u>\$ 9,327,626</u> | <u>\$ 231,214</u> |

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Sanitary Sewer Fund | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Funds | Totals | Internal Service Funds |
|--|---------------------------|---------------------------|-------------------------|--------------------------|------------------------|---------------------------------|--------------------------|------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) | | | | | | | | |
| OPERATING ACTIVITIES: | | | | | | | | |
| Operating income (loss) | \$ 1,411,083 | \$ (2,135,087) | \$ 2,361,778 | \$ 20,312,224 | \$ (1,848,888) | \$ (863,263) | \$ 19,237,847 | \$ 222,227 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | | |
| Depreciation and amortization | 2,626,322 | 1,175,811 | 2,158,335 | 2,086,531 | 974,784 | 2,169,791 | 11,191,574 | 1,219,949 |
| Increase in internal investment pool | - | - | - | - | - | - | - | (1,976,284) |
| Increase in account receivable | (1,099,559) | (16,122) | (1,444,547) | (14,022,723) | (294,312) | (3,288,087) | (20,165,350) | (395,927) |
| Increase in inventories | (17,328) | - | (483,078) | (1,986,883) | - | (378,508) | (2,865,797) | - |
| Decrease in other assets | - | - | - | - | - | - | - | 275,922 |
| Increase in due from other governments | - | - | - | - | - | (610,555) | (610,555) | - |
| (Increase) decrease in due from other funds | 2,273,108 | - | (292,363) | - | 513,741 | 2,017,296 | 4,511,782 | (78,768) |
| (Increase) decrease in contributions subsequent to the measurement date | 45,275 | 3,245 | 33,884 | 7,931 | (173,890) | 10,670 | (72,885) | (57,386) |
| Increase (decrease) in accounts payable and other liabilities | (199,130) | (351,552) | 250,447 | 6,728,021 | 151,733 | 874,275 | 7,453,794 | 3,956,360 |
| Decrease in claims payable | - | - | - | - | - | - | - | (228,200) |
| Increase (decrease) in due to other funds | (390,124) | (600,249) | - | 1,773,631 | - | 2,210,852 | 2,994,110 | 1,867,334 |
| Increase (decrease) in unearned revenues | - | (11,606) | - | - | - | 1,205 | (10,401) | - |
| Increase (decrease) in net pension liability | (654,932) | (105,475) | (501,972) | (332,786) | 1,335,934 | (766,658) | (1,025,889) | (143,116) |
| Increase in net difference between projected and actual earnings on pension plan investments | 352,591 | 103,346 | 279,641 | 352,591 | 218,850 | 899,715 | 2,206,734 | 851,082 |
| Net cash provided by (used in) operating activities | <u>\$ 4,347,306</u> | <u>\$ (1,937,689)</u> | <u>\$ 2,362,125</u> | <u>\$ 14,918,537</u> | <u>\$ 877,952</u> | <u>\$ 2,276,733</u> | <u>\$ 22,844,964</u> | <u>\$ 5,513,193</u> |

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

CITY OF ALBANY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
PENSION FUND
JUNE 30, 2015

ASSETS

| | |
|------------------------------------|------------------------------|
| Cash | \$ 3,525,521 |
| Investments at fair value: | |
| Equity securities | 71,707,504 |
| Government securities | 7,893,590 |
| Corporate bonds | 21,635,504 |
| Other | 9,904,158 |
| Total investments | <u>111,140,756</u> |
| Accounts receivable | 110,312 |
| Interest receivable | <u>98,638</u> |
| Total assets | <u>114,875,227</u> |
| NET POSITION | |
| Held in trust for pension benefits | <u><u>\$ 114,875,227</u></u> |

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

CITY OF ALBANY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ADDITIONS:

| | |
|---|------------------|
| Employer contributions | \$ 6,684,145 |
| Investment earnings | |
| Interest and dividends | 2,975,338 |
| Net increase in fair value of investments | <u>320,812</u> |
| | 3,296,150 |
| Less investment expense | <u>835,015</u> |
| Net investment earnings | <u>2,461,135</u> |
| Total additions | <u>9,145,280</u> |

DEDUCTIONS:

| | |
|------------------------|-------------------|
| Benefit payments | 12,922,316 |
| Administrative expense | <u>28,956</u> |
| Total deductions | <u>12,951,272</u> |
| Change in net position | (3,805,992) |

NET POSITION, BEGINNING OF YEAR118,681,219**NET POSITION, END OF YEAR**\$ 114,875,227

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

CITY OF ALBANY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

The City also reports the following fund types:

Special revenue funds account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital project funds account for resources provided for acquisition, construction or renovation of major capital facilities.

Internal service funds account for general liability, group health, and workers' compensation claims.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

D. Budgets and Budgetary Accounting

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Project Funds. Encumbrances outstanding at year-end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Project Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2015, there were no encumbrances outstanding.

In the General Fund, expenditures exceeded budget for materials management by \$102,792. In the Community Development Fund, expenditures exceeded budget by \$1,018,355. In all funds, the over expenditures were funded by greater than anticipated revenues and available fund balance.

The Tax Allocation District Fund reported a deficit fund balance of \$346,297 at June 30, 2015. The deficit is intended to be eliminated through future tax revenues. The Grant Fund reported a deficit fund balance of \$29,222. The Workers' Compensation Fund reported a deficit net position of \$2,606 at June 30, 2015. The Utility Fund reported a deficit net position of \$1,671,214 at June 30, 2015. The Grant Fund, Workers' Compensation Fund and Utility Fund deficits are intended to be eliminated through increased user charges and transfers from the General Fund.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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, mutual funds, corporate bonds and U.S. Government securities. Investments in the Pension Trust Fund are reported at fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

G. Inventory

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

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

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, 2015.

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City only has two items that qualify for reporting in this category. The City has a deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The City also has an item related to the City's Retirement Plan which is reported in the government-wide and proprietary fund statements of net position. Any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

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 three types of items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from notes receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. An *effective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation. The third item relates to the City's Retirement Plan and is reported in the government-wide and proprietary fund statements of net position. The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five year period, resulting in recognition as deferred inflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

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

O. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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 \$33,432,533 difference are as follows:

| | |
|--|-----------------|
| Notes payable | \$ (3,000,000) |
| Bonds payable | (11,990,000) |
| Unamortized premium on bonds | (286,044) |
| Unamortized refunding charge | 115,751 |
| Certificates of participation | (10,000,000) |
| Compensated absences | (2,953,670) |
| Other post-employment benefit obligation | (4,773,786) |
| Accrued interest payable | (103,002) |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at net position - governmental activities | \$ (32,990,751) |

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 \$1,240,637 difference are as follows:

| | |
|---|--------------|
| Capital outlay | \$ 5,764,688 |
| Depreciation expense | (4,524,051) |
| Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities | \$ 1,240,637 |

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 \$9,246,655 differences are as follows:

| | |
|---|----------------|
| Transfers of capital assets to business-type activities | \$ (9,006,036) |
| Disposals of capital assets | (240,619) |
| Net adjustment to decrease <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities | \$ (9,246,655) |

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 \$4,611,651 difference are as follows:

| | |
|---|----------------------------|
| Principal repayment - general obligation bonds | \$ 4,060,000 |
| Principal repayment - notes payable | 331,250 |
| Amortization of premium on bonds | 242,868 |
| Amortization of loss on defeasance of bonds | <u>(22,467)</u> |
| Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities | <u><u>\$ 4,611,651</u></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 “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 \$4,648,548 difference are as follows:

| | |
|---|----------------------------|
| Compensated absences | \$ 486,147 |
| Accrued interest | (24,354) |
| Other post-employment benefit obligation | (672,835) |
| Change in net pension and related deferred inflows and outflows of resources | <u>3,106,230</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities | <u><u>\$ 2,895,188</u></u> |

NOTES TO FINANCIAL STATEMENTS

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, 2015, 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, 2015, 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 | 36 - 40 | |
| Entity wide: | | | | | | | | | | | |
| Government securities | 55,698 | \$ 5,100 | \$ 29,855 | \$ 3,252 | \$ 3,882 | \$ 2,707 | \$ 2,127 | \$ 8,367 | \$ 408 | \$ - | AA+ |
| Government securities | 17,414 | 12,183 | 5,231 | - | - | - | - | - | - | - | NR |
| Guaranteed Inv. Contract | 7,946 | - | - | - | 7,946 | - | - | - | - | - | AA- |
| Corporate bonds | 671 | - | - | - | - | - | - | - | 671 | - | BBB- |
| | <u>81,729</u> | <u>17,283</u> | <u>35,086</u> | <u>3,252</u> | <u>11,828</u> | <u>2,707</u> | <u>2,127</u> | <u>8,367</u> | <u>1,079</u> | <u>-</u> | |
| Pension Trust Fund: | | | | | | | | | | | |
| Government securities | \$ 5,563 | \$ 870 | \$ 1,055 | \$ 2,912 | \$ 642 | \$ - | \$ - | \$ 84 | \$ - | \$ - | AAA |
| Common stock | 68,801 | - | - | - | - | - | - | - | - | - | N/A |
| Preferred stock | 2,907 | - | - | - | - | - | - | - | - | - | N/A |
| Mutual funds | 7,858 | - | - | - | - | - | - | - | - | - | N/A |
| Alternative investment | 2,046 | - | - | - | - | - | - | - | - | - | N/A |
| Corporate bonds | 385 | - | - | 385 | - | - | - | - | - | - | A+ |
| Corporate bonds | 1,658 | 490 | - | - | 643 | - | 525 | - | - | - | A- |
| Corporate bonds | 1,580 | 505 | 272 | 803 | - | - | - | - | - | - | BBB+ |
| Corporate bonds | 1,126 | 590 | 536 | - | - | - | - | - | - | - | BBB |
| Corporate bonds | 559 | - | - | - | - | - | 559 | - | - | - | BBB- |
| Corporate bonds | 450 | - | 450 | - | - | - | - | - | - | - | BAA |
| Corporate bonds | 1,822 | - | 940 | 616 | 266 | - | - | - | - | - | BB+ |
| Corporate bonds | 1,170 | - | 121 | - | - | 364 | - | 685 | - | - | BB |
| Corporate bonds | 1,456 | - | 521 | - | 471 | 140 | 324 | - | - | - | BB- |
| Corporate bonds | 1,307 | - | - | 634 | 330 | - | - | 343 | - | - | B+ |
| Corporate bonds | 841 | - | - | - | - | 523 | - | 318 | - | - | B |
| Corporate bonds | 822 | - | 260 | 562 | - | - | - | - | - | - | B- |
| Corporate bonds | 10,790 | 137 | 7,345 | 978 | 216 | 147 | 201 | 1,249 | 517 | - | NR |
| | <u>111,141</u> | <u>2,592</u> | <u>11,500</u> | <u>6,890</u> | <u>2,568</u> | <u>1,174</u> | <u>1,609</u> | <u>2,679</u> | <u>517</u> | <u>-</u> | |
| | <u>\$ 192,870</u> | <u>\$ 19,875</u> | <u>\$ 46,586</u> | <u>\$ 10,142</u> | <u>\$ 14,396</u> | <u>\$ 3,881</u> | <u>\$ 3,736</u> | <u>\$ 11,046</u> | <u>\$ 1,596</u> | <u>\$ -</u> | |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

A. Property Taxes

Property taxes were levied on July 21, 2014 on the January 1, 2014 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, 2014, and payable before December 20, 2014. The lien date for unpaid taxes was January 1, 2015. 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 2015 for the City (mill equals \$1 per thousand dollars of assessed value).

Gross property taxes receivable at June 30, 2015 are \$1,224,875. An allowance of \$888,036 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2015, resulting in a net receivable for property taxes of \$336,839.

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, 2015 are \$1,601,458.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

C. Accounts Receivable

Accounts receivable of the primary government consisted of the following at June 30, 2015:

| | <u>General Fund</u> | <u>Community Development Fund</u> | <u>Job Investment Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Sanitary Sewer Fund</u> | <u>Airport Fund</u> |
|---|-------------------------|---|------------------------------------|---|---------------------------------------|-------------------------|
| Gross receivables | \$ 763,557 | \$ 82,735 | \$ 24,594 | \$ 789,584 | \$ 1,514,769 | \$ 80,610 |
| Less allowance for doubtful accounts | (53,163) | - | - | (35,999) | - | - |
| Net receivables | <u>\$ 710,394</u> | <u>\$ 82,735</u> | <u>\$ 24,594</u> | <u>\$ 753,585</u> | <u>\$ 1,514,769</u> | <u>\$ 80,610</u> |
| | <u>Water Fund</u> | <u>Light Fund</u> | <u>Storm Water Fund</u> | <u>Nonmajor Business-type Funds</u> | <u>Internal Service Funds</u> | |
| Gross receivables | \$ 1,531,026 | \$ 14,686,523 | \$ 324,611 | \$ 3,520,816 | \$ 1,086,757 | |
| Less allowance for doubtful accounts | (86,479) | (663,800) | (30,299) | (183,691) | (372,668) | |
| Net receivables | <u>\$ 1,444,547</u> | <u>\$ 14,022,723</u> | <u>\$ 294,312</u> | <u>\$ 3,337,125</u> | <u>\$ 714,089</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, 2015, was as follows:

A. Primary Government

| | Balance June 30, 2014 | Additions | Deletions | Transfers | Balance June 30, 2015 |
|---|--------------------------|---------------------|---------------------|-----------------------|--------------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 16,830,366 | \$ - | \$ (100) | \$ (588,320) | \$ 16,241,946 |
| Construction in progress | 3,601,134 | 2,144,860 | - | (2,278,470) | 3,467,524 |
| Total assets not depreciated | <u>20,431,500</u> | <u>2,144,860</u> | <u>(100)</u> | <u>(2,866,790)</u> | <u>19,709,470</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 72,484,356 | 457,558 | (25,900) | 450,560 | 73,366,574 |
| Equipment and vehicles | 30,630,898 | 813,565 | (864,145) | (4,838,837) | 25,741,481 |
| Infrastructure | 75,909,334 | 2,348,705 | - | (7,856,169) | 70,401,870 |
| Total assets depreciated | <u>179,024,588</u> | <u>3,619,828</u> | <u>(890,045)</u> | <u>(12,244,446)</u> | <u>169,509,925</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (23,044,199) | (2,000,509) | 10,036 | (3,318) | (25,037,990) |
| Equipment and vehicles | (17,277,434) | (1,695,059) | 622,993 | 2,000,109 | (16,349,391) |
| Infrastructure | (57,590,047) | (828,483) | 16,497 | 4,108,409 | (54,293,624) |
| Total accumulated depreciation | <u>(97,911,680)</u> | <u>(4,524,051)</u> | <u>649,526</u> | <u>6,105,200</u> | <u>(95,681,005)</u> |
| Total assets depreciated, net | <u>81,112,908</u> | <u>(904,223)</u> | <u>(240,519)</u> | <u>(6,139,246)</u> | <u>73,828,920</u> |
| Governmental activities capital assets, net | <u>\$ 101,544,408</u> | <u>\$ 1,240,637</u> | <u>\$ (240,619)</u> | <u>\$ (9,006,036)</u> | <u>\$ 93,538,390</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

| | Balance June 30, 2014 | Additions | Deletions | Transfers | Balance June 30, 2015 |
|--|----------------------------------|-----------------------|-----------------------|---------------------|----------------------------------|
| Business-type activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 13,665,223 | \$ - | \$ (166,376) | \$ 588,321 | \$ 14,087,168 |
| Construction in progress | 15,995,295 | 2,553,455 | - | 243,477 | 18,792,227 |
| Total assets not depreciated | <u>29,660,518</u> | <u>2,553,455</u> | <u>(166,376)</u> | <u>831,798</u> | <u>32,879,395</u> |
| Capital assets being depreciated: | | | | | |
| Intangibles | 1,794,902 | - | - | (1,794,902) | - |
| Buildings and improvements | 141,314,201 | 90,913 | (7,499,843) | 639,486 | 134,544,757 |
| Equipment and vehicles | 64,854,417 | 837,590 | (3,697,414) | (4,644,418) | 57,350,175 |
| Infrastructure | 136,051,607 | 2,834,568 | (2,399,308) | 16,785,135 | 153,272,002 |
| Total assets depreciated | <u>344,015,127</u> | <u>3,763,071</u> | <u>(13,596,565)</u> | <u>10,985,301</u> | <u>345,166,934</u> |
| Less accumulated depreciation: | | | | | |
| Intangibles | (110,686) | - | - | 110,686 | - |
| Buildings and improvements | (55,133,780) | (2,785,787) | 7,316,144 | (2,521) | (50,605,944) |
| Equipment and vehicles | (40,349,605) | (4,147,010) | 3,032,948 | 2,286,884 | (39,176,783) |
| Infrastructure | (80,411,103) | (5,359,760) | 2,071,272 | (5,206,112) | (88,905,703) |
| Total accumulated depreciation | <u>(176,005,174)</u> | <u>(12,292,557)</u> | <u>12,420,364</u> | <u>(2,811,063)</u> | <u>(178,688,430)</u> |
| Total assets depreciated, net | <u>168,009,953</u> | <u>(8,529,486)</u> | <u>(1,176,201)</u> | <u>8,174,238</u> | <u>166,478,504</u> |
| Business-type activities capital assets, net | <u>\$ 197,670,471</u> | <u>\$ (5,976,031)</u> | <u>\$ (1,342,577)</u> | <u>\$ 9,006,036</u> | <u>\$ 199,357,899</u> |

NOTES TO FINANCIAL STATEMENTS

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 | \$ 552,067 |
| Judicial | 524 |
| Public safety | 1,880,461 |
| Public works | 1,090,886 |
| Culture and recreation | 672,723 |
| Community development | 327,390 |
| Total depreciation expense - governmental activities | <u>\$ 4,524,051</u> |
| Business-type activities: | |
| Sanitary sewer | \$ 2,507,356 |
| Solid waste | 462,762 |
| Airport | 1,175,811 |
| Water | 2,158,335 |
| Gas | 227,262 |
| Light | 2,086,531 |
| Telecommuication | 497,224 |
| Transit | 502,772 |
| Storm water | 974,784 |
| Civic Center | 479,771 |
| Utility Internal Service Fund | 1,219,949 |
| Total depreciation expense - business-type activities | <u>\$ 12,292,557</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, 2015, was as follows:

| | Balance June 30, 2014 | Additions | Deletions | Transfers | Balance June 30, 2015 |
|---------------------------------------|----------------------------------|-------------------|------------------|------------------|----------------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 1,283,104 | \$ - | \$ - | \$ - | \$ 1,283,104 |
| Construction in progress | 454,022 | 654,862 | - | - | 1,108,884 |
| Total assets not depreciated | <u>1,737,126</u> | <u>654,862</u> | <u>-</u> | <u>-</u> | <u>2,391,988</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 10,396,018 | 5,287 | - | - | 10,401,305 |
| Equipment and vehicles | 825,875 | 35,131 | - | - | 861,006 |
| Total assets depreciated | <u>11,221,893</u> | <u>40,418</u> | <u>-</u> | <u>-</u> | <u>11,262,311</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (3,755,369) | (257,285) | - | - | (4,012,654) |
| Equipment and vehicles | (630,042) | (99,347) | - | - | (729,389) |
| Total accumulated depreciation | <u>(4,385,411)</u> | <u>(356,632)</u> | <u>-</u> | <u>-</u> | <u>(4,742,043)</u> |
| Total assets depreciated, net | <u>6,836,482</u> | <u>(316,214)</u> | <u>-</u> | <u>-</u> | <u>6,520,268</u> |
| Chehaw Park Authority assets, net | <u>\$ 8,573,608</u> | <u>\$ 338,648</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,912,256</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, 2015:

| | <u>Balance, June 30, 2014</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, June 30, 2015</u> | <u>Due Within One Year</u> |
|---|-----------------------------------|---------------------|----------------------|-----------------------------------|--------------------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ 16,050,000 | \$ - | \$ 4,060,000 | \$ 11,990,000 | \$ 4,965,000 |
| Add deferred amounts | | | | | |
| Unamortized premium | 528,912 | - | 242,868 | 286,044 | - |
| Total bonds payable | <u>\$ 16,578,912</u> | <u>\$ -</u> | <u>\$ 4,302,868</u> | <u>\$ 12,276,044</u> | <u>\$ 4,965,000</u> |
| Notes payable | 3,331,250 | - | 331,250 | 3,000,000 | 325,000 |
| Certificates of participation | 10,000,000 | - | - | 10,000,000 | - |
| OPEB liability | 4,100,951 | 1,816,552 | 1,143,717 | 4,773,786 | - |
| Compensated absences | 3,441,277 | 2,609,689 | 3,097,296 | 2,953,670 | 2,658,303 |
| Net pension liability | <u>41,004,544</u> | <u>1,844,739</u> | <u>10,785,756</u> | <u>32,063,527</u> | <u>-</u> |
| Governmental activity long-term liabilities | <u>\$ 78,456,934</u> | <u>\$ 6,270,980</u> | <u>\$ 19,660,887</u> | <u>\$ 65,067,027</u> | <u>\$ 7,948,303</u> |
| Business-type activities | | | | | |
| Revenue bonds | \$ 28,115,000 | \$ - | \$ 1,305,000 | \$ 26,810,000 | \$ 4,455,000 |
| Add deferred amounts | | | | | |
| Unamortized premium | 101,856 | - | 31,721 | 70,135 | - |
| Total bonds payable | <u>28,216,856</u> | <u>-</u> | <u>1,336,721</u> | <u>26,880,135</u> | <u>4,455,000</u> |
| Capital lease payable | 412,137 | - | 412,137 | - | - |
| Manufactured gas plant liability | 1,395,489 | - | 46,908 | 1,348,581 | - |
| Compensated absences | 3,030,578 | 1,796,791 | 2,725,021 | 2,102,348 | 1,889,863 |
| Net pension liability | <u>19,788,949</u> | <u>1,071,827</u> | <u>2,231,920</u> | <u>18,628,856</u> | <u>-</u> |
| Business-type activity long-term liabilities | <u>\$ 52,844,009</u> | <u>\$ 2,868,618</u> | <u>\$ 6,752,707</u> | <u>\$ 48,959,920</u> | <u>\$ 6,344,863</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The government-wide statement of net position includes \$1,305,000 of the long-term liabilities due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$26,911,856 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, ohLight, Solid Waste, Transit, Civic Center, Sanitary Sewer, and Airport Funds. For governmental funds, other postemployment benefit obligations are liquidated by the General Fund.

The beginning balance of compensated absences for governmental activities was increased by \$314, and business-type activities was decreased in the same amount, as a result of the Public Employee Deposit Fund being accounted for as an internal service fund in the current year.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2015, are as follows:

| | Original Amount | Interest Rates | Balance June 30, 2015 |
|---------------------------------------|----------------------------|---------------------------|----------------------------------|
| HUD Section 108 Loan, B-02-MC-13-0001 | \$ 5,500,000 | 2.00% - 5.00% | \$ 2,475,000 |
| HUD Section 108 Loan, B-99-MC-13-0001 | 500,000 | 2.00% - 5.00% | 150,000 |
| Total | | | \$ 2,625,000 |

Notes Payable

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, 2015 is \$375,000. This loan is included in the maturity table below.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

Notes Payable (Continued)

Notes payable debt service requirements to maturity, including interest of \$678,184, are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 325,000 | \$ 142,996 | \$ 467,996 |
| 2017 | 325,000 | 126,515 | 451,515 |
| 2018 | 325,000 | 109,693 | 434,693 |
| 2019 | 325,000 | 92,576 | 417,576 |
| 2020 | 325,000 | 75,212 | 400,212 |
| 2021 - 2025 | 1,250,000 | 131,192 | 1,381,192 |
| 2026 - 2030 | 125,000 | - | 125,000 |
| | <u>\$ 3,000,000</u> | <u>\$ 678,184</u> | <u>\$ 3,678,184</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> |
|-----------------------------|----------------------|---------------------|----------------------|
| 2016 | \$ - | \$ 475,000 | \$ 475,000 |
| 2017 | - | 475,000 | 475,000 |
| 2018 | - | 475,000 | 475,000 |
| 2019 | - | 475,000 | 475,000 |
| 2020 | - | 475,000 | 475,000 |
| 2021 - 2025 | - | 2,375,000 | 2,375,000 |
| 2026 - 2028 | 10,000,000 | 1,425,000 | 11,425,000 |
| | <u>\$ 10,000,000</u> | <u>\$ 6,175,000</u> | <u>\$ 16,175,000</u> |

NOTES TO FINANCIAL STATEMENTS

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

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, 2015, the floating rate being paid by the City is 0.38%, and the market value of this agreement is \$2,726,561, an increase of \$378,767 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, 2015 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, 2015, are as follows:

| | Interest Rates | Balance June 30, 2015 |
|---|---------------------------|----------------------------------|
| 2012 ADICA Refunding Revenue Issue | 2.00% - 3.125% | \$ 2,645,000 |
| 2012 General Obligation Sales Tax Issue | 2.00% - 3.000% | 9,345,000 |
| | | 11,990,000 |
| Add: Unamortized premium | | 286,044 |
| | | \$ 12,276,044 |

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

NOTES TO FINANCIAL STATEMENTS

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

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, 2015, the unamortized balance was \$115,751.

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

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> |
|-----------------------------|----------------------|-------------------|----------------------|
| 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 | 280,000 | 49,293 | 329,293 |
| 2020 | 290,000 | 42,993 | 332,993 |
| 2021 - 2024 | 1,260,000 | 95,287 | 1,355,287 |
| | <u>11,990,000</u> | <u>\$ 791,502</u> | <u>\$ 12,781,502</u> |
| Add: Unamortized premium | 286,044 | | |
| | <u>\$ 12,276,044</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 sanitary sewer and water revenues derived from acquired or constructed assets to pay for operations of the related activity and debt service. These revenues are pledged for to satisfy the debt service of the related obligation for the length of the outstanding balance. Revenue bonds have been issued for business-like activities and are reported in the business-type column of the government-wide statements. Principal and interest are payable from enterprise fund revenue. Revenue bonds outstanding at June 30, 2015, are as follows:

| | Interest Rates | Balance June 30, 2015 |
|------------------------------------|---------------------------|----------------------------------|
| 2007 Sewerage System Revenue Bonds | 4.00% - 5.00% | \$ 12,905,000 |
| 2011 Sewerage System Revenue Bonds | 3.39% | 4,845,000 |
| 2005 Water Revenue Bonds | 3.97% | 4,925,000 |
| 2010 Water Revenue Bonds | 2.00% - 4.00% | 4,135,000 |
| | | 26,810,000 |
| Add: Unamortized premium | | 70,135 |
| | | \$ 26,880,135 |

NOTES TO FINANCIAL STATEMENTS

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, 2015, the unamortized balance was \$110,394.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2015, was \$609,100. All interest incurred was expensed.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

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

The difference between the requisition price and the net carrying amount of the old debt amounted to \$591,331. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2015, the unamortized balance was \$227,059.

Interest expense related to the Series 2011 Bonds for the year ended June 30, 2015, was \$164,246. All interest incurred was expensed.

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

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

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

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

| Fiscal Year Ending June 30, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|---------------------|----------------------|
| 2016 | \$ 4,455,000 | \$ 1,023,688 | \$ 5,478,688 |
| 2017 | 4,635,000 | 849,507 | 5,484,507 |
| 2018 | 4,800,000 | 656,493 | 5,456,493 |
| 2019 | 4,660,000 | 445,630 | 5,105,630 |
| 2020 | 3,780,000 | 255,625 | 4,035,625 |
| 2021 - 2025 | 3,930,000 | 409,182 | 4,339,182 |
| 2026 | 550,000 | 10,918 | 560,918 |
| | <u>26,810,000</u> | <u>\$ 3,651,043</u> | <u>\$ 30,461,043</u> |
| Add: Unamortized premium | 70,135 | | |
| | <u>\$ 26,880,135</u> | | |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

Environmental Corrective Action Liability

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

The Georgia Environmental Protection Division approved the compliance status report and recommended corrective action to bring the Plant into compliance. During the fiscal year ended June 30, 2013, the City completed the requirements of the corrective action plan and is currently awaiting review by the Georgia Environmental Protection Division. The total cost of this corrective action is anticipated to range from \$2,000,000 to \$10,000,000. Management believes a cost estimate of \$2,500,000 to be probable. During the year June 30, 2015, the City incurred costs of \$46,908, with total incurred costs to date of \$1,151,419. The liability has been reduced by these costs, resulting in a liability of \$1,348,581 recorded on the statement of net position as another long-term liability.

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, 2015, totaling \$86,601,505. The total amount of bonds outstanding at June 30, 2015 is \$80,671,959.

C. Component Unit – Chehaw Park Authority

Line of Credit

Chehaw Park Authority has entered into a line of credit agreement with a financial institution for financing the acquisition of a tractor. The summary of the debt activity for the fiscal year ended June 30, 2015 is as follows:

| | Balance, June 30, 2014 | Additions | Reductions | Balance, June 30, 2015 | Due Within One Year |
|----------------|-----------------------------------|------------------|-------------------|-----------------------------------|--------------------------------|
| Line of credit | \$ 43,137 | \$ 349 | \$ 555 | \$ 42,931 | \$ - |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS

A. Defined Contribution Plan

The City of Albany maintains a defined contribution pension plan, the City of Albany Retirement Savings Plan ("the Savings Plan"), which was established by the City of Albany on January 1, 1998 to provide reasonable retirement security for its "Senior Management Employees". The plan is administered by Nationwide Retirement Solutions. At June 30, 2015, there were 10 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, 2015, the City contributed \$62,100 and employees contributed \$1,015.

B. Defined Benefit Plan

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Plan Description (Continued)

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Plan Description (Continued)

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

Participant Data

Membership in the Plan as of July 1, 2013 is as follows:

| | |
|---|---------------------|
| Inactive plan members (or beneficiary) currently receiving benefits | 826 |
| Inactive plan members entitled to but not yet receiving benefits | 301 |
| Active plan members | 1,103 |
| Total membership | <u><u>2,230</u></u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Summary of Significant Accounting Policies

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

No investment in any one organization represented 5% or more of the net position available for pension benefits at June 30, 2015. There are no investments in, loans to, or leases with parties related to the Plan.

Contribution Requirements

The City's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Effective July 1, 2007, employees were required to make contributions to the Plan as follows: General Employees – 4% of annual covered payroll; Safety Employees – 7% of annual covered payroll. The participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payroll. Administrative costs of the Plan are financed through investment income. Actual contributions to the plan were \$6,684,145.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability

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

The total pension liability was determined by an actuarial valuation as of June 30, 2013 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2014.

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

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

Mortality rates were based on the GAM 1994 Mortality Table for Annuitants and beneficiaries of Annuitants, set forward two years 2-years for males and females for the period after service retirement. For disabled annuitants, mortality rates were based on the RP-2000 Mortality Table set forward three years for males and females.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

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

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------------|------------------------------|---|
| Growth Equity Managers | 14.5% | 7.9% |
| Core Equity Managers | 14.5% | 7.6% |
| Value Equity Managers | 14.5% | 7.5% |
| International Equity Managers | 11.5% | 7.7% |
| Convertible Security Managers | 22.5% | 5.3% |
| Investment Grade Fixed Income | 22.5% | 2.3% |
| | 100.0% | |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

Discount rate - The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2115. Based on those assumptions, the fiduciary net position of the City's pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and a municipal bond rate was not used in determining the discount rate.

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

| | 1% Decrease 7.50% | Current Discount Rate 8.50% | 1% Increase 9.50% |
|------------------------------|-------------------------|--------------------------------------|-------------------------|
| City's Net Pension Liability | \$ 68,060,613 | \$ 50,692,383 | \$ 35,868,565 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2015 and the current sharing pattern of costs between employer and employee.

Changes in the net pension liability of the City - The changes in the components of the net pension liability of the City for the year ended June 30, 2014 were as follows:

| | Total Pension Liability (TPL) | Fiduciary Net Position (FNP) | Net Pension Liability (NPL) |
|--|--|---|--|
| Balances at June 30, 2013 | \$ 165,074,003 | \$ 104,280,508 | \$ 60,793,495 |
| Changes for the year: | | | |
| Service cost | 2,215,323 | - | 2,215,323 |
| Interest | 13,724,868 | - | 13,724,868 |
| Contributions - employer | - | 4,714,664 | (4,714,664) |
| Contributions - employee | - | 2,332,768 | (2,332,768) |
| Net investment income | - | 19,046,601 | (19,046,601) |
| Benefit payments, including refunds of employee contributions | (11,640,592) | (11,640,592) | - |
| Administrative expense | - | (52,730) | 52,730 |
| Net changes | 4,299,599 | 14,400,711 | (10,101,112) |
| Balances and June 30, 2014 | \$ 169,373,602 | \$ 118,681,219 | \$ 50,692,383 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

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

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

For the year ended June 30, 2015, the City recognized pension expense of \$2,917,681. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ - | \$ 8,304,129 |
| City contributions subsequent to the measurement date | 6,598,141 | - |
| Total | \$ 6,598,141 | \$ 8,304,129 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

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

City contributions subsequent to the measurement date of \$6,598,141 for the Plan are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | <u>Amount</u> |
|----------------------------|----------------|
| 2016 | \$ (2,076,032) |
| 2017 | (2,076,032) |
| 2018 | (2,076,032) |
| 2019 | (2,076,033) |

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2015, is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|---|---------------------------------|----------------------|
| General Fund | Community Development Fund | \$ 86,664 |
| General Fund | Nonmajor Governmental Funds | 1,093,038 |
| General Fund | Sanitary Sewer Fund | 1,705,885 |
| General Fund | Airport Fund | 1,630 |
| General Fund | Light Fund | 1,629,746 |
| General Fund | Nonmajor Enterprise Funds | 3,174,947 |
| General Fund | Internal Service Fund - Utility | 1,246,508 |
| Job Investment Fund | General Fund | 234,403 |
| Nonmajor Governmental Funds | General Fund | 200,326 |
| Storm Water Fund | General Fund | 25,125 |
| Water Fund | General Fund | 292,363 |
| Nonmajor Enterprise Funds | General Fund | 51,885 |
| Storm Water Fund | Sanitary Sewer Fund | 184,941 |
| Nonmajor Governmental Funds | Light Fund | 35,971 |
| Nonmajor Governmental Funds | Nonmajor Enterprise Funds | 411,870 |
| Internal Service Fund - Workers' Comp | General Fund | 431,219 |
| Internal Service Fund - Self-Administered Insurance | General Fund | 20,700 |
| Internal Service Fund - Public Emp Dep | General Fund | 238,035 |
| | | <u>\$ 11,065,256</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

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

Advances to/from other funds result from the use of Public Improvement Fund lease pool proceeds by other funds 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, 2015 is as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------------------|--------------------------|---------------|
| Nonmajor Governmental Funds | Nonmajor Enterprise Fund | \$ 328,682 |
| Nonmajor Governmental Funds | Light Fund | 107,914 |
| | | \$ 436,596 |

Due to/from primary government and component units:

| Receivable Entity | Payable Entity | Amount |
|--------------------------|-----------------------|---------------|
| General Fund | Cehaw Park Authority | \$ 102,000 |

NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund transfers during the fiscal year ended June 30, 2015, were as follows:

| Transfers Out | Transfers In | | | | | | | | | | Total |
|---------------------------------|----------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|----------------------|--------------------------|-------------------------------------|-------------------------------|-----------------------|
| | General Fund | Job Investment Fund | Nonmajor Governmental Funds | Airport Fund | Water Fund | Light Fund | Storm Water Fund | Nonmajor Enterprise Fund | Internal Service Fund Workers' Comp | Internal Service Fund Utility | |
| General Fund | \$ - | \$ - | \$ 1,321,166 | \$ 1,102,020 | \$ 8,972 | \$ 753,623 | \$ - | \$ 3,335,499 | \$ 577,154 | \$ 152,197 | \$ 7,250,631 |
| Nonmajor Governmental Funds | 1,234,295 | - | - | - | - | - | - | - | - | - | 1,234,295 |
| Sanitary Sewer Fund | - | - | - | - | - | - | 18,179,612 | - | - | - | 18,179,612 |
| Water Fund | 994,171 | - | - | - | - | - | - | - | - | - | 994,171 |
| Light Fund | 11,609,081 | 3,171,612 | - | - | - | - | - | - | - | - | 14,780,693 |
| Nonmajor Enterprise Funds | 1,725,721 | - | - | - | 21,139,968 | 32,725,156 | - | 7,533,822 | - | - | 63,124,667 |
| Internal Service Fund - Utility | - | - | - | - | - | - | - | 985,762 | - | - | 985,762 |
| Total | <u>\$ 15,563,268</u> | <u>\$ 3,171,612</u> | <u>\$ 1,321,166</u> | <u>\$ 1,102,020</u> | <u>\$ 21,148,940</u> | <u>\$ 33,478,779</u> | <u>\$ 18,179,612</u> | <u>\$ 11,855,083</u> | <u>\$ 577,154</u> | <u>\$ 152,197</u> | <u>\$ 106,549,831</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.

During the fiscal year ended June 30, 2015, the City separated the operations of Water, Gas and Light into individual funds: Water Fund, Gas Fund, Light Fund, Telecommunication Fund, and Utility Fund (an internal service fund). The above schedule of transfers includes the transfer of Water, Gas and Light net position of \$60,413,183 to the Water Fund in the amount of \$21,139,968, to the Light Fund in the amount of \$32,725,156, to the Gas Fund in the amount of \$622,454, to the Telecommunication Fund in the amount of \$6,911,367, and from the Utility Fund in the amount of \$985,762.

NOTE 9. CONTINGENT LIABILITIES

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CONTINGENT LIABILITIES (CONTINUED)

The City is contingently liable for a \$1,800,000 loan from a local financial institution to the Payroll Development Authority. The outstanding balance of this loan at June 30, 2015, is \$983,904.

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, 2015, 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 \$44,153,453 in 2015.

At June 30, 2015, the outstanding debt of MEAG was approximately \$5.0 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$454 million at June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

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

The Workers' Compensation Fund (an Internal Service Fund) was established to account for and finance uninsured risks of loss for workers' compensation. 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:

| | June 30, 2015 | June 30, 2014 |
|--|----------------------|----------------------|
| Unpaid claims, beginning of year | \$ 764,584 | \$ 935,842 |
| Incurred claims and changes in estimates | 1,524,517 | 550,707 |
| Claim payments | (1,367,293) | (721,965) |
| Unpaid claims, end of year | \$ 921,808 | \$ 764,584 |

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

The Public Employees Deposit Fund (an Internal Service Fund) was established to account for and finance its uninsured risks of loss for group health and major medical insurance. Participants include the primary government. The Public Employee Deposit Fund provides coverage for up to a maximum claim of \$200,000. The City purchases commercial coinsurance for claims in excess of coverage provided by 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:

| | June 30, 2015 | June 30, 2014 |
|--|----------------------|----------------------|
| Unpaid claims, beginning of year | \$ 895,000 | \$ 890,000 |
| Incurred claims and changes in estimates | 10,392,282 | 11,638,805 |
| Claim payments | (10,547,282) | (11,633,805) |
| Unpaid claims, end of year | \$ 740,000 | \$ 895,000 |

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

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:

| | June 30, 2015 | June 30, 2014 |
|--|----------------------|----------------------|
| Unpaid claims, beginning of year | \$ 1,653,174 | \$ 2,404,005 |
| Incurred claims and changes in estimates | 1,093,976 | 342,430 |
| Claim payments | (1,324,400) | (1,093,261) |
| Unpaid claims, end of year | \$ 1,422,750 | \$ 1,653,174 |

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

NOTE 11. RELATED ORGANIZATION

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

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax. Of this percentage, 3.5% is allocated each year to the Chamber of Commerce for use in the promotion of the City. For the fiscal year ended June 30, 2015, \$1,936,155 of hotel/motel tax was collected, and \$725,000, or 42% 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 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Southwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2015, the city paid \$46,778 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

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. 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, 2015, the General Fund's net share of the premiums paid for its 559 retired employees and 71 retired employee's spouses/dependents was \$1,143,717. 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 of 65 before January 13, 2013. The addition of this benefit increased the actuarial accrued liability by \$672,835.

Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2013) is as follows:

| | |
|---|--------------|
| Active employees | 1,114 |
| Retired participants receiving benefits | 559 |
| Spouse/dependent of retired participants receiving benefits | 71 |
| Total membership | <u>1,744</u> |

The City contributed \$1,143,717 to the OPEB Plan in the year ended June 30, 2015. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The City contributed \$1,143,717 to the OPEB Plan in the year ended June 30, 2015. The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Commission. The City Commission establishes and may amend the funding policy for the OPEB Plan. The calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan member to that point. The other postemployment benefit obligation is liquidated by the General Fund.

| | |
|--|----------------------------|
| Annual required employer contribution | \$ 1,809,222 |
| Interest on net OPEB obligation | 164,038 |
| Adjustment to annual required contribution | <u>(156,708)</u> |
| Annual OPEB cost | 1,816,552 |
| Employer contributions for the period ending June 30, 2015 | <u>1,143,717</u> |
| Increase in net OPEB obligation | 672,835 |
| Net OPEB obligation beginning of year | <u>4,100,951</u> |
| Net OPEB obligation end of year | <u><u>\$ 4,773,786</u></u> |

Trend Information

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 |
| 6/30/2014 | 1,815,210 | 59% | 4,100,951 |
| 6/30/2015 | 1,816,553 | 63% | 4,773,786 |

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

As of June 30, 2013, 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 |
|--------------------------------|---------------------------------|--------------------------------|---|-----------------|------------------------------|--|
| 7/1/2013 | \$ - | \$ 26,533,955 | \$ 26,533,955 | - | \$ 44,663,159 | 59.41% |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amount and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2013. The assumptions used in the July 1, 2013 actuarial valuation are as follows:

| | |
|--|-----------------------|
| Valuation date | 7/1/2013 |
| Actuarial cost method | Projected Unit Credit |
| Amortization method | Level Percent of Pay |
| Amortization period | 30 years (Open) |
| Asset valuation method | Market Value |
| Actuarial assumptions: | |
| Investment rate of return (includes inflation) | 4% |
| Inflation | 3% |
| Health Care Trend Rate (pre65) | 8.5% |
| Health Care Trend Rate (post65) | 1.5% |
| Ultimate Health Care Trend Rate | 5% |
| Year of Ultimate Trend Rate | 2018 |

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

The City has determined that restatements to the July 1, 2014 beginning net position of the City's governmental activities and business-type activities were required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified.

This adjustment resulted in a change to the beginning net position of the City's governmental activities and business-type activities as follows:

| | |
|--|------------------------------|
| Governmental activities net position, as previously reported | \$ 160,402,441 |
| Adjustment needed to properly report net pension liability | (41,004,544) |
| Adjustment needed to properly report the City's contributions as deferred outflows of resources | <u>4,753,415</u> |
| Governmental activities net position, as restated for the fiscal year ended June 30, 2014 | <u><u>\$ 124,151,312</u></u> |
| | |
| Business-type activities net position, as previously reported | \$ 196,428,196 |
| Adjustment needed to properly report net pension liability | (19,788,949) |
| Adjustment needed to properly report the City's contributions as deferred outflows of resources | <u>2,294,017</u> |
| Business-type activities net position, as restated for the fiscal year ended June 30, 2014 | <u><u>\$ 178,933,264</u></u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

Additionally, the following proprietary funds were required to record this adjustment, which resulted in a change to the beginning net position as follows:

| | Sanitary Sewer Fund | Airport Fund | Water, Gas and Light Fund | Solid Waste Fund |
|---|------------------------------------|------------------------------|--|-----------------------------|
| Net position, as previously reported | \$ 64,169,115 | \$ 37,661,953 | \$ 70,218,481 | \$ 5,415,181 |
| Adjustment needed to properly report net pension liability | (2,807,270) | (736,333) | (11,091,015) | (1,748,791) |
| Adjustment needed to properly report the City's contributions as deferred outflows of resources | 325,430 | 85,359 | 1,285,717 | 202,727 |
| Net position, as restated for the fiscal year ended June 30, 2014 | \$ 61,687,275 | \$ 37,010,979 | \$ 60,413,183 | \$ 3,869,117 |
| | Transit Fund | Civic Center Fund | Internal Service Public Employee Deposit Fund | |
| Net position, as previously reported | \$ 4,223,531 | \$ 11,293,118 | \$ - | |
| Adjustment needed to properly report net pension liability | (2,485,124) | (920,416) | (46,021) | |
| Adjustment needed to properly report the City's contributions as deferred outflows of resources | 288,086 | 106,698 | 5,335 | |
| Net position, as restated for the fiscal year ended June 30, 2014 | \$ 2,026,493 | \$ 10,479,400 | \$ (40,686) | |

NOTE 16. CHANGE IN REPORTING ENTITY

As of July 1, 2014, the City separated the activity of the Water, Gas and Light Fund into individual funds. The net position of the Water, Gas and Light Fund was transferred to report separately the Water Fund, Light Fund, Gas Fund, Telecommunication Fund, and Utility Fund (an internal service fund).

REQUIRED SUPPLEMENTARY INFORMATION

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

| | 2014 |
|---|-------------------|
| Total Pension Liability - Beginning of Year | \$ 165,074,003 |
| Service Cost | 2,215,323 |
| Interest on the Total Pension Liability | 13,724,868 |
| Benefit Payments | (11,114,494) |
| Refunds of contributions | (526,098) |
| Net Change in Total Pension Liability | <u>4,299,599</u> |
| (a) Total Pension Liability - End of Year | 169,373,602 |
| Plan Fiduciary Net Position - Beginning of Year | 104,280,508 |
| Contributions - Employer | 4,714,664 |
| Contributions - Employee | 2,332,768 |
| Net Investment Income | 19,395,817 |
| Benefit Payments | (11,990,923) |
| Administrative Expenses | (51,615) |
| Net Change in Plan Fiduciary Net Position | <u>14,400,711</u> |
| (b) Plan Fiduciary Net Position - End of Year | 118,681,219 |
| City's Net Pension Liability (a) - (b) | 50,692,383 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.07% |
| Covered-Employee Payroll | 43,658,122 |
| Net Pension Liability as a Percentage of the Covered- Employee Payroll | 116.11% |

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

REQUIRED SUPPLEMENTARY INFORMATION

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

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined employer contribution | \$ 4,339,414 | \$ 4,520,878 | \$ 4,372,222 | \$ 4,338,767 | \$ 4,231,004 |
| Actual employer contributions | 4,339,414 | 4,520,878 | 4,372,222 | 4,338,767 | 4,231,004 |
| Annual contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | 43,658,122 | 43,647,641 | 43,482,571 | 45,257,183 | 43,737,217 |
| Actual contributions as a percentage of employee payroll | 9.94% | 10.36% | 10.06% | 9.59% | 9.67% |

Notes to the Schedule of Employer Contributions

Methods and Assumptions for Actuarially Determined Contribution:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2013 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Asset Valuation Method | 10 Year Smoothed Market Value |
| Amortization Method | Level Percentage of Pay for Plan Participants with Active Membership |
| Remaining Amortization Period | 18 Year Closed Period |
| Actuarial Assumptions: | |
| Investment rate of return | 8.50% net of expense |
| Payroll growth | 4.00% |
| Projected salary increases | 4.00% |
| Expected annual inflation | 3.00% |
| Cost of living adjustments | None |

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

REQUIRED SUPPLEMENTARY INFORMATION

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

| <u>Fiscal Year</u> | <u>Annual Money-Weighted Rate of Return</u> |
|-------------------------------|--|
| 2014 | 18.60% |

REQUIRED SUPPLEMENTARY INFORMATION

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| <u>Year Ending June 30</u> | <u>Annual Required Contribution</u> | <u>Percentage of ARC Contributed</u> |
|--------------------------------|---|--|
| 2013 | \$ 1,673,766 | 42 % |
| 2014 | 1,815,210 | 56 |
| 2015 | 1,809,222 | 63 |

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.

Capital Projects Funds:

Public Improvement Fund

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

CITY OF ALBANY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

| ASSETS | Special Revenue Funds | | | | | | Capital Projects Fund | Total | |
|--|------------------------|-------------------|-------------------|-------------------------------|---------------------|---------------------|------------------------------------|----------------------|-------------------------------|
| | Hotel/ Motel Tax | Grant Fund | ARRA Fund | Computer Aided Dispatch | ADICA | Gortatowsky Fund | Tax Allocation District Fund | | Public Improvement Fund |
| Cash | \$ - | \$ 48,754 | \$ 1,000 | \$ 107,661 | \$ 1,118,490 | \$ - | \$ - | \$ 427,642 | \$ 1,703,547 |
| Investments | - | - | - | - | - | 50,696 | - | 13,743,252 | 13,793,948 |
| Receivables, net of allowance: | | | | | | | | | |
| Taxes | - | - | - | - | - | - | 1,284 | - | 1,284 |
| Accounts | 159,230 | - | 434,080 | 160,275 | - | - | - | - | 753,585 |
| Due from other funds | - | - | - | 200,326 | - | - | - | 447,841 | 648,167 |
| Due from other governments | - | 240,175 | - | - | - | - | - | 95,332 | 335,507 |
| Advance to other funds | - | - | - | - | - | - | - | 436,596 | 436,596 |
| Total assets | \$ 159,230 | \$ 288,929 | \$ 435,080 | \$ 468,262 | \$ 1,118,490 | \$ 50,696 | \$ 1,284 | \$ 15,150,663 | \$ 17,672,634 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ - | \$ 28,860 | \$ 129,029 | \$ 150 | \$ - | \$ - | \$ - | \$ 8,969 | \$ 167,008 |
| Due to other funds | 159,230 | 204,762 | 306,051 | - | - | - | 347,581 | 75,414 | 1,093,038 |
| Due to other governments | - | 8,553 | - | - | - | - | - | - | 8,553 |
| Deferred revenues | - | 46,754 | - | - | - | - | - | 24,915 | 71,669 |
| Total liabilities | 159,230 | 288,929 | 435,080 | 150 | - | - | 347,581 | 109,298 | 1,340,268 |
| FUND BALANCES (DEFICIT) | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Restricted | | | | | | | | | |
| Promotion of tourism | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | 468,112 | - | - | - | - | 468,112 |
| Gortatowsky endowment | - | - | - | - | - | 50,696 | - | - | 50,696 |
| Capital projects | - | - | - | - | 850,855 | - | - | 7,948,176 | 8,799,031 |
| Committed | | | | | | | | | |
| Advance to other funds | - | - | - | - | - | - | - | 436,596 | 436,596 |
| Inner city projects | - | - | - | - | 267,635 | - | - | - | 267,635 |
| Capital projects | - | - | - | - | - | - | - | 6,656,593 | 6,656,593 |
| Unassigned | - | - | - | - | - | - | (346,297) | - | (346,297) |
| Total fund balances (deficit) | - | - | - | 468,112 | 1,118,490 | 50,696 | (346,297) | 15,041,365 | 16,332,366 |
| Total liabilities and fund balances | \$ 159,230 | \$ 288,929 | \$ 435,080 | \$ 468,262 | \$ 1,118,490 | \$ 50,696 | \$ 1,284 | \$ 15,150,663 | \$ 17,672,634 |

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Special Revenue Funds | | | | | | Capital Projects Fund | Total | |
|--|------------------------|-----------------|----------------|-------------------------------|---------------------|---------------------|------------------------------------|----------------------|-------------------------------|
| | Hotel/ Motel Tax | Grant Fund | ARRA Fund | Computer Aided Dispatch | ADICA | Gortatowsky Fund | Tax Allocation District Fund | | Public Improvement Fund |
| Revenues: | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 275,865 | \$ - | \$ 275,865 |
| Other taxes | 1,936,155 | - | - | - | - | - | - | - | 1,936,155 |
| Intergovernmental | - | 400,141 | 426,203 | 85,907 | - | - | - | - | 912,251 |
| Charges for services | - | - | - | 1,419,729 | 1,100 | - | - | - | 1,420,829 |
| Other revenues: | | | | | | | | | |
| Investment income | - | - | - | 9,955 | 201 | 943 | - | 697,211 | 708,310 |
| Other income | - | - | - | 2,969 | 32,498 | - | - | - | 35,467 |
| Total revenues | <u>1,936,155</u> | <u>400,141</u> | <u>426,203</u> | <u>1,518,560</u> | <u>33,799</u> | <u>943</u> | <u>275,865</u> | <u>697,211</u> | <u>5,288,877</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| Public safety | - | 119,355 | - | 2,080,343 | - | - | - | - | 2,199,698 |
| Public works | - | 29,320 | - | - | - | - | - | - | 29,320 |
| Parks and recreation | - | 18,698 | - | - | - | - | - | - | 18,698 |
| Community development | 725,000 | 255,268 | 426,203 | - | 552,656 | - | - | - | 1,959,127 |
| Capital outlay | - | - | - | - | - | - | - | 282,730 | 282,730 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | - | 31,250 | - | 260,000 | - | 291,250 |
| Interest | - | - | - | - | - | - | 72,168 | 517,999 | 590,167 |
| Total expenditures | <u>725,000</u> | <u>422,641</u> | <u>426,203</u> | <u>2,080,343</u> | <u>583,906</u> | <u>-</u> | <u>332,168</u> | <u>800,729</u> | <u>5,370,990</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,211,155</u> | <u>(22,500)</u> | <u>-</u> | <u>(561,783)</u> | <u>(550,107)</u> | <u>943</u> | <u>(56,303)</u> | <u>(103,518)</u> | <u>(82,113)</u> |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | 44,697 | - | - | 350,000 | - | - | 926,469 | 1,321,166 |
| Transfers out | <u>(1,211,155)</u> | <u>(22,197)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(943)</u> | <u>-</u> | <u>-</u> | <u>(1,234,295)</u> |
| Total other financing sources (uses) | <u>(1,211,155)</u> | <u>22,500</u> | <u>-</u> | <u>-</u> | <u>350,000</u> | <u>(943)</u> | <u>-</u> | <u>926,469</u> | <u>86,871</u> |
| Net change in fund balances | - | - | - | (561,783) | (200,107) | - | (56,303) | 822,951 | 4,758 |
| Fund balances (deficit), beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,029,895</u> | <u>1,318,597</u> | <u>50,696</u> | <u>(289,994)</u> | <u>14,218,414</u> | <u>16,327,608</u> |
| Fund balances (deficit), end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 468,112</u> | <u>\$ 1,118,490</u> | <u>\$ 50,696</u> | <u>\$ (346,297)</u> | <u>\$ 15,041,365</u> | <u>\$ 16,332,366</u> |

CITY OF ALBANY, GEORGIA

BUDGETARY COMPLIANCE

Special Revenue Funds

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

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Special Revenue Funds | | | | | |
|--|---------------------------------|--------------------|----------------|---------------------------------|-------------------|---------------------|
| | Hotel/Motel Tax Fund | | | Computer Aided Dispatch Fund | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| Revenues: | | | | | | |
| Taxes | \$ 1,725,000 | \$ 1,936,155 | \$ 211,155 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 84,065 | 85,907 | 1,842 |
| Charges for services | - | - | - | 1,566,891 | 1,419,729 | (147,162) |
| Investment income | - | - | - | 37,492 | 9,955 | (27,537) |
| Other income | - | - | - | - | 2,969 | 2,969 |
| Total revenues | <u>1,725,000</u> | <u>1,936,155</u> | <u>211,155</u> | <u>1,688,448</u> | <u>1,518,560</u> | <u>(169,888)</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public safety | - | - | - | 2,479,018 | 2,080,343 | 398,675 |
| Public works | - | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | 725,000 | 725,000 | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Total expenditures | <u>725,000</u> | <u>725,000</u> | <u>-</u> | <u>2,479,018</u> | <u>2,080,343</u> | <u>398,675</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,000,000</u> | <u>1,211,155</u> | <u>211,155</u> | <u>(790,570)</u> | <u>(561,783)</u> | <u>228,787</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | 790,570 | - | (790,570) |
| Transfers out | (1,000,000) | (1,211,155) | 211,155 | - | - | - |
| Total other financing sources (uses) | <u>(1,000,000)</u> | <u>(1,211,155)</u> | <u>211,155</u> | <u>790,570</u> | <u>-</u> | <u>(790,570)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(561,783)</u> | <u>\$ (561,783)</u> |
| Fund balances (deficit), beginning of year | | - | | | 1,029,895 | |
| Fund balances (deficit), end of year | | <u>\$ -</u> | | | <u>\$ 468,112</u> | |

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Special Revenue Funds | | | | | |
|--|---------------------------------|-----------------|-----------------|---------------------------------|----------------|------------------|
| | Grant Fund | | | ARRA Fund | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 393,419 | 400,141 | 6,722 | 1,080,500 | 426,203 | (654,297) |
| Charges for services | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| Other income | - | - | - | - | - | - |
| Total revenues | <u>393,419</u> | <u>400,141</u> | <u>6,722</u> | <u>1,080,500</u> | <u>426,203</u> | <u>(654,297)</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public safety | 127,910 | 119,355 | 8,555 | - | - | - |
| Public works | 28,820 | 29,320 | (500) | - | - | - |
| Parks and recreation | 25,000 | 18,698 | 6,302 | - | - | - |
| Community development | 211,689 | 255,268 | (43,579) | 1,080,500 | 426,203 | 654,297 |
| Debt service | - | - | - | - | - | - |
| Total expenditures | <u>393,419</u> | <u>422,641</u> | <u>(29,222)</u> | <u>1,080,500</u> | <u>426,203</u> | <u>654,297</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(22,500)</u> | <u>(22,500)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 44,697 | 44,697 | - | - | - |
| Transfers out | - | (22,197) | (22,197) | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>22,500</u> | <u>22,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balances (deficit), beginning of year | | <u>-</u> | | | <u>-</u> | |
| Fund balances (deficit), end of year | | <u>\$ -</u> | | | <u>\$ -</u> | |

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Special Revenue Funds | | | | | |
|--|---------------------------------|---------------------|------------------|---------------------------------|------------------|--------------|
| | Tax Allocation District Fund | | | Gortatowsky Fund | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| Revenues: | | | | | | |
| Taxes | \$ 250,000 | \$ 275,865 | \$ 25,865 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Investment income | - | - | - | - | 943 | 943 |
| Other income | - | - | - | - | - | - |
| Total revenues | <u>250,000</u> | <u>275,865</u> | <u>25,865</u> | <u>-</u> | <u>943</u> | <u>943</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | - | - | - | - | - | - |
| Debt service | 333,118 | 332,168 | 950 | - | - | - |
| Total expenditures | <u>333,118</u> | <u>332,168</u> | <u>950</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(83,118)</u> | <u>(56,303)</u> | <u>26,815</u> | <u>-</u> | <u>943</u> | <u>943</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | (943) | (943) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(943)</u> | <u>(943)</u> |
| Net change in fund balances | <u>\$ (83,118)</u> | <u>(56,303)</u> | <u>\$ 26,815</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balances (deficit), beginning of year | | <u>(289,994)</u> | | | <u>50,696</u> | |
| Fund balances (deficit), end of year | | <u>\$ (346,297)</u> | | | <u>\$ 50,696</u> | |

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Special Revenue Fund | | |
|--|---------------------------------|---------------------|-------------------|
| | ADICA | | |
| | Original and Final Budget | Actual | Variance |
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - |
| Charges for services | 1,300 | 1,100 | (200) |
| Investment income | 100 | 201 | 101 |
| Other income | - | 32,498 | 32,498 |
| Total revenues | <u>1,400</u> | <u>33,799</u> | <u>32,399</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | - | - | - |
| Public works | - | - | - |
| Parks and recreation | - | - | - |
| Community development | 1,251,626 | 552,656 | 698,970 |
| Debt service | - | 31,250 | (31,250) |
| Total expenditures | <u>1,251,626</u> | <u>583,906</u> | <u>667,720</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,250,226)</u> | <u>(550,107)</u> | <u>700,119</u> |
| Other financing sources: | | | |
| Transfers in | 350,000 | 350,000 | - |
| Transfers out | - | - | - |
| Total other financing sources | <u>350,000</u> | <u>350,000</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (900,226)</u> | <u>(200,107)</u> | <u>\$ 700,119</u> |
| Fund balances (deficit), beginning of year | | <u>1,318,597</u> | |
| Fund balances (deficit), end of year | | <u>\$ 1,118,490</u> | |

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS JUNE 30, 2015

- Transit Fund** - To account for the provision of transit service to the residents of the City. All activities necessary to provide such services are accounted for in this fund.
- Civic Center Fund** - To account for the operations of the James H. Gray Civic Center and the City's municipal auditorium. All activities necessary to provide such services are accounted for in this fund.
- Solid Waste Fund** - To account for the provisions of solid waste collection and disposal services to the residents of the City.
- Gas Fund** - To account for the provisions of gas services to the residents of the City.
- Telecommunications Fund** - To finance and account for the cost of providing telecommunication services to customers of the City. All activities necessary to provide such services are accounted for in this fund.

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2015

Water, Gas and Light Fund

- To account for the provision of utility services to the residents of the City.

| | Transit Fund | Civic Center Fund | Solid Waste Fund | Gas Fund | Telecommunication Fund | Water, Gas and Light Fund | Totals |
|---|------------------|-------------------------|------------------------|------------------|---------------------------|---------------------------------|-------------------|
| ASSETS | | | | | | | |
| CURRENT ASSETS | | | | | | | |
| Cash | \$ - | \$ 8,000 | \$ 2,909,196 | \$ 1,988,652 | \$ 341,395 | \$ - | \$ 5,247,243 |
| Investments | - | - | 1,365,104 | - | - | - | 1,365,104 |
| Accounts receivable, net of allowances | - | 12,165 | 1,307,777 | 1,317,449 | 699,734 | - | 3,337,125 |
| Inventories | 217,236 | - | - | 173,799 | 374,891 | - | 765,926 |
| Due from other funds | - | - | - | 51,885 | - | - | 51,885 |
| Due from other governments | 1,276,235 | - | - | - | - | - | 1,276,235 |
| Total current assets | <u>1,493,471</u> | <u>20,165</u> | <u>5,582,077</u> | <u>3,531,785</u> | <u>1,416,020</u> | <u>-</u> | <u>12,043,518</u> |
| NONCURRENT ASSETS | | | | | | | |
| Capital assets | | | | | | | |
| Non-depreciable | 231,403 | 2,849,761 | 907,035 | 172,663 | 110,091 | - | 4,270,953 |
| Depreciable, net of accumulated depreciation | 3,641,246 | 8,152,230 | 1,786,838 | 3,104,198 | 6,374,531 | - | 23,059,043 |
| Total noncurrent assets | <u>3,872,649</u> | <u>11,001,991</u> | <u>2,693,873</u> | <u>3,276,861</u> | <u>6,484,622</u> | <u>-</u> | <u>27,329,996</u> |
| Total assets | <u>5,366,120</u> | <u>11,022,156</u> | <u>8,275,950</u> | <u>6,808,646</u> | <u>7,900,642</u> | <u>-</u> | <u>39,373,514</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| City contributions subsequent to the measurement date | 289,816 | 120,757 | 173,890 | 91,775 | 38,642 | - | 714,880 |
| Total deferred outflows of resources | <u>289,816</u> | <u>120,757</u> | <u>173,890</u> | <u>91,775</u> | <u>38,642</u> | <u>-</u> | <u>714,880</u> |

(Continued)

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2015

| | Transit Fund | Civic Center Fund | Solid Waste Fund | Gas Fund | Telecommunication Fund | Water, Gas and Light Fund | Totals |
|--|---------------------|-------------------------|------------------------|---------------------|---------------------------|---------------------------------|----------------------|
| LIABILITIES | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Accounts payable | \$ 72,865 | \$ 62,411 | \$ 288,433 | \$ 554,891 | \$ 570,693 | \$ - | \$ 1,549,293 |
| Current portion - compensated absences | 86,952 | 49,738 | 132,755 | 94,598 | 17,733 | - | 381,776 |
| Due to other funds | 1,276,235 | - | 1,287,902 | - | 1,022,680 | - | 3,586,817 |
| Advanced payments and customer deposits | - | 18,391 | - | - | - | - | 18,391 |
| Unearned revenue | 56,183 | - | - | - | - | - | 56,183 |
| Total current liabilities | <u>1,492,235</u> | <u>130,540</u> | <u>1,709,090</u> | <u>649,489</u> | <u>1,611,106</u> | <u>-</u> | <u>5,592,460</u> |
| LONG-TERM LIABILITIES | | | | | | | |
| Compensated absences, net of current portion | 9,661 | 5,527 | 14,751 | 10,511 | 1,970 | - | 42,420 |
| Advance from other funds | - | - | 328,682 | - | - | - | 328,682 |
| Other long-term liabilities | - | - | - | 1,348,581 | - | - | 1,348,581 |
| Net pension liability | 2,226,556 | 927,732 | 1,335,934 | 705,076 | 296,874 | - | 5,492,172 |
| Total long-term liabilities | <u>2,236,217</u> | <u>933,259</u> | <u>1,679,367</u> | <u>2,064,168</u> | <u>298,844</u> | <u>-</u> | <u>7,211,855</u> |
| Total liabilities | <u>3,728,452</u> | <u>1,063,799</u> | <u>3,388,457</u> | <u>2,713,657</u> | <u>1,909,950</u> | <u>-</u> | <u>12,804,315</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Net difference between projected and actual earnings on pension plan investments | 364,749 | 151,979 | 218,850 | 115,504 | 48,633 | - | 899,715 |
| Total deferred inflows of resources | <u>364,749</u> | <u>151,979</u> | <u>218,850</u> | <u>115,504</u> | <u>48,633</u> | <u>-</u> | <u>899,715</u> |
| NET POSITION | | | | | | | |
| Net investment in capital assets | 3,872,649 | 11,001,991 | 2,693,873 | 3,276,861 | 6,484,622 | - | 27,329,996 |
| Unrestricted (deficit) | (2,309,914) | (1,074,856) | 2,148,660 | 794,399 | (503,921) | - | (945,632) |
| Total net position | <u>\$ 1,562,735</u> | <u>\$ 9,927,135</u> | <u>\$ 4,842,533</u> | <u>\$ 4,071,260</u> | <u>\$ 5,980,701</u> | <u>\$ -</u> | <u>\$ 26,384,364</u> |

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Transit Fund | Civic Center Fund | Solid Waste Fund | Gas Fund | Telecommunication Fund | Water, Gas and Light Fund | Totals |
|---|---------------------|-------------------------|------------------------|---------------------|---------------------------|---------------------------------|----------------------|
| Operating revenues: | | | | | | | |
| Charges for services | \$ 581,488 | \$ 307,969 | \$ 9,854,717 | \$ 15,453,554 | \$ 2,736,114 | \$ - | \$ 28,933,842 |
| Other | - | - | - | 160 | 1,578 | - | 1,738 |
| Total operating revenues | <u>581,488</u> | <u>307,969</u> | <u>9,854,717</u> | <u>15,453,714</u> | <u>2,737,692</u> | <u>-</u> | <u>28,935,580</u> |
| Operating expenses: | | | | | | | |
| Personnel costs | 2,357,261 | 1,130,035 | 1,883,703 | 931,729 | 630,264 | - | 6,932,992 |
| Supplies | 50,204 | 86,690 | 84,294 | 107,638 | 105,249 | - | 434,075 |
| Operating services and charges | 938,392 | 483,568 | 5,803,054 | 9,672,183 | 1,908,908 | - | 18,806,105 |
| Maintenance and repairs | 689,775 | 134,518 | 587,541 | 19,037 | 25,009 | - | 1,455,880 |
| Depreciation | 502,772 | 479,771 | 462,762 | 227,262 | 497,224 | - | 2,169,791 |
| Total operating expenses | <u>4,538,404</u> | <u>2,314,582</u> | <u>8,821,354</u> | <u>10,957,849</u> | <u>3,166,654</u> | <u>-</u> | <u>29,798,843</u> |
| Operating income (loss) | <u>(3,956,916)</u> | <u>(2,006,613)</u> | <u>1,033,363</u> | <u>4,495,865</u> | <u>(428,962)</u> | <u>-</u> | <u>(863,263)</u> |
| Nonoperating revenues (expenses): | | | | | | | |
| Interest income | - | - | 40,328 | - | 738 | - | 41,066 |
| Intergovernmental - operating grants | 1,049,408 | - | - | - | - | - | 1,049,408 |
| Gain (loss) on sale of assets | (10,419) | - | (100,275) | (39,184) | (373,314) | - | (523,192) |
| Total nonoperating revenues (expenses) | <u>1,038,989</u> | <u>-</u> | <u>(59,947)</u> | <u>(39,184)</u> | <u>(372,576)</u> | <u>-</u> | <u>567,282</u> |
| Income (loss) before capital contributions and transfers | <u>(2,917,927)</u> | <u>(2,006,613)</u> | <u>973,416</u> | <u>4,456,681</u> | <u>(801,538)</u> | <u>-</u> | <u>(295,981)</u> |
| Capital contributions | | | | | | | |
| Intergovernmental - capital grants | 619,645 | - | - | - | - | - | 619,645 |
| Other capital contributions | 301,159 | - | - | 240,932 | - | - | 542,091 |
| Total capital contributions | <u>920,804</u> | <u>-</u> | <u>-</u> | <u>240,932</u> | <u>-</u> | <u>-</u> | <u>1,161,736</u> |
| Transfers | | | | | | | |
| Transfers in | 1,746,576 | 1,454,348 | - | 667,312 | 7,001,084 | 985,762 | 11,855,082 |
| Transfers out | (213,211) | - | - | (1,293,665) | (218,845) | (61,398,945) | (63,124,666) |
| Total transfers | <u>1,533,365</u> | <u>1,454,348</u> | <u>-</u> | <u>(626,353)</u> | <u>6,782,239</u> | <u>(60,413,183)</u> | <u>(51,269,584)</u> |
| Change in net position | <u>(463,758)</u> | <u>(552,265)</u> | <u>973,416</u> | <u>4,071,260</u> | <u>5,980,701</u> | <u>(60,413,183)</u> | <u>(50,403,829)</u> |
| Total net position, beginning of year, as restated | <u>2,026,493</u> | <u>10,479,400</u> | <u>3,869,117</u> | <u>-</u> | <u>-</u> | <u>60,413,183</u> | <u>76,788,193</u> |
| Total net position, end of year | <u>\$ 1,562,735</u> | <u>\$ 9,927,135</u> | <u>\$ 4,842,533</u> | <u>\$ 4,071,260</u> | <u>\$ 5,980,701</u> | <u>\$ -</u> | <u>\$ 26,384,364</u> |

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Transit Fund | Civic Center Fund | Solid Waste Fund | Gas Fund | Telecommunication Fund | Water, Gas and Light Fund | Totals |
|--|-----------------|-------------------------|------------------------|---------------|---------------------------|---------------------------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from customers | \$ 581,488 | \$ 309,448 | \$ 8,583,539 | \$ 14,136,265 | \$ 2,037,958 | \$ - | \$ 25,648,698 |
| Payments to suppliers | (1,508,189) | (576,495) | (3,999,442) | (9,364,542) | (800,981) | - | (16,249,649) |
| Payments to employees | (2,280,413) | (1,187,301) | (2,151,819) | (975,955) | (526,828) | - | (7,122,316) |
| Net cash provided by (used in) operating activities | (3,207,114) | (1,454,348) | 2,432,278 | 3,795,768 | 710,149 | - | 2,276,733 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Transfers in | 1,746,576 | 1,454,348 | - | 185,498 | 969,345 | - | 4,355,767 |
| Transfers out | (213,211) | - | - | (1,293,665) | (218,845) | (3,739,589) | (5,465,310) |
| Operating grants received | 1,049,408 | - | - | - | - | - | 1,049,408 |
| Payments for environmental remediation obligations | - | - | - | (46,908) | - | - | (46,908) |
| Net cash provided by (used in) noncapital financing activities | 2,582,773 | 1,454,348 | - | (1,155,075) | 750,500 | (3,739,589) | (107,043) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Acquisition and construction of capital assets | - | - | - | (653,736) | (1,119,992) | - | (1,773,728) |
| Advance to other funds | - | - | (193,525) | - | - | - | (193,525) |
| Proceeds from sale of capital assets | 4,696 | - | 57,079 | 1,695 | - | - | 63,470 |
| Capital grants received | 619,645 | - | - | - | - | - | 619,645 |
| Net cash provided by (used in) capital and related financing activities | 624,341 | - | (136,446) | (652,041) | (1,119,992) | - | (1,284,138) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Maturities of investments | - | - | 573,036 | - | - | - | 573,036 |
| Interest on investments | - | - | 40,328 | - | 738 | - | 41,066 |
| Net cash provided by investing activities | - | - | 613,364 | - | 738 | - | 614,102 |

(Continued)

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Transit Fund | Civic Center Fund | Solid Waste Fund | Gas Fund | Telecommunication Fund | Water, Gas and Light Fund | Totals |
|--|-----------------------|-------------------------|------------------------|---------------------|---------------------------|---------------------------------|---------------------|
| Increase (decrease) in cash and cash equivalents | \$ - | \$ - | \$ 2,909,196 | \$ 1,988,652 | \$ 341,395 | \$ (3,739,589) | \$ 1,499,654 |
| Cash and cash equivalents: | | | | | | | |
| Beginning of year | - | 8,000 | - | - | - | 3,739,589 | 3,747,589 |
| End of year | <u>\$ -</u> | <u>\$ 8,000</u> | <u>\$ 2,909,196</u> | <u>\$ 1,988,652</u> | <u>\$ 341,395</u> | <u>\$ -</u> | <u>\$ 5,247,243</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | | | | |
| Operating income (loss) | \$ (3,956,916) | \$ (2,006,613) | \$ 1,033,363 | \$ 4,495,865 | \$ (428,962) | \$ - | \$ (863,263) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | |
| Depreciation | 502,772 | 479,771 | 462,762 | 227,262 | 497,224 | - | 2,169,791 |
| (Increase) decrease in account receivable | - | 274 | (1,271,178) | (1,317,449) | (699,734) | - | (3,288,087) |
| (Increase) decrease in inventories | 170,182 | - | - | (173,799) | (374,891) | - | (378,508) |
| (Increase) decrease in due from other funds | - | - | 2,069,181 | (51,885) | - | - | 2,017,296 |
| Increase in due from other governments | (610,555) | - | - | - | - | - | (610,555) |
| (Increase) decrease in contributions subsequent to the measurement date | (1,730) | (14,059) | 28,837 | 9,589 | (11,967) | - | 10,670 |
| Increase (decrease) in accounts payable and other liabilities | (27,603) | (57,266) | (291,252) | 660,000 | 590,396 | - | 874,275 |
| Increase (decrease) in due to other funds | 610,555 | (16,955) | 594,572 | - | 1,022,680 | - | 2,210,852 |
| Increase in unearned revenues | - | 1,205 | - | - | - | - | 1,205 |
| Increase (decrease) in net pension liability | (258,568) | 7,316 | (412,857) | (169,319) | 66,770 | - | (766,658) |
| Increase in net difference between projected and actual earnings on pension plan investments | 364,749 | 151,979 | 218,850 | 115,504 | 48,633 | - | 899,715 |
| Net cash provided by (used in) operating activities | <u>\$ (3,207,114)</u> | <u>\$ (1,454,348)</u> | <u>\$ 2,432,278</u> | <u>\$ 3,795,768</u> | <u>\$ 710,149</u> | <u>\$ -</u> | <u>\$ 2,276,733</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | |
| Contributions of capital assets from outside sources | \$ - | \$ - | \$ - | \$ 240,932 | \$ - | \$ - | \$ 240,932 |
| Contributions of capital assets from governmental activities | 301,159 | - | - | - | - | - | 301,159 |
| Total noncash investing, capital and financing activities | <u>\$ 301,159</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 240,932</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 542,091</u> |

CITY OF ALBANY, GEORGIA

INTERNAL SERVICE FUNDS

- Self-Administered Insurance Fund** - To account for the funding of self-insurance and payment of claims and judgments against the City.
- Public Employees Deposit Fund** - To account for employer and employee contributions to be used for the payment of employee health claims.
- Workers' Compensation Fund** - To account for the accumulation of resources for future workers' compensation claims.
- Utility Fund** - To account for the accumulation of resources for administrative services related to utility activities of the City.

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

| | Self-Administered Insurance Fund | Public Employee Deposit Fund | Workers' Compensation Fund | Utility Fund | Totals |
|---|--|------------------------------------|----------------------------------|------------------|-------------------|
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash | \$ 373,502 | \$ 1,124,663 | \$ 60,810 | \$ 1,885,398 | \$ 3,444,373 |
| Investments | 4,234,285 | - | 402,518 | 2,495,032 | 7,131,835 |
| Accounts receivable | 9,312 | 271,821 | 26,834 | 406,122 | 714,089 |
| Due from other funds | 20,700 | 238,035 | 431,219 | - | 689,954 |
| | <u>4,637,799</u> | <u>1,634,519</u> | <u>921,381</u> | <u>4,786,552</u> | <u>11,980,251</u> |
| NONCURRENT ASSETS | | | | | |
| Capital assets | | | | | |
| Non-depreciable | - | - | - | 390,040 | 390,040 |
| Depreciable, net of accumulated depreciation | - | - | - | 3,410,591 | 3,410,591 |
| Total noncurrent assets | - | - | - | 3,800,631 | 3,800,631 |
| Total assets | <u>4,637,799</u> | <u>1,634,519</u> | <u>921,381</u> | <u>8,587,183</u> | <u>15,780,882</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| City contributions subsequent to the measurement date | - | 4,830 | - | 671,407 | 676,237 |
| Total deferred outflows of resources | <u>-</u> | <u>4,830</u> | <u>-</u> | <u>671,407</u> | <u>676,237</u> |

(Continued)

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

| | Self-Administered Insurance Fund | Public Employee Deposit Fund | Workers' Compensation Fund | Utility Fund | Totals |
|---|--|------------------------------------|----------------------------------|-----------------------|---------------------|
| LIABILITIES | | | | | |
| CURRENT LIABILITIES | | | | | |
| Accounts payable | 27,327 | 395,750 | 2,179 | 365,166 | 790,422 |
| Accrued liabilities | - | - | - | 370,995 | 370,995 |
| Claims payable | 1,422,750 | 740,000 | 921,808 | - | 3,084,558 |
| Current portion - compensated absences | - | - | - | 716,702 | 716,702 |
| Due to other funds | - | - | - | 1,246,508 | 1,246,508 |
| Total current liabilities | <u>1,450,077</u> | <u>1,135,750</u> | <u>923,987</u> | <u>2,699,371</u> | <u>6,209,185</u> |
| NONCURRENT LIABILITIES | | | | | |
| Compensated absences, net of current portion | - | - | - | 79,634 | 79,634 |
| Customer deposits | - | - | - | 2,358,858 | 2,358,858 |
| Net pension liability | - | 37,109 | - | 5,158,189 | 5,195,298 |
| Total long-term liabilities | <u>-</u> | <u>37,109</u> | <u>-</u> | <u>7,596,681</u> | <u>7,633,790</u> |
| Total liabilities | <u>1,450,077</u> | <u>1,172,859</u> | <u>923,987</u> | <u>10,296,052</u> | <u>13,842,975</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Net difference between projected and actual earnings on pension plan investments | - | 6,079 | - | 845,003 | 851,082 |
| Total deferred inflows of resources | <u>-</u> | <u>6,079</u> | <u>-</u> | <u>845,003</u> | <u>851,082</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | - | - | - | 3,800,631 | 3,800,631 |
| Unrestricted (deficit) | <u>3,187,722</u> | <u>460,411</u> | <u>(2,606)</u> | <u>(5,683,096)</u> | <u>(2,037,569)</u> |
| Total net position (deficit) | <u>\$ 3,187,722</u> | <u>\$ 460,411</u> | <u>\$ (2,606)</u> | <u>\$ (1,882,465)</u> | <u>\$ 1,763,062</u> |

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Self-Administered Insurance Fund | Public Employee Deposit Fund | Workers' Compensation Fund | Utility Fund | Totals |
|---|--|------------------------------------|----------------------------------|-----------------------|---------------------|
| Operating revenues: | | | | | |
| Charges for services | \$ 2,313,588 | \$ 13,808,916 | \$ 1,348,083 | \$ 13,266,784 | \$ 30,737,371 |
| Other | 83 | - | 198,282 | 30,906 | 229,271 |
| Total operating revenues | <u>2,313,671</u> | <u>13,808,916</u> | <u>1,546,365</u> | <u>13,297,690</u> | <u>30,966,642</u> |
| Operating expenses: | | | | | |
| Personnel costs | - | 19,126 | - | 8,177,444 | 8,196,570 |
| General and administrative | 294,710 | 2,896,411 | 605,201 | - | 3,796,322 |
| Supplies | - | - | - | 772,882 | 772,882 |
| Operating services and charges | - | - | - | 3,412,657 | 3,412,657 |
| Maintenance and repairs | - | - | - | 335,260 | 335,260 |
| Depreciation and amortization | - | - | - | 1,219,949 | 1,219,949 |
| Claims and damages | 1,093,976 | 10,392,282 | 1,524,517 | - | 13,010,775 |
| Total operating expenses | <u>1,388,686</u> | <u>13,307,819</u> | <u>2,129,718</u> | <u>13,918,192</u> | <u>30,744,415</u> |
| Operating income (loss) | 924,985 | 501,097 | (583,353) | (620,502) | 222,227 |
| Nonoperating revenues (expenses): | | | | | |
| Investment income | 59,462 | - | 5,034 | 12,733 | 77,229 |
| Loss on sale of assets | - | - | - | (441,131) | (441,131) |
| Total nonoperating revenues (expenses) | <u>59,462</u> | <u>-</u> | <u>5,034</u> | <u>(428,398)</u> | <u>(363,902)</u> |
| Income (loss) before transfers | <u>984,447</u> | <u>501,097</u> | <u>(578,319)</u> | <u>(1,048,900)</u> | <u>(141,675)</u> |
| Transfers | | | | | |
| Transfers in | - | - | 577,154 | 152,197 | 729,351 |
| Transfers out | - | - | - | (985,762) | (985,762) |
| Total transfers | <u>-</u> | <u>-</u> | <u>577,154</u> | <u>(833,565)</u> | <u>(256,411)</u> |
| Change in net position | 984,447 | 501,097 | (1,165) | (1,882,465) | (398,086) |
| Net position (deficit), beginning of year, as restated | <u>2,203,275</u> | <u>(40,686)</u> | <u>(1,441)</u> | <u>-</u> | <u>2,161,148</u> |
| Net position (deficit), end of year | <u>\$ 3,187,722</u> | <u>\$ 460,411</u> | <u>\$ (2,606)</u> | <u>\$ (1,882,465)</u> | <u>\$ 1,763,062</u> |

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Self-Administered Insurance Fund | Public Employee Deposit Fund | Workers' Compensation Fund | Utility Fund | Totals |
|---|--|------------------------------------|----------------------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from other funds | \$ 562,123 | \$ 14,211,736 | \$ 1,471,062 | \$ - | \$ 16,244,921 |
| Receipts from customers | - | - | - | 12,891,568 | 12,891,568 |
| Payments to suppliers | - | - | - | (179,272) | (179,272) |
| Payments to employees | - | (22,914) | - | (6,728,200) | (6,751,114) |
| Claims paid | (1,072,574) | (10,391,234) | (1,948,398) | - | (13,412,206) |
| Premiums paid | (336,121) | (2,896,411) | (48,172) | - | (3,280,704) |
| Net cash provided by (used in) operating activities | (846,572) | 901,177 | (525,508) | 5,984,096 | 5,513,193 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers in | - | - | 577,154 | 5,243,211 | 5,820,365 |
| Transfers out | - | - | - | (6,332,166) | (6,332,166) |
| Net cash provided by (used in) noncapital financing activities | - | - | 577,154 | (1,088,955) | (511,801) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition and construction of capital assets | - | - | - | (119,652) | (119,652) |
| Principal paid on capital lease payable | - | - | - | (412,137) | (412,137) |
| Proceeds from sale of capital assets | - | - | - | 4,345 | 4,345 |
| Net cash used in capital and related financing activities | - | - | - | (527,444) | (527,444) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchases of investments | - | - | - | (2,495,032) | (2,495,032) |
| Investment income | 59,462 | - | 5,034 | 12,733 | 77,229 |
| Net cash provided by investing activities | 59,462 | - | 5,034 | (2,482,299) | (2,417,803) |
| Increase (decrease) in cash and cash equivalents | (787,110) | 901,177 | 56,680 | 1,885,398 | 2,056,145 |
| Cash and cash equivalents: | | | | | |
| Beginning of year | 1,160,612 | 223,486 | 4,130 | - | 1,388,228 |
| End of year | <u>\$ 373,502</u> | <u>\$ 1,124,663</u> | <u>\$ 60,810</u> | <u>\$ 1,885,398</u> | <u>\$ 3,444,373</u> |

(Continued)

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Self-Administered Insurance Fund | Public Employee Deposit Fund | Workers' Compensation Fund | Utility Fund | Totals |
|--|--|------------------------------------|----------------------------------|---------------------|---------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) | | | | | |
| TO NET CASH PROVIDED BY (USED IN) | | | | | |
| OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ 924,985 | \$ 501,097 | \$ (583,353) | \$ (620,502) | \$ 222,227 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation and amortization | - | - | - | 1,219,949 | 1,219,949 |
| Changes in assets and liabilities: | | | | | |
| Increase in investment pool | (1,585,415) | - | (390,869) | - | (1,976,284) |
| (Increase) decrease in accounts receivable | (8,304) | 29,669 | (11,170) | (406,122) | (395,927) |
| (Increase) decrease in due from other funds | (20,700) | 373,151 | (431,219) | - | (78,768) |
| Decrease in prepaid expenses | 251,826 | - | 24,096 | - | 275,922 |
| (Increase) decrease in contributions subsequent to the measurement date | - | 505 | - | (57,891) | (57,386) |
| (Increase) decrease in accounts payable and other liabilities | (41,411) | 156,048 | (48,172) | 3,891,355 | 3,957,820 |
| (Increase) decrease in claims payable | (230,424) | (155,000) | 157,224 | - | (228,200) |
| Decrease in accrued expenses | - | (1,460) | - | - | (1,460) |
| (Increase) decrease in due to other funds | (137,129) | - | 757,955 | 1,246,508 | 1,867,334 |
| Decrease in net pension liability | - | (8,912) | - | (134,204) | (143,116) |
| Increase in net difference between projected and actual earnings on pension plan investments | - | 6,079 | - | 845,003 | 851,082 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by (used in) operating activities | <u>\$ (846,572)</u> | <u>\$ 901,177</u> | <u>\$ (525,508)</u> | <u>\$ 5,984,096</u> | <u>\$ 5,513,193</u> |

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2010 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Project | Estimated Cost | | Expenditures | | Cumulative Total |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|
| | Original | Current | Prior Years | Current Year | |
| | \$ 3,992,000 | \$ 3,992,000 | \$ 3,260,879 | \$ 980,056 | \$ 4,240,935 |
| 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 | 5,992,513 | 3,316,175 | 9,308,688 |
| Public Safety Improvements & Equipment | 9,086,284 | 9,086,284 | 8,151,113 | 280,274 | 8,431,387 |
| Alley Paving Improvements | 3,684,216 | 3,684,216 | - | - | - |
| Information Technology Improvements | 1,500,000 | 1,500,000 | 420,427 | 548,709 | 969,136 |
| Riverfront Development Improvements | 250,000 | 250,000 | - | - | - |
| Transit System Improvements & Equipment | 4,380,000 | 4,380,000 | 10,989 | 270,918 | 281,907 |
| 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 | 580 | 6,148 | 6,728 |
| New Senior Center | 3,000,000 | 3,000,000 | 3,292,382 | - | 3,292,382 |
| Chehaw Park Improvements | 1,750,000 | 1,750,000 | 490,501 | 466,185 | 956,686 |
| Community Swimming Pool - East Albany | 1,000,000 | 1,000,000 | - | - | - |
| Thronateeska Improvements | 2,000,000 | 2,000,000 | 2,016,610 | 74,859 | 2,091,469 |
| Chamber of Commerce Improvements | 85,000 | 85,000 | 85,000 | - | 85,000 |
| Debt Service - Interest on SPLOST bonds | - | - | 860,571 | 356,350 | 1,216,921 |
| Total | <u>\$ 62,720,000</u> | <u>\$ 62,720,000</u> | <u>\$ 24,581,565</u> | <u>\$ 6,299,674</u> | <u>\$ 30,881,239</u> |

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2005 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| 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 | 5,994,710 | 567,331 | 6,562,041 |
| 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 | 6,683,859 | - | 6,683,859 |
| Recreation | 5,000,000 | 5,000,000 | 5,091,062 | - | 5,091,062 |
| 800 MHZ Radio Upgrade, Tower | 6,800,000 | 6,800,000 | 6,710,179 | 8,511 | 6,718,690 |
| GPS/GIS Information Infrastructure Mapping | 1,500,000 | 1,500,000 | 1,194,297 | 155,807 | 1,350,104 |
| Fire Training Facility | 1,500,000 | 1,500,000 | 3,225,056 | - | 3,225,056 |
| 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 | 5,053,009 | 117,239 | 5,170,248 |
| Thronateeska Improvements | 3,500,000 | 3,900,400 | 3,928,873 | - | 3,928,873 |
| 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 | 1,025,300 | 77,181 | 1,102,481 |
| Debt Service - Principal on SPLOST bonds | - | - | 14,000,000 | - | 14,000,000 |
| Debt Service - Interest on SPLOST bonds | - | - | 1,997,221 | - | 1,997,221 |
| Total | \$ 65,873,200 | \$ 65,873,200 | \$ 72,718,653 | \$ 926,069 | \$ 73,644,722 |

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2000 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 1995 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Project | Estimated Cost | | Expenditures | | Cumulative Total |
|---|----------------------|----------------------|----------------------|-----------------|----------------------|
| | Original | Current | Prior Years | Current Year | |
| 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 |
| Total | <u>\$ 39,550,000</u> | <u>\$ 39,550,000</u> | <u>\$ 48,639,097</u> | <u>\$ -</u> | <u>\$ 48,639,097</u> |

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 1990 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Project | Estimated Cost | | Expenditures | | Cumulative Total |
|----------------------|--------------------------|---------------|----------------|-----------------|---------------------|
| | Original | Current | Prior Years | Current Year | |
| | Chehaw Park Improvements | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 | |
| Albany Street Lights | 2,500,000 | 2,500,000 | 1,784,748 | 143,037 | 1,927,785 |
| Conference Center | 2,500,000 | 2,500,000 | 302,227 | - | 302,227 |
| Total | \$ 11,000,000 | \$ 11,000,000 | \$ 8,086,975 | \$ 143,037 | \$ 8,230,012 |

Expenditures per above schedules:

| | |
|-----------------------------|--------------|
| 2010 Special City Sales Tax | \$ 6,299,674 |
| 2005 Special City Sales Tax | 926,069 |
| 1990 Special City Sales Tax | 143,037 |
| | \$ 7,368,780 |

Expenditures per Statement of

| | |
|------------------------------------|---------------|
| Revenue, Expenditures and | |
| Changes in Fund Balance | \$ 12,412,987 |
| Less expenditures of LMIG funds | (659,672) |
| Less reimbursement of expenditures | |
| by Dougherty County | (584,535) |
| Principal on debt obligations | (3,800,000) |
| Expenditures per SPLOST Fund: | \$ 7,368,780 |

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION (UNAUDITED)

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> |
|---|--------------------|
| Financial Trends | 140 - 143 |
| <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> | |
| Revenue Capacity | 144 - 153 |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i> | |
| Debt Capacity | 154 - 158 |
| <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> | |
| Demographic and Economic Information | 159 and 160 |
| <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> | |
| Operating Information | 161 - 163 |
| <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 | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 63,265,904 | \$ 50,077,946 | \$ 70,610,705 | \$ 78,428,752 | \$ 88,743,491 | \$ 98,535,755 | \$ 73,083,652 | \$ 78,515,796 | \$ 78,550,845 | \$ 71,425,125 |
| Restricted | 15,013,027 | 22,207,175 | 21,328,367 | 16,456,922 | 13,177,567 | 25,826,583 | 47,176,694 | 38,807,274 | 38,366,853 | 36,560,923 |
| Unrestricted | 28,798,084 | 53,087,410 | 44,719,433 | 40,133,840 | 45,542,781 | 30,230,043 | 35,240,562 | 40,806,398 | 43,484,743 | 22,864,246 |
| Total governmental activities net position | <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> | <u>\$ 160,402,441</u> | <u>\$ 130,850,294</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 73,004,315 | \$ 82,562,046 | \$ 86,139,998 | \$ 87,159,039 | \$ 90,125,991 | \$ 94,042,509 | \$ 99,376,889 | \$ 165,888,018 | \$ 169,002,698 | \$ 172,427,764 |
| Restricted | 2,664,869 | 2,611,185 | 575,157 | 3,009,678 | 2,667,647 | 9,036,399 | 8,768,406 | 9,593,844 | 6,077,401 | 8,944,173 |
| Unrestricted | 13,281,984 | 14,604,568 | 20,104,218 | 19,368,954 | 12,927,651 | 9,762,737 | 10,043,897 | 14,979,263 | 21,348,097 | 15,870,320 |
| Total business-type activities net position | <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> | <u>\$ 196,428,196</u> | <u>\$ 197,242,257</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 136,270,219 | \$ 132,639,992 | \$ 156,750,703 | \$ 165,587,791 | \$ 178,869,482 | \$ 192,578,264 | \$ 172,460,541 | \$ 244,403,814 | \$ 247,553,543 | \$ 243,852,889 |
| Restricted | 17,677,896 | 24,818,360 | 21,903,524 | 19,466,600 | 15,845,214 | 34,862,982 | 55,945,100 | 48,401,118 | 44,444,254 | 45,505,096 |
| Unrestricted | 42,080,068 | 67,691,978 | 64,823,651 | 59,502,794 | 58,470,432 | 39,992,780 | 45,284,459 | 55,785,661 | 64,832,840 | 38,734,566 |
| Total primary government net position | <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> | <u>\$ 356,830,637</u> | <u>\$ 328,092,551</u> |

NOTES

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

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

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 8,434,146 | \$ 11,031,409 | \$ 13,063,421 | \$ 12,215,564 | \$ 10,854,334 | \$ 12,988,647 | \$ 15,659,577 | \$ 11,850,540 | \$ 11,850,540 | \$ 7,580,735 |
| Judicial | 699,203 | 874,234 | 910,240 | 952,323 | 1,057,836 | 1,016,422 | 1,092,438 | 1,105,206 | 1,105,206 | 1,114,238 |
| Public safety | 25,879,588 | 26,853,620 | 30,268,106 | 31,206,297 | 31,544,927 | 33,541,721 | 36,274,636 | 34,446,708 | 34,446,708 | 34,819,323 |
| Public works | 3,956,468 | 8,148,684 | 8,306,157 | 7,695,464 | 7,393,923 | 6,981,385 | 8,562,916 | 11,763,774 | 11,763,774 | 8,154,192 |
| Parks and recreation | 4,349,931 | 7,195,375 | 12,818,108 | 9,079,385 | 6,684,312 | 7,031,469 | 6,572,226 | 9,134,107 | 9,134,107 | 5,796,910 |
| Community development | 9,925,973 | 9,283,562 | 7,497,726 | 5,591,053 | 7,447,371 | 5,851,434 | 8,866,465 | 4,788,597 | 4,788,597 | 7,202,674 |
| Community service | 272,044 | 341,999 | 336,411 | 399,347 | 398,458 | 396,531 | 413,150 | 383,794 | 383,794 | 232,364 |
| Interest and fiscal changes | 1,283,108 | 1,318,996 | 1,515,177 | 1,549,738 | 1,166,548 | 1,079,261 | 737,496 | 908,094 | 908,094 | 901,640 |
| Total governmental activities expenses | <u>54,800,461</u> | <u>65,047,879</u> | <u>74,715,346</u> | <u>68,689,171</u> | <u>66,547,709</u> | <u>68,886,870</u> | <u>78,178,904</u> | <u>74,380,820</u> | <u>74,380,820</u> | <u>65,802,076</u> |
| Business-type activities: | | | | | | | | | | |
| Sanitary sewer | 13,561,191 | 13,400,852 | 13,503,253 | 14,402,906 | 14,569,098 | 12,838,068 | 13,802,498 | 13,510,612 | 13,510,612 | 12,268,460 |
| Solid waste | 7,002,226 | 7,473,428 | 8,206,745 | 8,499,616 | 8,092,385 | 7,963,262 | 8,336,517 | 8,303,044 | 8,303,044 | 8,946,091 |
| Airport | 1,764,616 | 1,557,618 | 2,195,398 | 2,415,280 | 2,626,279 | 2,643,741 | 2,632,485 | 2,873,052 | 2,873,052 | 2,966,447 |
| Water, gas and light | - | - | - | - | - | - | - | 103,961,719 | 103,961,719 | - |
| Water | - | - | - | - | - | - | - | - | - | 10,223,707 |
| Light | - | - | - | - | - | - | - | - | - | 96,684,785 |
| Gas | - | - | - | - | - | - | - | - | - | 11,112,701 |
| Telecommunication | - | - | - | - | - | - | - | - | - | 3,621,346 |
| Storm water | - | - | - | - | - | - | - | - | - | 5,470,230 |
| Public employee deposit | 15,186,576 | 17,909,891 | 19,935,572 | 13,042,126 | 12,036,183 | 13,286,117 | 14,435,555 | 13,561,049 | 13,561,049 | - |
| Transit | 3,029,095 | 3,185,794 | 3,435,890 | 2,902,980 | 3,092,032 | 3,034,292 | 3,511,901 | 3,608,070 | 3,608,070 | 4,534,919 |
| Civic Center | 1,617,272 | 1,702,874 | 1,807,638 | 1,603,124 | 1,913,705 | 1,885,466 | 2,197,236 | 2,079,981 | 2,079,981 | 2,308,789 |
| Municipal Auditorium | 182,094 | 154,036 | 160,829 | 192,119 | 161,184 | 54,971 | - | - | - | - |
| Total business-type activities expenses | <u>42,343,070</u> | <u>45,384,493</u> | <u>49,245,325</u> | <u>43,058,151</u> | <u>42,490,866</u> | <u>41,705,917</u> | <u>44,916,192</u> | <u>147,897,527</u> | <u>147,897,527</u> | <u>158,137,475</u> |
| Total primary government expenses | <u>97,143,531</u> | <u>110,432,372</u> | <u>123,960,671</u> | <u>111,747,322</u> | <u>109,038,575</u> | <u>110,592,787</u> | <u>123,095,096</u> | <u>222,278,347</u> | <u>222,278,347</u> | <u>223,939,551</u> |

(Continued)

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
| Program revenues | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 2,339,933 | \$ 2,349,462 | \$ 2,676,493 | \$ 2,466,315 | \$ 2,415,222 | \$ 2,596,447 | \$ 2,640,527 | \$ 931,310 | \$ 931,310 | \$ 1,188,303 |
| Judicial | 1,029,011 | 856,868 | 999,810 | 1,109,205 | 1,297,694 | 1,251,773 | 1,203,831 | 22,784 | 22,784 | - |
| Public safety | 1,517,385 | 1,538,804 | 1,691,284 | 1,715,042 | 1,731,747 | 1,556,068 | 1,520,217 | 3,037,017 | 3,037,017 | 2,966,355 |
| Public works | 1,242,302 | 2,105,018 | 806,260 | 792,786 | 940,648 | 984,194 | 981,413 | 995,027 | 995,027 | 775,990 |
| Parks and recreation | 362,668 | 454,975 | 437,344 | 335,993 | 290,619 | 204,102 | 203,342 | 180,876 | 180,876 | 130,937 |
| Community development | 2,377,746 | 2,055,849 | 2,961,169 | 481,049 | 1,403,145 | 1,285,180 | 1,097,442 | 1,579,390 | 1,579,390 | 1,383,430 |
| Operating grants and contributions | 14,311,112 | 13,729,819 | 15,310,571 | 18,090,264 | 21,613,472 | 22,392,721 | 23,495,445 | 8,219,946 | 8,219,946 | 11,377,521 |
| Capital grants and contributions | 4,171,793 | 2,569,404 | 15,916,286 | 2,033,058 | 14,719,811 | 15,615,908 | 17,027,629 | 16,646,062 | 16,646,062 | 12,565,452 |
| Total governmental activities program revenues | 27,351,950 | 25,660,199 | 40,799,217 | 27,023,712 | 44,412,358 | 45,886,393 | 48,169,846 | 31,612,412 | 31,612,412 | 30,387,988 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Sanitary sewer | 13,902,053 | 14,321,155 | 15,184,281 | 15,111,550 | 14,725,910 | 15,301,208 | 14,554,746 | 14,303,532 | 14,303,532 | 12,873,459 |
| Solid waste | 7,775,530 | 8,271,443 | 8,262,522 | 8,412,723 | 8,844,741 | 9,033,593 | 9,105,594 | 9,135,850 | 9,135,850 | 9,854,717 |
| Airport | 713,386 | 757,547 | 812,117 | 728,191 | 878,643 | 762,688 | 834,146 | 841,426 | 841,426 | 835,299 |
| Water, gas and light | - | - | - | - | - | - | - | 118,441,492 | 118,441,492 | - |
| Water | - | - | - | - | - | - | - | - | - | 11,934,909 |
| Light | - | - | - | - | - | - | - | - | - | 116,439,184 |
| Gas | - | - | - | - | - | - | - | - | - | 15,453,714 |
| Telecommunication | - | - | - | - | - | - | - | - | - | 2,737,692 |
| Public employee deposit | 15,179,150 | 17,868,487 | 19,927,744 | 13,034,004 | 12,042,502 | 13,801,791 | 13,971,380 | 13,540,775 | 13,540,775 | - |
| Transit | 417,598 | 436,988 | 429,695 | 495,279 | 476,251 | 525,469 | 557,583 | 559,691 | 559,691 | 581,488 |
| Storm water | - | - | - | - | - | - | - | - | - | 3,606,753 |
| Civic Center | 419,460 | 446,822 | 282,776 | 255,803 | 404,489 | 360,583 | 444,135 | 342,773 | 342,773 | 307,969 |
| Municipal Auditorium | 34,693 | 26,732 | 42,388 | 52,565 | 61,862 | 60,769 | - | - | - | - |
| Operating grants and contributions | 3,035,050 | 2,027,577 | 2,321,938 | 1,678,305 | 1,175,803 | 1,254,198 | 1,228,886 | 871,411 | 871,411 | 1,049,408 |
| Capital grants and contributions | 477,633 | 9,076,175 | 5,818,085 | 2,872,902 | 3,114,877 | - | 3,790,551 | 7,724,576 | 7,724,576 | 3,673,081 |
| Total business-type activities program revenues | 41,954,553 | 53,232,926 | 53,081,546 | 42,641,322 | 41,725,078 | 41,100,299 | 44,487,021 | 165,761,526 | 165,761,526 | 179,347,673 |
| Total primary government program revenues | 69,306,503 | 78,893,125 | 93,880,763 | 69,665,034 | 86,137,436 | 86,986,692 | 92,656,867 | 197,373,938 | 197,373,938 | 209,735,661 |

(Continued)

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| General revenues and other changes in net position | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | \$ 50,255,224 | \$ 45,807,436 | \$ 47,569,215 | \$ 41,747,300 | \$ 33,658,616 | \$ 31,573,914 | \$ 31,839,278 | \$ 35,568,965 | \$ 35,568,965 | \$ 37,984,905 |
| Investment earnings | 1,591,370 | 2,135,978 | 2,255,534 | 1,163,072 | 874,098 | 1,009,368 | 1,750,706 | 356,766 | 356,766 | 770,805 |
| Gain on sale of assets | - | - | - | - | - | - | - | - | - | 215,122 |
| Transfers | (23,352,122) | (2,185,301) | (2,543,171) | (2,883,904) | 46,962 | (4,316,622) | (4,680,629) | 13,338,381 | 13,338,381 | 3,142,238 |
| Total governmental activities general revenues and other changes in net position | <u>28,494,472</u> | <u>45,758,113</u> | <u>47,281,578</u> | <u>40,026,468</u> | <u>34,579,676</u> | <u>28,266,660</u> | <u>28,909,355</u> | <u>49,264,112</u> | <u>49,264,112</u> | <u>42,113,070</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 544,211 | 792,897 | 662,182 | 251,223 | 71,199 | 334,521 | 1,096,090 | (129,346) | (129,346) | 118,782 |
| Gain on sale of assets | - | - | - | - | - | - | - | 82,871 | 82,871 | 122,251 |
| Transfers | 23,352,122 | 2,185,301 | 2,543,171 | 2,883,904 | (46,962) | 4,316,622 | 4,680,629 | (13,338,381) | (13,338,381) | (3,142,238) |
| Total business-type activities general revenues and other changes in net position | <u>23,896,333</u> | <u>2,978,198</u> | <u>3,205,353</u> | <u>3,135,127</u> | <u>24,237</u> | <u>4,651,143</u> | <u>5,776,719</u> | <u>(13,384,856)</u> | <u>(13,384,856)</u> | <u>(2,901,205)</u> |
| Total primary government general revenues and other changes in net assets | <u>52,390,805</u> | <u>48,736,311</u> | <u>50,486,931</u> | <u>43,161,595</u> | <u>34,603,913</u> | <u>32,917,803</u> | <u>34,686,074</u> | <u>35,879,256</u> | <u>35,879,256</u> | <u>39,211,865</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | 1,045,961 | 6,370,433 | 13,365,449 | (1,638,991) | 12,444,325 | 5,266,183 | (1,099,703) | 6,495,704 | 6,495,704 | 6,698,982 |
| Business-type activities | 23,507,816 | 10,826,631 | 7,041,574 | 2,718,298 | (741,551) | 4,045,525 | 5,347,548 | 4,479,143 | 4,479,143 | 18,308,993 |
| Total primary government change in net position | <u>\$ 24,553,777</u> | <u>\$ 17,197,064</u> | <u>\$ 20,407,023</u> | <u>\$ 1,079,307</u> | <u>\$ 11,702,774</u> | <u>\$ 9,311,708</u> | <u>\$ 4,247,845</u> | <u>\$ 10,974,847</u> | <u>\$ 10,974,847</u> | <u>\$ 25,007,975</u> |

NOTES

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 unit.

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

CITY OF ALBANY, GEORGIA

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

| Fiscal Year | Property Tax | Sales Tax | Hotel Motel Tax | Franchise Tax | Premium Tax | Beverage Tax | Other Taxes | Total |
|----------------|-----------------|---------------|--------------------|------------------|----------------|-----------------|----------------|---------------|
| 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 | 2,054,972 | 35,568,965 |
| 2014 | 16,761,694 | 8,658,079 | 1,727,832 | 1,891,363 | 3,994,353 | 1,347,638 | 2,144,316 | 36,525,275 |
| 2015 | 16,875,088 | 9,572,282 | 1,936,155 | 1,884,155 | 4,176,385 | 1,365,006 | 2,175,834 | 37,984,905 |

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 BALANCE OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 354,352 | \$ 318,989 | \$ 395,504 | \$ 573,383 | \$ 287,634 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 21,337,958 | 23,946,604 | 22,117,285 | 18,627,452 | 22,402,480 | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | 2,963,309 | 752,155 | 259,934 | 235,771 | 239,125 |
| Restricted | - | - | - | - | - | - | - | - | 38,470 | 72,016 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | 703,259 | 724,897 | 741,304 | 755,119 | 764,879 |
| Unassigned | - | - | - | - | - | 20,112,553 | 20,869,545 | 13,568,156 | 16,461,430 | 20,403,856 |
| Total General fund | <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> | <u>\$ 17,490,790</u> | <u>\$ 21,479,876</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 659,967 | \$ 3,215,569 | \$ 2,081,497 | \$ 2,945,507 | \$ 1,191,357 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 3,876,252 | 5,274,345 | 5,513,089 | 5,676,146 | 5,663,995 | - | - | - | - | - |
| Capital projects funds | 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 | 666,092 | 436,596 |
| Restricted, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | 5,358,579 | 7,724,921 | 5,935,517 | 4,593,080 | 3,625,897 |
| Capital projects funds | - | - | - | - | - | 20,461,190 | 39,451,773 | 38,693,602 | 40,803,181 | 40,811,186 |
| Debt service fund | - | - | - | - | - | 6,814 | - | - | - | - |
| Committed, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | 182,129 | 75,241 | 12,665,396 | 16,003,179 | 19,220,954 |
| Capital projects funds | - | - | - | - | - | - | - | 6,260,070 | 6,484,444 | 6,656,593 |
| Assigned, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - | 26,214 | - |
| Capital projects funds | - | - | - | - | - | 2,295,702 | 3,653,585 | - | - | - |
| Unassigned, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | (134,125) | (58,726) | (175,948) | (289,994) | (346,297) |
| Capital projects funds | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <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> | <u>\$ 68,286,196</u> | <u>\$ 70,404,929</u> |
| Total Governmental Funds | <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> | <u>\$ 85,776,986</u> | <u>\$ 91,884,805</u> |

NOTES

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF ALBANY, GEORGIA

CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 50,255,224 | \$ 46,608,379 | \$ 47,271,610 | \$ 41,461,664 | \$ 33,346,229 | \$ 31,573,914 | \$ 31,839,278 | \$ 35,568,965 | \$ 36,525,275 | \$ 37,984,905 |
| Licenses and permits | 2,318,314 | 2,320,724 | 2,434,916 | 2,258,362 | 2,171,589 | 2,235,513 | 2,191,504 | 857,746 | 783,927 | 1,077,712 |
| Intergovernmental | 18,482,905 | 16,299,223 | 16,756,831 | 20,123,322 | 36,333,283 | 37,074,560 | 40,104,059 | 22,879,021 | 20,363,265 | 23,637,097 |
| Charges for services | 2,074,804 | 2,146,007 | 2,324,102 | 2,233,114 | 2,966,563 | 2,922,091 | 2,713,766 | 3,664,906 | 3,263,308 | 3,134,717 |
| Fines and forfeitures | 917,565 | 776,268 | 901,009 | 1,025,445 | 1,191,454 | 1,170,763 | 1,203,831 | 1,486,133 | 1,579,801 | 1,493,362 |
| Rental and other fees | 415,623 | 339,325 | 297,605 | - | - | - | - | - | - | - |
| Interest revenues | 1,459,136 | 1,941,959 | 2,041,946 | 1,087,289 | 863,763 | 1,286,227 | 1,973,131 | 462,117 | 1,895,678 | 1,012,185 |
| Other revenues | 3,609,044 | 3,648,717 | 3,166,757 | 2,738,209 | 2,284,159 | 2,434,456 | 2,374,099 | 1,521,086 | 1,610,391 | 1,049,143 |
| Total revenues | 79,532,615 | 74,080,602 | 75,194,776 | 70,927,405 | 79,157,040 | 78,697,524 | 82,399,668 | 66,439,974 | 66,021,645 | 69,389,121 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 8,620,186 | 9,884,652 | 11,875,762 | 8,976,530 | 9,936,581 | 11,160,607 | 10,485,134 | 9,341,745 | 8,894,145 | 9,986,311 |
| Judicial | 690,775 | 855,330 | 907,934 | 986,359 | 1,056,504 | 1,007,860 | 1,100,137 | 1,104,040 | 1,161,195 | 1,133,837 |
| Public safety | 24,707,476 | 26,272,002 | 28,732,159 | 28,655,558 | 30,425,483 | 31,606,457 | 32,883,304 | 31,683,702 | 33,231,203 | 33,290,879 |
| Public works | 4,150,883 | 6,711,134 | 6,781,237 | 6,990,544 | 7,068,801 | 8,614,550 | 8,780,714 | 8,501,889 | 7,917,956 | 5,168,600 |
| Parks and recreation | 4,681,306 | 4,143,167 | 4,341,644 | 4,542,627 | 5,051,465 | 5,434,481 | 5,547,493 | 4,980,249 | 4,938,351 | 5,175,991 |
| Community development | 8,816,126 | 4,644,429 | 6,036,774 | 5,018,810 | 6,996,464 | 7,335,418 | 8,237,696 | 5,407,316 | 5,956,369 | 6,107,922 |
| Community service | 272,044 | 341,999 | 336,411 | 399,347 | 398,458 | 396,531 | 413,150 | 383,794 | 433,840 | 416,319 |
| Nondepartmental | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 8,322,946 | 18,478,624 | 13,814,675 | 11,114,264 | 9,636,181 | 7,831,838 | 6,082,301 | 15,132,363 | 10,466,590 | 8,539,367 |
| Debt service: | | | | | | | | | | |
| Principal | 3,145,000 | 1,430,000 | 1,450,000 | 6,000,000 | 6,205,000 | 6,433,750 | 905,409 | 600,000 | 585,000 | 4,391,250 |
| Interest and fiscal charges | 1,212,434 | 1,254,684 | 1,558,994 | 1,501,459 | 1,256,775 | 1,018,321 | 1,045,416 | 1,119,453 | 1,127,246 | 1,097,687 |
| Total expenditures | 64,619,176 | 74,016,021 | 75,835,590 | 74,185,498 | 78,031,712 | 80,839,813 | 75,480,754 | 78,254,551 | 74,711,895 | 75,308,163 |
| Excess of revenues over (under) expenditures | 14,913,439 | 64,581 | (640,814) | (3,258,093) | 1,125,328 | (2,142,289) | 6,918,914 | (11,814,577) | (8,690,250) | (5,919,042) |

(Continued)

CITY OF ALBANY, GEORGIA

CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|-----------------------|-----------------------|---------------------|-----------------------|----------------------|---------------------|---------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | \$ 6,258,438 | \$ 3,526,240 | \$ 4,327,235 | \$ 2,270,397 | \$ 8,729,408 | \$ 2,840,088 | \$ 2,059,524 | \$ 32,456,832 | \$ 19,936,864 | \$ 20,056,046 |
| Transfers out | (8,444,077) | (5,711,311) | (6,870,406) | (5,154,301) | (6,348,501) | (3,328,467) | (4,707,660) | (16,539,382) | (5,210,378) | (8,484,926) |
| Investment fees | - | - | - | - | - | - | - | - | - | - |
| Change in fair market value of investments | - | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - | - | - | - | - |
| Issuance of debt | - | 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 | 640,296 | 455,741 |
| Total other financing sources (uses) | <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> | <u>15,366,782</u> | <u>12,026,861</u> |
| Net change in fund balances | <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> | <u>\$ 6,676,532</u> | <u>\$ 6,107,819</u> |
| Debt service as a percentage of noncapital expenditures | 7.29% | 4.29% | 4.34% | 11.18% | 10.87% | 10.47% | 2.79% | 2.53% | 2.51% | 7.89% |

NOTES

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

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

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

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

| Fiscal Year | Property Tax | Sales Tax | Hotel Motel Tax | Franchise Tax | Insurance Premium Tax | Alcoholic Beverage Tax | Other Taxes | Total |
|-------------|---------------|---------------|-----------------|---------------|-----------------------|------------------------|-------------|---------------|
| 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 | 2,054,972 | 35,568,965 |
| 2014 | 16,761,694 | 8,658,079 | 1,727,832 | 1,891,363 | 3,994,353 | 1,347,638 | 2,144,316 | 36,525,275 |
| 2015 | 16,875,088 | 9,572,282 | 1,936,155 | 1,884,155 | 4,176,385 | 1,365,006 | 2,175,834 | 37,984,905 |

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 | |
| 2006 | \$ 961,837 | \$ 2,375,408 | \$ 467,731 | \$ 1,140,300 | \$ 85,940 | \$ 1,343,628 | \$ 3,309,213 | 10.80 |
| 2007 | 981,349 | 2,404,593 | 466,890 | 1,169,327 | 99,744 | 1,348,495 | 3,359,070 | 10.80 |
| 2008 | 1,225,531 | 2,453,374 | 478,728 | 1,167,227 | 103,518 | 1,600,741 | 3,620,601 | 10.79 |
| 2009 | 1,218,665 | 3,063,828 | 501,002 | 1,196,820 | 110,843 | 1,608,824 | 4,001,853 | 10.78 |
| 2010 | 1,179,054 | 3,046,663 | 503,796 | 1,252,505 | 102,145 | 1,580,705 | 4,022,060 | 9.16 |
| 2011 | 1,167,412 | 2,987,528 | 528,971 | 1,327,833 | 197,853 | 1,498,530 | 4,063,003 | 9.16 |
| 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 |
| 2014 | 1,185,778 | 2,964,445 | 472,394 | 1,180,985 | 133,147 | 1,525,025 | 3,812,563 | 9.99 |
| 2015 | 1,178,638 | 2,946,595 | 473,333 | 1,183,333 | 133,575 | 1,518,396 | 3,795,990 | 9.99 |

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 | | |
| 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 |
| 2014 | 9.990 | 0.000 | 9.990 | 11.894 | 0.000 | 11.894 | 18.445 | 0.000 | 18.445 | 0.15 | 40.479 |
| 2015 | 9.990 | 0.000 | 9.990 | 11.894 | 0.000 | 11.894 | 18.445 | 0.000 | 18.445 | 0.15 | 40.479 |

SOURCE

Dougherty County Tax Department

NOTE

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

CITY OF ALBANY, GEORGIA

TAXABLE SALES TAX DISTRIBUTION BY CATEGORY LAST TEN CALENDAR YEARS (1)

| By Category | 2005 | 2006 | 2007 | 2008 | 2009 (2) | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Food | \$ 3,463,700 | \$ 3,802,908 | \$ 3,923,148 | \$ 3,677,474 | \$ 1,351,385 (3) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Apparel | 631,284 | 676,270 | 688,235 | 683,128 | 310,058 (3) | - | - | - | - | - |
| General | 2,307,265 | 2,403,887 | 2,448,008 | 2,402,603 | 1,082,402 (3) | - | - | - | - | - |
| Automotive | 2,811,281 | 2,916,549 | 3,030,301 | 3,377,416 | 974,961 (3) | - | - | - | - | - |
| Home | 939,734 | 1,034,018 | 982,259 | 916,640 | 345,110 (3) | - | - | - | - | - |
| Lumber | 1,226,793 | 1,264,403 | 1,237,612 | 1,078,029 | 317,181 (3) | - | - | - | - | - |
| Miscellaneous Service | 842,618 | 924,728 | 930,366 | 1,006,135 | 375,623 (3) | - | - | - | - | - |
| Manufacturers | 1,220,279 | 1,712,880 | 1,551,973 | 1,718,753 | 475,704 (3) | - | - | - | - | - |
| Utilities | 1,339,453 | 1,517,393 | 1,480,452 | 1,594,512 | 555,468 (3) | - | - | - | - | - |
| Miscellaneous | 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 | 150,647 | 212,981 |
| Auto | - | - | - | - | 947,706 (4) | 1,532,920 | 1,532,213 | 1,584,304 | 809,709 | 405,402 |
| Construction | - | - | - | - | 56,446 (4) | 90,776 | 84,097 | 81,167 | 111,838 | 124,959 |
| Food/bars | - | - | - | - | 1,789,221 (4) | 2,814,970 | 2,704,550 | 2,657,049 | 2,635,805 | 2,728,280 |
| General Merch | - | - | - | - | 1,535,625 (4) | 2,588,585 | 2,686,581 | 2,885,661 | 2,816,639 | 2,706,866 |
| Home Furnishing | - | - | - | - | 684,002 (4) | 1,093,541 | 945,631 | 909,372 | 882,216 | 905,995 |
| Manufacturing | - | - | - | - | 255,361 (4) | 1,396,801 | 1,515,298 | 1,267,861 | 1,291,861 | 1,109,267 |
| Miscellaneous Service | - | - | - | - | 615,245 (4) | 1,140,412 | 1,188,675 | 1,109,417 | 1,142,772 | 1,502,431 |
| Other Retail | - | - | - | - | 1,161,684 (4) | 2,238,762 | 2,478,609 | 2,428,037 | 2,496,712 | 2,536,673 |
| Other Services | - | - | - | - | 205,957 (4) | 344,919 | 527,492 | 711,202 | 484,220 | 480,088 |
| Utility | - | - | - | - | 857,090 (4) | 1,097,536 | 1,177,576 | 1,121,740 | 1,174,926 | 852,254 |
| Wholesale | - | - | - | - | 1,060,109 (4) | 2,102,658 | 2,235,969 | 2,177,739 | 2,035,087 | 2,115,907 |
| | <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> | <u>\$ 16,032,432</u> | <u>\$ 15,681,103</u> |

Source: Georgia Department of Revenue, Local Government Services Division

Notes:

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

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

| Taxpayer | Type of Business | Fiscal Year 2015 | | | Fiscal Year 2006 | | |
|------------------------------|--------------------|-------------------------|------|--|-------------------------|------|--|
| | | 2014 Assessed Valuation | Rank | Percentage of Total Assessed Valuation | 2005 Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| BellSouth Communications | Telecommunications | \$ 12,969,155 | 1 | 0.85 % | \$ 22,466,680 | 3 | 1.70 % |
| Albany Mall HP LLC | Mall developer | 10,961,960 | 2 | 0.72 | 10,009,286 | 5 | 0.76 |
| Mars Chocolate | Confectioner | 10,390,781 | 3 | 0.68 | 22,710,435 | 2 | 1.71 |
| Georgia Power Co | Utility | 7,917,960 | 4 | 0.52 | 5,462,638 | 8 | 0.41 |
| Flint River Albany RE LLC | Warehousing | 7,378,840 | 5 | 0.49 | - | - | - |
| AT&T Mobilty LLC | Utility | 6,526,963 | 6 | 0.43 | - | - | - |
| Syngenta Crop Protection LLC | AG Chemical MFG | 9,882,566 | 7 | 0.65 | - | - | - |
| Mediacom | Telecommunications | 5,565,022 | 8 | 0.37 | - | - | - |
| Home Depot USA, Inc | Retailer | 4,914,602 | 9 | 0.32 | - | - | - |
| Coats and Clark | Textiles | 14,846,138 | 10 | 0.98 | 4,912,040 | 9 | 0.37 |
| MillerCoors (1) | Brewery | - | - | - | 60,941,791 | 1 | 4.60 |
| Palmyra Medical Center (2) | Hospital | - | - | - | 11,690,500 | 4 | 0.88 |
| Coats and Clark | Textiles | - | - | - | 5,898,024 | 6 | 0.45 |
| Lowe's Home Center | Building Supplies | - | - | - | 5,291,869 | 7 | 0.40 |
| Georgia Pacific Corporation | Manufacturer | - | - | - | 4,714,822 | 10 | 0.36 |
| | | <u>\$ 91,353,987</u> | | <u>6.02 %</u> | <u>\$ 154,098,085</u> | | <u>11.64 %</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

2006 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

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

| Fiscal Year | Total Tax Levy for Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|--------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2006 | \$ 12,988 | \$ 12,791 | 98.48 | \$ 182 | \$ 12,973 | 99.89 % |
| 2007 | 13,077 | 12,901 | 98.65 | 160 | 13,061 | 99.88 |
| 2008 | 13,164 | 12,872 | 97.78 | 273 | 13,145 | 99.86 |
| 2009 | 13,400 | 12,329 | 92.01 | 1,038 | 13,367 | 99.75 |
| 2010 | 13,540 | 13,105 | 96.79 | 403 | 13,508 | 99.76 |
| 2011 | 12,388 | 12,168 | 98.22 | 188 | 12,356 | 99.74 |
| 2012 | 12,428 | 12,131 | 97.61 | 265 | 12,395 | 99.74 |
| 2013 | 13,758 | 13,494 | 98.08 | 189 | 13,683 | 99.46 |
| 2014 | 13,745 | 13,480 | 98.07 | 168 | 13,648 | 99.29 |
| 2015 | 13,834 | 13,496 | 97.56 | - | 13,496 | 97.56 |

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 | | | |
| 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 |
| 2014 | 16,578,912 | 10,000,000 | 3,331,250 | 28,216,856 | - | 412,137 | - | 58,539,155 | 2.26% | 768.38 |
| 2015 | 12,276,044 | 10,000,000 | 3,000,000 | 26,880,135 | - | - | - | 52,156,179 | 2.04% | 688.36 |

NOTES

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

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

CITY OF ALBANY, GEORGIA

RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

| Fiscal Year | General Obligation Bonds | Less Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|----------------|--------------------------------|--|--------------|--|------------|
| 2006 | \$ 5,975,000 | \$ 6,851 | \$ 5,968,149 | 0.18 % | \$ 79 |
| 2007 | 18,870,000 | 6,868 | 18,863,132 | 0.56 | 250 |
| 2008 | 17,720,000 | 6,782 | 17,713,218 | 0.49 | 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 | 0.01 | 8 |
| 2012 | 16,585,000 | - | 16,585,000 | 0.45 | 213 |
| 2013 | 16,310,000 | - | 16,310,000 | 0.43 | 211 |
| 2014 | 16,578,912 | - | 16,578,912 | 0.43 | 218 |
| 2015 | 12,276,044 | - | 12,276,044 | 0.32 | 162 |

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, 2015

| Jurisdiction | Debt Outstanding | Percentage Applicable to City of Albany | Amount Applicable to City of Albany |
|--|---------------------|---|---|
| Direct, City of Albany | \$ 25,276,044 | 100 % | \$ 25,276,044 |
| Overlapping, Dougherty County Board of Education | 35,000,000 | 82 % | 28,700,000 |
| | \$ 60,276,044 | | \$ 53,976,044 |

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>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| LEGAL DEBT MARGIN | | | | | | | | | | |
| Debt limit | \$ 142,957 | \$ 144,824 | \$ 170,426 | \$ 171,967 | \$ 168,285 | \$ 169,638 | \$ 159,382 | \$ 165,186 | \$ 165,817 | \$ 165,197 |
| Total net debt applicable to limit | <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> | <u>16,579</u> | <u>12,276</u> |
| Legal debt margin | <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> | <u>\$ 149,238</u> | <u>\$ 152,921</u> |
| Total net debt applicable to the limit as a percentage of debt limit | <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> | <u>10.00%</u> | <u>7.43%</u> |
| LEGAL DEBT MARGIN CALCULATION | | | | | | | | | | |
| Assessed value | \$ 1,343,628 | \$ 1,348,495 | \$ 1,600,741 | \$ 1,608,824 | \$ 1,580,705 | \$ 1,498,530 | \$ 1,487,230 | \$ 1,518,770 | \$ 1,525,025 | \$ 1,518,396 |
| Add back exempt property | <u>85,940</u> | <u>99,744</u> | <u>103,518</u> | <u>110,843</u> | <u>102,145</u> | <u>197,853</u> | <u>106,590</u> | <u>133,086</u> | <u>133,147</u> | <u>133,575</u> |
| Total assessed value | <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> | <u>1,658,172</u> | <u>1,651,971</u> |
| Debt limit (10% of total assessed value) | 142,957 | 144,824 | 170,426 | 171,967 | 168,285 | 169,638 | 159,382 | 165,186 | 165,817 | 165,197 |
| Debt applicable to limit | | | | | | | | | | |
| General obligation bonds | 5,975 | 18,870 | 17,720 | 12,020 | 6,425 | 605 | 16,585 | 16,310 | 16,579 | 12,276 |
| Less amount set aside for repayment of general obligation debt | <u>(7)</u> | <u>(7)</u> | <u>(7)</u> | <u>(7)</u> | <u>(7)</u> | <u>(7)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net debt applicable to limit | <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> | <u>16,579</u> | <u>12,276</u> |
| Legal debt margin | <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> | <u>\$ 149,238</u> | <u>\$ 152,921</u> |

NOTES

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

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

CITY OF ALBANY, GEORGIA

PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS

| Fiscal Year | Water, Sewer Charges and Other | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|----------------|--------------------------------------|--------------------------------|-----------------------------|--------------|--------------|----------|
| | | | | Principal | Interest | |
| 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 | 3,970,000 | 1,045,428 | 5.25 |
| 2014 | 139,614,025 | 109,790,886 | 29,823,139 | 7,085,000 | 1,313,021 | 3.55 |
| 2015 | 24,653,467 | 16,250,850 | 8,402,617 | 4,455,000 | 1,023,688 | 1.53 |

NOTES

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

Water/Sewer Charges and Other includes investment earnings.

Operating expenses do not include depreciation and amortization.

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

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

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

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Personal Income (amounts expressed in thousands)</u> | <u>Per Capita Personal Income</u> | <u>Median Age (1)</u> | <u>Education Level in Years of Formal Schooling (1)</u> | <u>School Enrollment (2)</u> | <u>(%) Unemployment Rate (3)</u> |
|--------------------|-----------------------|---|-----------------------------------|-----------------------|---|------------------------------|----------------------------------|
| 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 | 9.76 |
| 2011 | 77,434 | 2,261,073 | 29,200 (1) | 31.4 | 12 | 15,628 | 10.8 |
| 2012 | 77,683 | 2,465,270 | 31,735 (1) | 31.5 | 12 | 15,765 | 10.3 |
| 2013 | 77,431 | 2,463,932 | 31,821 (1) | 31.4 | 12.6 | 15,676 | 10.2 |
| 2014 | 76,185 | 2,586,938 | 33,956 (1) | 31.1 | 12.8 | 15,439 | 8.4 |
| 2015 | 75,769 | 2,552,809 | 33,692 (1) | 31.4 | 12.83 | 15,157 | 7.8 |

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

| Employer (1) | Fiscal Year 2015 | | | Fiscal Year 2006 | | |
|--|------------------|------|-------------------------------------|------------------|------|-------------------------------------|
| | Employees (1) | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| USMC Logistic Base (Civilian) | 5,000 | 1 | 7.79 % | 2,400 | 3 | 3.93 % |
| Phoebe Putney Health System | 3,800 | 2 | 5.92 | 3,399 | 1 | 5.56 |
| Dougherty County Board of Education | 2,300 | 3 | 3.58 | 3,240 | 2 | 5.30 |
| Proctor and Gamble | 1,250 | 4 | 1.95 | 890 | 6 | 1.46 |
| City of Albany (2013 includes Water, Gas & Light) | 1,179 | 5 | 1.84 | 1,394 | 4 | 2.28 |
| Dougherty County | 695 | 6 | 1.08 | 650 | 7 | 1.06 |
| MillerCoors | 600 | 7 | 0.94 | 642 | 8 | 1.05 |
| Teleperformance USA (Formerly CallTech Communications) | 600 | 8 | 0.94 | 625 | 9 | 1.02 |
| Albany State University | 550 | 9 | 0.86 | 550 | 10 | 0.90 |
| Darton College | 500 | 10 | 0.78 | - | | - |
| Cooper Tire & Rubber Company | - | | - | 1,290 | 5 | 2.11 |
| Totals | <u>16,474</u> | | <u>25.67 %</u> | <u>15080</u> | | <u>24.66 %</u> |
| Average number of employees (2) | <u>64,170</u> | | | <u>61140</u> | | |

SOURCE

(1) Albany Chamber of Commerce

(2) Bureau of Labor Statistics

2006 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

CITY OF ALBANY, GEORGIA

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

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 170 | 174 | 140 | 145 | 147 | 152 | 154 | 147 | 147 | 136 |
| Judicial | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Public safety | 394 | 404 | 435 | 466 | 466 | 484 | 470 | 479 | 479 | 478 |
| Public works | 41 | 41 | 42 | 42 | 36 | 45 | 45 | 45 | 45 | 49 |
| Parks and recreation | 57 | 57 | 57 | 60 | 63 | 63 | 63 | 63 | 63 | 55 |
| Community development | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 15 |
| Sanitary sewer | 68 | 68 | 68 | 68 | 68 | 59 | 61 | 60 | 60 | 68 |
| Solid waste | 51 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 45 |
| Airport | 14 | 14 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 15 |
| Transit | 29 | 29 | 29 | 30 | 30 | 30 | 30 | 30 | 30 | 32 |
| Civic Center | 15 | 16 | 16 | 17 | 17 | 17 | 17 | 16 | 16 | 16 |
| Auditorium | 1 | - | - | - | - | - | - | - | - | - |
| Water, Gas & Light | 295 | 293 | 285 | 299 | 305 | 300 | 295 | 295 | 286 | 251 |
| | <u>1158</u> | <u>1168</u> | <u>1161</u> | <u>1217</u> | <u>1222</u> | <u>1240</u> | <u>1225</u> | <u>1225</u> | <u>1216</u> | <u>1172</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, | | | | | | | | | |
|---|----------------------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Sanitary sewer | | | | | | | | | | |
| Average daily treatment (thousands of gallons) | 18,653 | 18,653 | 16,230 | 15,958 | 16,369 | 17,477 | 14,675 | 14,128 | 15,799 | 17,476 |
| Airport | | | | | | | | | | |
| Daily flights | 8 | 8 | 8 | 4 | 3 | 3 | 3 | 3 | 3 | 3 |
| Enplaned passengers | 39,954 | 39,954 | 37,109 | 40,835 | 35,128 | 33,164 | 35,218 | 35,770 | 34,665 | 32,305 |
| Deplaned passengers | 38,156 | 38,156 | 35,829 | 39,226 | 34,499 | 32,668 | 33,805 | 34,617 | 33,682 | 31,888 |
| Based aircraft | 40 | 40 | 35 | 38 | 39 | 39 | 35 | 32 | 30 | 29 |
| Police | | | | | | | | | | |
| Citations issued | 16,090 | 11,297 | 10,552 | 11,082 | N/A | N/A | N/A | N/A | 10,564 | 10,827 |
| DUI Citations issued | 139 | 96 | 228 | 153 | N/A | N/A | N/A | N/A | 138 | 37 |
| Warnings issued | 3,046 | 3,424 | 3,235 | 3,151 | N/A | N/A | N/A | N/A | 2,974 | 3,121 |
| Crime Statistics: | | | | | | | | | | |
| Aggravated Assault | 252 | 284 | 341 | 389 | 573 | 465 | 459 | 476 | 532 | 536 |
| Auto Theft | 329 | 399 | 379 | 298 | 347 | 317 | 225 | 240 | 188 | 193 |
| Murder | 8 | 8 | 8 | 11 | 8 | 11 | 15 | 7 | 7 | 6 |
| Rape | 40 | 31 | 34 | 33 | 44 | 37 | 36 | 28 | 27 | 26 |
| Robbery | 216 | 242 | 205 | 207 | 247 | 230 | 168 | 205 | 193 | 186 |
| Burglary | 1,705 | 1,645 | 1,558 | 1,520 | 1,450 | 1,663 | 1,382 | 1,382 | 1,252 | 1,391 |
| Theft | 2,958 | 3,239 | 3,299 | 3,615 | 3,049 | 3,265 | 3,002 | 3,360 | 3,328 | 3,005 |
| Fire | | | | | | | | | | |
| Incident responses | 3,141 | 2,779 | 3,706 | 3,511 | 2,234 | 3,588 | 4,017 | 3,673 | 3,465 | 3,392 |
| Public Safety Education | | | | | | | | | | |
| Events | 52 | 81 | 61 | 103 | 1,264 | 172 | 228 | 205 | 553 | 161 |
| Persons contacted | 123,340 | 124,086 | 110,060 | 6,022 | 3,579 | 9,441 | 18,632 | 37,103 | 42,019 | 20,138 |

SOURCE

Various city departments.

N/A - Information not available.

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

| Function | Fiscal Year Ended June 30, | | | | | | | | | |
|----------------------------|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Fleet size | 170 | 170 | 170 | 170 | 170 | 171 | 171 | 171 | 165 | 219 |
| Fire stations | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Public Works | | | | | | | | | | |
| Miles of streets | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 597 | 597 |
| Number of street lights | 8,503 | 10,420 | 11,247 | 11,247 | 11,247 | 11,247 | 11,247 | 11,279 | 11,285 | 11,285 |
| Culture and Recreation | | | | | | | | | | |
| Park acreage | 1,104 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Parks | 45 | 44 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| Golf course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming pools | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis courts | 17 | 20 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Sewerage System | | | | | | | | | | |
| Miles of sanitary sewer | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 351 |
| Miles of storm sewer | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Number of treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

SOURCE

Various City departments

NOTE

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

SINGLE AUDIT SECTION



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

**To the Honorable Mayor and Members
of the City 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, 2015, 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 31, 2015. As discussed in Note 15, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-003 and 2015-005 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, and 2015-004 to be significant deficiencies.

Compliance and Other Matters

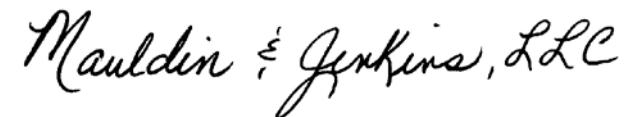
As part of obtaining reasonable assurance about whether the City of Albany, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

City of Albany, Georgia's Responses to Findings

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

Purpose of this Report

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

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

Macon, Georgia
December 31, 2015



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

**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, 2015. 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*.

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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-006. Our opinion on each major federal program is not modified with respect to this matter.

The City of Albany, Georgia's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Albany, Georgia's response is not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-006 that we consider to be a significant deficiency

The City of Albany, Georgia's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Albany, Georgia's response is not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 31, 2015

Mauldin & Jenkins, LLC

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---------------------------|---|-------------------------|
| U.S. Department of Transportation | | | |
| Passed through State of Georgia | | | |
| Federal Transit-Capital Investment Grants | 20.500 | T004480 | \$ 66,171 |
| Federal Transit-Capital Investment Grants | 20.500 | T004894 | 436,275 |
| Federal Transit-Capital Investment Grants | 20.500 | T005304 | 50,923 |
| ARRA-Federal Transit-Formula Grants | 20.507 | T005296 | 426,203 |
| Federal Transit-Formula Grants | 20.507 | T005094 | 1,049,408 |
| Total Federal Transit Cluster | | | 2,028,980 |
| Metropolitan Transportation Planning - DOT PL Funds | 20.505 | PL000-0012-00(924) | 121,420 |
| State Planning and Research | 20.505 | GA-80-X009 | 133,848 |
| Total Highway Planning and Construction Cluster | | | 255,268 |
| State and Community Highway Safety | 20.600 | GA-2014-000-00441 | 7,998 |
| Total U.S. Department of Transportation | | | 2,292,246 |
| Federal Aviation Administration | | | |
| Direct Awards | | | |
| Airport Improvement Program | 20.106 | 3-13-0002-040-2013 | 7,720 |
| Airport Improvement Program | 20.106 | 3-13-0002-041-2013 | 1,258,303 |
| Airport Improvement Program | 20.106 | 3-13-0002-043-2013 | 868,535 |
| Total Federal Aviation Administration | | | 2,134,558 |
| U.S. Department of Interior | | | |
| Direct Awards | | | |
| 2014 Historic Preservation Fund CLG Survey & Planning Grant | 15.904 | N/A | 18,698 |
| Total U.S. Department of Interior | | | 18,698 |

(Continued)

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---------------------------|---|-------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Direct Awards | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-13-MC-13-0001 | \$ 539,065 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-12-MC-13-0001 | 102,222 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-14-MC-13-0001 | 318,126 |
| Total CDBG - Entitlement Grants | | | 959,413 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-07-MC-13-0205 | 56,195 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-09-MC-13-0205 | 198,090 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-11-MC-13-0205 | 426,015 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-10-MC-13-0205 | 483,655 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-12-MC-13-0205 | 96,659 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-13-MC-13-0205 | 11,197 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-14-MC-13-0205 | 16,214 |
| Total HUD-Home Partnership Investment Title II Program | | | 1,288,025 |
| Passed through State of Georgia | | | |
| Supportive Housing Program | 14.235 | 2013 HTF ER 13C017 | 5,020 |
| Supportive Housing Program | 14.235 | 2014 HTF ETA 14C016 | 1,955 |
| Supportive Housing Program | 14.235 | 2014 HTF ETA 14C425 | 1,000 |
| Supportive Housing Program | 14.235 | 2014 HTF ER 14C017 | 15,217 |
| Total Supportive Housing Program | | | 23,192 |
| Total U.S. Department of Housing and Urban Development | | | 2,270,630 |

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---------------------------|---|-------------------------|
| U.S. Department of Justice | | | |
| Direct Awards | | | |
| Bullet Proof Vest Partnership Program | 16.607 | 2003-BU-BX-6439 | \$ 14,438 |
| 2012 Justice Assistance Grant | 16.738 | 2012-DJ-BX-1140 | 9,942 |
| 2013 Justice Assistance Grant | 16.738 | 2013-DJ-BX-1152 | 5,995 |
| 2014 Justice Assistance Grant | 16.738 | 2014-DJ-BX-0927 | 40,339 |
| Total JAG Program | | | <u>56,276</u> |
| Wrongful Conviction Demonstration | 16.750 | 2012-DJ-BX-0276 | <u>16,044</u> |
| Total U.S. Department of Justice | | | <u>86,758</u> |
| U.S. Department of Commerce | | | |
| Passed-Through State of Georgia | | | |
| Economic Development Cluster - Economic Adjustment Assistance | 11.307 | 04-19-69032 | <u>785,356</u> |
| Total U.S. Department of Commerce | | | <u>785,356</u> |
| U.S. Department of Energy | | | |
| Passed Through Georgia Environmental Finance Authority | | | |
| Weatherization Assistance for Low-Income Persons | 81.042 | GEFA-DOER-WX-DOE-14/15-30 | <u>33,466</u> |
| Total U.S. Department of Energy | | | <u>33,466</u> |

(Continued)

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|--|------------------------------------|--|---------------------------------|
| U.S. Department of Health and Human Services | | | |
| Direct Awards | | | |
| Low-income Home Energy Assistance - Weatherization | 93.568 | GEFA-DOER-WX-HHS-12/13-30 | \$ 31,879 |
| Total U.S. Department of Health and Human Services | | | <u>31,879</u> |
| U.S. Department of Homeland Security | | | |
| Direct Awards | | | |
| Emergency Management Performance Grants | 97.042 | OEM14-049 | <u>29,320</u> |
| 2013 GEMA Bomb Dog Grant | 97.067 | EMW-2013-SS-00054-S01 | <u>2,139</u> |
| Total U.S. Department of Homeland Security | | | <u>31,459</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 7,685,050</u> |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF ALBANY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015, disbursements were made to subrecipients for the following grant programs:

| <u>Program</u> | <u>CFDA</u> | <u>Amount</u> |
|--|-------------|-------------------|
| Community Development Block Grant | 14.218 | \$ 367,443 |
| HUD-Home Partnership Investment Title II Program | 14.239 | 115,480 |
| | | <u>\$ 482,923</u> |

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 no

Identification of major program:

| CFDA Number | Name of Federal Program or Cluster |
|-------------|---|
| 20.106 | Airport Improvement Program |
| 14.239 | HUD-Home Partnership Investment Title II Program |
| 11.307 | Economic Development Cluster – Economic Adjustment Assistance |

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

\$300,000

Auditee qualified as low-risk auditee?

yes no

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2015 - 001. Management of Accounts Payable

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, 2015 as it relates to accounts payable within the SPLOST VI Fund and Non-major Funds.

Context: We addressed this matter with City officials and they were able to determine the adjustments needed for accounts payable in these funds as of June 30, 2015.

Effect: An adjustment to decrease accounts payable in the amount of \$36,364 and decrease expenditures for the same amount was required to be recorded in the SPLOST VI Fund. Adjustments to increase accounts payable in the amount of \$27,123 and increase expenditures/expenses in the same amount were required to be recorded in the Non-major Funds.

Cause: Accounts payable procedures did not capture all unpaid invoices for inclusion as a liability at year end.

Recommendation: We recommend the City strengthen procedures to ensure all accounts payable are recorded at year end.

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure all accounts payable are recorded at year end.

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015 - 002. Management of Inventory

Criteria: Generally accepted accounting principles direct significant amounts of inventory to be reported as an asset and defer the recognition of an expenditure/expense in the period in which the inventory is consumed.

Condition: The City did not properly adjust inventory in the General Fund, Sanitary Sewer Fund, Water Fund, Light Fund, and Non-major Funds as of June 30, 2015 in accordance with the above criteria.

Context: We addressed this matter with City officials and they were able to determine the adjustments needed for inventory in these funds as of June 30, 2015.

Effect: An adjustment to decrease inventory in the amount of \$191,222 and increase expenditures for the same amount was required to be recorded in the General Fund. An adjustment to increase inventory in the amount of \$17,328 and decrease expenses for the same amount was required to be recorded in the Sanitary Sewer Fund. An adjustment to decrease inventory in the amount of \$29,344 and increase expenses for the same amount was required to be recorded in the Water Fund. An adjustment to decrease inventory in the amount of \$154,084 and increase expenses for the same amount was required to be recorded in the Light Fund. Adjustments to increase inventory in the amount of \$286,549, decrease capital assets in the amount of \$261,651, and decrease expenditures/expenses in the amount of \$24,898 were required to be recorded in the Non-major Funds.

Cause: Inventory was not properly adjusted at year end.

Recommendation: We recommend the City strengthen procedures to ensure inventory is properly adjusted at year end.

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015 - 002. Management of Inventory (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure inventory is adjusted at year end.

2015 - 003. Management of Cash

Criteria: Cash includes currency and checks on hand and demand deposits with banks and other financial institutions which are in the name of the City.

Condition: The City did not record all cash accounts related to the Utility Internal Service Fund and the Telecommunication Fund as of June 30, 2015.

Context: We addressed this matter with City officials and they were able to determine the adjustments needed for cash in this fund as of June 30, 2015.

Effect: An adjustment to increase cash by \$438,621 and decrease accounts receivable in the same amount \$438,621 was required to be recorded in the Utility Internal Service Fund. An adjustment to increase cash by \$267,334 and revenue in the same amount was required to be recorded in the Telecommunication Fund.

Cause: Bank account reconciliation procedures did not capture all City bank accounts at year end.

Recommendation: We recommend the City strengthen procedures to ensure all bank accounts are included in the reconciliation process and proper review of the reconciliations are performed in a timely manner.

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015 - 003. Management of Cash (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure all bank accounts are recorded at year end.

2015 – 004. Management of Audit Adjusting Entries

Criteria: Significant balances and transactions in any operation should be recorded, reconciled, reviewed and adjusted on a monthly basis. Specifically, recording of accepted audited adjusting entries should be recorded in the accounting records.

Condition: The City did not properly record the audit adjusting entries in the ADICA Fund identified in the fiscal year ended June 30, 2014 audit.

Context: See above condition.

Effect: An adjustment to decrease fund balance in the amount of \$143,038 and decrease expenditures in the same amount was required to be recorded in the ADICA Fund.

Cause: Review of the equity roll forward was not performed in the ADICA Fund.

Recommendation: We recommend the City implement procedures to ensure all audit adjustments are recorded and all equity accounts reconciled to the year-end financial statements.

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure audit adjustments are recorded and all equity accounts are reconciled at year end.

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015 – 005. Management of Accounts Receivable

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

Condition: The City did not properly adjust unbilled accounts receivable for utility related accounts in the Sanitary Sewer Fund, Storm Water Fund, and Non-major Funds, as of June 30, 2015.

Effect: An adjustment to decrease accounts receivable in the amount of \$298,692 and decrease revenues in the same amount was required to be recorded in the Sanitary Sewer Fund. An adjustment to decrease accounts receivable in the amount of \$20,696 and decrease revenues in the same amount was required to be recorded in the Storm Water Fund. Adjustments to decrease accounts receivable in the amount of \$23,350 and decrease revenues in the same amount were required to be recorded in the Non-major Funds.

Cause: The City did not review all revenue transactions after year-end to determine reporting in the proper period.

Recommendation: We recommend the City review all revenues after year end to determine all items are being properly recorded.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work to properly record all receivable balances at the end of each financial reporting cycle.

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2015 - 006. Failure to Comply with Reporting Requirements

Federal Program Information: Federal Aviation Administration – Airport Improvement Program – CFDA No. 20.106

Criteria: The Federal Aviation Administration requires entities to submit annual performance reports which summarize the activity of work accomplished, future work to be performed, and anticipated completion dates for each project.

Condition: For the year ended June 30, 2015, monthly and annual required reports were not submitted to the Federal Aviation Administration in accordance with the grant agreements.

Context/Cause: Internal controls were not sufficient to allow for the timely preparation and submission of the required performance reports as outlined in the grant agreements.

Effect: Due to the City not submitting the required performance reports as set forth in the grant agreement, the City is not in compliance with the requirement.

Questioned Costs: None noted.

Recommendation: We recommend the City implement internal controls sufficient to allow for the preparation and timely submission of the monthly and annual performance reports in accordance with the grant agreements.

Views of Responsible Officials and Planned Corrective Action: We concur. We will implement procedures to properly submit the required reports in a timely manner.

CITY OF ALBANY, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2014 - 001. Management of Accounts Payable and Accrued Expenditures

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, 2014 as it relates to accounts payable within the SPLOST VI Fund, and accounts payable and retainage payable in the Community Development Fund.

Status: Unresolved. See current year finding 2015-001.

THIS PAGE INTENTIONALLY LEFT BLANK.